

Craven Local Plan; Housing Growth Option Paper: Addendum November 2017

1.0 Introduction

- 1.1 A Housing Growth Options Paper (HGOP) was published in June 2017 alongside the Craven Local Plan Pre-Publication Draft Plan to explain how the Council had determined the proposed housing requirement in the Draft Plan. This is an addendum to that paper and the two documents should be read together.
- 1.2 This addendum (HGOPA) has been produced to respond to some of the concerns raised about the June 2017 HGOP during the Draft Plan consultation and to reflect the most recent evidence on demographic and jobs growth forecasting and housing need.
- 1.3 The following three updates have therefore been taken into account in preparing this paper:
 - Craven Local Plan Demographic Forecasting Update (DFU) Addendum: November 2017
 - Craven Local Plan Strategic Housing Market Assessment (SHMA): November 2017.
 - Craven Local Plan Employment Land Review (ELR) Addendum: November 2017
- 1.4 This addendum generates and assesses additional growth options to those contained in the HGOP and then, taking into account all growth options considered in the two reports, selects the proposed housing requirement for the Publication Draft Plan and gives reasons why the other options have been rejected. This housing requirement is reflected in the Craven Local Plan Publication Draft: Policy SP1.
- 1.5 This addendum paper was approved by the Council's Spatial Planning Sub Committee on 27 November 2017.

2.0 Context: Representations made to the Pre-Publication Draft Plan.

- 2.1 The Pre-Publication Draft Plan was the subject of a six week consultation during June and July 2017. During this time a number of objections were received regarding:
 - a) the content and conclusions of the Housing Growth Options Paper
 - b) the contents and conclusions of the evidence base
- 2.2 These objections are set out in the Council's Policy Response Paper for Policy SP1, Meeting the Need for Housing, published alongside the Publication Draft Plan. The detail of these representations is not repeated here.
- 2.3 **Objections to the Housing Growth Options Paper:** The main issue arising from the objections to the HGOP related to whether the Council had considered all reasonable alternatives to the selected growth option. It was considered by a number of objectors that the plan should consider at least one more growth option between Option C (214 dwellings per annum) and Option D (350 to 400 dwellings per annum (dpa)). The argument made was that there was too large a difference between these two options and that there might be a reasonable alternative

which could be appropriate to select somewhere between the two options. Objections refer to past proposed housing requirements in the Craven Local Plan Drafts and the Regional Spatial Strategy for Craven being significantly higher than Option C, yet also considerably lower than Option D. The figures suggested and main reasons for putting them forward as alternative growth options are:

- **256 dpa** (proposed in the 2016 Draft Plan and assessed by the Council as being sustainable at the time)
- **280 dpa** (better support for economic growth and assist in providing for more affordable housing)
- **290 dpa** (SHMA 2016 objectively assessed housing requirement for Craven District)
- **250 to 300 dpa** (would align better with previous plan's housing requirements and the level of growth achieved in 2008/09 (278 dpa))

- 2.4 The Council, in its Housing Strategy and Action Plan, seeks to maximise the provision of affordable housing through the planning system and the National Planning Policy Framework (NPPF) advises local planning authorities to meet the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the NPPF. As before the 2017 SHMA identifies the relevant housing market area (HMA) as Craven District.
- 2.5 As regards meeting the HMA's full objectively assessed need for housing (FOAN) the 2016 SHMA confirmed that the Option C (214 dpa) housing requirement would achieve this objective. A separate and different method of calculating the full need for affordable housing in the HMA is recommended in the Planning Practice Guidance (PPG) and has been adopted in the Council's SHMA. At the time of publishing the HGOP, again on the basis of the 2016 SHMA, estimated a need for affordable housing in the HMA of 145 dpa. The Council accepted at the time, taking into account a 40% affordable housing contribution on most eligible sites coming forward during the plan period, Option C would fall short of meeting this affordable housing need.
- 2.6 Hence, in view of the importance of seeking to maximise the delivery of affordable housing and subject to the results of the 2017 SHMA, there is justification for considering growth options which are closer to meeting the full objectively assessed need for affordable housing (FOANAH).
- 2.7 **Objections to the evidence base:** Some objections considered the Council's Strategic Housing Market Assessment (SHMA) and the Employment Land Review (ELR) were out of alignment. The ELR used a Regional Econometric Model (REM) published in October 2016, whereas the SHMA and Demographic Forecasting Update had used an REM published earlier in the year. Other objections felt that the SHMA should provide a higher FOAN to reflect the government's policy to address the issue of providing more housing opportunities for newly forming households in the young adult population. Objections were received about when, in the FOAN calculation process, market signals for affordability etc. should be added. Objectors views on this matter would result in a higher than Option C FOAN. Some objections considered that a higher housing growth would better support the plan area's economic prospects. Details of the Council's responses to these objections are given in the Council's Policy Response Paper to Policy SP1.
- 2.8 A combination of the above objections and the publication of more recent evidence on demographics and jobs growth in 2017 have resulted in the Council updating its evidence on these matters and fully aligning the evidence base used. The results of this updating, as far as relevant to the generation of Housing Growth options, are given in Section 3 below.

