



HOMES for LOCAL PEOPLE

Draft Supplementary Planning Document

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www.harrogate.gov.uk/ldf



Draft Supplementary Planning Document on Homes for Local People

1. INTRODUCTION

- 1.1 It is important that everyone living in the Harrogate District has the opportunity of a decent and affordable home. The Council is committed to helping local people who cannot afford to buy or rent homes on the open market in the District.
- 1.2 House prices in the Harrogate District are significantly higher than national and regional averages. Since 1997 there has been a 190% increase in house prices, with the average cost of a house in the District currently approaching £260,000. This is 85% higher than the average price for Yorkshire and Humberside and 19% higher than the rest of North Yorkshire¹. These statistics are reflected in the Harrogate District 2006 Housing Needs Assessment (2006 HNA), which shows that many existing and newly forming households cannot afford to buy or rent open market housing.
- 1.3 A key priority of the Harrogate District Community Plan is to maximise the supply of appropriate and affordable housing. The availability of affordable housing impacts upon the retention of skills and talent in the District and has a major influence upon the local economy and quality of life.
- 1.4 The Council's own stock of land that is available for affordable housing is virtually exhausted. Therefore, under current Government policy, the Council can only deliver the Community Plan's priority by requiring developers to provide affordable housing within new schemes in areas where the HNA has revealed a need. Policies HLP1-5 of the Harrogate District Local Development Framework Core Strategy are the main planning policies by which the Council seeks to achieve this priority.
- 1.5 Once adopted, this leaflet will be the Supplementary Planning Document to Core Strategy Policies HLP1-5 (set out in Annex 1 to this Draft SPD) and form part of the Harrogate District Local Development Framework. The Draft SPD provides further guidance for landowners, developers, applicants, agents and decision takers on how Policies HLP1-5 should be applied to proposals for new residential development. Preparation of the Draft SPD has been undertaken in accordance with the Town and Country Planning (Local Development) (England) Regulations 2004, involving a six week period of public consultation in September and October 2007. The Local Development Scheme timetables the SPD for adoption in November 2008.
- 1.6 The Government requires SPDs to be subject to Sustainability Appraisal at all stages of preparation. This is in order to assess the environmental, economic and social impact of the strategies and policies contained within the SPD, to ensure that it contributes towards the achievement of sustainable development. The Sustainability Appraisal of the Draft SPD is available on the Council's website (www.harrogate.gov.uk/ldf).
- 1.7 The Council is also required to carry out an assessment under Article 6(3) and 6(4) of the Habitats Directive 92/43/EEC to consider the impact of this

¹ Data for Oct-Dec 2006 from www.landregistry.gov.uk

Draft SPD (and other plans and policies) against the conservation objectives of European Sites within Harrogate District and to identify whether it would adversely affect the integrity of those sites. This assessment can be viewed on the Council's Website (www.harrogate.gov.uk/ldf).

- 1.8 This Draft SPD supports Core Strategy Objective 9 - to maximise the provision of homes for local people, with particular priority given to affordable housing.

2.0 THE NATIONAL AND REGIONAL POLICY CONTEXT

- 2.1 The national planning context for Policies HLP1-5 of the Core Strategy is provided primarily by *Planning Policy Statement 3 (PPS3): Housing* and its supporting document *Delivering Affordable Housing* (December 2006). These two documents set out the Government's objective to ensure high quality housing in mixed, sustainable communities for those who cannot afford market housing. They advise that the planning system should deliver a mix of market and affordable housing to support a wide variety of households in both urban and rural areas.
- 2.2 The 2005 Regional Housing Strategy describes North Yorkshire (within which Harrogate District lies) as an area of high housing need. Policy H3 of the Draft RSS advises that the Region needs to increase its provision of affordable housing. It provides a regional context for setting thresholds and targets for affordable housing delivery and also promotes the identification of rural exception sites² if opportunities to provide affordable housing are limited.

3.0 LOCAL AFFORDABLE HOUSING NEED

- 3.1 There is a need for affordable housing across all areas of the District. This is shown in the 2006 HNA, which amongst other things identifies the number of local households who are in unsuitable housing and need to move in order to solve their housing problems, but who cannot afford to rent or buy a home even at lowest market prices. In total, there is a need amongst local households for 830 additional affordable homes in the District each year between 2006 and 2011. This figure is broken down to give the annual affordable housing need in each of 16 sub-areas, plus in each Parish within the sub-areas. It is the sub-area figure that the Council uses to demonstrate need when negotiating affordable housing provision under Core Strategy Policies HLP1-5 (apart from windfall rural exception sites proposed under Policy HLP3, in which case it is generally the level of affordable housing need within the Parish that forms the basis for negotiations).
- 3.2 Annex 2 to this SPD lists the 16 sub-areas and their constituent parishes, which are mapped in Annex 3. Annex 4 identifies the level of affordable housing need in each of the sub-areas, by size of dwelling, whilst Annex 5 shows the level of need in each parish. Further details about affordable housing need in the District are provided in the 2006 HNA, which is published on the Council's website (www.harrogate.gov.uk/ldf).

² For more detail about rural exception sites, see the Council's leaflet 'Housing for Local People in Rural Areas: A Guide for Parish Councils, Landowners and Local Communities', available to download from its website: www.harrogate.gov.uk/housing.

4.0 SITE-BASED AFFORDABLE HOUSING TARGET

Calculating The Affordable Housing Requirement

- 4.1 Core Strategy Policies HLP1 and HLP2 are based on a target for the Council to negotiate 50% affordable housing provision on all new residential developments (subject to housing need in the sub-area). The target will be reduced where the applicant can demonstrate that 50% is not financially viable. This will require submission of a Development Appraisal. Further details of the Development Appraisal process are provided in Section 5.0 below. Annex 6 of this leaflet sets out the information that should be included in a Development Appraisal and also provides a worked example.
- 4.2 In terms of Policy HLP2, where odd numbers of dwellings are proposed, the target will be rounded down to the nearest number (e.g. on a development of 3 houses, the Council will usually negotiate for 1 affordable dwelling).
- 4.3 The 50% affordable housing target will be calculated based on the gross number of dwellings proposed. Dwellings to be redeveloped/replaced will therefore be included, but existing dwellings proposed to be retained, refurbished or extended will be excluded from the calculation. For example:
- if the proposal is to replace 1 dwelling with a new dwelling, negotiations will be based on the 1 new dwelling to be provided. A financial contribution will therefore be required under Policy HLP1;
 - if the proposal is for the conversion of 1 dwelling to 3, negotiations under Policy HLP2 will be based on the 3 new dwellings to be provided and not the net difference of 2;
 - if the proposal is for the demolition of 2 dwellings and replacement with 3, negotiations under Policy HLP2 will be based on the 3 new dwellings to be provided and not the net difference of 1;
 - if the proposal involves the retention of 1 dwelling and erection of a further 3, the negotiations under Policy HLP2 will be based on the 3 new dwellings.
- 4.4 Where the Council considers that the number of units proposed is inappropriate for the site area or the building to be converted, a revised scheme will be negotiated at the more appropriate density. This may increase (or decrease) the affordable housing requirement under Policy HLP1 or HLP2.
- 4.5 The site area will be based on the gross developable area (in hectares) of the red-lined site boundary on a planning application. The gross developable area will exclude major distributor roads and existing private driveways. It will include access roads within the site, car parking areas serving the development, landscaped areas, children's play areas and other areas of open space. In mixed developments incorporating other non-residential uses (e.g. a school, a crèche, offices) the area will be measured around the housing site and its access roads.
- 4.6 In some cases there will be no naturally defined site boundary on the ground and a new curtilage will be created (e.g. some farm building conversions). In such cases a view will be taken on what is a reasonable area (e.g. for a garden) and a condition will be applied to ensure that this boundary is defined by permanent means on the ground.

