



City of York Local Plan

Proposed Modifications and Evidence Base Consultation 2021

Representations received

Volume 2 of 11

Responses SID215 to 253

SID Reference	Representation
73	Peter Heptinstall
75	Heslington Parish Council
84	Tim Tozer
91	Westfield lodge and Yaldara Ltd
102	Elvington Parish Council
114	Ian Henderson
118	Historic England
119	Environment Agency
122	York Racecourse
127	Christopher Stapleton
141	Oakgate Group PLC
160	CPRE North Yorkshire (CPRENY)
181	Gateway Development
182	KCS Developments
191	Martin Moorhouse
192	Selby District Council
199	Mr Jolyon Harrison
215	Wilberforce Trust
217	Peter Moorhouse
220	Mr M Ibbotson
228	The Bull Commercial centre
231	Fulford Parish Council
238	Gillian Shaw

253	Bellway Homes
255	Home Builders Federation
257	Henry Boot Developments Limited
260	Lovell Developments (Yorkshire) Ltd
267	York Diocesan Board of Finance Limited & The York and Ainsty Hunt
269	Janet Hopton
288	Wigginton Parish Council
298	New Earswick Parish Council
304	Huntington and New Earswick Liberal Democrats
316	Dunnington Parish Council
329	Murton Parish Council
333	Alison Stead
338	Alan Cook
339	Barratt David Wilson Homes
342	Andy Bell
344	National Grid
345	Defence infrastructure Organisation
350	Picton
351	McArthur Glen
358	Mark Miller
359	NHS Property Services Ltd
361	Cllr Andy D'Agorne
364	York Labour Party
366	NHS Property Services
372	Gladman Homes
375	Wheldrake Parish Council
378	Langwith Development Partner
381	Yorkshire Wildlife Trust
383	Natural England
393	Cllr Nigel Ayre – Residents of Heworth Without
399	Cllr Anthony Fisher
407	Rob Littlewood
418	Chris Wedgewood
422	Peter and David Nicholson
582	Landowners of land west of ST8
583	Redrow Homes, GM Ward Trust, Mr K Hudson, Mrs C Bowes, Mr and Mrs J Curry and Mrs E Crocker
585	Taylor Wimpey UK
590	York and North Yorkshire Chamber of Commerce
594	TW Fields
601	Procter Family
603	The Retreat York
604	L&Q Estates
607	Taylor Wimpey UK
612	Joseph Rowntree Housing Trust
613	Askham Bryan College

620	Galtres Garden Village Development Company
625	Roy Brown
825	Cllr Mark Warters
826	Pilcher Homes
833	George Wright
841	Jennifer Hubbard
849	University of York
863	Mr R Arnold
866	Mulgrave Developments Ltd/ Mulgrave Properties Ltd
867	Yorvik Homes
872	Jeffrey Stern
876	Joanne Kinder
878	Sarah Mills
879	Pat Mills
883	St Peter's School
888	Geoff Beacon
891	Redrow Homes
901	York St John University
920	J Owen-Barnett
921	Pauline Ensor
922	Peter Rollings
923	York Consortium of Drainage Boards
924	Jacqueline Ridley
925	John Pilgrim
926	Amanda Garnett
927	Rufforth with Knapton Parish Council
928	S Walton
929	Neighbourhood Plan Committee
930	Mal Bruce
931	Linda Donnelly
932	Vistry Homes
933	Crossways Commercial estates Ltd
934	Mulgrave Properties Ltd
935	York Housing Association, karbon Homes Ltd & Karbon Developments Ltd
936	Countryside Properties PLC
937	Andrew Jackson
938	Elvington parish Council
939	Friends of Strensall
940	John Burley
941	Karen Marshall
942	Stuart Gunson
943	Haxby St Mary's Parochial Church Council
944	North lane Developments
946	Gemma Edwardson
947	Maureen Lyon
948	Persimmon

949	York and Scarborough Teaching Hospitals NHS Foundation Trust
950	Kyle & Upper Ouse Internal Drainage Board
951	Stephensons
952	North Yorkshire County Council
953	Mr Adrian Kelly
954	York Green Party
955	Jomast Developments
956	Peter Vernon
957	Barratt Homes, David Wilson Homes, TW Fields (ST7 Consortium)
958	M Beresford
959	Clifton (without) Parish Council
960	Jane Granville
961	Mrs Carole Arnold

September 2021

From: [REDACTED]
Sent: 06 July 2021 16:53
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, ORGANISATION - reference: 205762
Attachments: Suggested_Alteration_of_GB_boundary.pdf; 34461006_NSite_Layout.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent an organisation or group

Organisation or group details

Title: [REDACTED]

Name: [REDACTED]

Email address: [REDACTED]

Telephone: [REDACTED]

Organisation name: [REDACTED]

Organisation address: [REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Topic Paper 1 Green Belt Addendum January 2021 Annex 3 Inner Boundary Part 3 Sections 7 to 8 (EX/CYC/59e)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: Yes, I consider the document to be legally compliant

Please justify why you consider the document to be legally compliant: No comments

Please justify why you do not consider the document to be legally compliant:

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: Yes, I consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate: No comments

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate:

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: The proposed green belt boundary around St Leonards Hospice does not correctly interpret and apply the requirements of NPPF 2012 para 85 in that the City Council has:-
• Not defined boundaries clearly, using physical features that are readily recognisable and likely to be permanent

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Our comments relate specifically to the definition of inner boundary 31, which is identified (in blue) on page no. A3:903 of Topic Paper 1 Annex 3 Part 3 Sections 7 and 8. The land to the east of this boundary line is owned by the Wilberforce Trust and is subject to planning permission 21/00230/FUL. A copy of the approved site plan is included as part of this submission. It shows part of the site being developed as a car parking area for St Leonards Hospice, with the remaining land used as a sensory garden for the Wilberforce Trust in association with their adjacent (specialist) housing development. Prior to the land being promoted by the Trust, the entire site had been allocated for general market housing in the 2014 Draft Local Plan (Housing Allocation H6). In justifying the housing allocation, the Council commented that: "The site is contained by strong, clearly defined boundaries which would create good defensible green belt boundaries. To the west the site adjoins an existing residential area off The Square, to the south-west is residential development off The Grove with York College beyond. To the north-east is open fields and St

Leonards Hospice. The eastern part of the site backs onto open fields but there is a mature tree boundary. Given the development on two sides of the site boundary it is not considered to serve green belt purposes. There are mature trees on site which would need to be protected. Trees to the eastern boundary provide a good edge and are a valuable landscape asset. This may reduce the development capacity of the site.” At the time, the proposed Green Belt boundary followed the tree line boundary to the east of housing allocation H6 i.e. the land to the east of St Leonards Hospice did not form part of the Green Belt. It was therefore considered to be consistent with Paragraph 85 of the NPPF (2012) which states that when defining boundaries, local planning authorities should : • define boundaries clearly, using physical features that are readily recognisable and likely to be permanent. The boundary line also aligned with the western edge of a ‘area preventing coalescence’ as identified in the 2003 Green Belt Appraisal to maintain physical separation between the city and the outlying areas of Bishopthorpe and Copmanthorpe. Ultimately, proposed housing allocation H6 was reduced in size following comments submitted by St Leonards Hospice who were concerned that the development of this site for housing would impact negatively on the bedrooms at the eastern end of the building, which were used for end of life care. The Green Belt boundary was also amended as a consequence although not, it seems, because the land was considered to fulfil any particular purpose of the Green Belt. In their recent justification of inner boundary 31, the Council make reference to planning permission 17/02619/FULM stating that “The proposed boundary will follow the new urban edge and upon completion of this development offer permanence.....It follows a recognisable post and rail fence line adjacent to St Leonards Hospice building and the walled boundary to ‘The Square’, before following tree planting that marks the boundary of planning permission for development. However, the proposed site plan for planning permission 21/00230/FUL (which supersedes 17/02619/FULM) shows that this is not the case. The land to the east of the Hospice will be partially developed with a surface level car park to serve the Hospice building. The remaining land is to be developed as a sensory garden for residents of the Wilberforce Trust and St Leonards Hospice. It will remain ‘open’ with only low level structures (walkways and bridges) across the existing ridge and furrow but there is no definitive edge to this parcel of land – it provides amenity space and social infrastructure for the housing development and will be physically associated with it. In defining the extent of the Green Belt in this part of the city, it is the east / west interface which is of primary importance. The current stepped boundary is not defined by any physical features and is considered to be somewhat irregular. In order to provide a defensible boundary, our view is that the land to the east of the Hospice should be excluded from the Green Belt with inner boundary 32 being continued to the north along the historic field boundary. This urban edge is already defined by a row of semi mature trees. It would make the Green Belt boundary consistent with the designation of an ‘area preventing coalescence’ in 2003 appraisal and would fulfil the criteria of the NPPF in defining a clear boundary, using physical features that are readily recognisable and likely to be permanent.

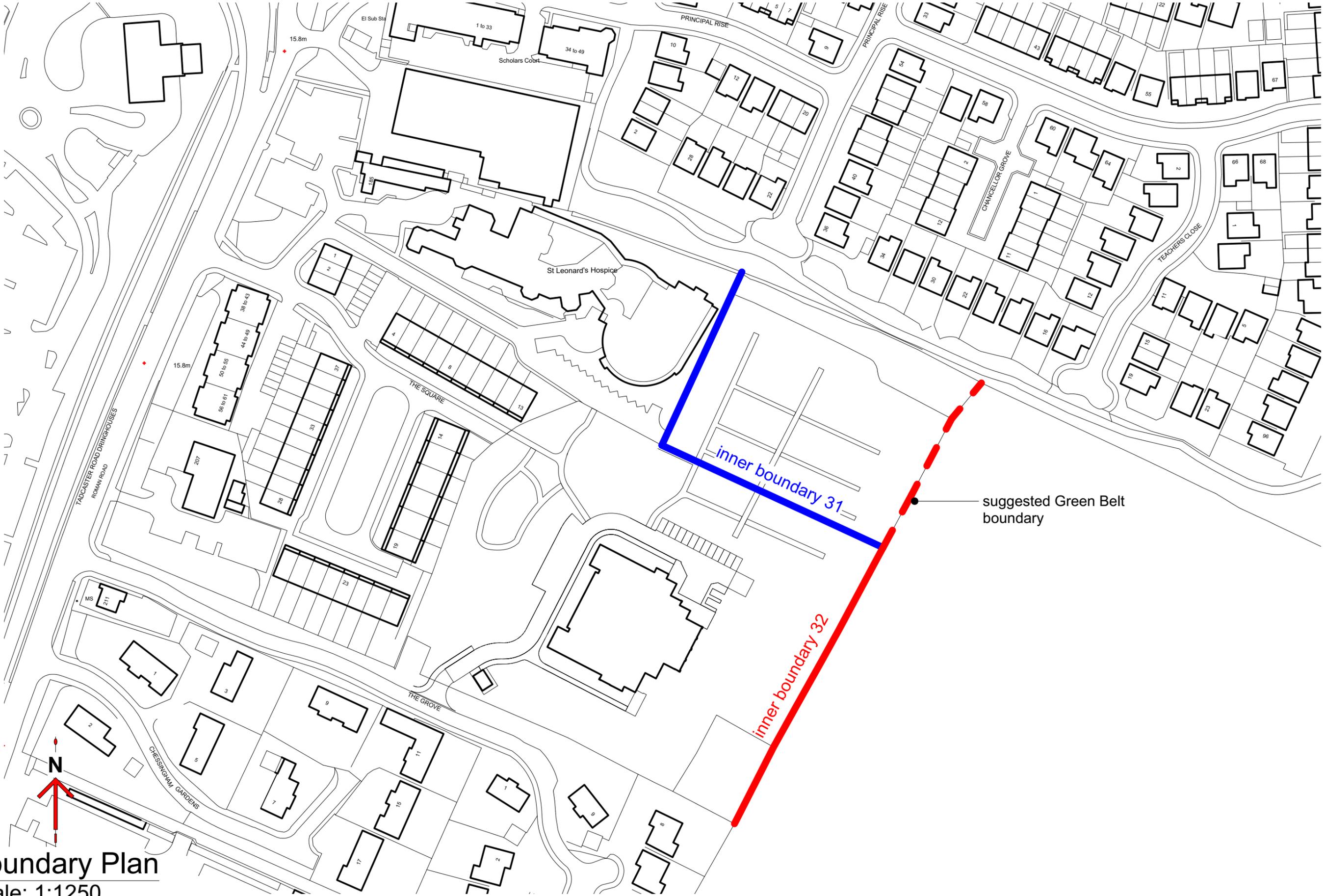
If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: No, I do not wish to participate at hearings sessions