3.0 Context: Updating/Aligning Evidence Base

- 3.1 Since completion of the Craven Local Plan SHMA 2016, Craven's 2016 mid-year population estimates (MYE) has been published by the Office of National Statistics (ONS), and the Office for Budget Responsibility (OBR) has published its new labour market analysis. Furthermore revised economic forecasts have been produced from the Regional Econometric Model (REM). Hence, to take account of these latest estimates and forecasts, and better align the SHMA and ELR, Edge Analytics has, on behalf of the Council, undertaken a further update which refreshes the underpinning demographic and economic statistics using the latest available evidence. In doing so, a revised suite of growth forecasts have been derived for the district and for the four sub-district areas. Consideration has also been given to the potential impact of higher rates of household formation amongst the young adult population, and the appropriate stage in the FOAN calculation at which to add the market signals uplift.
- 3.2 Arc4 and Nathaniel Lichfield, who undertook the 2016 SHMA and the March 2017 ELR, have used the information from the Edge Analytics DFU Addendum: November 2017, and the March 2017 REM and updated their respective reports. The key findings from the SHMA Update November 2017, relevant to the generation of the Craven Local Plan Housing Growth Options, are as follows:
- The full objectively assessed need for housing (**FOAN**) in the plan area has increased from 182 (SHMA 2016) to **206 dpa**
 - The full objectively assessed need for housing (**FOAN**) in Craven District as a whole, including part of the YDNP has increased from 214 (SHMA 2016) to **242 dpa**.
 - The annualised need for affordable housing has decreased from 145 to **126 dpa**
 - The **proportion of the District's FOAN estimated to be attributed to the National Park** has remained at 15%.
- 3.3 The reasons for these differences are set out in the SHMA 2017 Update and are not repeated here. These findings represent the most up to date housing need figures for the plan area and the District as a whole, having taken into account the objections to the earlier evidence base and the most recent published data on a number of scenarios for growth.
- 3.4 The housing need situation in Craven District and its relationship to the provisions of the NPPF is complicated by the division of the District (the housing market area HMA) into two planning authorities. The Yorkshire Dales National Park Authority is the planning authority for a significant part of the Craven District and has recently adopted its Local Plan setting out its own housing requirement for the whole National Park. The Craven Local Plan will be the adopted plan for that area of the District outside the National Park.
- 3.5 **Therefore using the results of the SHMA 2017 Update, it is concluded that 206 dwellings per annum (4120 dwellings between 2012 and 2032) is the full objectively assessed need for housing to use in the Publication Draft of the Craven Local Plan. This figure satisfies the NPPF requirement for a 'Policy off' housing figure and represents Stage 1 of the process of determining the Local Plan's housing requirement.**
- 3.6 It is now appropriate to assess whether the plan should plan to provide this amount of housing or any other amount based on constraints, opportunities and policy objectives (the latter are 'Policy on' alternatives). This is classified as Stage 2 of the above process. This paper divides stage 2 into two parts. Part A in Section 4 of this paper identifies what additional options/'reasonable alternatives' should be assessed to ensure that the most sustainable

course of action is subsequently chosen. Part B in Section 5 of this paper then assesses these alternatives and selects a plan housing requirement.

4.0 Generation of additional growth options (NPPF Stage 2 (Part A)).

4.1 The most up to date evidence on the FOAN for housing now points to the need to assess two additional growth options which reflect the latest FOAN for both the plan area and for the District as the housing market area. As these options are generated by the same reasons as Options B and C in the HGOP, and merely based on the most up to date estimates, they have been referenced as:

- Housing Growth Option B1 (206 dpa/4,120 dwellings between 2012 and 2032)
- Housing Growth Options C1 (242 dpa/4,840 dwellings between 2012 and 2032)

4.2 In addition to these two new options for growth, consideration is now given as to whether additional growth options should be generated to respond to the objections referred to in paragraph 2.3 above.

4.3 There are three main 'drivers' of the objectors' arguments for at least one option at a higher level of growth to Option C (214 dpa) and a lower level of growth to Option D (350 to 400dpa). These 'drivers' are that such options:

1. have been accepted by the Council as sustainable and an appropriate level of growth for the Pre-Publication Draft Plan in 2016 .
2. would provide for more affordable housing which is not being met by 214 dpa.
3. would be better aligned with the potential future economic circumstances of the area.

The validity of these 'drivers' is discussed below:

1) 2016 Pre-Publication Draft Plan: Policy SP1 identified a proposed housing requirement at 256 dwellings per annum.

4.4 This proposed housing requirement was based on the conclusions of the SHMA 2015 which identified that the plan area's FOAN was 256 dpa and the District's FOAN was 290dpa. This does not reflect the most recent evidence provided in the November 2017 SHMA Update. As regards the sustainability appraisal of this option at the time, clearly lower options would not have met the FOAN and were lacking in terms of this social dimension of sustainable development. Furthermore, the plan was proposing an average density figure of 40 dwellings per hectare for housing development and this was reflected in the housing yield of proposed land allocations. Objections were received on the proposed density in the plan suggesting it was too high. The Council then gathered further evidence on the matter and agreed with objectors that the density should be reduced. In reducing the average density of housing allocations to 32 dwellings per hectare, this significantly increases the amount of land required to meet the same amount of housing. This significant increase in land take was not taken into account in the 2016 Pre-Publication Draft Plan and its sustainability appraisal. The Council disagrees that the use of a housing figure of 256 dpa as the proposed housing requirement in 2016 represents a good reason to return to that growth option.

