



# Joint Housing Investment Plan

## York, North Yorkshire and East Riding

### November 2018

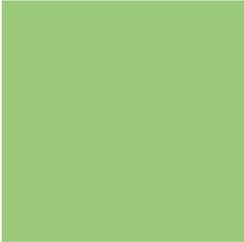


# Joint Housing Investment Plan

**York, North Yorkshire and East Riding**

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# EXECUTIVE SUMMARY

## A Joint Housing Investment Plan for York, North Yorkshire & East Riding

As part of our response to the challenges of the economy and housing markets across York, North Yorkshire & East Riding and building on our progress to date, we have agreed a significant proposition to deliver:

- A strong pipeline, providing 50,000 high quality new homes by 2027 across the sub region. This is more than double the rate of delivery in 13/14 and 14,000 homes more than would be delivered through the NPPF methodology
- 16,000 new affordable homes by 2027. This is more than triple the rate of delivery in 13/14
- Full Local Plan coverage and a Strategic Framework
- National exemplar schemes, showcasing Off Site Manufactured homes and Modern Methods of Construction
- Housing markets which fully support our economy with reducing house price to income ratios, working in tandem with our local Industrial Strategy. House prices in our area are between 6.4 and 10.4 times incomes, similar to parts of Bedfordshire, Hertfordshire and Kent.
- High quality homes with technology and infrastructure to support connected communities
- Fewer sites where planning permissions are unimplemented.

To do this, and build on our current momentum, we seek support and investment against three cross cutting themes:



### Theme 1

#### Ministry of Defence (MOD) Sites and Opportunities

- A Single Point of Contact and Partnering Arrangements in place (similar to that for Ripon Barracks) for released MOD sites in our area to speed up key strategic decisions and delivery and provide greater certainty
- Greater certainty around investment to deliver and accelerate sustainable housing development on released MOD sites, particularly in relation to Accelerated Construction and Housing Infrastructure Funding, with £130m required over 15 years to overcome viability and infrastructure challenges and provide a range of type, size and tenure of new homes, in discussion with the relevant Local Authority.



### Theme 2

#### Delivering Off Site Manufactured (OSM) Homes

- A capital investment package of £53m over 10 years to support direct delivery of Off Site Manufactured homes on 10 Council owned sites and a developing pipeline, including gap funding where new technology is more costly than traditional build and to de-risk sites and provide infrastructure.

## Theme 3

### Rural Housing Delivery

- Homes England to increase funding to support increased delivery of affordable homes on rural sites, particularly on those of less than 10 units. Securing the grant levels and business cases required to deliver rural affordable homes in partnership with our Rural Housing Enabler Network and those engaged in Strategic Partnerships with Homes England.
- Support for our area to be a Revolving Rural Land Bank pilot or for Homes England to acquire rural sites to meet local need.

In addition we ask for:

- Support for a central Housing Growth Team to provide capacity and expertise to the sub region to unlock sites with planning permission, support landowners and developers of all types to deliver our housing ambitions within this document and in the Spatial Framework, matched and aligned with the outputs of our Design Quality Fund officer, Housing Strategy Manager and Rural Housing Enabler team. This may be in the form of direct revenue support, strategic access to development panels and/or support to manage the process
- Affordable Homes funding to secure delivery on market sites where financial viability does not provide affordable housing at policy levels or where a different type or size or tenure would better meet local or specific needs through early discussion and negotiation between partners
- Flexibility to support delivery over and above policy to provide additional and new tenures, such as Rent to Buy, build to rent, shared accommodation for young single people and social rent in our high value areas
- Flexibility in funding shared ownership in high demand areas to meet local needs.



Rural Exception Site in Sheriff Hutton, Ryedale, completed by York Housing Association 2018

# A Joint Housing Investment Plan for York, North Yorkshire & East Riding

## INTRODUCTION

Our Housing Board, Local Enterprise Partnership and Directors of Development understand the challenges and opportunities of our housing markets and how these impact our economy. We want to invest in and deliver our strategic plan to provide not just housing growth but homes of the right type in the right places, focused on quality of place, connectivity and community. We need to provide for the needs of our current and future economy through a housing offer which retains and attracts working age households whilst supporting our ageing population.