If you do wish to participate at hearing sessions, please state why:

Supporting documentation

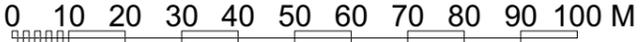
Please provide any documents which support the comments made as part of this submission:

Suggested_Alteration_of_GB_boundary.pdf, 34461006_NSite_Layout.pdf



Boundary Plan

Scale: 1:1250



suggested Green Belt boundary

inner boundary 31

inner boundary 32

N

CHESHINGHAM GARDENS

THE GROVE

THE SQUARE

CHANCELLOR GROVE

TEACHERS CLOSE

PRINCIPAL RISE

PRINCIPAL RISE

St Leonard's Hospice

Scholars Court

15.8m

15.8m

TADCASTER ROAD DRINGHOUSES
ROMAN ROAD

El Sub Sta

1 to 33

34 to 49

5 7

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2

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MS 211

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- Revisions**
- A 1/12/16 JK Phase 3 car park layout amended.
 - B 6/1/17 JK Phase 1 and 3 swapped. Layout amended to suit.
 - C 12/1/17 JK Parking layout revised following discussion with Landscape Officer.
 - D 19/7/17 JK Car park for St Leonard's Hospice re-located. Emergency access road from The Square omitted. Footpath to The Square and Hospice re-located outside the tree protection area.
 - E 4/9/17 JK Landscape layout shown.
 - F 04/10/17 JK Access corridor to apartments enclosed. Farmer's gate re-located.
 - G 31/10/17 JK Red line boundary revised to include site entrance.
 - H 05/02/18 JK Road and footpaths moved outside root protection zones. Mown path adjacent to The Square omitted.
 - I 08/02/18 JK Paths amended to suit Landscape Architect's layout.
 - J 18/10/18 JK Covered cycle parking noted. Crossing point shown.
 - K 16/01/19 JK Footpath shown up to building entrance. Turning head amended to suit. Grasscrete parking for mini bus shown.
 - L 24/01/19 JK Possible sub-station location noted. Tree T21-A2 shown removed. 4 additional parking spaces shown. EV charging noted.
 - M 21/03/19 JK Actual sub-station locations shown. Hub floor levels amended.
 - N 31/05/19 JK Sub-station omitted. Sewar route added. Removed tree amended from T21 to T19. 4 parking spaces below tree T21 omitted. New tree locations amended in line with landscape architect's drawing.



project
The Grove, York

drawing title
Site Layout

drawing number
3446(1)006 N

scale drawn/checked date
1:400 JK / JK 21/11/2016
@A1

Tender

west machell architects

1 Northwest Business Park Servia Hill Leeds LS6 2QH
Tel: 0113 2461746
email: architects@westandmachell.co.uk www.westandmachell.co.uk

From: [REDACTED]
Sent: 07 July 2021 23:20
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, INDIVIDUAL - reference: 206167

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent my own views

Your personal information

Title: Mr

Name: Peter Moorhouse

Email address: [REDACTED]

Telephone: [REDACTED]

Address: [REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Topic Paper 1 Approach to defining Green Belt Addendum January 2021 (EX/CYC/59)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Because evidence to support the various sites in and around Dunnington has been used selectively to justify H31. For example, H31 was described as being near public transport when manifestly it is not, whereas a site near public transport was described as not being near public transport. Site H9 was put forward a few years ago by COYC as a traveller site, thus infilling the area between the existing built up area ,yet H737 was rejected because it infilled between the built up area and the A166

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: Yes, I consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate: It appears to do so

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate:

Your comments: Whether the document is ‘sound’

Do you consider the document to be ‘sound’?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: See reasons over lawfulness

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or ‘sound’:
Reassess the sites in Dunnington

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: No, I do not wish to participate at hearings sessions

If you do wish to participate at hearing sessions, please state why:

Supporting documentation

Please provide any documents which support the comments made as part of this submission:



From: [REDACTED]
Sent: 07 July 2021 21:05
To: localplan@york.gov.uk
Subject: York Local Plan Proposed Modifications and Evidence Base representations submission - [REDACTED], land at Moor Lane, Copmanthorpe
Attachments: Land at Moor Lane Consultation Response Form - Housing Supply.docx; Land at Moor Lane Consultation Response Form - Green Belt.docx; Representations ymlc2107.lpv2 - Land at Moor Lane.pdf
Follow Up Flag: Follow up
Flag Status: Flagged

This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Dear Sir/ Madam, please find attached representations on behalf of [REDACTED] in relation to land at Moor Lane, Copmanthorpe.

The submission comprises two Response Forms (relating to housing supply and green belt), together with a copy of the detailed representations.

I trust this is in order, but if you have any issues please contact me.

Many thanks,
[REDACTED]

[REDACTED]

City of York Local Plan Proposed Modifications Consultation Response Form 25 May – 7 July 2021

OFFICE USE ONLY:

ID reference:

This form has three parts: **Part A** How we will use your Personal Information, **Part B** Personal Details and **Part C** Your Representation

To help present your comments in the best way for the Inspectors to consider them, we ask that you use this form because it structures your response in the way in which the Inspectors will consider comments at the Public Examination. Using the form to submit your comments also means that you can register your interest in speaking at the Examination.

Please read the guidance notes and Part A carefully before completing the form. Please ensure you sign the form on page 2.

Please fill in a separate Part C for each issue/representation you wish to make. Failure to fully complete Part C of this form may result in your representation being returned. Any additional sheets must be clearly referenced. If hand writing, please write clearly in blue or black ink.

Part A - How we will use your Personal Information

When we use your personal data, CYC complies with data protection legislation and is the registered 'Controller'. Our data protection notification is registered with the Information Commissioner's Office (ICO) – reference **Z5809563**.

What information will be collected: The consultation only looks at the specific proposed modifications and specific evidence base documents and not other aspects of the plan. The representations should therefore focus only on matters pertaining to those main modifications and documents being consulted upon. We are collecting personal details, including your name and address, alongside your opinions and thoughts.

What will we do with the information: We are using the information you give us with your consent. You can withdraw your consent at any time by contacting the Forward Planning team at localplan@york.gov.uk or 01904 552255.

The information we collect will be provided to the Planning Inspectors, together with a summary of the main issues raised during the representations period and considered as part of the Local Plan examination¹. Response will be made available to view as part of the Examination process and must be made available for public inspection and published on the Council's website; they cannot be treated as confidential or anonymous and will be available for inspection in full. We will protect it and make sure nobody has access to it who shouldn't and we will not keep it for longer than is necessary.

We will not use the information for any other purpose than set out in this privacy notice and will not disclose to a third party i.e. other companies or individuals, unless we are required to do so by law for the prevention of crime and detection of fraud, or, in some circumstances, when we feel that you or others are at risk.

You can find out more about how the City of York Council uses your information at <https://www.york.gov.uk/privacy>

We will also ask you if you want to take part in future consultations on planning policy matters including Supplementary Planning Documents and Neighbourhood Plans.

Storage of information: We will keep the information you give us in CYC's secure network drive and make sure it can only be accessed by authorised staff.

How long will we keep the information: The response you submit relating to this Local Plan consultation can only cease to be made available 6 weeks after the date of the formal adoption of the Plan². When we no longer have a need to keep your information, we will securely and confidentially destroy it. Where required or appropriate, at the end of the retention period we will pass onto the City Archives any relevant information.

Further processing: If we wish to use your personal information for a new purpose, not covered by this Privacy Notice, we will provide you with a new notice explaining the purpose prior to commencing the processing and the processing conditions. Where and whenever necessary, we will seek your consent prior to the new processing.

Your rights: To find out about your rights under data protection law, you can go to the Information Commissioners Office (ICO): <https://ico.org.uk/for-the-public/>

You can also find information about your rights at <https://www.york.gov.uk/privacy>

If you have any questions about this privacy notice, want to exercise your rights, or if you have a complaint about how your information has been used, please contact us at information.governance@york.gov.uk on 01904 554145 or write to: Data Protection Officer, City of York Council, West Offices, Station Rise, York YO1 6GA.

1. Please tick the box to confirm you have read and understood the privacy notice and consent to your information being used as set out in the privacy notice

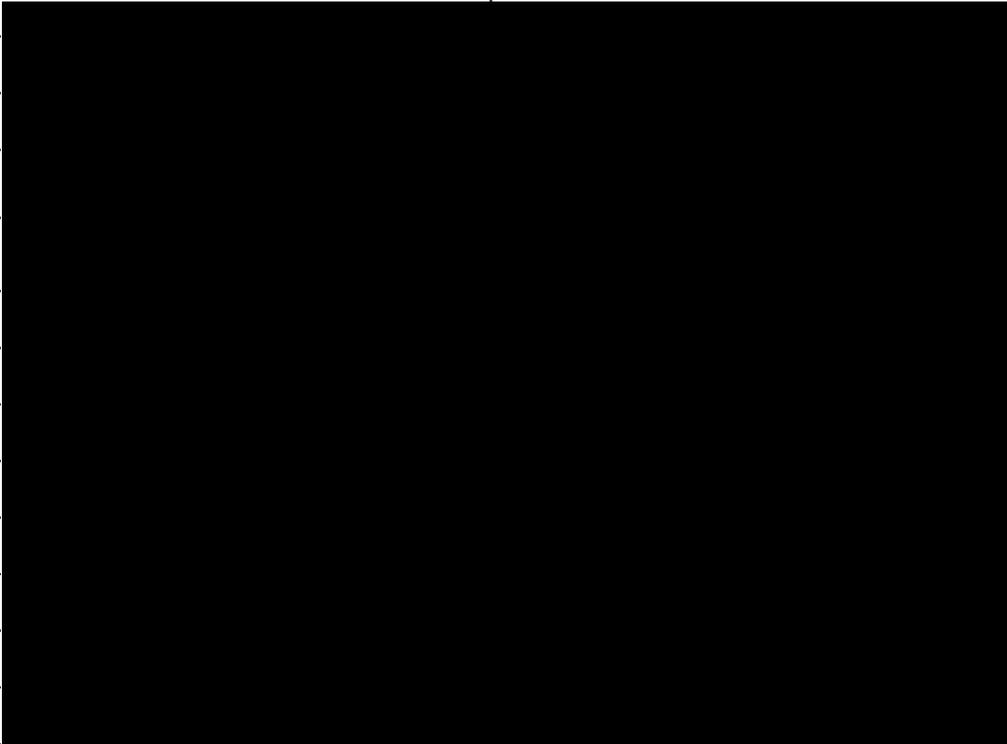
2. Please tick the box to confirm we can contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents.