2) The delivery of more affordable housing

- 4.5 The provision of affordable homes is an important objective of the Council and the Local Plan. It is NPPF advice that in their local plans, local planning authorities should meet the full objectively assessed needs for market and affordable housing. The PPG states that the FOAN, using household projections may require an adjustment to reflect market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Affordable housing is highlighted as one of these indicators that may require an uplift in the FOAN to reflect local circumstances. The SHMA 2017, as earlier SHMA's concludes that such an uplift is appropriate in Craven. The significance of the need for affordable housing in the plan area means that plan preparation should consider alternatives to the Local Plan FOAN of 204 dpa that could either meet the full objectively assessed need for affordable housing (FOANAH) or be as close as possible to meeting it. The Council considered that it had undertaken this by assessing Option D (350/400 dwellings) in the HGOP.
- 4.6 Whether it is necessary to assess an additional option to maximise affordable housing is clearly linked to the ability of any growth option to deliver the FOANAH. A figure for the FOANAH is only available for the whole HMA, and not the plan area. The FOANAH for the HMA (Craven District) has fluctuated in the different SHMA's that the Council has adopted for the purposes of plan preparation as follows:
- 2015 SHMA: 114 dpa
 - 2016 SHMA: 145 dpa
 - 2017 SHMA: 126 dpa
- 4.7 These differences occur due to the use each time of the most up to date data on annual lettings and affordable housing delivery. The 2017 SHMA FOANAH of 126 dpa is the most up to date estimate and lies between the higher and lower estimates. Therefore this is used to estimate the likely contribution of each growth option to the need for affordable housing.
- 4.8 Through the Local Plan Viability Assessment (May 2017), the Council is confident that most housing sites can provide for 40% affordable housing. Some sites will not achieve this level of affordable housing. Therefore, and as an indicative guide regarding the delivery of affordable housing, a figure of 35% delivery is used in this paper.
- 4.9 If the total number of dwellings completed each year in the plan area was 242 dpa (Option C1 above) and 35% of these were affordable, 85 affordable homes would be built out per annum. Of course the YDNP would also be providing for affordable housing within the HMA. The adopted YDNP Local Plan indicates that 27 dpa are likely to be provided within the Craven District and using their plan's policy on new housing sites, and again as an indicative guide, it is estimated that 50% of these homes will be affordable (13dpa). This would aggregate to, and result in the delivery of 98 dpa for affordable housing in the HMA. Clearly this is below the 2017 SHMA need for affordable housing of 126dpa across the HMA. Hence, to seek to maximise the provision of affordable homes, in the plan area and HMA, it is appropriate to consider a higher growth option than Option C1.

3) A housing growth which better supports economic prospects

- 4.10 Jobs led population and household growth forecasts provide the Council with the ability to align new housing growth with the likely prospects for employment growth. The Demographic Forecasting Update: November 2017 provides all the forecasts from the Regional Econometric Model (REM) since 2014. They conclude the following in terms of the average annual dwelling requirement based on the need to support the forecast jobs growth:

- Jobs led REM 2014 – between 238 and 281 dwellings per annum
- Jobs led REM 2016 – between 150 and 190 dwellings per annum
- Jobs led REM 2017 – between 149 and 161 dwellings per annum

4.11 The REM 2014 jobs led forecasts applied different economic assumptions and higher household formation rates compared to the later REM's. Hence they are not directly comparable. Nevertheless, the jobs growth forecast in 2014 is significantly higher than the 2016 and 2017 REM forecasts (ELR: Addendum November 2017). Hence to ensure the plan has considered the highest housing figure that relates to earlier jobs growth forecasts, it may be appropriate to assess an additional housing growth option of 280 dpa.

4.12 An additional source of information having potential for generating a potential alternative housing growth option is the Department of Communities and Local Government's (DCLG's) estimate of Craven District's FOAN using the recently published draft standard methodology.

4) DCLG's estimate of Craven's FOAN.

4.13 The DCLG has published its Housing White Paper detailing a draft methodology for a more standardised approach to FOAN calculation across English local authorities. The DCLG methodology has presented an FOAN estimate for each local authority for a 2016–2026 plan period (at present there are no guidelines published for Council's with an extended Local Plan period or a base date prior to 2016). The published FOAN figure for Craven is 151 *households* per year (2016–2026). In taking account of vacant properties and second homes in the FOAN calculation, the estimated household growth results in an equivalent housing FOAN of 165 *dwellings* per annum (dpa).