We have made significant progress in increasing housing supply and seek Homes England's support to continue. Our joint Housing Strategy and Local Growth Deal aim to double the rate of housebuilding to over 5,000 homes per year and we are achieving this - delivering 15,300 new homes and granting planning permission for 29,000 homes since the adoption of the strategy in 2014/15.

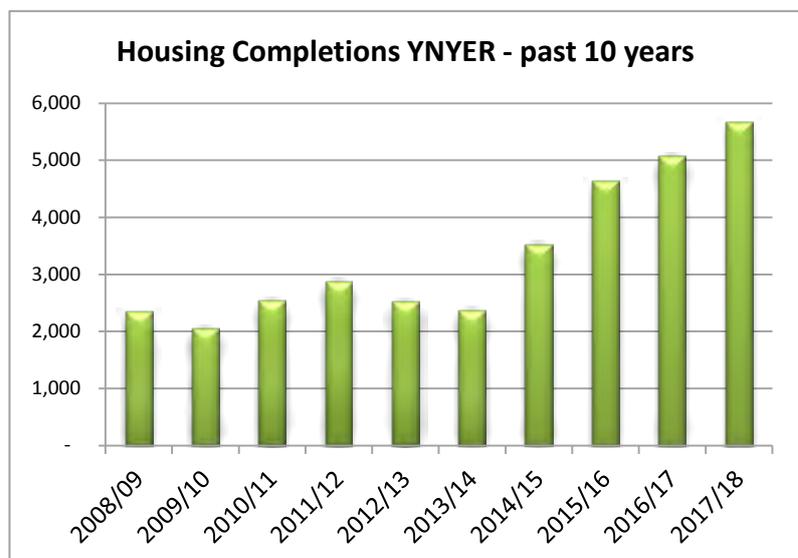
Our collective delivery in both 16/17 and 17/18 was more than double that in 13/14 and we have driven an annual average increase in housing completions of over 800 homes since then.

Our current annual completions are also around 1,400 homes above the assessment of housing need, as calculated against new the methodology in the NPPF.

In delivering this uplift we have progressed strategic sites at York Central, Middle Deepdale, Olympia Park and

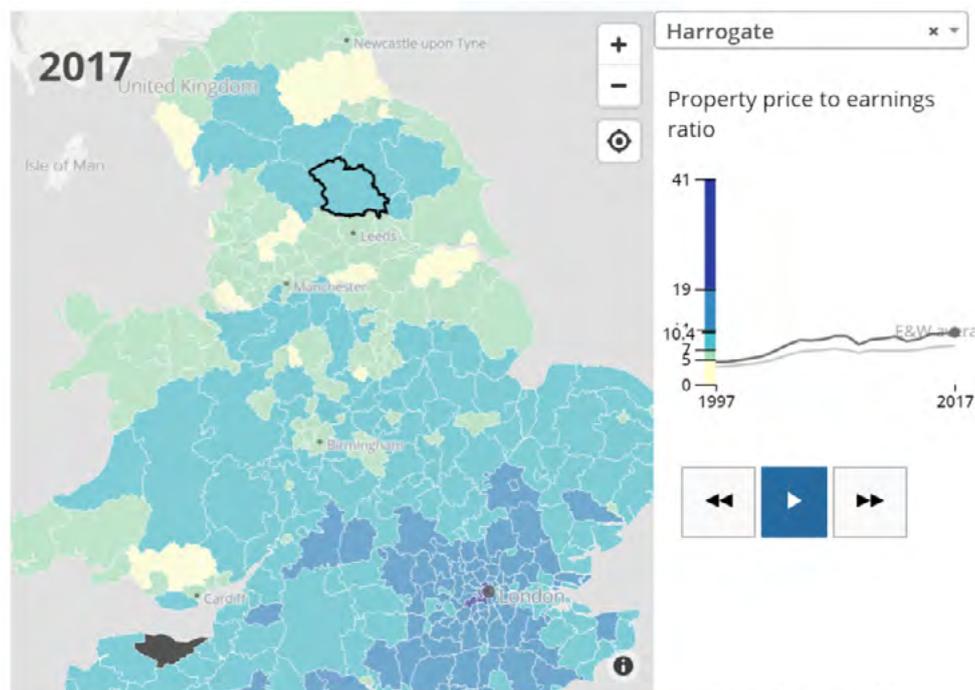
North Northallerton and continued innovative approaches to support rural housing delivery. However, we need further certainty around funding and enabling to continue this and drive quality across the Local Plan period.