Signature

Date

Part B - Personal Details

Please complete in full; in order for the Inspectors to consider your representations you must provide your name and postal address.

3. Personal Details		4. Agent's Details (if applicable)
Title		
First Name		
Last Name		
Organisation (where relevant)		
Representing (if applicable)		
Address – line 1		
Address – line 2		
Address – line 3		
Address – line 4		
Address – line 5		
Postcode		
E-mail Address		
Telephone Number		

Guidance note

Where do I send my completed form?

Please return the completed form **by Wednesday 7 July 2021, up until midnight**

- To: FREEPOST RTEG-TYYU-KLTZ Local Plan, City of York Council, West Offices, Station Rise, York, YO1 6GA
- By email to: localplan@york.gov.uk

You can also complete the form online at:

www.york.gov.uk/form/LocalPlanConsultation.

What can I make comments on?

This consultation provides the opportunity for anyone to make a representation on the proposed modifications and supporting evidence base, further to the Local Plan which was submitted to the Planning Inspectorate in May 2018 and following the phase 1 hearing sessions in December 2019 as part of the Examination into the Plan. You can make comments on any of the proposed modifications and a number of evidence base documents as set out below. The purpose of this consultation is for you to say whether you think the proposed modifications and/or new evidence make the Local Plan 'Legally Compliant' and 'Sound'. These terms are explained as you go through this form.

- City of York Local Plan Composite Modifications Schedule (May 2021) [[EX/CYC/58](#)] and City of York Local Plan Publication Draft (February 2018) [[CD001](#)] **to be read alongside the comprehensive schedule of proposed modifications only**
- York Economic Outlook (December 2019) Oxford Economics [[EX/CYC/29](#)]
- CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return (December 2019) [[EX/CYC/32](#)]
- Affordable Housing Note Final (February 2020) [[EX/CYC/36](#)]
- Audit Trail of Sites 35-100 Hectares (June 2020) [[EX/CYC/37](#)]
- Joint Position Statement between CYC and Selby DC Housing Market Area (April 2020) [[EX/CYC/38](#)]
- G L Hearn Housing Needs Update (September 2020) [[EX/CYC/43a](#)]
- Habitat Regulation Assessment (HRA) (October 2020) Waterman Infrastructure and Environment Limited [[EX/CYC/45](#)] and Appendices (October 2020) [[EX/CYC/45a](#)]
- Key Diagram Update (January 2021) [[EX/CYC/46](#)]
- Statement of Community Involvement Update (November 2020) [[EX/CYC/49](#)]
- SHLAA Update (April 2021) [[EX/CYC/56](#)]
- CYC SuDs Guidance for Developers (August 2018) [[EX/CYC/57](#)]
- Topic Paper TP1: Approach to defining York's Green Belt (Addendum) (January 2021) [[EX/CYC/59](#)]
 - Annex 1: Evidence Base (January 2021) [[EX/CYC/59a](#)]
 - Annex 2: Outer Boundary (February 2021) [[EX/CYC/59b](#)]
 - Annex 3: Inner Boundary (Part: 1 March 2021 [[EX/CYC/59c](#)], Part 2: April 2021 [[EX/CYC/59d](#)] and Part 3 April 2021) [[EX/CYC/59e](#)]
 - Annex 4: Other Urban Areas within the General Extent (April 2021) [[EX/CYC/59f](#)]
 - Annex 5: Freestanding Sites (March 2021) [[EX/CYC/59g](#)]
 - Annex 6: Proposed Modifications Summary (April 2021) [[EX/CYC/59h](#)]
 - Annex 7: Housing Supply Update (April 2021) [[EX/CYC/59i](#)] and Trajectory Summary (April 2021) [[EX/CYC/59j](#)]
- City of York Council Strategic Flood Risk Assessment (SFRA) Level 1 Report [[EX/CYC/60](#)]
- Sustainability Appraisal of the Composite Modifications Schedule (April 2021) [[EX/CYC/61](#)]

Do I have to use the response form?

Yes please. This is because further changes to the plan will be a matter for a Planning Inspectors to consider and providing responses in a consistent format is important. For this reason, all responses should use this consultation response form. Please be as succinct as possible and **use one response form for each topic or issue you wish to comment on**. You can attach additional evidence to support your case, but please ensure that it is clearly referenced. It will be a matter for the Inspector to invite additional evidence in advance of, or during the Public Examination.

You can use our online consultation form via www.york.gov.uk/form/LocalPlanConsultation or send back your response via email to localplan@york.gov.uk. **However you choose to respond, in order for the inspector to consider your comments you must provide your name and address with your response. We also need your confirmation that you consent to our Privacy Policy (Part A of this form).**

Can I submit representations on behalf of a group or neighbourhood?

Yes, you can. Where there are groups who share a common view, it would be very helpful for that group to send a single representation that represents that view, rather than for a large number of individuals to send in separate representations that repeat the same points. In such cases the group should indicate how many people it is representing and how the representation has been agreed e.g. via a parish council/action group meeting; signing a petition etc. The representations should still be submitted on this standard form with the information attached. Please indicate in Part B of this form the group you are representing.

Do I need to attend the Public Examination?

The scope of the Public Examination will be set by the key issues raised by responses received and other matters the Inspector considers to be relevant. You can indicate if you consider there is a need to present your representation at a hearing session during the Public Examination. You should note that Inspectors do not give any more weight to issues presented in person than written evidence. The Inspectors will use their own discretion in regard to who participates at the Public Examination. All examination hearings will be open to the public.

Where can I view the Consultation documents?

Copies of the consultation documents are available to view on the council's website at <https://www.york.gov.uk/LocalPlanConsultation>.

In line with the current pandemic, we are also making the documents available for inspection by appointment only at City of York Council Offices, if open in line with the Government's Coronavirus restrictions. To make an appointment to view the documents, please contact the Forward Planning team via localplan@york.gov.uk or on 01904 552255.

Documents are also available to view electronically via Libraries, if open in line with Government Coronavirus restrictions. See our [Statement of Representations Procedure](#) for further information.

Part C -Your Representation

(Please use a separate Part C form for **each** issue to you want to raise)



5. To which Proposed Modification or new evidence document does your response relate?

Proposed Modification Reference:

PM48, PM49, PM50, PM53, PM54, PM55, PM56, PM63 to 63b, PM52

Document:

EX/CYC/58 Proposed Modifications; EXCYC/46 Key Diagram; EX/CYC/36 Affordable Housing Note; EX/CYC/43a Housing Needs Update; EX/CYC/56 SHLAA

Page

Number:

What does 'legally compliant' mean?

Legally compliant means asking whether or not the plan has been prepared in line with: statutory regulations; the duty to cooperate; and legal procedural requirements such as the Sustainability Appraisal (SA). Details of how the plan has been prepared are set out in the published Consultation Statements and the Duty to Cooperate Statement, which can be found at www.york.gov.uk/localplan or sent by request.

6. Based on the Proposed Modification or new evidence document:

6.(1) Do you consider that the Local Plan is Legally compliant?

Yes

No

6.(2) Do you consider that the Local Plan complies with the Duty to Cooperate?

Yes

No

6.(3) Please justify your answer to question 6.(1) and 6.(2)

We make no representations on Legal Compliance, or on the Duty to Cooperate.

What does 'Sound' mean?

Soundness may be considered in this context within its ordinary meaning of 'fit for purpose' and 'showing good judgement'. The Inspector will use the Public Examination process to explore and investigate the plan against the National Planning Policy Framework's four 'tests of soundness' listed below.

What makes a Local Plan "sound"?

Positively prepared - the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.

Effective – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities

Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework

7. Based on the Proposed Modification or new evidence document:

7.(1) Do you consider that the Local Plan is Sound?

Yes

No

7.(2) Please tell us which tests of soundness are applicable to 7.(1):

(tick all that apply)

Positively prepared

Justified

Effective

Consistent with national policy

7.(3) Please justify your answers to questions 7.(1) and 7.(2)

Please use extra sheets if necessary

THESE COMMENTS ARE SUPPORTED IN FULL BY THE ATTACHED DETAILED REPRESENTATIONS DOCUMENT REF. ymlc2107.lpv2 PREPARED BY O'NEILL ASSOCIATES.

The representations on proposed modifications in relation to housing supply conclude that the draft Local Plan is unsound for a number of significant reasons:

- Realistically, adoption of the Plan is not likely until 2023. By then, 6 years of the Plan Period will have passed. This will give an operational Plan Period of just 10 years.
- The Council state they have made provision for development in the 5 years after Plan Period, which means the Green Belt would only be in place for 15 years after adoption. This falls well short of the permanence for Green Belt boundaries required by National Planning Policy.
- the Council's overall assessment of its housing requirement remains fundamentally flawed, and does not make adequate provision for housing land supply
- the Plan is over-reliant on a small number of isolated strategic housing allocations to meet housing need and especially the critical affordable housing need
- the proposed housing allocations cannot deliver the houses the City needs. In particular, the strategic allocations cannot deliver the intended numbers of

- delivery of affordable housing will fall significantly short of what is required to meet the acute need in York. Completions on strategic sites – the most significant source of supply – will occur later in the Plan Period than anticipated by the Council
- the Proposed Modifications document EX/CYC/59 is therefore unsound as it does not address these fundamental issues
- it follows that Key Diagram EX/CYC/46 is unsound because it does not exclude sufficient land from the Green Belt to meet development needs and provide permanent Green Belt boundaries

Test 1: Positively prepared:

The lack of adequate provision for housing land supply is inconsistent with the Local Plan strategy to meet objectively assessed development requirements.

Test 2: Justified

The Council's overall assessment of its housing requirement remains fundamentally flawed, and the proposed housing allocations cannot deliver the houses the City needs. The Plan does not represent the most appropriate strategy when considered against the reasonable alternatives and evidence, as set out in these representations.

Test 3: Effective

The representations demonstrate that there are significant flaws in the Plan, including those relating to the Plan period, housing requirement, and need for additional housing land which will prevent the Plan being effective and deliverable.

Test 4: Consistent with national policy

The Plan is not consistent with national policy for meeting identified requirements for sustainable development, and will not deliver a permanent Green Belt.

8. (1) Please set out any change(s) you consider necessary to make the City of York Local Plan legally compliant or sound, having regard to the tests you have identified at Question 7 where this relates to soundness.

You will need to say why this modification will make the plan legally compliant or sound. It will be helpful if you could put forward your suggested revised wording of any policy or text and cover succinctly all the information, evidence and supporting information necessary to support/justify your comments and suggested modification, as **there will not normally be a subsequent opportunity to make further representations unless at the request of the Inspectors, based on the matters and issues they identify for examination.**

Changes required to make the Plan sound include:

- a reset of the plan period so that the start of the Plan period is more closely aligned with the likely adoption date of the Plan
- The housing requirement must be increased to more accurately reflect the house needs of the City.
- a substantial amount of additional housing land will need to be allocated if the Council is to meet its identified housing requirements and confirm a permanent Green Belt for York.

9. If your representation is seeking a change at question 8.(1)

9.(1). Do you consider it necessary to participate at the hearing sessions of the Public Examination? (tick one box only)

No, I do not wish to participate at the hearing session at the examination. I would like my representation to be dealt with by written representation

Yes, I wish to appear at the examination

If you have selected **No**, your representation(s) will still be considered by the independent Planning Inspectors by way of written representations.

9.(2). If you wish to participate at the oral part of the examination, please outline why you consider this to be necessary:

Please note: the Inspectors will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate at the hearing session of the examination.



