

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO PLANNING AND DEVELOPMENT COMMITTEE

meeting date: THURSDAY, 29TH MAY 2025
title: AFFORDABLE HOUSING NEEDS ASSESSMENT
submitted by: DIRECTOR OF ECONOMIC DEVELOPMENT & PLANNING
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1. PURPOSE

- 1.1 To seek authority from Committee to accept the findings of an updated Affordable Housing Needs Assessment (AHNA) for Ribble Valley (Appendix 1) to be used as a material consideration in determining planning applications with immediate effect and as an evidence base document to support the development of housing policies in the new Ribble Valley Local Plan.

2. BACKGROUND

- 2.1 The Council has commissioned Justin Gardner Consulting to provide a new Affordable Housing Needs Assessment (AHNA) for the Ribble Valley. This updates the previous evidence on affordable need.
- 2.2 The study follows the approach set out in the latest published National Planning Policy Framework (NPPF) and supporting Planning Practice Guidance (PPG) and uses the latest available data from the Office for National Statistics (ONS) and a range of other available datasets to provide a contextual picture and analysis of the housing market for the Council's administrative area.
- 2.3 The NPPF and PPG set out the requirements for strategic policies to be informed by a local housing need assessment, which considers the size, type and tenure of housing needed for different groups in the community, which should include those who require affordable housing. The NPPF goes on to state that where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures. Furthermore the NPPF goes on to state that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs.
- 2.4 Having up to date picture on the area's profile and affordable housing need, as well as need for different sizes of homes and older and disabled people, will allow for effective planning policy making and decision taking on planning applications involving affordable housing.

3. PROPOSAL

- 3.1 Key findings of the study are summarised below.
- 3.2 Overall, the Area Profile data points to Ribble Valley as an affluent area with higher house prices and large proportions of households living in owner-occupied housing. The Borough also sees a housing mix of larger and detached homes. The analysis points to relatively high levels of housing demand. This can be seen in analysis of house prices and strong levels of delivery. That said, there are clearly issues

suggested by the data. In particular, the relative lack of social rented housing means it will be difficult for the Council to meet affordable housing needs when they arise.

- 3.3 Analysis has been undertaken to estimate the annual need for affordable housing. This includes taking account of local housing costs (to both buy and rent) along with estimates of household income. The evidence indicates that there is an acute need for affordable housing in the study area and a need in all sub-areas. (NB this is not an affordable housing target, as the amount of affordable housing delivered will be limited to the amount that can viably be provided).

Estimated level of Affordable Housing Need by sub-area (per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Clitheroe	22	56	10	89	40	49
Longridge	13	28	6	47	11	36
Whalley	6	13	2	21	8	13
Tier 1 villages	20	43	5	69	19	49
Rest of District	33	55	10	98	15	83
TOTAL	95	194	34	323	93	230

- 3.4 The majority of need is from households who are unable to buy OR rent and therefore points particularly towards a need for rented affordable housing rather than affordable home ownership. The analysis suggests there will be a need for both social and affordable rented housing (the latter being suitable particularly for households who are close to being able to afford to rent privately and possibly also for some households who claim full Housing Benefit). It is however clear that social rents are more affordable and could benefit a wider range of households – social rents could therefore be prioritised where delivery does not prejudice the overall delivery of affordable homes.
- 3.5. Given the cost of housing locally, it seems very difficult for affordable home ownership products to be provided and be considered as ‘genuinely affordable’ (particularly for larger (3+-bedroom) homes. This again points to the need for the Council to prioritise delivery of rented affordable housing where possible.
- 3.6 In terms of need for different sizes of homes, the analysis linked to future demographic change (taking account of both household changes and the ageing of the population as well as seeking to make more efficient use of new stock e.g. by addressing issues around under-occupation) points to a particular need for smaller accommodation in both sectors. For general need rented affordable housing there is a clear need for a range of different sizes of homes, including 45% to have at least 3-bedrooms of which 10% should have at least 4-bedrooms. The recommended mix is set out below:

Suggested size mix of housing by tenure – Ribble Valley			
	Affordable home ownership	Affordable housing (rented)	
		Under 65	65 and over
1-bedroom	20%	20%	50%
2-bedrooms	45%	35%	50%
3-bedrooms	30%	35%	
4+-bedrooms	5%	10%	

3.7 In terms of older and disabled people, the data shows that Ribble Valley has an older age structure than seen regionally or nationally, but lower levels of disability compared with the national average. The older person population shows high proportions of owner-occupation, and particularly outright owners who may have significant equity in their homes (77% of all older person households are outright owners).