Agricultural/Forestry Worker and Service Family Accommodation

- 4.7 Proposals for agricultural / forestry worker housing and Service Family Accommodation will be treated as applications for dwellings and provision of affordable housing will therefore be required.

Care and Retirement Accommodation

- 4.8 Institutional care homes and nursing homes fall within Use Class C2 (Residential Institutions) of the Use Classes Order and therefore are not subject to a requirement to provide affordable housing under Policies HLP1 or HLP2. However, sheltered and retirement housing falls within Use Class C3 (Dwellinghouses). Policies HLP1 and HLP2 will therefore apply to proposals for such accommodation.
- 4.9 Other forms of care accommodation (e.g. assisted living, extra care and close care), which are self contained, will be exempt from the requirements of Policy HLP1 and HLP2 if the Council is satisfied that the proposed development is genuinely one that is concerned with the giving of personal care to people occupying the properties, who are in need of that care. To this effect, the development should, as a preference, accept referrals from North Yorkshire County Council's Adult and Community Services (who have responsibility for social services in the District – see section 13.0 below for contact details). Alternatively, the applicant's own criteria for assessing potential residents should be approved by North Yorkshire County Council to ensure that all residents are in need of care, prior to planning permission being granted. In either case, at any one time the development should accommodate more than simply 'low dependency' residents and preferably a range of dependency needs.
- 4.10 The applicant will usually be required to complete a unilateral undertaking so that the measures described are legally binding. To be exempt from affordable housing requirements, it is also preferable, although not essential, that the proposed development incorporates rooms and facilities designed for the communal use of, and to provide significant levels of care for, the residents.
- 4.11 Where the applicant does not agree to the involvement of North Yorkshire County Council, the proposed development will be regarded as falling within Use Class C3. Each unit of accommodation will be treated as a single dwelling and provision of affordable housing will be sought in accordance with Policies HLP1 or HLP2, as relevant.
- 4.12 Applicants for these other forms of care accommodation are required to complete an Extra Care Housing Proforma and submit this with their planning application, alongside the completed unilateral undertaking. The unilateral undertaking and the Extra Care Housing Proforma are available to download from the Council's website (www.harrogate.gov.uk). The planning application will not be validated unless accompanied by a completed Extra Care Housing Proforma and unilateral undertaking³.

³ If the applicant does not agree to the involvement of North Yorkshire County Council and the proposed development is therefore regarded as a C3 Use, the applicant will need to submit

Rural Exception Sites

- 4.13 For both *allocated* and *windfall* rural exception sites coming forward under Policy HLP3, no more than 12 dwellings will normally be permitted on any one site, in the interests of promoting mixed and sustainable communities and minimising the impact of development upon the village and its landscape setting.

5.0 FINANCIAL VIABILITY AND DEVELOPMENT APPRAISALS

- 5.1 Under Policies HLP1 and HLP2, applicants will be required to carry out and submit a Development Appraisal with the planning application in order to justify the level of affordable provision if it is below the Council's 50% target. Appraisals will be evaluated by the Council's Valuation Surveyor and treated in the strictest confidence. The Appraisal should cover all of the costs and expected receipts arising from the development to provide a net residual valuation. Where it can be demonstrated that it is not financially viable to provide affordable housing at the level required by the Council, the 50% target will be reduced. Further guidance on Development Appraisals is set out in Annex 6 to this leaflet.

6.0 NEGOTIATING THE TYPE, SIZE AND TENURE OF AFFORDABLE HOUSING

- 6.1 In terms of the District as a whole, the 2006 HNA has identified:
- an approximate split in affordable housing need of 35% low cost home ownership (i.e. PPS3 'intermediate' housing, which includes shared ownership, now known as Newbuild Homebuy, and discounted homeownership) and 65% subsidised rented housing;
 - a predominant requirement for smaller 'general needs' housing; and
 - very little need for additional affordable housing amongst elderly person households.
- 6.2 In terms of Policies HLP1, HLP2, HLP3 (*allocated* rural exception sites), HLP4 and HLP5, when negotiating the tenure, type or size of affordable housing to be provided on any one site, consideration will be given to the kind of housing most needed in the sub-area as evidenced by the 2006 HNA (or future up-dates), together with the site's location and access to services, facilities and public transport. For example, in some countryside locations, residents would generally be at risk of social exclusion were they not car users and earning at least a modest income, these being prerequisites for a household to maintain reasonable access to schools, shops, employment, social activities etc. In these locations, the most appropriate form of affordable housing is therefore likely to be low-cost home ownership ('intermediate'), where a qualifying household has insufficient income to afford market housing yet has sufficient income to maintain a reasonable and sustainable lifestyle in that location.

an Affordable Housing Proforma with their planning applications – see paragraph 11.2-3 this leaflet for more details).

- 6.3 For *windfall* rural exception sites coming forward under Policy HLP3, the relevant area for consideration of need will be the parish or group of parishes.

7.0 DELIVERING THE AFFORDABLE HOMES

- 7.1 It is expected that affordable homes provided under Policies HLP1-5 will be delivered in partnership with a Registered Social Landlord (RSL), to ensure long-term affordability of the homes or, should restrictions be lifted (e.g. where a tenant has a legal right to purchase the home), that secure arrangements are in place to recycle any subsidy for alternative affordable housing provision (see section 12.0 below for details of the Council's partner RSLs). Where alternative providers are proposed, the Council will wish to satisfy itself that equivalent arrangements are in place to secure the same management standards and a long term management presence.