City of York Local Plan Proposed Modifications Consultation Response Form 25 May – 7 July 2021

OFFICE USE ONLY:

ID reference:

This form has three parts: **Part A** How we will use your Personal Information, **Part B** Personal Details and **Part C** Your Representation

To help present your comments in the best way for the Inspectors to consider them, we ask that you use this form because it structures your response in the way in which the Inspectors will consider comments at the Public Examination. Using the form to submit your comments also means that you can register your interest in speaking at the Examination.

Please read the guidance notes and Part A carefully before completing the form. Please ensure you sign the form on page 2.

Please fill in a separate Part C for each issue/representation you wish to make. Failure to fully complete Part C of this form may result in your representation being returned. Any additional sheets must be clearly referenced. If hand writing, please write clearly in blue or black ink.

Part A - How we will use your Personal Information

When we use your personal data, CYC complies with data protection legislation and is the registered 'Controller'. Our data protection notification is registered with the Information Commissioner's Office (ICO) – reference **Z5809563**.

What information will be collected: The consultation only looks at the specific proposed modifications and specific evidence base documents and not other aspects of the plan. The representations should therefore focus only on matters pertaining to those main modifications and documents being consulted upon. We are collecting personal details, including your name and address, alongside your opinions and thoughts.

What will we do with the information: We are using the information you give us with your consent. You can withdraw your consent at any time by contacting the Forward Planning team at localplan@york.gov.uk or 01904 552255.

The information we collect will be provided to the Planning Inspectors, together with a summary of the main issues raised during the representations period and considered as part of the Local Plan examination¹. Response will be made available to view as part of the Examination process and must be made available for public inspection and published on the Council's website; they cannot be treated as confidential or anonymous and will be available for inspection in full. We will protect it and make sure nobody has access to it who shouldn't and we will not keep it for longer than is necessary.

We will not use the information for any other purpose than set out in this privacy notice and will not disclose to a third party i.e. other companies or individuals, unless we are required to do so by law for the prevention of crime and detection of fraud, or, in some circumstances, when we feel that you or others are at risk.

You can find out more about how the City of York Council uses your information at <https://www.york.gov.uk/privacy>

We will also ask you if you want to take part in future consultations on planning policy matters including Supplementary Planning Documents and Neighbourhood Plans.

Storage of information: We will keep the information you give us in CYC's secure network drive and make sure it can only be accessed by authorised staff.

How long will we keep the information: The response you submit relating to this Local Plan consultation can only cease to be made available 6 weeks after the date of the formal adoption of the Plan². When we no longer have a need to keep your information, we will securely and confidentially destroy it. Where required or appropriate, at the end of the retention period we will pass onto the City Archives any relevant information.

Further processing: If we wish to use your personal information for a new purpose, not covered by this Privacy Notice, we will provide you with a new notice explaining the purpose prior to commencing the processing and the processing conditions. Where and whenever necessary, we will seek your consent prior to the new processing.

Your rights: To find out about your rights under data protection law, you can go to the Information Commissioners Office (ICO): <https://ico.org.uk/for-the-public/>

You can also find information about your rights at <https://www.york.gov.uk/privacy>

If you have any questions about this privacy notice, want to exercise your rights, or if you have a complaint about how your information has been used, please contact us at information.governance@york.gov.uk on 01904 554145 or write to: Data Protection Officer, City of York Council, West Offices, Station Rise, York YO1 6GA.

1. Please tick the box to confirm you have read and understood the privacy notice and consent to your information being used as set out in the privacy notice

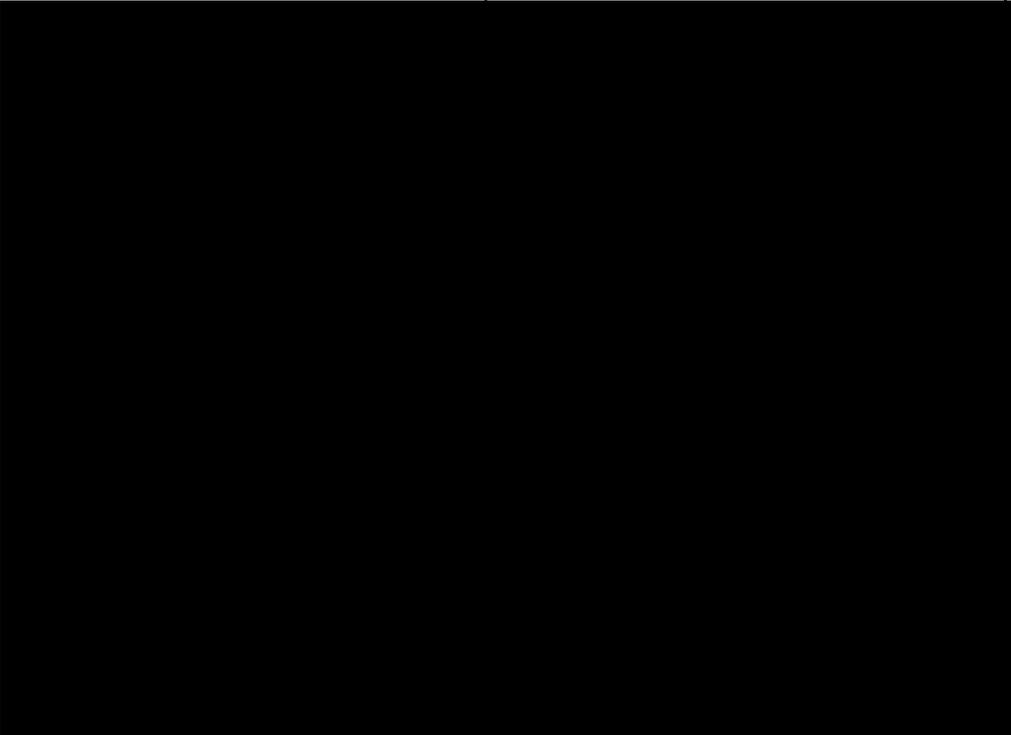
2. Please tick the box to confirm we can contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents.

Signature

Date

Part B - Personal Details

Please complete in full; in order for the Inspectors to consider your representations you must provide your name and postal address.

3. Personal Details		4. Agent's Details (if applicable)
Title		
First Name		
Last Name		
Organisation (where relevant)		
Representing (if applicable)		
Address – line 1		
Address – line 2		
Address – line 3		
Address – line 4		
Address – line 5		
Postcode		
E-mail Address		
Telephone Number		

Guidance note

Where do I send my completed form?

Please return the completed form **by Wednesday 7 July 2021, up until midnight**

- To: FREEPOST RTEG-TYYU-KLTZ Local Plan, City of York Council, West Offices, Station Rise, York, YO1 6GA
- By email to: localplan@york.gov.uk

You can also complete the form online at:

www.york.gov.uk/form/LocalPlanConsultation.

What can I make comments on?

This consultation provides the opportunity for anyone to make a representation on the proposed modifications and supporting evidence base, further to the Local Plan which was submitted to the Planning Inspectorate in May 2018 and following the phase 1 hearing sessions in December 2019 as part of the Examination into the Plan. You can make comments on any of the proposed modifications and a number of evidence base documents as set out below. The purpose of this consultation is for you to say whether you think the proposed modifications and/or new evidence make the Local Plan 'Legally Compliant' and 'Sound'. These terms are explained as you go through this form.

- City of York Local Plan Composite Modifications Schedule (May 2021) [[EX/CYC/58](#)] and City of York Local Plan Publication Draft (February 2018) [[CD001](#)] **to be read alongside the comprehensive schedule of proposed modifications only**
- York Economic Outlook (December 2019) Oxford Economics [[EX/CYC/29](#)]
- CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return (December 2019) [[EX/CYC/32](#)]
- Affordable Housing Note Final (February 2020) [[EX/CYC/36](#)]
- Audit Trail of Sites 35-100 Hectares (June 2020) [[EX/CYC/37](#)]
- Joint Position Statement between CYC and Selby DC Housing Market Area (April 2020) [[EX/CYC/38](#)]
- G L Hearn Housing Needs Update (September 2020) [[EX/CYC/43a](#)]
- Habitat Regulation Assessment (HRA) (October 2020) Waterman Infrastructure and Environment Limited [[EX/CYC/45](#)] and Appendices (October 2020) [[EX/CYC/45a](#)]
- Key Diagram Update (January 2021) [[EX/CYC/46](#)]
- Statement of Community Involvement Update (November 2020) [[EX/CYC/49](#)]
- SHLAA Update (April 2021) [[EX/CYC/56](#)]
- CYC SuDs Guidance for Developers (August 2018) [[EX/CYC/57](#)]
- Topic Paper TP1: Approach to defining York's Green Belt (Addendum) (January 2021) [[EX/CYC/59](#)]
 - Annex 1: Evidence Base (January 2021) [[EX/CYC/59a](#)]
 - Annex 2: Outer Boundary (February 2021) [[EX/CYC/59b](#)]
 - Annex 3: Inner Boundary (Part: 1 March 2021 [[EX/CYC/59c](#)], Part 2: April 2021 [[EX/CYC/59d](#)] and Part 3 April 2021) [[EX/CYC/59e](#)]
 - Annex 4: Other Urban Areas within the General Extent (April 2021) [[EX/CYC/59f](#)]
 - Annex 5: Freestanding Sites (March 2021) [[EX/CYC/59g](#)]
 - Annex 6: Proposed Modifications Summary (April 2021) [[EX/CYC/59h](#)]
 - Annex 7: Housing Supply Update (April 2021) [[EX/CYC/59i](#)] and Trajectory Summary (April 2021) [[EX/CYC/59j](#)]
- City of York Council Strategic Flood Risk Assessment (SFRA) Level 1 Report [[EX/CYC/60](#)]
- Sustainability Appraisal of the Composite Modifications Schedule (April 2021) [[EX/CYC/61](#)]

Do I have to use the response form?

Yes please. This is because further changes to the plan will be a matter for a Planning Inspectors to consider and providing responses in a consistent format is important. For this reason, all responses should use this consultation response form. Please be as succinct as possible and **use one response form for each topic or issue you wish to comment on**. You can attach additional evidence to support your case, but please ensure that it is clearly referenced. It will be a matter for the Inspector to invite additional evidence in advance of, or during the Public Examination.

You can use our online consultation form via www.york.gov.uk/form/LocalPlanConsultation or send back your response via email to localplan@york.gov.uk. **However you choose to respond, in order for the inspector to consider your comments you must provide your name and address with your response. We also need your confirmation that you consent to our Privacy Policy (Part A of this form).**

Can I submit representations on behalf of a group or neighbourhood?

Yes, you can. Where there are groups who share a common view, it would be very helpful for that group to send a single representation that represents that view, rather than for a large number of individuals to send in separate representations that repeat the same points. In such cases the group should indicate how many people it is representing and how the representation has been agreed e.g. via a parish council/action group meeting; signing a petition etc. The representations should still be submitted on this standard form with the information attached. Please indicate in Part B of this form the group you are representing.

Do I need to attend the Public Examination?

The scope of the Public Examination will be set by the key issues raised by responses received and other matters the Inspector considers to be relevant. You can indicate if you consider there is a need to present your representation at a hearing session during the Public Examination. You should note that Inspectors do not give any more weight to issues presented in person than written evidence. The Inspectors will use their own discretion in regard to who participates at the Public Examination. All examination hearings will be open to the public.

Where can I view the Consultation documents?

Copies of the consultation documents are available to view on the council's website at <https://www.york.gov.uk/LocalPlanConsultation>.

In line with the current pandemic, we are also making the documents available for inspection by appointment only at City of York Council Offices, if open in line with the Government's Coronavirus restrictions. To make an appointment to view the documents, please contact the Forward Planning team via localplan@york.gov.uk or on 01904 552255.