4.14 It is proposed by the DCLG to approve a standard approach for calculating all local planning authorities FOAN by 31 March 2018 or as soon as possible after that, following consultation. The main difficulties with considering this figure as a potential housing requirement for the plan area are that it is only a consultation figure and may change. Further the DCLG method would only provide a FOAN figure and Council's would still be required to consider adjustments to this figure to generate a Local Plan's housing requirement. Also the Council wish to submit the Craven Local Plan to the Secretary of State prior to the 31 March 2018. It is therefore too early for the Council to consider this figure as a sufficiently robust account of the FOAN for the District. Waiting till the DCLG approves the standard methodology and the appropriate figure for Craven's FOAN carries the risk of a significant delay in the plan preparation process.

Conclusions

4.15 The above discussion on whether to assess any other growth options in addition to those that reflect the results of the 2017 SHMA suggests that, one more option should be assessed and this is based on the most optimistic of jobs led growth options from the REM in 2014. This results in:

- Option E: 280 dpa (5,600 dwellings) between 2012 and 2032.

4.16 Even this higher growth option is likely to fall short of meeting the FOANAH. This could be a reason to consider an even higher growth option for the plan. However, Section 5 of this paper which assesses the suitability of this paper's growth options indicate that Option E (280 dpa) is highly likely to be an unsustainable and undeliverable option. Hence there is no need to consider any higher alternative growth option to that of Option E.

5.0 Selecting the Preferred Housing Growth Option as the Publication Draft Housing Requirement: NPPF Stage 2 (Part B)

5.1 The June 2017 HGOP determined that Stage 2 of the identification of the plan's housing requirement should include an assessment of 4 growth options. This included the FOAN for the plan area at the time of 182 dpa (Option B), one option below that figure based on past delivery rates (Option A) and two above that figure, one based on the FOAN for the District/HMA (Option C) and the other based on the level of homes likely to be needed to meet or come very close to meeting the identified need for affordable housing (Option D).

5.2 For the reasons given earlier in this addendum, this paper now also assesses 3 additional growth options. They are:

- Option B1: (206dpa/4,120 dwellings between 2012 and 2032)
- Option C1: (242dpa/4,840 dwellings between 2012 and 2032)
- Option E: (280 dpa/5,600 dwellings between 2012 and 2032)

5.3 The assessment of these options is divided into the following headings and has drawn upon the relevant information provided in Section 6 of the June 2017 HGOP. Appendix 1 of this paper sets out a sustainability appraisal and this forms an important part of the Council's assessment to be read alongside the text below:

- Environmental considerations
- Social considerations
- Economic considerations
- A sustainable pattern of growth
- Other considerations: Delivery
- Other considerations: Council strategy, policy and evidence base.
- Other considerations: Housing in the Yorkshire Dales National Park

Environmental considerations

5.4 The Sustainability Appraisal (SA) in Appendix 1 to this paper indicates that, in general terms, the higher the scale of housing growth the greater the anticipated adverse environmental effects. There will be greater loss of agricultural land and land resources, greater likelihood of adverse impacts of heritage, landscape and biodiversity in the higher growth options. Therefore the adverse environmental impact of the options generally increases from Option B1 to C1, with Option E having the highest anticipated adverse impact on the environment.

5.5 The SA assessment of each option against connectivity and reduction in the need to travel provides somewhat inconclusive conclusions, being to a large extent dependent upon the location of new housing. Nevertheless the SA concludes that the higher the level of housing growth and population the greater the need to travel. A high car dependency rate is likely to mean that the greater the need to travel, the higher the environmental cost will be in terms of the emission of 'green house' gases. Option E will generate the highest need to travel.

5.6 The SA gives a significant negative scoring to the impact of flooding on the environment of the District were Option E to be selected. The District has large areas of higher flood risk close to its main settlements and higher housing numbers than 242dpa is likely to require the use of such flood risk areas for new development.

Social considerations

- 5.7 The SA indicates that the higher the housing growth the greater the amount of affordable housing can be delivered across the plan area. The improvement of housing choice in terms of house type, size, tenure, price and location is one of the plan's objectives and significant weight should be given to the provision of affordable homes in the selection of the plan's housing requirement. Clearly then Option B1 would provide for the least affordable homes and Option E would provide for the most. The higher the growth option, the SA states, the more likely pressure is to be put on essential services, the greater is the loss of countryside and the higher are the levels of pollution and congestion. This results in the SA giving more negative scoring on the objective of the promotion of physical, mental and social health and wellbeing to the higher growth options. Of course there would be a counter-balance to this impact with the higher proportion of residents provided with the right type and tenure of housing. The SA gives a significant negative scoring to the impact of flooding on people and property of the District, were Option E to be selected. The District has large areas of higher flood risk close to its main settlements and higher housing numbers than 242dpa may require the use of such flood risk areas for new development.