Our strategic approach to planning and housing has strengthened significantly, particularly through joint working between the LEP and Housing Board. The Housing Board includes representatives from housebuilders, Registered Providers and Homes England alongside senior elected members from all councils, giving us a strong political mandate for our ambitions (see Appendix 3). The Housing Board also reports to the LEP Board.



Our housing markets are characterised by:

- High need and demand, with pockets of community resistance to new homes
- A low wage economy with low productivity
- Historically lower levels of housing completions
- An ageing population with few housing choices
- A shrinking workforce, compounded by lack of housing close to employment
- A large rural population around historic towns, cities and the Yorkshire coast
- Median house prices at between 6.4 & 10.4 times local incomes – affordability ratios in Harrogate and Ryedale are the worst in northern England
- Significant strategic infrastructure and land pressures
- Poor connectivity in and between historic settlements
- A lack of brownfield sites and sites in public ownership
- Patchy Local Plan coverage, although this is set to improve
- Significant MOD landholdings, including the largest army garrison in Europe, several of which are planned for release.



Source: House Price Statistics for Small Areas and Annual Survey of Hours and Earnings. ONS

Our LEP area covers 12 Local Planning Authorities, two of which are unitary. Eight are in two-tier areas and five are in overlapping LEP areas. The administrative challenges around Local Plans and coordinating housing growth at scale are significant, particularly around our historic towns and cities and rural areas (including green belt, two National Parks and three AONBs). Land availability and infrastructure and resource constraints will restrict our future ability to maintain our recent delivery rates for the remaining plan period and deliver our desire to drive up quality and choice. We wish to work with Government to overcome these constraints.

As part of our response to these challenges and building on our recent progress we have agreed a significant proposition, set in the context of our Spatial Framework, which focuses on:

- Accelerating delivery of homes on Ministry of Defence land, sites in public ownership and other opportunities, such as stalled private and brownfield sites
- Working with providers of Off Site Manufactured homes to meet current and future needs and increase capacity in this sector
- Promoting rural sites to support communities and better enable SMEs, Local Authorities, Registered Providers, communities and self-builders to contribute to delivery.

Investment will provide the opportunity to deliver at scale and speed, support new construction approaches and reach the standards we want in relation to:

- Design quality
- Fibre broadband and mobile technology
- Energy efficiency and
- Community infrastructure

ensuring that new homes delivered across our area meet our wide range of needs.



New Extra Care Housing under development in Helmsley

# PROGRESS AGAINST OUR AMBITIONS TO DATE

The following summarises our progress since the adoption of our Housing Strategy and Strategic Economic Plan in 2015. A summary of public investment to support delivery of new homes in the area is provided at Appendix 2.

## IN PLACE

- Target of 5,000+ new homes p.a. since 15/16
- £396m in public investment already secured and £195m planned for future years (see Appendix 1)
- Enhanced Housing Board role & expanded membership, focused on delivery & performance
- Infrastructure & Joint Assets Board established
- Housing Board & LEP joint working, with dedicated link officers
- Strengthened relationship with Homes England
- Directors of Development group established to ensure consistent, coordinated approach to strategic planning
- A Rural Housing Enabler Network, which has delivered over 1,000 new rural affordable homes
- Joint awards for Housing Investment, Accelerated Construction, Planning Delivery, Design Quality & One Public Estate Funds
- A joint response to the consultation on calculating objectively assessed housing need, supporting our continued efforts to increase supply and meet Local Plan targets
- Adoption of the National Housing Federation 5 Star Rural Plan targets
- Delivery of Extra Care and work with the All Party Parliamentary Group on HAPPI 4