Policy HLP1 and Policy HLP2 (commuted provision by financial contribution)

- 7.2 Policy HLP1 requires, and Policy HLP2 allows in rare cases⁴, affordable housing to be provided off-site by means of a financial contribution.
- 7.3 The level of financial contribution required under Policy HLP1 (£35,000 per dwelling, subject to financial viability – see section 5.0 above) is derived from lower quartile property prices in the District's urban and rural areas and will be reviewed annually.
- 7.4 Based on projected Housing Corporation grant rates for 2008-2011, two 'single dwelling financial contributions' of £35,000 per dwelling should enable an RSL to acquire a dwelling on the open market within the entry-level price range indicated below and refurbish it where necessary. Based on data from October 2006, the range of property values at which RSLs will be acquiring properties is:
- £135,000 - £160,000 (in the District's urban areas)⁵
 - £185,000 - £200,000 (in the District's rural areas)⁶⁷
- 7.5 Payment of the financial contribution will normally become due upon commencement of development. However, where an applicant proposes to build a single dwelling for occupation by family members⁸, it will be possible to

⁴ i.e. flatted development, where the developer can demonstrate that service charges cannot be controlled to ensure that the affordable units remain affordable.

⁵ The urban areas are the Harrogate sub-area (including Pannal Village), the Knaresborough and Scriven sub-area and the Ripon sub-area. Where possible, developer contributions arising from development in Pannal Village will be spent on providing affordable housing in the village.

⁶ Values are based on property prices for 2 and 3 bedroom houses for sale in the District in October 2006, taken from the websites www.nethouseprices.com and www.rightmove.co.uk.

⁷ Given land values in the District (see p.103, Appendix 6 of the Submission Core Strategy), the value of a site with planning permission for 1 dwelling will far exceed its value without permission (i.e. its existing use value). Most planning applications for single dwellings will therefore be able support a financial contribution of £35k, wherever in the District the site is located.

⁸ Defined, for the purposes of deferring financial contributions under Policy HLP1, as the children of the person applying for planning permission.

defer payment until such time as the property is sold on the open market. Payment will be secured by means of a legal agreement.

7.6 In terms of Policy HLP2, the level of developer contribution required should allow an RSL to secure an amount of affordable housing that is equivalent to 50% of the combined sites' gross yield. Payment will become due upon commencement of development.

7.7 Financial contributions generated under Policies HLP1 and HLP2 will be pooled and used to provide affordable homes in one of the following ways:

- New-build affordable housing (including the development of exception sites in the rural areas, or other new-build affordable housing sites where Social Housing Grant is limited or not available);
- Conversion of empty properties to affordable housing;
- Purchase (and repair) of existing market housing for occupation as affordable housing.

7.8 Financial contributions generated in Harrogate, Knaresborough and Ripon will be transferred annually to RSLs, who will spend them on providing affordable housing in the town of origin. Contributions arising elsewhere will also be transferred to RSLs on an annual basis and used to provide affordable homes across the rural areas of the District, ensuring an appropriate geographical spread.

Policies HLP2 (on-site and off-site provision), HLP4 and HLP5

7.9 Irrespective of the affordable housing tenure, a nominated RSL will purchase completed homes from the developer at specified prices that are within limits set by the Housing Corporation and affordable to those in housing need (based on an analysis of incomes from those households identified by the 2006 HNA). Current transfer prices to developers for a range of standard house types and sizes are given below. These will vary according to the size of dwelling. Current transfer prices to developers for one, two and three-bed dwellings are given below. If design/site constraints mean there is a variation from the 'target' square meterage for a property with a set number of bedrooms, the Council will consider negotiating the target prices up or down, based on the equivalent target price per square metre for a dwellings with that number of bedrooms. The price per square metre for a three-bed dwelling will be used to calculate prices for four-bed (or larger) dwellings.

7.10 It should be noted that the sizes in the table below are the minimum anticipated dwelling sizes to meet Housing Corporation Quality Standards, which dwellings must meet in order to receive Social Housing Grant. Therefore, where prices relate to properties which are to be subsidised rented or Newbuild Homebuy (shared ownership) dwellings, the Council will not normally be able to negotiate down on property sizes. Prices in the table below will be reviewed annually and the latest figures will be posted on the Harrogate Borough Council website (www.harrogate.gov.uk/housing).

Transfer prices for affordable homes negotiated under Policies HLP1, 2 4 & 5		
Unit type	Size (sq ms)	Price to developer (£)
1 bed	50	53,061

2 bed	70	65,871
3 bed	90	79,230

- 7.11 All affordable homes (including curtilages and parking) should be constructed to current Housing Corporation quality and space standards applicable to the property type, including environmental sustainability accreditation (e.g. Code for Sustainable Homes, currently Level 3), internal and external environmental standards. Affordable homes for both rent and low cost home ownership should meet and preferably exceed these standards. For details of current standards please refer to the Housing Corporation website (www.housingcorp.gsx.gov.uk).
- 7.12 All housing projects must also be compliant with Secured by Design (SBD). Information about this security standard is available from www.securedbydesign.com. Police Architectural Liaison Officers should be contacted at the earliest possible design stage and all reasonable steps taken to ensure that projects acquire SBD certification. Harrogate Borough Council and the Housing Corporation strongly support the use of Secured by Design as a cost effective preventative approach to crime reduction and security, and developers must demonstrate that they have effectively engaged with this process.
- 7.13 Certain types of affordable housing (i.e. all subsidised rented housing and shared ownership/Newbuild Homebuy) are part funded by Social Housing Grant and normally owned and managed by an RSL. Discounted homeownership housing is not grant-funded and is sold by an RSL to a local purchaser on long leasehold.

Policy HLP3

- 7.14 Rural Exception Sites are developed on land that, due to planning constraints, is not appropriate for open market housing. Because of this and the requirement that the houses are affordable in perpetuity, the value of the land is a small multiple of its current use value (usually agricultural). The landowner will normally transfer the land to an RSL, who will then develop it for affordable housing. The price that an RSL pays for an exception site can vary and will be negotiated with the landowner, up to a maximum of £5,000 per plot or per home (under current Housing Corporation policy).
- 7.15 Landowners who are interested in developing a piece of land as a Rural Exception Site are encouraged to contact the Council's Rural Housing Enabler (see section 13.0 below for contact details).