Documents are also available to view electronically via Libraries, if open in line with Government Coronavirus restrictions. See our [Statement of Representations Procedure](#) for further information.

Part C -Your Representation

(Please use a separate Part C form for **each** issue to you want to raise)



5. To which Proposed Modification or new evidence document does your response relate?

Proposed Modification Reference:

EX/CYC/59; EX/CYC/59f; EX/CYC/46

Document:

TP1 Addendum; TP1 Addendum Annex 4; Key Diagram Update

Page Number:

Various

What does 'legally compliant' mean?

Legally compliant means asking whether or not the plan has been prepared in line with: statutory regulations; the duty to cooperate; and legal procedural requirements such as the Sustainability Appraisal (SA). Details of how the plan has been prepared are set out in the published Consultation Statements and the Duty to Cooperate Statement, which can be found at www.york.gov.uk/localplan or sent by request.

6. Based on the Proposed Modification or new evidence document:

6.(1) Do you consider that the Local Plan is Legally compliant?

Yes

No

6.(2) Do you consider that the Local Plan complies with the Duty to Cooperate?

Yes

No

6.(3) Please justify your answer to question 6.(1) and 6.(2)

We make no representations on Legal Compliance, or on the Duty to Cooperate.

What does 'Sound' mean?

Soundness may be considered in this context within its ordinary meaning of 'fit for purpose' and 'showing good judgement'. The Inspector will use the Public Examination process to explore and investigate the plan against the National Planning Policy Framework's four 'tests of soundness' listed below.

What makes a Local Plan "sound"?

Positively prepared - the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.



Effective – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities

Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework

7. Based on the Proposed Modification or new evidence document:

7.(1) Do you consider that the Local Plan is Sound?

Yes No

7.(2) Please tell us which tests of soundness are applicable to 7.(1):

(tick all that apply)

Positively prepared

Justified

Effective

Consistent with national policy

7.(3) Please justify your answers to questions 7.(1) and 7.(2)

Please use extra sheets if necessary

THESE COMMENTS ARE SUPPORTED IN FULL BY THE ATTACHED DETAILED REPRESENTATIONS DOCUMENT REF. ymlc2107.lpv2 PREPARED BY O'NEILL ASSOCIATES.

In relation to the Council's justification for the inner Green Belt boundaries, and its assessment on the contribution that the land at Moor Lane makes to Green Belt purposes, the representations conclude that:

- the Council's approach is fundamentally flawed and the Emerging Local Plan is unsound in relation to the proposed inner Green Belt boundaries around the land at Moor Lane
- the Council's assertion that the land serves each of the three Green Belt purposes relevant to York is disputed, and the assessment in EX/CYC/59f does not provide any compelling evidence to support the conclusion that it is necessary for the land to be kept permanently open
- Local Plan document EX/CYC/59 including Annex EX/CYC/59f, and the Key Diagram EX/CYC/46 are unsound

Test 1: Positively prepared:

The proposed Green Belt boundaries, and inclusion of the Moor Lane site, is inconsistent with the Local Plan strategy to meet objectively assessed development requirements.

Test 2: Justified

The proposed inclusion of the site within the Green Belt is not justified when considered against the Council's own evidence. The land does serve the three Green Belt purposes relevant to York, and there exist alternative options for robust boundaries that would provide a more enduring Green Belt.

Test 3: Effective

The proposed boundaries will inhibit the requirement to meet housing needs and will not provide a permanent Green Belt.

Test 4: Consistent with national policy

The Green Belt boundaries will not facilitate the delivery of sustainable development in accordance with the policies in the Framework. The requirements paragraph 85 of the 2012 NPPF have not been correctly interpreted, and the Council has:-

- not ensured consistency with the Local Plan strategy for meeting identified requirements for sustainable development; and
- included land which it is unnecessary to keep permanently open
- failed to ensure that the Green Belt boundary will not need to be altered at the end of the development plan period

8. (1) Please set out any change(s) you consider necessary to make the City of York Local Plan legally compliant or sound, having regard to the tests you have identified at Question 7 where this relates to soundness.

You will need to say why this modification will make the plan legally compliant or sound. It will be helpful if you could put forward your suggested revised wording of any policy or text and cover succinctly all the information, evidence and supporting information necessary to support/justify your comments and suggested modification, as **there will not normally be a subsequent opportunity to make further representations unless at the request of the Inspectors, based on the matters and issues they identify for examination.**

- Amend the Green Belt boundaries adjacent to the land at Moor Lane to utilise the well-defined and permanent boundaries to the west and north of the site (illustrated on Land Use Plan ref. 050-P2, Appendix 6 of the representations)
- Not include land which it is unnecessary to keep permanently open, and provide Green Belt boundaries which are consistent with the requirement to meet sustainable development needs

9. If your representation is seeking a change at question 8.(1)

9.(1). Do you consider it necessary to participate at the hearing sessions of the Public Examination? (tick one box only)

No, I do not wish to participate at the hearing session at the examination. I would like my representation to be dealt with by written representation

Yes, I wish to appear at the examination

If you have selected **No**, your representation(s) will still be considered by the independent Planning Inspectors by way of written representations.

9.(2). If you wish to participate at the oral part of the examination, please outline why you consider this to be necessary:

Please note: the Inspectors will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate at the hearing session of the examination.



CITY OF YORK COUNCIL

EMERGING LOCAL PLAN
REGULATION 19 CONSULTATION

LOCAL PLAN MODIFICATIONS AND EVIDENCE
BASE CONSULTATION

JUNE 2021

Representations in respect of
land to the west of Moor Lane,
Copmanthorpe, YO23 3TH



Chartered Town Planning Consultants

EXECUTIVE SUMMARY

- i. These representations are made on behalf of [REDACTED] in relation to the Proposed Modifications and Evidence Base consultation on the emerging City of York Local Plan. They relate to the following documents:
- EX/CYC/58: Composite Modifications Schedule (April 2021)
 - EX/CYC/46: Key Diagram Update (January 2021)
 - EX/CYC/36: Affordable Housing Note Final (February 2020)
 - EX/CYC/43a: Housing Needs Update (September 2020)
 - EX/CYC/56: Strategic Housing Land Availability Assessment Update (April 2021)
 - EX/CYC/59: Topic Paper I: Approach to Defining York's Green Belt: Addendum (January 2021)
 - EX/CYC/59f: Topic Paper I: Green Belt Addendum (January 2021): Annex 4 – Other densely developed areas in the general extent of the Green Belt
- ii. The representations concern a landholding of 15.34ha located to the west of Moor Lane at the southwest edge of the developed limits of Copmanthorpe village (Appendix 1). The site was formerly designated as safeguarded land in the 2014 Publication Draft Local Plan, although detailed representations have been made during consultation on the various stages of the emerging Local Plan which have identified it as a suitable and deliverable housing site with an anticipated capacity of circa 350 dwellings (ref. Appendix 6).

Housing Supply

- iii. The representations on proposed modifications EX/CYC/58 conclude that the draft Local Plan is unsound for a number of significant reasons:
- Realistically, adoption of the Plan is not likely until 2023. By then, 6 years of the Plan Period will have passed. This will give an operational Plan Period of just 10 years.
 - The Council state they have made provision for development in the 5 years after Plan Period, which means the Green Belt would only be in place for 15 years after adoption. This falls well short of the permanence for Green Belt boundaries required by National Planning Policy.
 - the Council's overall assessment of its housing requirement remains fundamentally flawed, and does not make adequate provision for housing land supply
 - the Plan is over-reliant on a small number of isolated strategic housing allocations to meet housing need and especially the critical affordable housing need

- the proposed housing allocations cannot deliver the houses the City needs. In particular, the strategic allocations cannot deliver the intended numbers of dwellings in the Plan Period because of the ongoing delay in the Plan's adoption
 - delivery of affordable housing will fall significantly short of what is required to meet the acute need in York. Completions on strategic sites – the most significant source of supply – will occur later in the Plan Period than anticipated by the Council
 - the Proposed Modifications document EX/CYC/59 is therefore unsound as it does not address these fundamental issues
 - it follows that Key Diagram EX/CYC/46 is unsound because it does not exclude sufficient land from the Green Belt to meet development needs and provide permanent Green Belt boundaries
- iv. Changes required to make the Plan sound include:
- a reset of the plan period so that the start of the Plan period is more closely aligned with the likely adoption date of the Plan
 - The housing requirement must be increased to more accurately reflect the house needs of the City.
 - a substantial amount of additional housing land will need to be allocated if the Council is to meet its identified housing requirements and confirm a permanent Green Belt for York.

Green Belt

- v. In relation to the Council's justification for the inner Green Belt boundaries, and its assessment on the contribution that the land at Moor Lane makes to Green Belt purposes, the representations conclude that:
- the Council's approach is fundamentally flawed and the Emerging Local Plan is unsound in relation to the proposed inner Green Belt boundaries around the land at Moor Lane
 - the Council's assertion that the land serves each of the three Green Belt purposes relevant to York is disputed, and the assessment in EX/CYC/59f does not provide any compelling evidence to support the conclusion that it is necessary for the land to be kept permanently open
 - Local Plan document EX/CYC/59 including Annex EX/CYC/59f, and the Key Diagram EX/CYC/46 are unsound

- vi. The Green Belt boundaries in the emerging Local Plan therefore do not correctly interpret and apply the requirements of NPPF 2012 para 85, in that the Council has:-
- **not ensured consistency with the Local Plan strategy for meeting identified requirements for sustainable development**
 - **failed to ensure that the Green Belt boundary will not need to be altered at the end of the development plan period**
 - **included land which is not necessary to keep permanently open**
- vii. Changes that would assist the Plan to be found sound in relation to these matters include:
- **utilising the well-defined and permanent boundaries to the west and north of the Moor Lane site (illustrated on Land Use Plan ref. 050-P2, Appendix 6)**
- viii. In this context, there is cause for consideration of the land at Moor Lane for allocation as housing in the Local Plan in accordance with our previous representations which confirm;
- The site continues to represent a viable and deliverable housing site and would provide a significant level of housing, estimated at 350 units, to make a valuable contribution to York's housing need
 - The site has a willing landowner committed to making it available in the short- to medium-term, contributing to housing delivery within the early years of the Plan, which is a shortfall in the current version
 - Options are available for the site to be delivered on its own or in conjunction with former allocated site ST13 to the east
 - Development of the site would not have an adverse impact in relation to the setting and special historic character of York and, together with adjacent land would form a logical and sustainable extension to settlement limits with potential to deliver enhanced services and facilities for Copmanthorpe
- Legal Compliance and the Duty to Cooperate
- ix. We make no representations on these issues.