## IN PROGRESS

- Local Plan adoption
- A long term Spatial Plan for YNYER
- Work with Registered Providers to map capacity to deliver 1,600 affordable homes p.a. and form a YNYER Compact
- Delivery of the Housing Infrastructure Fund award at Olympia Park and the successful North Yorkshire One Public Estate bid
- Work to tackle unimplemented permissions on significant sites
- Rural Revolving Land Bank pilot
- Delivery of Community Led Housing, backed by the Community Housing Fund and a jointly funded Hub
- Prioritising and progressing a new pipeline of strategic housing sites
- Work with CITB to quantify and address our construction skills gap
- Work with YNYER planning officers to support SME builders
- Emerging pan-Yorkshire LEP support for SME builders and OSM
- Investing in YNYER Growth Hub solutions for construction businesses
- Discussions with OSM providers around sites in public ownership
- A new Supported Housing Strategy, jointly with NYCC and the districts
- Greater use of HRA flexibilities, particularly in the City of York

## WHAT WE'LL DELIVER - OUR "GIVES"

- Continue to deliver our housebuilding targets – doubling delivery to 5,000 per year – providing over 50,000 new homes by the end of the current Local Plan period. This will be almost 14,000 more homes than the indicative assessment of housing need, calculated against the new methodology and almost 2,000 new homes per year more than in 10 year period leading up to the adoption of the current housing strategy.
- More affordable homes across the area, achieving our ambition of 1,600 per year and maintaining this to deliver 16,000 new affordable homes by 2027
- Work closely with Registered Providers to develop a 'compact' with Local Authority partners to ensure that we deliver our affordable homes ambition in an efficient, diverse and collaborative way and seek strategic partnerships with Registered Providers and Homes England to do this
- Deliver at least 10% of new homes through OSM to accelerate delivery – 1,000 OSM homes by 2021
- Unlock sites with unimplemented planning permissions on a prioritised basis, particularly in high demand areas and on brownfield sites, and consider where these could be brought into public ownership, aligning with the outcomes of the Letwin Review
- Deliver around 5,000 new homes on our current strategic sites at Olympia Park, York Central, South Scarborough and North Northallerton and develop and progress a pipeline of future sites
- Deliver over 7,000 new homes across new settlements to accommodate growth needs in York (Clifton Gate/Langwith - Garden Town Village) and Harrogate (Garden Community - Cattal/Green Hammerton). Investment needs, scale and timescales around these projects are in the early stages and are subject to the Local Plan process at the relevant Local Authorities. These will be developed in more detail during the life of this Investment Plan and discussed with Homes England and key stakeholders at the appropriate time.

This will be delivered through our strong governance structure, led by the Housing Board and the LEP (Appendix 3), with transparent, timely decisions based on political consensus, in addition to:

- Complementary approaches, such as Community Led Housing, self and custom build, Rural Exception Sites etc.
- Increased Local Authority house building via direct delivery, Joint Ventures, Housing Trusts, Housing Revenue Account etc.
- Provision of additional capacity around increasing supply, quality and community support and developing more strategic planning services, particularly around specialist skills, the duty to co-operate and getting Local Plans in place
- Increased use of CIL, commuted sums, RCGF, HRA etc. to provide more affordable homes
- A pledge to increase the number of rural affordable homes by at least 10% (above the 6% committed to via the NHF 5 Star pledge)
- Match funding of at least £75m by NYCC for infrastructure and delivery of over 1,000 units of Extra Care housing and a sub-regional Supported Housing Strategy.



Drone footage of progress at Byram where Selby DC are building 13 new council homes for affordable rent funded by Homes England

# WHAT WE'LL NEED - OUR "ASKS"

We have begun a dialogue with Homes England and with large scale OSM providers to understand their aspirations and constraints however, to continue to deliver our targets and meet our aspirations; we need support under three cross cutting themes:

## Theme 1

### Ministry of Defence Sites and Opportunities

- A single point of contact and Partnering Arrangements in place (similar to that for Ripon Barracks) for released MOD sites in our area to speed up key strategic decisions and delivery of new homes.
- A direct route to investment to deliver sustainable housing at scale on released MOD sites, particularly in relation to Accelerated Construction and Housing Infrastructure funding, with £130m required over 15 years to overcome viability and infrastructure challenges and provide a range of type, size and tenure.