8.0 DEVELOPMENT EXPECTATIONS

'Pepper Potting'

- 8.1 As regards Policy HLP2, in order to integrate different tenures, on larger developments (of 15 units or more) the Council will not support the principle of grouping all affordable housing units together in one part of the site (unless the development comprises of flats – see paragraph 8.2). Instead, new residential developments should be designed so that the affordable housing is 'pepper potted' amongst the open market housing. If the applicant can demonstrate to the Council's satisfaction that this is not practical, smaller

clusters of between 5 and 8 affordable homes located throughout the development will be considered appropriate.

- 8.2 In the case of flatted developments, the affordable units should usually be located together in one block. This is to ensure that service charges, insurance etc can be managed by the RSL so that the flats remain affordable.
- 8.3 Applicants are advised to contact the Principal Development Officer (Housing) at the pre-application stage to discuss the appropriate level of pepper-potting for their proposed development (see section 13.0 below for contact details).

Design Issues

- 8.4 As with all other forms of residential accommodation, the Council expects affordable housing to be built to a high standard of design and amenity. In the interests of delivering sustainable and integrated communities, the affordable homes should be similar to the open market housing in terms of style, quality of specification and finish, and materials. The units should be designed to suit the affordable housing type that is required and built to Housing Corporation quality and space standards, or such variation as may be agreed with a partner RSL (see paragraphs 7.11 and 7.12 above).
- 8.5 As with open market housing, affordable homes should be provided with car, motorcycle and cycle parking spaces in accordance with the Council planning policies and with consideration to the location and accessibility of the site to services and employment etc. For example, the level of car parking may be reduced to take account of the proximity to public transport services, essential facilities (e.g. shops, schools) and employment. However, an appropriate number of car parking spaces should be located close to the affordable housing units to meet the needs of people with disabilities. Developments with the potential to generate significant traffic implications may be required to prepare a Transport Assessment and submit this with the planning application.

Layout Plans

- 8.6 For full planning applications, the location and number of affordable housing units/plots should be specified on layout plans, together with parking provision. Details of the size and number of bedrooms within each dwelling should also be clearly marked up and different colours used to identify the different affordable housing tenures (if relevant).
- 8.7 In the case of outline planning applications, the delivery of affordable housing must be agreed in principle. The Council will require details of the numbers and types of affordable homes to be provided and, once agreed, this will be set out in a Section 106 Agreement.

9.0 CONTROLLING THE OCCUPANCY OF AFFORDABLE HOMES

- 9.1 The Council's preferred approach to controlling the occupancy of affordable homes provided under Policies HLP1-5 is by an RSL.
- 9.2 To qualify for an affordable home provided under Policies HLP1, HLP2, HLP3 (allocated sites only), HLP4 and HLP5, a household must have an identified housing need and meet at least one of the following occupancy criteria:

- a) currently live in the area or have lived there for at least 2 years; or
 - b) have close family ordinarily resident in the area, for a minimum period of 5 years previous (family is defined as children, parents and siblings); or
 - c) have previously lived in the area for a continuous period of at least 10 years; or
 - d) be in permanent employment in the area.
- 9.3 The 'area' will initially be the housing needs sub-area within which the site is situated (as defined by the 2006 HNA – see Annex 1 for details of sub-areas). If the affordable home remains unallocated after an appropriate period, the area will be extended to the District as a whole.
- 9.4 A legal agreement between the landowner, Council and RSL will be used to ensure that the homes are retained as affordable and only occupied by people meeting one of the above criteria upon every future re-sale or re-let, for as long as there is an affordable housing need in the sub-area, or, should restrictions be lifted (e.g. where a tenant has a legal right to purchase the home), that secure arrangements are in place to recycle any subsidy for alternative affordable housing provision.
- 9.5 In terms of affordable homes provided on windfall rural exception sites under Policy HLP3, a household will qualify for occupancy if it has an identified housing need and a 'local connection' to the parish (or group of parishes – see below)⁹. The Council will consult the Parish Council on the local connection someone needs to have in order to be offered a home, based on the criteria in paragraph 9.2 above. Any departure from these criteria will be subject to approval by the Cabinet Member (Housing). The criteria will be enforced using a legal agreement, which will also ensure that the dwellings remain affordable and only available for people in housing need and with a local connection in perpetuity.
- 9.6 Another possibility for the Parish Council to consider (particularly in a small parish) with windfall rural exception sites is whether to group together with a neighbouring parish or parishes, in order to ensure that sufficient local need is identified to make a scheme financially viable. In such cases, the legal agreement can stipulate that the people with a local connection to the parish containing the rural exception site have priority on the affordable homes to be built.

10.0 MONITORING THE PROVISION OF AFFORDABLE HOUSING

- 10.1 PPS3 requires the Council to set a District-wide target for the amount of affordable housing that will be delivered each year during the lifetime of the Core Strategy. It is important that this target is realistic and achievable. The Core Strategy therefore sets a target, in the form of a performance indicator, to deliver a minimum of 160 affordable homes per year across the District through the application of Policies HLP1, 2, 4 and 5.

⁹ Or in the case of Pannal/Burn Bridge/Spacey Houses, a local connection to the village.

- 10.2 160 homes represents 40% of the District's 400 per year housing allocation¹⁰. It is based on the fact that, over the past four years, the Council has successfully negotiated an average of approximately 40% affordable housing on qualifying sites (against a site target of 50%), taking financial viability and 'rounding down' into account (n.b. this 40% does not take into account any affordable homes delivered on rural exception sites during the past four years, or on other 100% affordable housing sites). The indicator is considered to be realistically achievable within the context of capital funding opportunities and the supply of land for new affordable housing in the District. Achievement of the indicator will be highly dependent upon the Council maximising the amount of affordable housing on new sites coming forward for development during the Plan period¹¹.
- 10.3 Should more than 160 new affordable homes be completed in any one year from Policies HLP1, 2, 4 and 5, the Council will not reduce the indicator in the following year and will continue to negotiate for the provision of affordable housing as normal. If the annual requirement is fulfilled in any sub-area, the Council will also continue to seek affordable housing up to the levels required for the period covered by the 2006 HNA (and beyond, if evidenced by a more up-to-date Needs Assessment). This is because the actual need for affordable housing in the District is considerably greater than 160 per year.
- 10.4 The Core Strategy also sets an indicator for the number of Rural Exception Sites completed each year under Policy HLP3.

11.0 PLANNING PROCEDURES

- 11.1 To help developers make informed land purchase arrangements, the Council encourages applicants to engage in pre-application discussions with the Principal Development Officer (Housing) on the scale and type of affordable housing provision required (see section 13.0 below for contact details). The Council wishes to avoid situations where the developer purchases land without taking the requirement to provide affordable housing into account. Developers should not expect that the requirement to provide affordable housing will be waived where this has not been accounted for in the land purchase price.
- 11.2 In the interests of speeding up the application process, where a proposed development gives rise to a requirement for affordable housing under Policies HLP1 and HLP2, the applicant is required to complete an Affordable Housing Proforma, giving details of the financial contribution / affordable housing that he/she proposes to deliver. Details on the Affordable Housing Proforma should be agreed in consultation with, and the Proforma countersigned by, the Principal Development Officer. The Affordable Housing Proforma should then be submitted to the Planning Division as part of the planning application.