CITY OF YORK LOCAL PLAN
PROPOSED MODIFICATIONS AND EVIDENCE BASE CONSULTATION (JUNE 2021)
in compliance with Regulation 19 of the Town & Country Planning (Local Planning) (England)
Regulations 2012

**REPRESENTATIONS ON BEHALF OF [REDACTED] IN RESPECT OF
LAND AT MOOR LANE, COPMANTHORPE**

Contents

1. Basis of the Representations
2. Representations on the Proposed Modifications
3. Representations on Green Belt Evidence Base
4. Conclusions

Appendices

1. Location Plan
2. York Press article, 26 June 2021
3. Scenario Tables 1, 2 and 3
4. Table 3a – Adjusted Housing Trajectory
5. 2014 Publication Draft Local Plan – Proposals Map (South)
6. Land Use Plan ref. 050-P2

ymc2107.lpv2
July 2021

1.0 INTRODUCTION

- 1.1 This submission is provided on behalf of the [REDACTED] at Moor Lane, Copmanthorpe in response to the Proposed Modifications and Evidence Base Consultation on the City of York Council Local Plan.
- 1.2 The site at Moor Lane measures 15.34ha and is located to the west of Moor Lane at the southwest edge of the developed limits of Copmanthorpe village (ref. Location Plan, Appendix 1).
- 1.3 The site was designated as safeguarded land in the 2014 Publication Draft Local Plan, and with adjoining land to the north it formed part of a 22ha site identified as site SF5 (Appendix 5). Site SF5 adjoined four sites at the western edge of Copmanthorpe that were allocated for housing in the 2014 Publication Draft Plan, comprising strategic housing sites ST12 and ST13 and general housing sites H40 and H29. These sites were together identified by the Council as having an estimated yield of 646 homes.
- 1.4 Representations supporting the allocation of the Moor Lane site for housing have been submitted as part of consultation on the various stages of the emerging Local Plan. The representations submitted in March 2018 and July 2019 provided analysis demonstrating how the Council's overall assessment of its housing requirement was significantly flawed and cast considerable doubt over whether the proposed housing allocations could deliver the number of dwellings identified within the Plan Period.
- 1.5 This submission provides representations in relation to housing need and provision in context of the Council's stated annual requirement of 790 dwellings, reduced from 867 in the submitted Draft Plan. It also makes representation on the Council's approach to defining York's Green Belt.
- 1.6 Our assessment demonstrates that the Council's housing requirement figure is not justified; and that the Draft Plan housing allocations are inadequate to meet anticipated housing needs and will likely lead to a shortfall in the assumed housing delivery particularly in the early years of the Plan. The Council has wrongly interpreted National Planning Policy when seeking to define the Green Belt, and the boundaries are not defensible because insufficient land has been excluded from the Green Belt to meet development needs during and beyond the Plan period. We maintain that further sites will need to be allocated to address York's housing need and deliver a sound Local Plan.

1.7 The scale of the deficit in housing land supply is significant as explained in the body of our representations. The table below summarises our conclusions on housing land supply for the five years of the plan 2020/21 to 2024/25.

Summary of 5-Year Land Supply 2020/21 to 2024/25

	Estimate based on Council's requirement of 790dpa	Our Estimate based on Standard Method 1,026dpa
5-year land supply including Local Plan allocations in 5-year period 2021/2024/25	6.25	2.16

1.8 The representations relate to the following documents:

- EX/CYC/58: Composite Modifications Schedule (April 2021)
- EX/CYC/46: Key Diagram
- EX/CYC/36: Affordable Housing Note Final (February 2020)
- EX/CYC/43a: Housing Needs Update (September 2020)
- EX/CYC/56: Strategic Housing Land Availability Assessment Update (April 2021)
- EX/CYC/59: Topic Paper 1 Approach to defining Green Belt Addendum (January 2021)
- EX/CYC/59f: Topic Paper 1: Green Belt Addendum (January 2021): Annex 4 – Other densely developed areas in the general extent of the Green Belt

2.0 REPRESENTATIONS ON PROPOSED MODIFICATIONS EX/CYC/58

2.1 Table 2 below sets out a summary of our response to the proposed modifications. Additional commentary on each modification is provided in the subsequent paragraphs.

Table 1: Summary of Objections to the Proposed Modifications

Ref.	CYC Proposed Modification	ONA Comment
PM48	Whole Plan change to Plan Period being 2017 to 2032/33	The Plan Period should be reset to a date that will correspond to the adoption date for the Plan. We suggest 1st April 2023 as an appropriate start date. This would have obvious consequential changes for other policies and site allocations in particular.
PM49	Policy SS1 - Clarification of Green Belt permanence	The Plan Period should be reset as above. It is likely that 5 years of the Plan Period will have elapsed by the time of adoption. With 10 years of the Plan Period remaining, and the 5 additional years the Council asserts it has provided allocations for, a Green Belt review is likely after 15 years. This does not constitute a permanent Green Belt Boundary.

PM50	Policy SSI - Clarification of Housing requirement over Plan Period	The Council's overall assessment of its housing requirement remains significantly flawed and does not make adequate provision for housing land supply.
PM53	Policy SSI – Clarification of housing requirement over Plan Period	Allocations are inadequate to meet York's housing needs, and the Plan remains over-reliant on a small number of strategic housing allocations.
PM54	Policy SSI – Clarification of housing requirement over Plan Period including allowance for shortfall in provision	Estimated delivery from some strategic allocations is unrealistic, particularly given that 4 years of the Plan Period has already elapsed.
PM55	Policy SSI – Clarification of CYC housing requirement over Plan Period including allowance for shortfall in provision	The delivery of affordable housing will fall significantly short of what is required to meet this acute need in York.
PM56	Key Diagram	
PM63 to PM63b	Policy HI – Housing Allocations	Tables relating to Policies SSI and HI present an exaggerated trajectory of housing supply, particularly from strategic sites, and should be revised. Scenario Tables 1, 2, and 3 in Appendix 3 of this statement illustrate a more realistic delivery trajectory. Additional sites that can deliver substantial affordable housing and other benefits must be allocated in the Plan.
PM64	Policy HI – Housing Allocations	
PM63 - PM63b	Policy HI – Housing Allocations	
PM52	Policy SSI – Clarification of approach to promoting brownfield land + development in sustainable locations	Modification is not necessary

(i) The Plan Period – PM48 and PM49

- 2.2 PM48 clarifies that the Draft Plan proposes a 16-year Plan period starting at 1 April 2017 and extending to 31 March 2033. PM49 clarifies that the Plan has made provision for development needs for an additional 5-year period to ensure a “permanent” Green Belt Boundary.
- 2.3 At the time of consultation on the first set of modifications in July 2019, two years had elapsed since the start of the plan period and in the absence of an adopted Plan, there had been little if any development activity on any of the strategic large housing sites.
- 2.4 We are now a further two years advanced from the Plan start date and little has changed, other than the situation regarding York's housing supply has worsened. The last set of housing completion figures for 2019/20 (521 dwellings)¹ demonstrates the continuing trend of completions falling significantly short of the Council's housing requirement of 790 dwellings per annum (notwithstanding that we consider the 790 figure to be inadequate to address the housing crisis in York).

¹ (560 less 39 student units)

- 2.5 It is anticipated that in the current circumstances adoption of the plan is unlikely until 2023 at the earliest – 6 years after the start date of the Plan.
- 2.6 We now have a situation that goes to the heart of the soundness of the Plan. Paragraph 157 of the NPPF (2012) advises that Local Plans should be drawn up over an appropriate time scale, preferably a 15-year time horizon, taking account of longer-term requirements, and be kept up to date. Common sense would suggest that at the point of adoption the Local Plan should be at, or close to, a year or two of its start date, not 6 years out.
- 2.7 This common-sense point is now set out in the 2019 NPPF which, at paragraph 22, advises that Strategic policies should look ahead over a minimum 15-year period from adoption² and that policies in Local Plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years³ (NPPF 2019, para 33).
- 2.8 The situation in York, therefore, is that at the point of adoption, the Council will have failed in its legal duty to have undertaken a first review of the Plan and 6 years of the plan period will have elapsed with no housing development of any significance on strategic housing sites.
- 2.9 To ensure a sound Plan and legally compliant Plan, the plan period must be reset so that the start of the Plan period is at, or close to, the point of adoption.
- (ii) Green Belt permanence beyond the Plan Period – PM49**
- 2.10 One of the consequences of the delay in adopting the Local Plan (assuming an adoption date of 2023) is that the 15-year plan period becomes, in practice, a 10-year plan period. With the additional 5 years beyond the plan period, the Green Belt would only be in place for 15 years after adoption of the plan. This falls well short of the permanence for Green Boundaries that National Planning Policy requires.
- 2.11 The likelihood is that at the first review of the Plan, the Council would have to make provision for additional housing beyond 2038, which in turn would likely give rise to a Green Belt review.

² Strategic policies should set out an overall strategy for the pattern, scale and quality of development (See para 20 of NPPF 2019 for details of the scope of development considered for strategic policies)

³ Reviews at least every five years are a legal requirement for all local plans (Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012).

- 2.12 This failure of the Plan can be addressed by allocating additional land, such as the Moor Lane site, for housing development now; and by identifying Safeguarded Land in accordance with the advice in paragraph 85 of the NPPF (ref. paras 3.36 to 3.44 of these representations).

(iii) Housing Requirement and Supply – PM50, PM53, PM54, PM55, PM56, PM63-63b

Housing Requirement

- 2.13 We remain unconvinced on the Council's approach to calculating the Objectively Assessed Housing Need (OAN) for the following reasons:
- a) The use of 2016 population and household projections is contrary to Government Guidance. In the face of what is recognised as a housing crisis in York, the continued use of the 2016 projection flies in the face of the need of housing in the City. Given the persistent under delivery of housing and in particular the major failings in affordable housing provision in the City a more pro-active and forceful approach to the housing requirement is required. The use of a higher housing requirement figure is justified and the more relevant figure is the government's standard method requirement of 1,026 as set out in section 4 of the Council's Housing Need Update.
 - b) The housing requirement calculation is too low for the reasons set out in (c) (d) and (e) below.
 - c) The calculation of completions since 2012 is too high (i.e. the Council's estimate of backlog is too low). It is generally accepted there is a housing crisis in York resulting from persistent under delivery and above average increase in house prices. Table 2 below indicates that, using the Council's OAN of 790dpa, the backlog in housing completions since 2012 is 2,030 or 135 dwellings per annum added to the housing requirement over the remaining Plan period. If the standard method OAN of 1,026dpa is used for the first three years of the Plan period (i.e. 2017-2020), the backlog would be 2,741 dwellings or 211 dwellings per annum added to the housing requirement over the remaining 13 years of the Plan Period.

Table 2: Backlog assuming OAN of 790dpa for period 2012/13 to 2019/20

Year	Net Dwellings Added (Council Figures)	Less student units	Net C3 Dwelling units	Local Plan Mods OAN	Backlog/Surplus	Housing delivery test indicator
2012/13	482	0	482	790	-308	61.0%
2013/14	345	0	345	790	-445	43.7%
2014/15	507	0	507	790	-283	64.2%
2015/16	1121	579	542	790	-248	68.6%
2016/17	977	152	825	790	35	104.4%
2012-17	3432	731	2701	3950	-1249	
2017/18	1296	637	659	790	-131	83.4%
2018/19	449	40	409	790	-381	51.8%
2019/20	560	39	521	790	-269	65.9%
2017-20	2305	716	1589	2370	-781	
Total 2012-20	5,737	1,447	4,290	6,320	-2,030	63.0%

- d) Outstanding commitments include student housing that should be excluded as they do not meet housing need or contribute to affordable housing. This is highlighted by Table 5 at para 2.19 below for the Years 2015/16 to 2017/18 which demonstrates the low percentage delivery of affordable dwellings in years when high levels of student units are included in housing completions.
- e) The Council has not adequately explained the use of ONS ratios or made the necessary adjustments to include student housing in the completion and supply figures. There are apparent inconsistencies in the figures. Table 1 of the updated SHLAA has a figure of 1,296 net dwelling gain for 2017/18. The text at paragraph 2.5 of the SHLAA update explains that the relevant ONS ratios have been applied. However, Table 3 of the Housing Monitoring Update May 2018, included at Annex 3 of the SHLAA, indicates that the net dwelling gain of 1,296 includes 637 units of student accommodation to which no ratio seems to have been applied.