## Theme 2

### Delivering Off Site Manufactured Homes

- A capital investment package of £53m over 10 years to support direct delivery of OSM on a pipeline of public owned sites and in tandem with other build types, including gap funding where new technology and skills are more costly than traditional build, and to de-risk sites and provide infrastructure. Given the location of major OSM providers, this will also have a positive impact on our local economies.

## Theme 3

### Rural Housing Delivery

- Homes England to increase funding to support to increase delivery of affordable homes on rural sites, particularly on those of less than 10 units. Securing the grant levels and business cases required to deliver rural affordable homes in partnership with our Rural Housing Enabler Network and those engaged in Strategic Partnerships with Homes England.
- Support for our area to be a Revolving Rural Land Bank pilot or for Homes England to acquire rural sites to meet local need.

In addition to supporting these larger scale aspirations, we also ask for the following funding and flexibilities:

- Support for a central Housing Growth Team to provide capacity and expertise to the sub region to unlock sites with planning permission, support landowners and developers of all types to deliver our housing ambitions set out in this document and in the Spatial Framework, matched and aligned with the outputs of our Design Quality Fund officer, Housing Strategy Manager and Rural Housing Enabler team. This maybe in the form of direct revenue support, strategic access to development panels and support to manage the process.
- Affordable Homes funding to ensure delivery through S106 agreements where sites cannot deliver affordable homes at policy levels or where a different type or size of home or tenure would better meet local or specialist needs.

- Flexibility to support delivery over and above policy to provide new tenures, such as Rent to Buy, build to rent and shared accommodation for single people.
- Flexibility in funding shared ownership in high demand areas to meet local and specific needs.



Artists impression of 'Yorspace' community led housing planned for York

## WHAT WILL SUCCESS LOOK LIKE?

This approach to addressing our strategic housing needs will provide:

- ✓ Continued and accelerated delivery of a more diverse and higher quality housing offer, including a greater proportion of affordable homes and homes for older people
- ✓ Places which support our communities, productivity and economy
- ✓ National exemplars to inform partnerships, investment and development at a national scale

The opportunity is here to deliver both what the government wants, in terms of scale and speed, and what our communities need and aspire to in terms of supply, tenure, quality, connectivity and distinctiveness. Delivering this will support partners across our sub region in pulling together and strengthening existing strands of activity to meet our housing and economic demands. Our specific outcomes are:

- A pipeline delivering 50,000 homes by 2027, including 14,000 affordable homes
- High quality homes on strategic sites, including York Central, Olympia Park and South Scarborough
- Released MOD sites identified and utilised for housing and growth, wherever sustainable
- Full Local Plan coverage and a longer term Spatial Framework in place
- A housing offer and investment which truly support our economy
- Reducing house price to income ratios, aligned with our Local Industrial Strategy
- High quality new homes and infrastructure which supports connected, sustainable communities
- National exemplars and a pipeline of sites showcasing Off Site Manufacturing and Modern Methods of Construction
- Access to a Revolving Rural Land Bank and grant funding to support rural affordable homes
- Fewer sites where permissions are unimplemented and particularly better/more use of brownfield sites where these can be accelerated.
- A stronger working relationship with Homes England



Street naming and opening of show homes at North Northallerton

# Appendix 1

## Investment to Date

The table summarises the significant public investment in and commitments to housing delivery in our area:

Source	Fund	Total £ Invested/ Committed in YNYER	Notes
Homes England <sup>1</sup>	Land	£1.03m	Historic Investment and Future Commitments
	Affordable Homes Programme	£1.82m	Historic Investment and Future Commitments
	Home Builders Fund	£7.3m	Historic Investment and Future Commitments
	Housing Infrastructure Fund	£7.6m	<ul style="list-style-type: none"> <li>• Olympia Park 230 homes</li> <li>• York Central 2,500 homes</li> <li>• Cliftongate 1,350 homes</li> </ul>
	LA Accelerated Construction Fund	£1.3m	<ul style="list-style-type: none"> <li>• Ryedale House, Malton 60 homes</li> <li>• South Skipton 88</li> <li>• NYCC Sites 483</li> <li>• 5 sites in City of York ownership 547</li> </ul>
LCR and YNYER LEP	Acquisitions	£1.6m	
	Help To Buy	£1.27m	
MHCLG	Local Growth Fund <a href="http://www.businessinspiredgrowth.com/housing-growth/">www.businessinspiredgrowth.com/housing-growth/</a>	£1.3m	<ul style="list-style-type: none"> <li>• York Central £2.55m (LCR)</li> <li>• Middle Deepdale £2.3m</li> <li>• Catterick Sites £2m</li> <li>• North Northallerton £6m</li> </ul>
	Design Quality Fund	£335k	<p>YNYER allocation for masterplans for:</p> <ul style="list-style-type: none"> <li>• Alamein Barracks, Driffield 480 homes</li> <li>• Cross Hills Lane, Selby 1,500</li> <li>• Pannal Gateway, Harrogate 277</li> <li>• South of Scarborough 3,700</li> <li>• Le Cateau, Catterick 316</li> </ul> <p>+ Unlocking unimplemented permissions + revenue support = Officer Post</p>
	One Public Estate	£220k	
NYCC	Community Housing Fund	£6.2m	3% pooled for central enabling HUB
	Extra Care	£7.5m	NYCC Investment
<b>YNYER Public Investment in Housing Growth =</b>		<b>£68.5m</b>	

<sup>1</sup> Figures include some unapproved bids and so this is subject to change. The totals should be seen as a present maximum investment.

## Appendix 2

### Housing Sites and Delivery by Theme

Total Homes secured through the Deal

	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	Cumulative delivery over 5 year period	By 2027
Predicted trajectory excluding unfunded infrastructure	5,000	5,000	5,000	5,000	5,000	25,000	50,000
Predicted trajectory with the Deal	5,600	5,600	5,600	5,600	5,600	28,000	56,000
Homes Unlocked as a result of the Deal (all schemes with potential to start in 5Y Programme)	600	600	600	600	600	3,000	6,000

## Theme 1

### Ministry of Defence Sites and Opportunities Funding Breakdown

A significant number of extensive sites<sup>2</sup> are to be released by the MoD within our area over the next 15 years. The sites to be released are significant and fall primarily in York and the A1 corridor and include:

- Imphal & Queen Elizabeth II Barracks, York
- Claro & Deverell Barracks, Ripon
- Dishforth Barracks (airfield), Linton on Ouse
- Harley Hill, Catterick

This would require an investment package of up to £130m to 2022 to bring forward up to 20,000 units on surplus MoD sites through plan-led development of suitable sites. The City of York are developing plans to provide new homes at the Duncombe Barracks site through the Housing Revenue Account and are considering the future potential of the Imphal Barracks site (and the adjoining Police Station, should it become available).

<sup>2</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/576401/Better\\_Defence\\_Estate\\_Dec16\\_Amends\\_Web.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/576401/Better_Defence_Estate_Dec16_Amends_Web.pdf)

## Theme 2

### Off Site Manufacturing

In terms of land or resources outside those in MOD control, we commit the following sites in public ownership to accelerate delivery, including with OSM providers. We have already provided information to local OSM providers on the sites listed and have discussed costs, timescales and suitability with them. This would require investment of around £7m to 2022. Further sites will be added to this pipeline as plans for firmed up:

Location	Site Name	Potential Homes	Comment/Status/Timescale
Scarborough	3 sites around The Leas / Westway	70-80	Public ownership
Selby	<ul style="list-style-type: none"><li>• Olympia Park Sites</li><li>• Bondgate Selby</li><li>• Portholme Road</li><li>• Cliffe</li></ul>	% TBC 147 135 112	Not yet in public ownership LA ownership Public ownership LA ownership
Ryedale	Ryedale House, Malton	100	Public ownership - LA offices. Remediation and demolition/infrastructure needs.
Harrogate	Pannal	277	Public Ownership
Yorkshire Dales NPA	<ul style="list-style-type: none"><li>• Airton</li><li>• Horton in Ribblesdale</li></ul>	8 5	Public ownership – Craven DC acquiring Greenfield site with outline permission from YDNPA. No real market interest.
	<b>Total</b>	<b>c. 600</b>	