Economic considerations

- 5.8 The SA indicates that increasing housing numbers will generally have an increasingly positive impact on the economy. Increased jobs will be created in the housing construction industry and increased numbers of residents will result in additional spending in local shops and services. Furthermore, the higher the population the better the chances are of ensuring there is a sufficiently large enough labour force to support local businesses. However, in considering the economic circumstances relevant to the selection of a housing growth option it is necessary to also look at the alignment of housing numbers with jobs growth forecasts. The two most recent jobs growth forecasts in the plan's evidence base (2016 and 2017) indicate a lower number of job creation and housing growth required to support the job creation than the 2014 REM forecast. It is considered that significantly more weight should be given to these forecasts than that of the 2014 forecast. Nevertheless, if the 2014 forecast is realised, Option E would have the best alignment with jobs growth. The uncertainties created by 'Brexit' will have influenced these latest figures, and the jobs growth forecast which suggests 281 dwellings per annum are needed in the District are probably now optimistic. This is because the lower household formation rates of the 2016/2017 forecasts and the lower job creation figures are now considered to be more up to date. However, the recent lower jobs growth forecasts might be pessimistic and may be over reacting to the 'Brexit' uncertainties. If this optimistic to pessimistic range of forecasts is accepted then Options B1 and C1 would provide sufficient population to support a jobs growth between the two 'extremes'. Option B1 being closer to the most recent forecasts than Option C1.
- 5.9 An important part of the issue of providing sufficient labour force for the future is the age profile of the District and plan area. The demographics at present already show a high proportion of the population is over 65. The forecast is that this proportion will increase during the plan period. It is therefore important for the plan to seek to create the conditions in the plan area which will be more attractive to younger people and families. The higher growth options providing for more housing and more affordable housing, and the associated potential improvements to the retail, service and community facilities offer, will better assist in the creation of these conditions than the lower growth options.

A sustainable pattern of growth

- 5.10 In 2016 the Council published as part of this plan's preparation "A Spatial Strategy for Growth Distribution in Craven" which set out alternative spatial strategy options, a preferred spatial strategy option and a sustainability appraisal of the options. Having assessed a number of options, the Council selected *Spatial Strategy Option E: 'A balanced hierarchy of growth'* as an appropriate sustainable spatial strategy for the plan. This strategy seeks to accommodate 50% of the plan area's housing growth in Skipton, with the remainder distributed in accordance with other settlement's significantly lower level service centre roles. Other options assessed included higher and lower % growths for Skipton around the 50%. These were rejected following an assessment of the sustainability appraisal. The plan's chosen spatial strategy has received support in the two draft plan consultations undertaken since the sustainability appraisal was published. One objection to the summer 2017 Draft Plan sought a higher % growth in Skipton. Whilst not proposing to increase the proportion of growth (50%) for Skipton in response to this objection, it is the Council's view that, due to the clear advantage Skipton has in terms of access to jobs, shops, services and community facilities over other settlements in the plan area, and the good prospects the town has to attract additional employment in the future and a younger age group, this proportion of growth should not be reduced. The Council consider that *Spatial Strategy Option E: 'A balanced hierarchy of growth'* remains appropriate to take forward in the plan to be submitted to the Secretary of State.
- 5.11 In the light of the above position, an assessment of whether 50% of each housing growth option can be accommodated in Skipton is an important consideration in the Council's decision making on the plan's housing requirement. In the event that 50% of a growth option's housing figure is unable to be accommodated within Skipton then the plan's spatial strategy will be compromised and more housing would have to be met in settlements with a significantly lower service centre role than planned for in Policy SP4 of the Local Plan.
- 5.12 Appendix 2 to this addendum paper sets out information on all the sites included within the Council's Strategic Housing Land Availability Assessment (SHLAA) in and close to Skipton. This appendix should be read in conjunction with the Council's report on the 'Residential Site Selection Process (incorporating employment sites) June 2017 (RSSP)'. The RSSP explains how SHLAA sites have been assessed and some sites selected for inclusion in a 'Pool' which have the potential for allocation in the Local Plan. Those sites in the 'Pool' are assessed further and the most sustainable sites to meet the planned growth figure for a specific settlement have been selected for allocation in the plan.
- 5.13 A list of SHLAA sites for Skipton is given in Appendix 2 and this distinguishes between those which were not selected for the 'Pool', those that were selected for the 'Pool', and those sites to be included in the Publication Draft Plan Sites. Reasons are given in the appendix on why sites, or parts of sites, did not reach the 'Pool' and why those in the 'Pool' have not been included in the Publication Draft Plan. In view of the importance of maximising the delivery of affordable housing and the importance of Skipton's role in this housing growth, on since the Summer 2017 Pre-Publication Draft Plan, the Council has considered carefully what the maximum housing yield in Skipton can be for the Publication Draft Plan.
- 5.14 Appendix 2 also compares the housing yield assessed by the Council as the maximum appropriate to allocate in Skipton in the Publication Draft and each option's housing yield for

Skipton which would be required to meet the plan’s spatial strategy. The following table summarises this comparison:

Skipton’s maximum housing land allocation yield	50% of Option B1 (Skipton housing land allocation requirement)	50% of Option C1 (Skipton housing land allocation requirement)	50% of Option E (Skipton housing land allocation requirement)
1402	1096	1533	1959

5.15 The figure of 1402 dwellings in Column 1 above has been derived from the Council’s assessment of land availability, suitability and viability of SHLAA sites in Skipton and the process outlined within the RSSP. This figure is reflected in Table 7 of the Publication Draft Plan which sets out the amount of land appropriate to allocate within the settlements of the plan area. The above table compares this ‘Skipton capacity’ yield with housing land allocation requirements for Skipton under each option. This comparison shows that the housing requirement for Skipton to meet Option B1 can be met, whilst the housing requirement for Skipton in Options C1 and E cannot be met. This indicates that to reach the optimum growth level to maximise affordable housing across the plan area and be in accordance with the plan’s spatial strategy, a growth option of between 206 dpa and 242 dpa should be considered.