¹⁰ The performance indicator is based on the District's housing allocation set out in the RSS Panel Report in May 2007. The allocation may change upon adoption of the RSS, whereupon the indicator may also need to be amended.

¹¹ The Council's 2006 Housing Strategy sets a separate target to deliver between 150 and 170 additional affordable homes per year from all sources, not only planning policy sites. Other sources include rural exception sites, the Empty Property Strategy and Homebuy grants.

- 11.3 The Affordable Housing Proforma is available to download from the Council's website (www.harrogate.gov.uk/planning). The Council will not validate a planning application where there is a requirement to provide an element of affordable housing under Policies HLP1 or HLP2 and the application is not accompanied by a completed and countersigned Affordable Housing Proforma.
- 11.4 The Council has two model legal agreements for affordable housing (one for subsidised rented/shared ownership dwellings and the other for discounted homeownership dwellings) which will be provided at the pre-application stage by the Principal Development Officer once the tenure of the affordable housing has been agreed. The models are also available to download from the Council's website (www.harrogate.gov.uk/planning). However, it should be stressed that these models are a framework for the final legal agreement and may be subject to change.

12.0 JOINT COMMISSIONING

- 12.1 The Council has joint commissioning arrangements with five partner RSLs. All have affordable housing stock within the District and are supported by the Council for further development. All partners work to the same financial parameters to ensure that homes that are delivered are affordable to local people. The Council will nominate an RSL partner to work with the developer at a point when the numbers and types of affordable homes have been agreed with the Principal Development Officer. Currently, partner RSLs are:

- Accent Yorkshire
- Harrogate Families Housing Association
- Home Housing Association Ltd
- Leeds Federated Housing Association
- Yorkshire Housing Association

- 12.2 Current joint commissioning arrangements are due to be reviewed by April 2009.

13.0 CONTACTS AND PUBLICATIONS

- 13.1 Should you require any further assistance or clarification of affordable housing policy, please contact the Forward Planning Unit or Department of Community Services detailed below. If your query relates to a specific planning application, your first contact should be the Development Control Case Officer dealing with the proposal/application on their direct dial telephone number, or calling Planning Enquiries on 01423 556666 if this is not known.

Katharine Lane
Senior Planner
Forward Planning Unit
Dept of Development Services
Knapping Mount
West Grove Road
Harrogate HG1 2AE
Tel: 01423 556585
Fax: 01423 556540

Jenny Wood
Principal Development Officer
Dept of Community Services
Springfield House
Kings Road
Harrogate HG1 5NX
Tel: 01423 556891
Fax: 01423 556810

Katharine.Lane@harrogate.gov.uk

Khyati Vaughan
Rural Housing Enabler
Dept of Community Services
Springfield House
Kings Road
Harrogate HG1 5NX
Tel: 01423 551656
Fax: 01423 556810
Khyati.Vaughan@harrogate.gov.uk

Jenny.Wood@harrogate.gov.uk

Paula Broadbent
Project Manager
Extra Care Strategic Dev't
County Hall
Northallerton
North Yorkshire DL7 8AD
Tel: 07791 200891
Paula.Broadbent@northyorks.gov.uk

Useful publications include:

- Harrogate District Housing Needs Assessment 2006. David Cumberland Housing Regeneration Ltd, on behalf of Harrogate Borough Council, 2007. www.harrogate.gov.uk/ldf
- Planning Policy Statement 3: Housing. DCLG, 2006. www.communities.gov.uk
- Delivering Affordable Housing. DCLG, 2006. www.communities.gov.uk
- Housing for Local People in Rural Areas: A Guide for Parish Councils, Landowners and Local Communities. Harrogate Borough Council, 2007.

Harrogate District LDF Submission Core Strategy

Policies to deliver Homes for Local People

POLICY HLP1: AFFORDABLE HOUSING PROVISION: SINGLE DWELLING DEVELOPMENTS

On single dwelling developments throughout the District, the Council will negotiate a financial contribution to secure an element of affordable housing off-site. Negotiations will be subject to site viability and the extent of local need for affordable housing.

Suitable arrangements will be made to ensure that the affordable homes provided under this policy are available initially and successively to local people in affordable housing need, for as long as the local need exists.

POLICY HLP2: AFFORDABLE HOUSING PROVISION: DEVELOPMENTS OF TWO OR MORE DWELLINGS

On developments of two or more dwellings, the Council will negotiate for 50% of the total number to be provided as affordable housing on-site.

All negotiations will be subject to site viability and the local need for affordable housing.

Suitable arrangements will be made to ensure that the affordable homes provided under this policy are available initially and successively to local people in affordable housing need, for as long as the local need exists. This will normally include a legal agreement between the Developer, the landowner and the Council.

POLICY HLP3: AFFORDABLE HOUSING PROVISION: RURAL EXCEPTION SITES

The Site Allocations (Homes and Jobs) DPD will allocate small rural exception sites within or on the edge of Group B and C settlements listed in Policy SG1. These sites will be solely for the provision of affordable housing to meet the needs of local people from within the housing needs sub-area.

Planning permission will also be granted for the release of small rural exception sites for 100% affordable housing where all of the following criteria are met:

- the site is within or on the edge of a Group B settlement, Group C settlement or the main built-up form of another rural settlement not listed in Policy SG1;
- a need has been identified in the parish, or in one or more neighbouring parishes, for the type and scale of development proposed and shows that the scheme will meet the need that has been identified;
- the proposed development is sympathetic to the form, character and landscape setting of the village and is in accordance with normal policy requirements relating to design, scale, access, parking, landscaping and highway safety;
- the site is not protected for recreation, amenity, nature conservation, landscape or heritage value.

Suitable arrangements will be made to ensure that the affordable homes provided under this policy are available in perpetuity to local people in affordable housing

need. This will normally include a legal agreement between the Developer, the Landowner and the Council.

POLICY HLP4: AFFORDABLE HOUSING PROVISION: NEW BUILD ASSOCIATED WITH RURAL CONVERSION SCHEMES

Outside the development limits of Group A, B and C Settlements, new-build affordable housing may be permitted as part of schemes to convert existing rural buildings, provided that it complies with the criteria set out in Policy SG4.