3.8 The older person population is projected to increase notably moving forward. An ageing population means that the number of people with disabilities is likely to increase substantially. Key findings for the 2024-29 period include:

- a 13% increase in the population aged 65+ (potentially accounting for 79% of total population growth);
- a 17% increase in the number of people aged 65+ with dementia and a 15% increase in those aged 65+ with mobility problems;
- a need for around 100 housing units with care (e.g. extra-care) in the affordable sector but not current need for additional sheltered/retirement housing (housing with support); and
- a need for up to 93 additional affordable dwellings to be for wheelchair users (meeting technical standard M4(3)).

3.9 The form of affordable housing to be provided will be determined by negotiation between the Council and the developers. The findings confirm that Ribble Valley’s strategy going forward for negotiating affordable housing as part of planning applications continues to be appropriate (in addition to the requirements of Core Strategy Policies Key Statement H3 and Policy DMH1) which is as follows: -

Securing a 50/50 Tenure Split

3.10 Balancing the priority to deliver rented affordable housing without compromising overall affordable housing delivery, the starting point in negotiating tenure split for each site will be 50% social rent capped at Local Housing Allowance (LHA) rate and 50% affordable home ownership.

Social Rent not Affordable Rent

3.11 The affordable rent model effectively increases social rent to the higher level of up to 80% of market rent, and this shift in tenure provision by increasing the rental values is considered to affect working households the most. Challenges with affordability including heightened new-build prices support the fact that a 20% discount from open market value does not make the property affordable to those in affordable housing needs in the borough and therefore, unless a viability case is made, it is not an affordable housing product we would accept as addressing

housing needs. As such the strategy is for the Council to always seek to ensure that the rent is within the LHA rates to ensure the properties are affordable.

Affordable Home Ownership

- 3.12 Shared ownership schemes, delivered in partnership with a registered provider or similar, allow payments to be split between mortgage and rent. The percentage share of ownership will vary depending on the individual circumstances of the person or household in housing need. The household can gradually increase their % share to move towards outright ownership. In settlements designated as protected areas as identified in The Housing (Right to Enfranchise) (Designated Protected Areas) (England) Order 2009, save for the market towns of Clitheroe, Longridge and Whalley which the Council would agree to waive the Homes England provisions, owners on a shared ownership model can only obtain a maximum 80% share as they do not have the legal right to increase to 100% ownership. The property will therefore remain a shared ownership property for future occupiers.
- 3.13 On sites where the Council accept discounted market sale provision, the level of discount required to make home ownership affordable is 30% from open market value in the market towns of Clitheroe, Longridge and Whalley, and 40% across the remainder of the borough.

Eligibility

- 3.14 To ensure the affordable housing is available to meet local needs a local occupancy cascade approach will be applied in all schemes, which priorities people with a local connection to the Ribble Valley. In the event of a rural exception site, in order to address the study's findings on under-delivery of affordable units in rural area and ensure that the identified needs are being met, a cascade approach starting with that particular sub-area of the borough will be applied.

Securing Housing for Older People

- 3.15 Providing housing for the elderly has been a priority within the Housing Strategy for many years. However the market has developed little bungalow accommodation. Key Statement H3 and Policy DMH1 of the Core Strategy have a requirement for 15% of the units to be for older people provision (defined in the Core Strategy as provision for people aged 55 years) on sites of 10 units or more, with this requirement typically expected to be met through the provision of bungalows. Within this 15% figure a minimum 50% should be affordable (and included within the overall affordable housing threshold of 30%) and the remaining 50% could be market housing. In response to the findings at 3.8 of this report including the need for accessible affordable housing for wheelchair users, these bungalows could also be suitable for people under the age of 55 with limited mobility and needing ground floor accommodation.

Planning Obligation

- 3.16 A planning obligation in the form of a S106 Agreement will be required to secure affordable housing and to control the above requirements of the affordable properties.

4. RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:

- Resources – None
- Technical, Environmental and Legal – The starting point for determining planning applications is the development plan, which consists of the Ribble Valley Core Strategy. Key Statement H3 and Policy DMH1 are the relevant affordable housing policies, and they require all affordable housing to be made available to those in housing need. The updated AHNA presents an up-to-date picture of this need and therefore is a material consideration which carries weight in decision making on planning applications. Separately, the findings are expected to be reflected in the housing policies for the new Local Plan, which will be subject to the legal test of soundness.
- Political – N/A
- Reputation – N/A
- Equality and Diversity – N/A

5. RECOMMENDED THAT COMMITTEE

- 5.1 Approve the updated Affordable Housing Needs Assessment (AHNA) for publication on the Council's website to be use as a material consideration for determining planning applications with immediate effect.
- 5.2 Approve the updated AHNA as an evidence base document to support the development of housing policies in the new Ribble Valley Local Plan.
- 5.3 Agree to continue with the strategy presented in this report for negotiating affordable housing on planning applications.