Other considerations: Delivery

5.16 Past housing completion rates since 2000/01 in the table below have been derived from the Council’s Annual Monitoring Reports and the latest information provided by the Council for inclusion in the 2017 SHMA.

Year	Dwelling completions in the plan area	Policy target
2000/01	165	153 (Structure/Local Plan)
2001/02	180	153 (Structure/Local Plan)
2002/03	300	153 (Structure/Local Plan)
2003/04	235	153 (Structure/Local Plan)
2004/05	206	153 (Structure/Local Plan)
2005/06	164	153 (Structure/Local Plan)
2006/07	199	250 (Reg. Spatial Strategy)
2007/08	134	250 (Reg. Spatial Strategy)
2008/09	278	250 (Reg. Spatial Strategy)
2009/10	79	250 (Reg. Spatial Strategy)
2010/11	127	250 (Reg. Spatial Strategy)
2011/12	240	250 ((Reg. Spatial Strategy)
2012/13	118	tbd (Craven Local Plan)
2013/14	35	tbd (Craven Local Plan)
2014/15	128	tbd (Craven Local Plan)
2015/16	188	tbd (Craven Local Plan)
2016/17	230	tbd (Craven Local Plan)
An.av. (2000/01 to 2005/06)	208	tbd = to be determined
An. av. (2006/07 to 2011/12)	209	

A. a. (2012/13 to 2016/17)	140	
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- 5.17 The above table indicates that Option B1 is closest of the three options being assessed here to the average annual rate of completions over the past 17 years.

Other considerations: Council strategy, policy and evidence base.

- 5.18 In the June 2017 HGOP the strategic and policy context which should inform the Council's decision on the appropriate housing requirement for the Local Plan is summarised. In terms of economic strategy the key aim for the Council is to meet local business needs and ensure there is a good labour supply to meet these local needs. There are no initiatives to create a step change in the economic profile of the District which might justify any significant increases in housing provision above those figures suggested by the demographic and jobs based evidence base. Option B1 is the plan area FOAN and the option which provides the closest housing growth to support the most recent REM job growth forecasts summarised in paragraph 4.9 above and analysed in the plan's Employment Land Review (March and November 2017). As stated earlier in this report the jobs growth forecasts provided as evidence for the Local Plan could be interpreted as providing a range from optimistic to pessimistic. A housing growth option between the two extremes may be the most appropriate. Both Options B1 and C1 would be located between these two extremes.
- 5.19 However, to fulfil the Council's aspirations to maximise affordable housing; attract more young people and families into the District and thereby assist in rebalancing the age profile of the plan area, as well as maximising the workforce potential to support existing local businesses, Options C1 and E have advantages over Option B1. The Council and partners South Lakeland District Council, and the Yorkshire Dales and Lake District National Park Authorities have recently embarked on a three year initiative called 'Great Place'. With the assistance of Heritage Lottery and Arts Council England funding, this initiative aims to achieve a step change in the perception of this part of the Dales and Lakes, to retain and attract younger people to the area.
- 5.20 Using the method of calculation set out in paragraph 4.9 above for each of the options being considered here results in the following level of affordable housing provision. Option B1, along with the 13 affordable homes per annum provided in Craven District within the National Park, would result in 85 affordable homes built out each year. This would provide for 68% of the annual need of 126 affordable homes in the Housing Market Area (HMA). Option C1 plus 13 affordable homes in the National Park would result in 98 affordable homes built out each year. This would provide for 78% of the annual need for affordable housing in the HMA. Option E plus 13 homes in the National Park would result in 111 affordable homes built out each year. This would provide for 88% of the annual need in the HMA. The higher the level of affordable homes to be provided the closer the compatibility the plan would have with the Council's Housing Strategy and Action Plan.

Other considerations: Housing in the Yorkshire Dales National Park (YDNP)

- 5.21 The YDNP Local Plan was adopted in December 2016 and provides the planning policy framework for the whole National Park up to 2030, including part of the Craven District. It seeks to deliver 55 new dwellings per annum across the whole National Park. This is significantly more than the National Parks FOAN of between 32 and 38 dwellings per annum, as identified by the Inspector at the Local Plan Examination. In the June 2017 HGOP and in the explanatory text of the Craven Pre-Publication Draft Plan (2017) this Council expressed its concerns over whether that part of the National Park within Craven District would be able to

provide for the FOAN that this Council's SHMA had identified for it (32 dwellings per annum at that time). In responding to this Draft Plan, the Yorkshire Dales National Park Authority (YDNPA) commented on this concern by Craven. In this response the YDNPA "suggest the plan should not overstate the risks to housing delivery in the Craven District part of the National Park. There is a gross planned housing supply in this area, currently standing at 164 dwellings, and representing 5 years' worth of housing against the notional OAN of 32 dwellings per annum. The National Park Authority is committed to reviewing its housing land supply culminating in a further release of housing land within 5 years."