- f) The assumptions on windfalls are questionable and should not be treated as a component of the Plan. This is particularly the case given the significant shortfall in affordable housing delivery which adds even greater emphasis to the requirement to **significantly boost** the supply of housing. Windfall completions deliver relatively little affordable housing.
- g) This analysis confirms previous comments on the Plan that the housing requirement has been underestimated because shortfall has not been properly accounted for. Consequently, the allocations proposed in the Plan are inadequate to address the housing needs for the Plan Period.

Affordable Housing

- 2.14 The Council's Strategic Housing Market Assessment (SHMA) identified a need for 573 affordable homes per annum (accepting that this need model includes existing households who may require a different size or tenure of accommodation rather than new accommodation).
- 2.15 Assuming an annual housing requirement of 822 dwellings, we would expect an average of 25% affordable provision (205 dpa) – mid-way between the 20% brownfield target and 30% greenfield targets. Over the 16-year lifetime of the plan this should deliver **3,280** affordable units (205 x 16).
- 2.16 The Council's Affordable Housing Note (ref. Table 10 of EX/CYC/36) predicts the affordable supply during the Plan Period (based on delivery assumptions at 1st April 2017) to be as follows:

Table 3 – Anticipated affordable housing supply (Council's Assessment)

Source of Affordable Housing Supply	Total Delivery	Total Anticipated Affordable Housing Provision	Affordable Housing Provision per annum
Strategic Housing sites over 5ha	11,067	2,534	158
Sites under 5 ha	1,452	429	27
Affordable from extant consents	3,578	380	24
Housing Delivery Programme		70	4

Housing sites approved since 2017		12	1
Older persons programme		83	5
Windfall Projections		31	2
Total	16,097	3,539	221

Data from CYC Affordable Housing Note

2.17 However, because of the delays with the Plan, the development of strategic sites has been pushed further back into the Plan Period. Our estimate is that strategic sites will only deliver 6,983 dwellings in the Plan Period (allowing for 10% non-implementation), which would reduce affordable delivery from this source to 1,599 dwellings and total delivery to 2,591 or 162 affordable dwellings per annum over the plan period. This figure is at the lower end of what should be achievable in a city that is experiencing significant house price inflation and when there is huge pressure on the limited supply of affordable housing.

Table 4 – Our Estimate of affordable housing delivery with revised trajectory

	Anticipated percentage (paras 11-21 CYC Affordable Housing Note)	Total Delivery	Affordable	Affordable per annum ⁴
Affordable Housing delivery 2017-2020 ¹			141	47
Strategic Housing sites over 5ha ²	22.90%	6,983	1,599	123
Sites under 5 ha	29.50%	1,529	451	28
Affordable from extant consents ³		3,578	204	13
Housing Delivery Programme			70	
Housing sites approved since 2017			12	

Older persons programme			83	
Windfall Projections			31	
Total		12,090	2,591	162

- 1 Table 12 from Affordable Housing Note and our estimate of 51 affordable completions in 2019/20
- 2 Our estimate of completions from Strategic sites plus 10% non-implementation
- 3 380 as at 1/4/2017 less 176 completions 2017-20
- 4 Figures for Housing sites assume 13 years of plan remaining. Total affordable is divided by 16 years

2.18 Furthermore, the recent record of affordable housing delivery does not give us any confidence that even this modest rate of 162 dwellings will be achieved. In recent years the record of affordable housing delivery has been very poor. Table 12 from the Council's Affordable Housing Note shows that between 2013/14 and 2018/19 a total of just 461 affordable dwellings were delivered, equating to or 77 dwellings per annum.

2.19 The limited contribution of the provision of these 461 affordable dwellings over the past 6 years to ease the affordable housing crisis is further reduced when the impact of Right to Buy (RTB) is factored into the calculation. Table 14 from the Affordable Housing Note shows that between 2013 and 2019 there were 384 RTB sales in York – resulting in a net addition to the affordable stock of just 77 dwellings or 13 dwellings per annum as shown in Table 5 below. Between 2014/15 and 2018/19 the Council purchased 85 affordable homes with commuted funds, but that only provided a net addition to the social housing stock of 27 dwellings per annum for the 6-year period.

**Table 5 – Actual affordable housing delivery and net change in affordable stock
 2013/14 to 2018/19**

Year	Net Housing Completions*	All affordable Housing Completions (resulting from planning consent)	% of All AH Completions Compared to All Net Housing Completions	Right to buy sales	Net change in affordable housing stock
2013/14	345	43	12.46%	53	-10
2014/15	507	129	25.44%	52	77
2015/16	1121	109	9.72%	68	41
2016/17	977	90	9.21%	79	11
2017/18	1296	45	3.47%	72	-27

2018/19	449	45	10.02%	60	-15
Totals					
2013-18	4695	461	9.82%	384	77

* Councils figures include student housing

2.20 It is clear from the Council's own analysis that the greatest potential for delivery of affordable housing is from large greenfield sites. Student housing, communal establishments, and windfalls simply will not deliver the scale of affordable housing required to address the City's housing crisis. If there is to be a step change in affordable housing delivery, more consideration must be given to increasing the potential for additional greenfield housing allocations to address the shortfall in supply generally and the shortfall in delivery of affordable housing in particular.

2.21 In the course of the consultation on these modifications, press reports highlighted the significant increase in house prices in 2020/21 (Appendix 2). The Council's own Housing Needs Update (EX/CYC/43a, Sept 2020) confirms that in 2019 the median workplace ratio for York was 8.2 (i.e. median house prices are 8.2 times the median earnings of those working in the district).

The Barwood Appeal

2.22 The Council's poor record on housing delivery was picked up by Inspector Clark who considered a recovered appeal against the Council refusal of outline planning permission for a 516-unit residential scheme at Moor Lane, Acomb, York (Barwood Appeal ref. APP/C2741/W/19/3233973).

2.23 For the purposes of the appeal the appeal site was considered to fall within the Green Belt. The Appeal decision was issued in May 2020 and although the appeal was dismissed, Inspector Clark made some telling observations regarding housing land supply in the City. At Paragraph 340 of his report, he notes that that:

"All parties are agreed that there is a housing crisis in York, with a wholly inadequate identified Housing Land Supply."

2.24 He went on to say at paragraph 342 that:

"Housing supply, of itself, does not represent very special circumstances for permitting development harmful to the Green Belt. But housing supply in the face of a marked and intractable shortage of housing land supply, may do so."

- 2.25 The paragraph continued:
“The five-year housing land requirement is for 5,345 dwellings. The anticipated undersupply (shortage) for the next five years is 2,500 dwellings. This proposal therefore represents just under 10% of the total five-year requirement, or about 20% of the currently identified shortage. That is a considerable benefit which could contribute towards a finding of very special circumstances.”
- 2.26 Inspector Clark noted that York has an affordability problem in both home ownership and rental which is more acute than the national average. Affordable housing supply is well below need. In considering the 35% provision of affordable housing proposed in the scheme, he noted, at Paragraph 344, that:
“Although a very commendable benefit, the excess over the record of the Council’s recent achievements (13.31%) should not amount to an argument in favour of declaration of very special circumstances because policy required a benefit of 30% in any event.”
- 2.27 Significantly, however, Inspector Clark commented at paragraph 345 that:
“What can be considered towards a declaration of very special circumstances is the 5% excess over policy. The Council’s disparagement of this excess should not detract from its value in terms of national policy, even though there is a history in York of delivery falling short of promises.”
- 2.28 Inspector Clark considered that the considerable benefit from the supply of housing in a situation of crisis and the modest excess contribution to the supply of affordable housing may be given disproportionate value because of the overall deficiency of supply. These benefits combined with net biological diversity gains and contributions towards open space deficiencies in the local area could be considered to amount to very special circumstances but in this instance the benefits were outweighed by the potential harm to Askham Bog SSSI.
- 2.29 The Secretary of State agreed with the Inspectors decision but noted in paragraph 22 of his letter that:
“All parties are agreed that there is a housing crisis in York and that a five-year supply of housing land cannot be demonstrated. The Secretary of State agrees with the Inspector at IR342 that the provision of housing would be a considerable benefit of the proposal. He has also taken into account that the proposal would provide 35% of the dwellings as affordable units, above a policy requirement of 30%, and agrees that this has value in terms of national policy, particularly in the light of the overall deficiency of supply.”

- 2.30 All of this evidence suggests that if York is to “...**boost significantly**...” the supply of housing to address the current housing crisis, significant additional housing land allocations are required.

Revised Housing Trajectory

- 2.31 There are clearly many scenarios to the housing trajectory for the Plan Period depending on assumptions that are made about the delivery from housing sites; use of student completions; windfalls; and the use of non-implementation rates.
- 2.32 To test the robustness of the Plan’s housing requirement we have run three scenarios using a modified version of the Council’s update to Table 5.2 (PM 63b) on page 30 of the Composite Modifications Schedule using data and assumptions from Figure 3 from the SHLAA Housing Supply and Trajectory Update. These are illustrated in Scenarios 1, 2, and 3 at Appendix 3:

Scenario 1

- 2.33 Scenario Table 1 sets out the detailed housing trajectory but the housing delivery for strategic sites has been adjusted to reflect our assessment of when completions are likely to occur assuming the Plan is adopted in 2023. Our detailed adjusted trajectory is illustrated in Table 3(a) at Appendix 4. The Council’s other assumptions are also incorporated. They are:

- Housing target (790 dwellings);
- Shortfall (32 dwellings pa between 2020/21-2032/33)
- Delivery of anticipated strategic and general housing site allocations incorporating the assumptions (including 10% non-implementation rate);
- The anticipated delivery of extant planning permissions (including a 10% non-implementation rate;
- Windfall assumptions from year 2023/24 of the Plan Period;

SCENARIO 1 OUTCOME *Housing requirement exceeded by 2,279 dwellings*

Scenario 2

In Scenario Table 2, the housing delivery for strategic sites has been adjusted to reflect our assessment of when completions are likely to occur assuming the Plan is adopted in 2023. The adjusted trajectory is illustrated in Table 3(a) at Appendix 4. However, in Scenario 2 we have adjusted the assumptions on shortfall, windfall, and communal and educational establishments. They are:

- Housing target (790 dwellings);
- Shortfall (78 dwellings pa between 2017/18-2032/33 – student accommodation excluded from calculations)

- Delivery of anticipated strategic and general housing site allocations incorporating the assumptions (including 10% non-implementation rate);
- The anticipated delivery of extant planning permissions (including a 10% non-implementation rate);
- No windfall included;
- Communal and student establishments excluded from supply

SCENARIO 2 OUTCOME *Housing requirement shortfall of 1,801 dwellings*

Scenario 3

In Scenario Table 3, the housing requirement was the Standard Method figure of 1,026. The housing delivery for strategic sites has been adjusted to reflect our assessment of when completions are likely to occur assuming the Plan is adopted in 2023. The adjusted trajectory is illustrated in Table 3(a) at Appendix 4. However, we have adjusted the assumptions on shortfall, windfall, and communal and educational establishments. They are:

- Housing target (1026 dwellings);
- Shortfall (78 dwellings pa between 2017/18-2032/33 – student accommodation excluded from calculations)
- Delivery of anticipated strategic and general housing site allocations incorporating the assumptions (including 10% non-implementation rate);
- The anticipated delivery of extant planning permissions (including a 10% non-implementation rate);
- No windfall included;
- Communal and student establishments excluded from supply

SCENARIO 3 OUTCOME *Housing requirement shortfall of 5,577 dwellings*

Table 6 – Summary of Scenario outcomes on Housing Trajectory

Council Local Plan Position - Oversupply	5,268*
Scenario 1 - Oversupply	2,279
Scenario 2 – Shortfall	-1,801
Scenario 3	-5,577

*This does not allow for 10% non-implementation

2.34 What this scenario testing demonstrates is the sensitivity of the Local Plan housing supply to small changes in the trajectory of the strategic sites and a 10% allowance for non-implementation (Scenario 1). When a more robust position to housing supply is taken (Scenarios 2 and 3) a significant shortfall is evident highlighting the need for the Local Plan

to take a robust, pro-active approach to significantly boosting the supply of housing by including additional allocations in the Plan.