Suitable arrangements will be made to ensure that the affordable homes provided under this policy are available initially and successively to local people in affordable housing need, for as long as the local need exists. This will normally include a legal agreement between the Developer, the Landowner and the Council.

POLICY HLP5: REPLACEMENT OF RESTRICTED OCCUPANCY CONDITIONS

Where, exceptionally, planning permission is granted to relax an agricultural worker, forestry worker or holiday occupancy condition, the future occupancy of the dwelling will be limited by means of a legal agreement or planning condition to a household within a connection to the local area.

Housing Needs Survey – Sub-Areas and Parishes

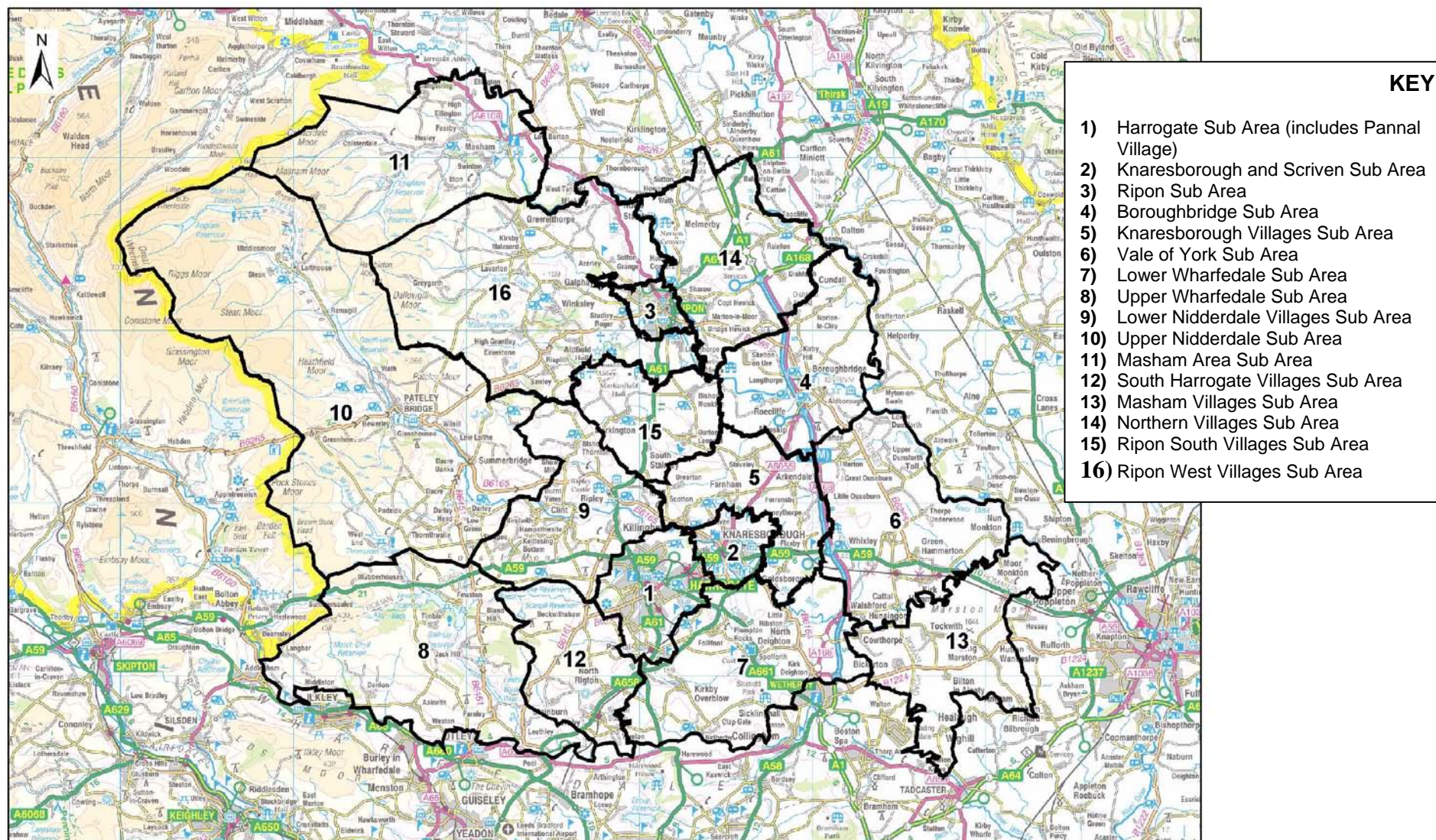
The table below provides a breakdown on the composite parishes/wards contained within each of the 16 sub-areas used in the analysis of the Harrogate District 2006 Housing Needs Assessment

Sub-Area Name	Parish / Ward	
Harrogate	Harrogate ¹²	
Knaresborough & Scriven	Knaresborough	Scriven
Ripon	Ripon	
Boroughbridge	Boroughbridge Ellenthorpe Kirby Hill Milby Norton-le-Clay Skelton on Ure Westwick	Cundall w Leckby Humberton Langthorpe Newby w Mulwith Rocliffe Thornton Bridge
Knaresborough Villages	Arkendale Coneythorpe & Clareton Farnham Flaxby Scotton Walkingham Hill w Occaney	Brearton Copgrove Ferrensby Goldsborough Staveley
Vale of York	Allerton Maul. w Hopperton Dunsforth Green Hammerton Kirby Hall Little Ouseburn Nun Monkton Thorpe Underwoods	Cattal Great Ouseburn Hunsingore Kirk Hammerton Marton cum Grafton Thornville Whixley
Masham Area	Burton-On-Yore Ellingstring Fearby Ilton-cum-Pott Swinton w Warthermarske	Colsterdale Ellington High & Low Healey Masham
Lower Wharfedale	Follifoot Kearby w Netherby Kirkby Overblow North Deighton Sicklinghall	Great Ribston w Walshford Kirk Deighton Little Ribston Plompton Spofforth w Stockeld
Upper Wharfedale	Askwith Castley Farnley Great Timble Lindley Middleton Newall w Clifton Weston	Blubberhouses Denton Fewston Leathley Little Timble Nesfield w Langbar Norwood
Lower Nidderdale	Birstwith	Bishop Thornton