- 5.22 The YDNPA's Local Plan states at paragraph 4.3 that "The housing target for the local plan area is set at an annual average of 55 dwellings per annum. This is a net figure and will be measured over the year by comparing new dwellings completed to demolitions and change of use to non dwelling uses. This can be disaggregated into the three main housing market areas of Richmondshire (18), Craven (27) and South Lakeland (10)"
- 5.23 The 2017 SHMA now identifies the FOAN of Craven District within the National Park as 38 dwellings per annum. With the YDNPA's Local Plan providing for 27 dpa in the Craven District, using Craven's figures, this suggests a potential shortfall of housing within the National Park part of the Craven HMA of 11 dwellings per annum. Therefore, whilst appreciating the YDNPA's positive planning for growth, using Craven's SHMA figures, there still remains some uncertainty over the an appropriate number of dwellings being built out in the National Park part of the HMA.
- 5.24 The above circumstances suggest that Option C1 would provide the most appropriate housing requirement to ensure that the FOAN for the District and HMA is met.
- 5.25 The highest housing growth Option E, whilst ensuring the FOAN is met, would carry with it, a risk of undermining one of the YDNPA's Local Plan objectives. This objective is to: "Encourage development that will support a growing, diverse and resilient economy, and which will help make the National Park a more attractive option for young adults and people of working age to live in" (Objective 3, Page 7 of the YDNP Local Plan).

Conclusions

- 5.26 Taking into account the relevant evidence base, sustainability appraisal and discussion above and previously set out in the June 2017 HGOP, the Council has selected a housing growth option which will be the housing requirement for inclusion in the Publication Draft Craven Local Plan. The reasons for this selection and the rejection of other options are given below.
- 5.27 Option A, in the June 2017 HGOP remains rejected for the reasons given in the HGOP and particularly because it would not meet the plan areas FOAN. Options B and C in the earlier HGOP represent options based on the 2016 SHMA which is not the most up to date evidence. The Council now gives more weight to the 2017 SHMA and Options B1 and C1 reflect the latest position on the Housing Market Area's full objectively assessed need for housing (FOAN) in this SHMA. Hence Options B and C in the original HGOP are rejected. Option D in the June 2017 HGOP remains rejected for the reasons given in the HGOP. Furthermore, on the basis of the latest figures on the need for affordable housing, this amount of housing is not required.

Housing growth option B1: 206 dwellings per annum (4,120 dwellings) from 2012 to 2032

- 5.28 **is rejected.** This option has some advantages over other options in terms of its lower environmental impact; better alignment with the most recent jobs growth forecasts, and with the past 17 years of housing completions in the plan area. It would provide for the full

objectively assessed need for housing (FOAN) of the Local Plan (Based on the plan area rather than the housing market area).

- 5.29 However, it is the Council's view that this option runs too high a risk that, when combined with the likely delivery of new homes in the Craven District part of the National Park, the FOAN for the housing market area (HMA) as a whole might not be met. Also, whilst this option may contribute in the region of 68% of the housing market area's affordable housing need, if a higher growth option is possible then a greater proportion of this need could be met.

Housing growth option C1: 242 dwellings per annum (4,840 dwellings) from 2012 to 2032

- 5.30 **is rejected.** There would be a high level of confidence that this option would meet both Craven Local Plan's FOAN and that of the housing market area (Craven District). It could provide for about 78% of the need for affordable housing.
- 5.31 However, this level of growth runs too high a risk of conflict with the Spatial Strategy of the Local Plan. There is an insufficient number of new homes that can be provided for on allocated sites in Skipton to meet the town's 50% proportion of the plan areas growth. This would result in the need to allocate more land for housing in the plan area's lower order service centre settlements. This would not represent a sustainable pattern of growth in accordance with the Council's Sustainability Appraisal of Spatial Strategy Growth Options (2016). The delivery of this amount of new dwellings (242) averaged out over the whole plan period would be a significant challenge to the Council and housebuilders. The total plan requirement under this option is 4,840 dwellings. 699 dwellings have been completed in the first five years of the plan period. This leaves 4141 dwellings to be built out over the next 15 years of the plan period, averaging out at 276 dpa. This is considered unlikely to be deliverable.

Housing growth option E: 280 dwellings per annum (5,600 dwellings) from 2012 to 2032

- 5.32 **is rejected:** This option, if deliverable, would comfortably meet the FOAN for the Local Plan and the housing market area. It could provide for about 88% of the identified need for affordable housing.
- 5.33 However, the option runs the greatest risk of adverse impacts on the environment and of a lack of alignment with job growth. This option will generate the highest need to travel. The level of housing growth in this option would not be able to be accommodated in accordance with the plan's spatial strategy. The lack of plan period land capacity in Skipton would mean that a significant number of additional new homes would have to be accommodated in the plan area's lower order service centres settlements and villages to deliver the level of growth in accordance with the plan's spatial strategy. This would not represent a sustainable pattern of growth in accordance with the Council's Sustainability Appraisal of Spatial Strategy Growth Options (2016). These drawbacks to this growth option outweigh the advantages of meeting the majority of the identified need for affordable housing. In any event, these advantages are unlikely to be realised. It appears most unlikely that the housing market would be sufficiently buoyant in the plan area to build out the 326 dwellings per annum required for the remaining 15 years of the plan period.