## Theme 3

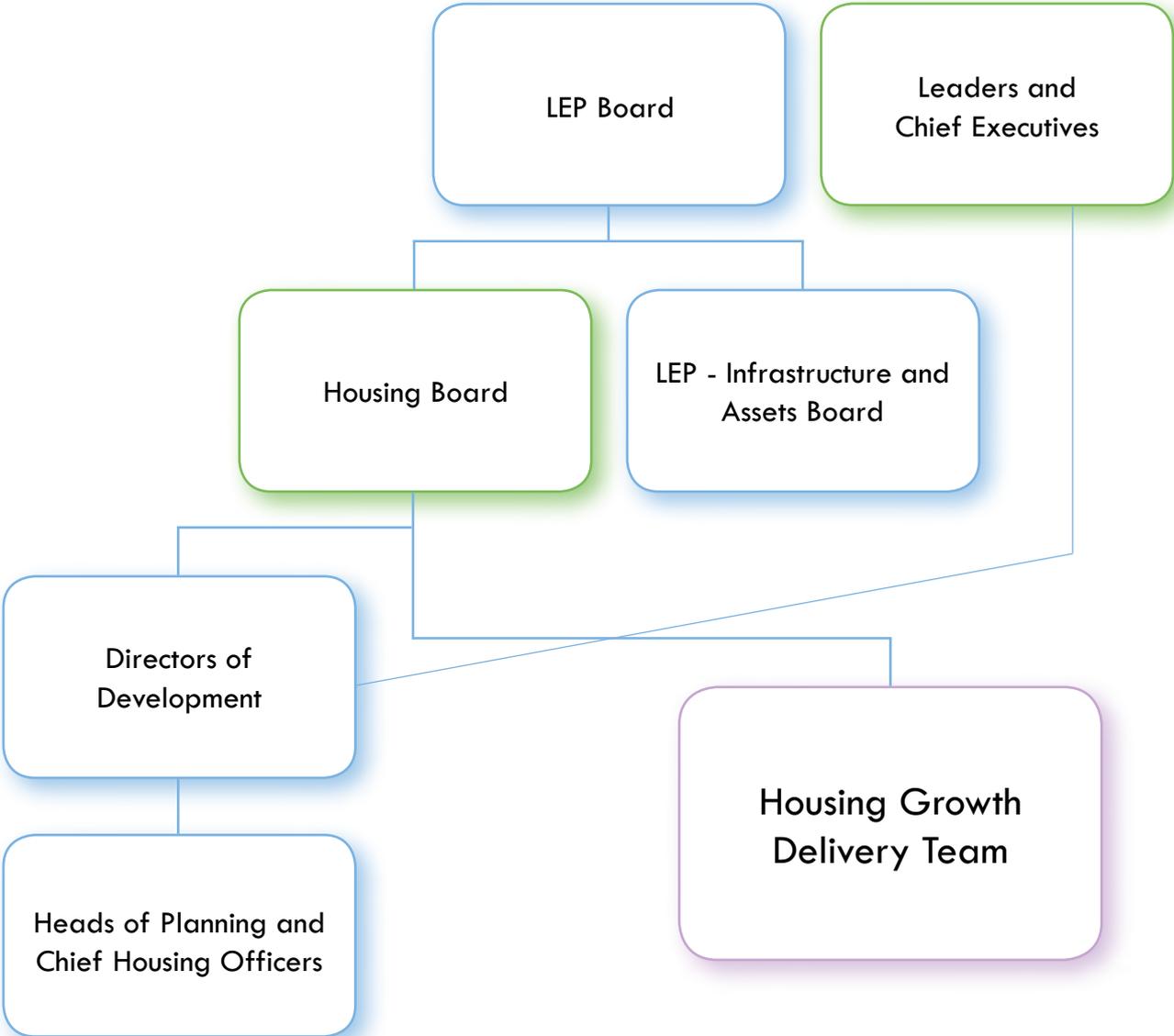
### Rural Affordable Housing

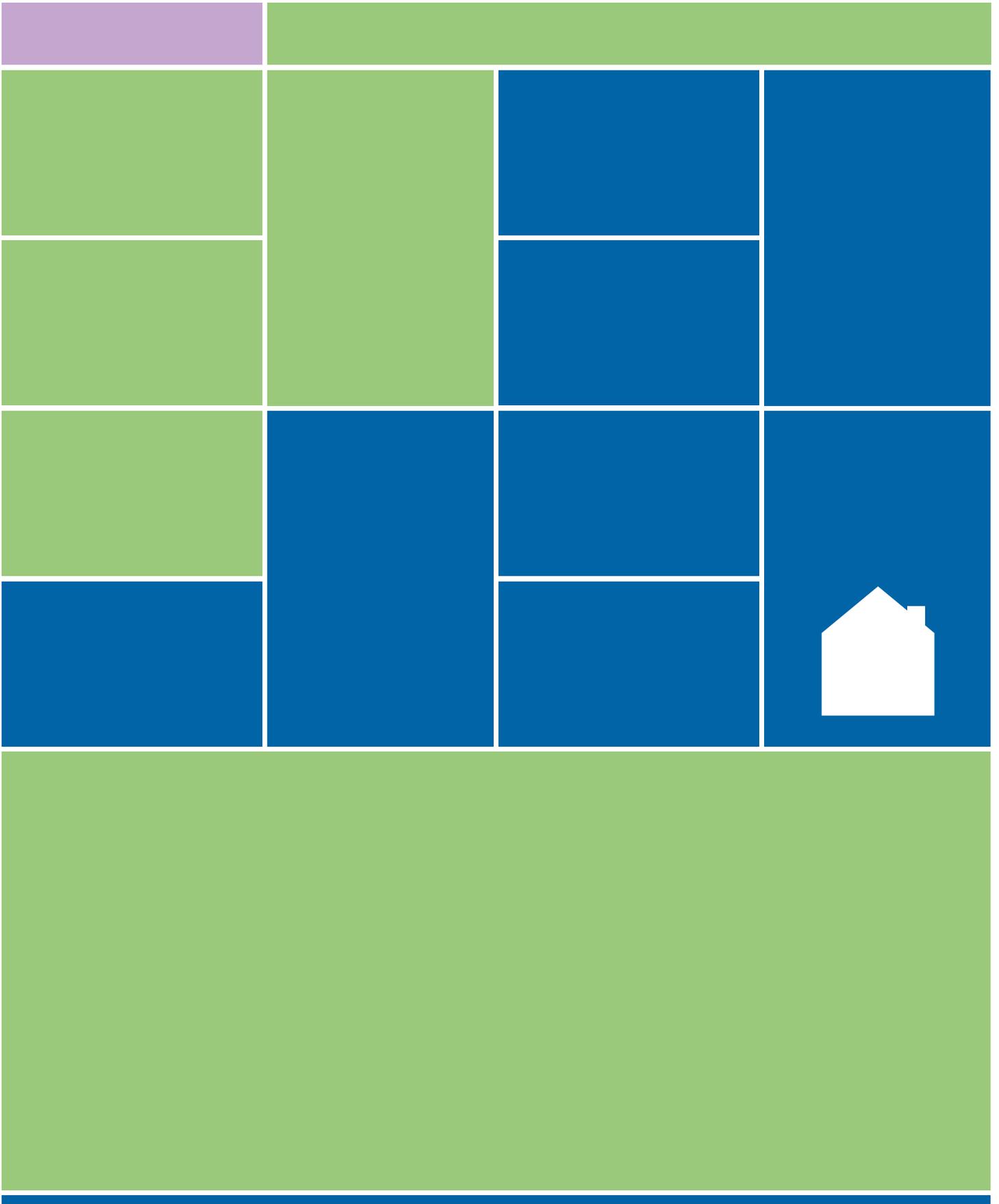
In addition to the existing programme and pipeline and delivery via the 17 Rural Housing Enabler Network RP partners, delivering over 110 new rural affordable homes per year in line with NHF 5 Star Rural Pledge, 10 sites are immediately available for development within public sector ownership (others could also be provided and some would need to be acquired by private treaty negotiations). Subject to obtaining the necessary permissions these initial 10 sites could provide 50-75 affordable homes. We propose to develop a detailed programme around these sites, based upon a £60k per unit intervention rate, subject to the necessary business cases being agreed with Homes England. We would also wish to see grant funding available to our RP partners to ensure rural housing delivery meets our ambitions and the needs of our rural communities.



# Appendix 3

## YNYER Governance and Decision Making Structure





This information is available in alternative formats and languages