¹² Harrogate Sub-Area includes the village of Pannal/Burn Bridge/Spacey Houses

Villages	Clint cum Hamlets Hampsthwaite Nidd Part of Saltergate Ward	Felliscliffe Killinghall Ripley
Upper Nidderdale	Bewerley Fountains Earth High & Low Bishopside Stonebeck Down Thornthwaite w Padside Warsill	Dacre Hartwith cum Winsley Menwith w Darley Stonebeck Up Thruscross
Marston Villages	Bilton-in-Ainsty w Bickerton Moor Monkton Wighill	Long Marston Tockwith Wilstrop
South Harrogate Villages	Haverah Park North Rigton Weeton	Pannal (Parish) Stainburn Huby
Northern Villages	Asenby Bridge Hewick Dishforth Hutton Conyers Melmerby Norton Conyers Sharow	Baldersby Copt Hewick Givendale Marton-le-Moor Middleton Quernhow Rainton w Newby Wath
Ripon South Villages	Bishop Monkton Markingfield Hall South Stainley w Cayton	Burton Leonard Markington w Wallerthwaite
Ripon West Villages	Aldfield Eavestone Grewelthorpe Laverton Littlethorpe Sawley Studley Roger	Azerley Grantley Kirkby Malzeard Lindrick w Studley R. & Fountains North Stainley w Sleningford Skelding Winksley

Housing Needs Sub-Areas in Harrogate District



- KEY**
- 1) Harrogate Sub Area (includes Pannal Village)
 - 2) Knaresborough and Scriven Sub Area
 - 3) Ripon Sub Area
 - 4) Boroughbridge Sub Area
 - 5) Knaresborough Villages Sub Area
 - 6) Vale of York Sub Area
 - 7) Lower Wharfedale Sub Area
 - 8) Upper Wharfedale Sub Area
 - 9) Lower Nidderdale Villages Sub Area
 - 10) Upper Nidderdale Sub Area
 - 11) Masham Area Sub Area
 - 12) South Harrogate Villages Sub Area
 - 13) Masham Villages Sub Area
 - 14) Northern Villages Sub Area
 - 15) Ripon South Villages Sub Area
 - 16) Ripon West Villages Sub Area

Harrogate District 2006 Housing Needs Assessment – Basic Analysis Of The Need For Affordable Housing By Sub-Area

Sub-Area	General		Older Person	TOTAL
	Smaller (1/2 bed)	Larger (3/4 bed)	(1/2 beds)	
Harrogate ¹³	359			359
Knaresborough & Scriven	111	13		124
Ripon	46	7		53
Boroughbridge	48	2	2	52
Knaresborough Villages	15	1		16
Vale of York	20	2		22
Lower Wharfedale	4	1		5
Upper Wharfedale	14	1	1	16
Lower Nidderdale Villages	33	3		36
Upper Nidderdale	51	4		55
Masham Area	15			15
South Harrogate Villages	10			10
Marston Villages	16	1		17
Northern Villages	15			15
Ripon South Villages	15		1	16
Ripon West Villages	14	5		19
TOTAL	786	40	4	830

¹³ Harrogate Sub-Area includes the village of Pannal/Burn Bridge/Spacey Houses

Annex 5

Harrogate District 2006 Housing Needs Assessment – Basic Analysis Of The Need For Affordable Housing By Parish

The table below shows the level of affordable housing need for the period 2006-2011 in each of the District's Parish and is based on sub-area modelling.

Parish	Affordable Housing Need (2006-11)		
Aldfield	See Eavestone	Haverah Park (inc. Pannal Parish)	0
Allerton Mauleverer w Hopperton	0	Healey	11
Arkendale	10	High & Low Bishopside	84
Askwith	8	Huby	See Weeton
Asenby	5	Humberton	4
Azerley	10	Hunsingore	12
Baldersby	13	Hutton Conyers	11
Bewerley	32	Ilton Cum Pott	See Healey
Bilton In Ainsty w Bickerton	15	Kearby w Netherby	1
Birstwith	7	Killinghall	44
Bishop Monkton	31	Kirby Hill	12
Bishop Thornton	5	Kirkby Malzeard	20
Blubberhouses	0	Kirkby Overblow	3
Boroughbridge	115	Kirk Deighton	4
Brearton	6	Kirk Hammerton	18
Bridge Hewick	See Givendale	Knaresborough	603
Burton On Yore	See Swinton	Langthorpe	33
Burton Leonard	16	Laverton	13
Castley	See Stainburn	Leathley	9
Cattal	See Thornville	Lindley	See Stainburn
Clint cum Hamlets	6	Lindrick w Studley Royal & Fountains	4
Coneythorpe & Clareton	3	Little Ouseburn	7
Copgrove	8	Little Ribston	See North Deighton
Copt Hewick	See Givendale	Littlethorpe	20
Cundall w Leckby	15	Long Marston	14
Dacre	7	Markington w Wallerthwaite	29
Denton	12	Marton cum Grafton	7
Dishforth	8	Marton Le Moor	3
Dunsforth	6	Masham	50
Eavestone	0	Melmerby	12
Ellenthorpe	See Humerton	Menwith w Darley	56
Ellingstring	See Healey	Middleton	See Denton
Ellington High & Low	10	Middleton Quernhow	See Wath
Farnham	0	Milby	0
Farnley	23	Moor Monkton	17
Fearby	See Ellington High & Low	Nesfield w Langbar	10
Felliscliffe	8	Newall w Clifton	7
Ferrensby	7	Newby w Mulwith	12
Fewston	0	Nidd	0
Follifoot	4	North Deighton	1
Fountains Earth	0	North Rigton	17
Givendale	0	North Stanley w Slenningford	0
Goldsborough	22	Norton Le Clay	56
Great Ouseburn	14	Norwood	10
Great Ribston w Walshford	0	Nun Monkton	See Thorpe Underwoods
Grantley	See Eavestone	Pannal (village)	22
Great Timble	See Blubberhouses	Pannal (Parish)	See Haverah Park
Green Hammerton	11	Plompton	0
Grewelthorpe	12	Pt Saltergate Ward	80
Hampsthwaite	13	Rainton w Newby	8
Harrogate	1660	Ripley	18
Hartwith cum Winsley	53	Ripon	265
		Roecliffe	13

Sawley	9
Scotton	19
Sharow	8
Scriven	17
Sicklinghall	3
Skelton On Ure	See Newby w Mulwith
South Stainley w Cayton	3
Spofforth w Stockeld	10
Stainburn	18
Staveley	5
Stonebeck Down	24
Stonebeck Up	0
Studley Roger	See Lindrick
Swinton w Warthermarske	4

Thornton Bridge	See Humberton
Thornville	7
Thornthwaite w Padside	See Thruscross
Thorpe Underwoods	11
Thruscross	20
Tockwith	37
Wath	7
Weeton	18
Weston	1
Westwick	See Newby w Mulwith
Whixley	17
Wighill	2
Winksley	7
TOTAL	4,150

Development Appraisals

To justify the provision of less than 50% affordable housing, the Council requires a Development Appraisal to be submitted with the planning application. The information contained in the Appraisal will only be made available to the Planning Officer and advisors such as the Council's Valuation Surveyor, Principal Development Officer and Quantity Surveyor. It will not be placed on the public file nor made available to any third party.