Housing growth option F: 230 dwellings per annum (4,600 dwellings between 2012 and 2032)

- 5.34 **is selected:** Having rejected all the above housing growth options, it remains necessary to select an alternative option to be the plan's housing requirement. From the above analysis

and conclusions, it appears that the plan's housing requirement should be found between the levels of growth in Options B1 and C1, at a level which would ensure the FOAN for Craven District, including the National Park would be met. One key input for selecting an appropriate figure between these two options is the 'capacity' of Skipton (the primary focus for new housing and employment in the plan area) to accommodate 50% of the plan's housing growth.

- 5.35 The maximum appropriate housing yield for the plan period is estimated at 1402 dwellings. If 230 dwellings per annum were built out over the plan period, this would mean that 1399 dwellings would be required to be met in Skipton to meet the plan areas 50% target. Therefore 230 dwellings per annum is viewed as the maximum growth option that could conform with the plan's Spatial Strategy.
- 5.36 This growth option will more than meet the Local Plan's FOAN of 206 dpa. Along with the likely contribution of new homes in Craven District inside the National Park, this option will meet the FOAN of the HMA (Craven District as a whole) of 242 dwellings (230 dpa in the plan area, 27 dpa in the National Park would be 257 dpa). The affordable homes likely to be built in the housing market area as a whole is estimated to be about 94 dpa. This is 74% of the 126 dwellings per annum identified need in the housing market area. This is not necessarily in conflict with the NPPF, because meeting the affordable housing need is appropriate as far as is consistent with the policies set out in the NPPF. The NPPF seeks to manage patterns of growth to make the fullest possible use of public transport, walking and cycling and focus significant development in locations which are or can be made sustainable; and also advises that plans should be deliverable. Any higher growth options than 230 dpa represent too high a risk of being in conflict with these two objectives/policies in the NPPF. This option will provide for the maximum level of affordable housing which is compliant with the policies of the NPPF.
- 5.37 This option will support the Council's policy aspirations for affordable housing and for attracting more young people and families into the District to assist in rebalancing the age profile of the plan area. It provides for economic growth and should provide for sufficient workforce potential to support the existing and likely future local businesses. In relation to this level of housing's alignment with employment land provision, the SHMA November 2017 Update, recommends a FOAN based upon the scenario of 'PG Long Term' trend data. The ELR indicates that this scenario would result in the need for about 32 hectares of employment land. The Local Plan is proposing to safeguard existing, and allocate new employment land, of about 32 hectares.
- 5.38 A housing growth option of 230 dpa would still be challenging to deliver when compared to the past completion rates of the last 17 years (see paragraph 5.16). However with the Local Plan allocating land for housing to meet 94% of the 4,600 dwelling full plan period housing requirement; no proposed phasing for the development of these sites; and a good proportion of these sites deemed to be available by landowners in the first five years of the plan period, there is reason to be optimistic on delivery. Furthermore, the Council initiative 'Great Place' (see paragraph 5.19) to attract younger people into the District and the recent development partnership agreed with Barnfield Property Investment Ltd to promote and facilitate housing development schemes across the plan area, will make an important contribution to delivering the right number of dwellings in the right places for the right people.
- 5.39 For all the above reasons and due to the drawbacks identified for the other growth options, the delivery of 230 dwellings per annum, along with potentially 80 of these for affordable homes in the plan area represents the most appropriate housing provision target to be identified in the Craven Local Plan: Publication Draft.

5.40 The above decision means that the full objectively assessed need for affordable housing (FOANAH) will not be met. However it is important to reference here that the Council is working hard to maximise the opportunities for affordable housing provision through other means in its housing strategies and action plans. For example, Priority 4 of the Council's Housing Action Plan 2015/16 seeks to return empty properties into use and promote opportunities to registered providers to acquire/lease and refurbish/renovate empty properties. Furthermore, the York, North Yorkshire and East Riding Housing Action Plan 2015/16 seeks to maximise delivery of affordable housing via planning obligations and other means. This Action Plan proposes to achieve this objective through the establishment of a York, North Yorkshire and East Riding Local Enterprise Partnership wide Registered Provider (RP) forum and identify and engage with RPs not active in the area to promote potential opportunities. This Action Plan also seeks to identify and use opportunities to re-develop or re-use existing residential or commercial property for new housing. Finally, the York, North Yorkshire and East Riding Housing Strategy 2015- 2021 provides the overall strategic basis for these action plans and at this strategic level seeks to continue to make the best use of existing stock and increase the supply of good quality new homes across all tenures and locations in line with Local Plans.