The information to be supplied should include the value of the completed development proposed by this application, and all costs incurred or expected to be incurred in order to achieve this value. The information should include the following as a minimum guide, but may also cover other items specific to the proposed development.

Value

- Gross internal area of houses excluding garages and conservatories. Habitable roof-space should be listed separately. For industrial buildings, supply gross internal area; for any shops or offices, net internal area.
- The value used per unit of area. Alternatively, valuations of the completed buildings.
- The cost of sales or lettings, broken down into marketing/estate agents' fees and legal fees.
- Affordable housing should be shown at the value to be paid by a Housing Association/RSL as published on the Harrogate Borough Council website (and shown in the Table of Acquisition Prices in paragraph 7.10 of this SPD).
- Existing Use Value of the property. This means the value reflecting the existing physical state and use, which are authorised and require no consent to continue.

It may be useful to show more than one scenario.

Costs

- Build costs. Give the gross external area multiplied by the unit cost per square metre or square foot. State whether this is a tendered sum or an estimate.
- Preliminaries allowed for. State what is included.
- External works where applicable. Broken down, e.g. X ms of road @ £Y per m. Include boundary treatment, landscaping, demolition and site preparation costs as appropriate.
- Standard Planning Costs – Planning and Building Regulation fees, commuted sums.
- Professional fees – Architects, QS, CDM supervisor etc.
- Contingency allowance.
- Cost of finance. Indicate the period and interest rate.
- Community Benefits. If the scheme includes and exceptional benefits such as the restoration of a listed building or the provision of public open space above what is required, please state the cost of providing this.
- Abnormal costs if any. What are these (e.g. contaminated land remediation) and what costs are anticipated?
- Developers Profit – the amount or percentage included.

Any other relevant items should be clearly defined and costed.

Worked Example

“Windermere” is a small interwar detached property on the outskirts of a large village, occupying a plot of 0.1ha. It is proposed to redevelop the site by demolishing “Windermere” and replacing it with two pairs of semi-detached houses of 900sq ft gross internal area (GIA). This has been agreed as the most cost-effective use of the site and accords with planning policy on density requirements.

The target for affordable housing in this case is 50%, which would mean two of the proposed four new houses.

The developer has submitted costs and values and these have been agreed. The existing use value of “Windermere” is £275,000 – i.e. that is the typical selling price of a small interwar detached property in that location. To acquire “Windermere”, the developer would have to pay Stamp Duty and legal fees, bringing the total acquisition cost of the property to £284,250.

Example 1 below shows the effect of applying the 50% target to the proposed development. The Gross Development Value with two market semis and two affordable semis is £583,500. Once all the costs of the development have been deducted, the residual value, or what is left to pay for the land, is £172,244.18. This is well below the existing use value of “Windermere”. This means that no developer would be able to buy “Windermere” on the open market, carry out the proposed development and make a profit, so this scheme would not be financially viable.

Example 1: “Windermere” with two affordable units						
Gross Development Value:						Total
Units A & B	1800 sq ft			430,000.00		
Affordable units	1800 sq ft			153,500.00	583,500.00	
less costs of disposal:						
Legal fees:				5,835.00		
Estate agents fees				6,450.00	12,285.00	
Net Development Value:						571,215.00
less development costs:						
Build	255,450.00					
External works	17,000.00	272,450.00				
Prelims @ 5%		13,622.50				
Contingency @ 5%		13,622.50				
Planning etc		5,400.00	305,095.00			
Professional fees @ 10%			30,509.50	335,604.50		
Finance @ 6.75% x 50%				11,326.65	346,931.15	
Profit @ 15%					52,039.67	398,970.82
Residual Value:						172,244.18
Value of “Windermere” = £275,000 plus SD and legal fees						284,250.00

However, this does not mean that it is not viable to provide **any** affordable housing on the site. Example 2 below shows how the appraisal would work if just one of the four houses were to be supplied as an affordable unit. With three market dwellings and only one affordable house, the Gross Development Value increases to £721,250. The costs are exactly the same as under Example 1. The extra value released into the scheme means that the residual value increases to £305,886.68, which is comfortably above the amount necessary to fund the acquisition of “Windermere” (£284,250).

Example 2: “Windermere” with one affordable units	
Gross Development Value:	Total

	Units A, B & C	2700 sq ft			645,000.00			
	Affordable unit	900 sq ft			76,750.00	721,750.00		
less costs of disposal:								
	Legal fees:				7,217.50			
	Estate agents fees				9,675.00	16,892.50		
Net Development Value:							704,857.50	
less development costs:								
	Build	255,450.00						
	External works	17,000.00	272,450.00					
	Prelims @ 5%		13,622.50					
	Contingency @ 5%		13,622.50					
	Planning etc		5,400.00	305,095.00				
	Professional fees @ 10%			30,509.50	335,604.50			
	Finance @ 6.75% x 50%				11,326.65	346,931.15		
	Profit @ 15%					52,039.67	398,970.82	
Residual Value:							305,886.68	
Value of "Windermere" = £275,000 plus SD and legal fees								284,250.00

Alternatively, consider the situation should "Windermere" be situated well over to one side of its plot. Should the developer buy the property for £275,000 as before, he/she does not have to demolish the house in order to develop housing on the large garden area. In such a case, the existing use value does not include the value of the existing house, which has been retained or sold off separately. Instead, the existing use of the site is garden with a minimal existing use value, such that the 50% target would be viable.

What if the developer pays much more for the site to reflect hope value? Hope value is disregarded in the financial viability appraisal. The baseline value of the site is Existing Use Value, that is, the value reflecting the existing physical state and use, which are authorised and require no consent to continue.

It is up to the developer to ensure that he does not pay so much for the property as to render the provision of 50% affordable housing unviable. Published planning policy must always be taken into account and whilst the bid for the land may be in excess of the value of garden land, it must still reflect the need to provide affordable housing. Looking again at Example 1, and assuming the owner of "Windermere" is simply selling off 0.1 ha of garden land for redevelopment, a suitable bid for the land, even if it had planning permission, would be up to say £165,000. Without planning permission, the developer is taking a gamble and is likely to negotiate a price somewhere between existing use value and the development value he/she hopes will be achievable; or he will strike a deal subject to obtaining planning permission on the site; but in any case, he must take into account the financial implications of Council policy.

(n.b. the worked examples use interest rates relevant at March 2007. When undertaking appraisals, the Council will use current data).