2.35 Table 7 below provides our assessment of 5-year land supply in the first 5 years of the Plan Period.

Table 7 - 5 Year land Supply Calculation 2020/21 to 2024/25

		Assessment using Councils Housing requirement of 790 and Council assumptions on Supply trajectory		Our Assessment using Standard method figure 1,026 and our revised trajectory and 10% non-implementation	
A	Requirement	(5x790)	3,950	(5x1026)	5,103
B*	Plus Shortfall 2012-2020	(7x32)	224		2,030
C	Sub total		4,174		7,380
D	20% buffer	(C x .2)	834.8	(C x .2)	1,476
E	Total 5-year Requirement	C+D	5,009	C+D	8,856
F	Annual requirement	(E ÷ 5)	1,002	(E ÷ 5)	1,771
G**	Supply (Commitments)		5,896		3,713
H	Windfall		364		0
I	5-year supply	(G+H) ÷ F	6.25		2.16

*Our backlog is calculated using the 790 OAN (see Table 2, para 2.13)

** For the Council assessment the Figure is the projected delivery for years 2020-2024/25 from the Updated SHLAA Figure 2. Our figure is from our Scenario Table 2 at Appendix 3 and includes a 10% allowance for non-implementation.

2.36 What this analysis demonstrates is that whilst the optimistic supply trajectory assumed by the Council results in a supply of 6.25 years, a more realistic assumption about commitments and a more robust approach to the housing requirement results in a supply of only 2.16 years highlighting the need to make additional housing allocations.

(iv) Phasing in relation to brownfield - PM 52

2.37 Whilst we support the emphasis on development of brownfield land, in the York context the proposed change to insert an additional bullet point that says “*Prioritise making the best use of previously developed land*” is not required for the following reasons:

- The modification duplicates guidance in paragraph 17 of the NPPF 2012 and paragraph 117 of the NPPF 2019
- York does not have a legacy of heavy industry that would give rise to significant brownfield sites.
- All the major brownfield sites identified in the Plan (British Sugar; Nestle; York Central; Terrys) have planning consent;
- There can be genuine obstacles to development of brownfield sites that can delay development coming forward for several years (a good example is the 3-5 years required to remediate the British Sugar site). In that time, development of sustainable greenfield sites could be held back because of this policy;
- Owners of brownfield sites cannot be forced to develop them (although in York this does not appear to be a problem);
- This additional emphasis on brownfield sites could accelerate the loss of employment land that is occurring in the city centre;
- Brownfield sites do not deliver the same level of affordable dwellings as greenfield sites
- The evidence indicates that brownfield sites in York are aggressively developed even when development on greenfield sites is taking place. For example, the Terry’s site and more recently the former Heworth Gas Works site are being developed while development is also occurring on greenfield sites at Germany Beck and Derwenthorpe

2.38 For these reasons we conclude the suggested text should not be included in the Plan.

3.0 REPRESENTATIONS ON GREEN BELT EVIDENCE BASE

Planning Policy Context

3.1 The 2012 NPPF at Paragraph 80 states that the purposes of including land in the Green Belt are:

- to check the unrestricted sprawl of large built-up areas;
- to prevent neighbouring towns merging into one another;
- to assist in safeguarding the countryside from encroachment;
- to preserve the setting and special character of historic towns; and
- to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.

- 3.2 Saved policies YH9 and Y1 of the RSS remain extant and relate to the general extent of the York Green Belt. It is the role of the local authority to establish the boundaries of the Green Belt through the Local Plan. The relevant policy for this is set out in paragraphs 84 and 85 of the 2012 NPPF (and is broadly retained in paragraphs 138 to 139 of the 2019 NPPF).
- 3.3 Paragraph 85 expands on the issue of green belt permanence and adds that when defining boundaries, local planning authorities should:
- *ensure consistency with the Local Plan strategy for meeting identified requirements for sustainable development;*
 - *not include land which it is unnecessary to keep permanently open;*
 - *where necessary, identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period;*
 - *make clear that the safeguarded land is not allocated for development at the present time*
 - *satisfy themselves that Green Belt boundaries will not need to be altered at the end of the development plan period; and*
 - *define boundaries clearly, using physical features that are readily recognisable and likely to be permanent.*
- 3.4 The Green Belt boundaries around York are being defined (or established) for the first time. They are not being altered. In defining/establishing boundaries the Council must meet the identified requirement for sustainable development, i.e. it must allocate land to meet identified needs for housing, employment, leisure and other needs.
- 3.5 In other words, it is not a question of what land ***should be taken out of the Green Belt***. The Council is deciding what land ***should not be included in the Green Belt*** in order to meet the identified requirements for sustainable development while ensuring that it ***does not include land which it is unnecessary to keep permanently open***.

EX/CYC/59: Topic Paper I: Approach to Defining Green Belt Addendum (January 2021)

- 3.6 The Council has produced an extensive Addendum to Topic Paper I ('TPI Addendum'). The document revises and replaces the 2019 TPI Addendum (EX/CYC/18) and seeks to provide further evidence explaining its approach to defining York's Green Belt Boundaries.
- 3.7 As part of the approach taken in the 2019 TPI Addendum, the Council had produced a series of maps (Figures 3-6) to illustrate land associated with each purpose of the Green Belt (excepting Purpose 5 re. urban generation). These maps informed an overall composite map (Figure 7) which identified "Strategic Areas to keep permanently open".

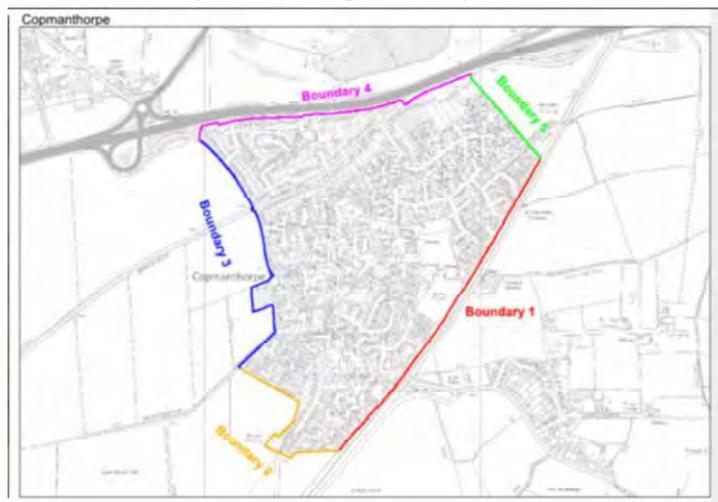
- The 2019 Figure 7 plan did not include the site at Moor Lane (or other proposed allocations at the western edge of Copmanthorpe) within the strategic areas deemed necessary to be kept open.
- 3.8 At Para 4.17 of the 2019 TPI Addendum, the Council stated in relation to Purpose 4 that “*areas not identified on the appraisal maps could still be important to the historic character and setting [of York]*”. This was considered by the Inspectors to be one of several areas of potential weakness in the Council's evidence. Paragraph 5.15 of the 2021 TPI Addendum states in response that “*this was not intended to indicate that other areas remained unassessed: rather, more detailed assessment had been taken into account by reference to the Heritage Topic Paper.*”
- 3.9 The January 2021 TPI Addendum aims to clarify the methodology developed and applied to the proposed establishment of York's Green Belt boundaries in response to concerns raised by the Inspectors, including ensuring that the local assessment criteria have a clear and unequivocal connection to Green Belt purposes. The Addendum confirms that the Council consider the following purposes as being appropriate to York's Green Belt:
- Purpose 4 – Preserving the historic setting of York
 - Purpose 1 – Preventing unrestricted sprawl
 - Purpose 3 – Safeguarding the countryside from encroachment
- 3.10 The TPI Addendum sets out how the “*more detailed assessment*” has been undertaken through evaluation to the boundary sections as set out in Annexes 2, 3 and 4 of TPI, and as informed by the key evidence documents of the Approach to Green Belt Appraisal (2003, and Updates 2011 & 2013) and the Heritage Topic Paper (2014).
- 3.11 The Addendum further confirms that the green belt assessment is informed by the Local Plan strategy, which is framed around meeting York's development needs and spatial principles (Policy SS1) and which states that the *primary purpose* of the Green Belt in York is to safeguard the setting and the special character of York whilst delivering the spatial strategy.
- 3.12 Leaving aside concerns set out in sections above that the Local Plan clearly fails to meet identified requirements for sustainable development, in principle this seems an appropriate approach to defining Green Belt boundaries.
- 3.13 However, there remain fundamental issues with the way the Green Belt methodology has been applied in the assessment of local detailed boundaries. In particular, the Council has taken an overly restrictive approach in their evaluation to the boundary sections set out in Annexes 2, 3 and 4. This evaluation seems intent more on serving a pre-established

conclusion that land not allocated to meet the Plan's growth requirements must be designated as Green Belt, rather than providing a critical analysis of whether it is necessary to keep the land permanently open.

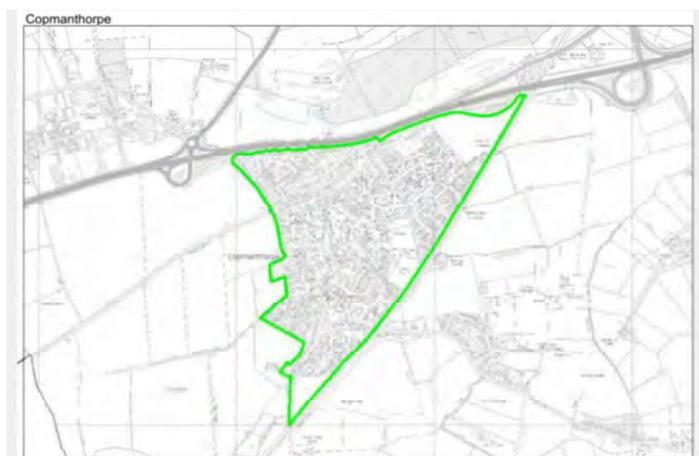
- 3.14 In this respect, **we object** to the Council's assessment of Green Belt boundaries relating to the land at Moor Lane.

EX/CYC/59f: Topic Paper 1: Green Belt Addendum (January 2021): Annex 4 – Other densely developed areas in the general extent of the Green Belt

- 3.15 Annex 4 of the TPI states that that the densely developed area of Copmanthorpe does not contribute to the openness of the Green Belt, and confirms that the village is therefore proposed to be inset (excluded) from the Green Belt. The Annex assesses detailed boundaries (numbered 1 to 5) around the village in relation to the purposes of Green Belt, with the Moor Lane site part adjoining Boundary 2, as shown below.



- 3.16 The Green Belt boundaries proposed for Copmanthorpe (as below) are drawn tightly around the existing settlement limits, save for land at the northeast and southern edges of the village to accommodate allocated sites H29 and ST31.



- 3.17 The Council's states in Annex 4 that the two sites represent the most appropriate location for allocations consistent with sustainable development patterns. It further concludes that it is necessary to keep land to the west of the village, including the Moor Lane site, permanently open in relation to each of the three purposes relevant to the York Green Belt.
- 3.18 We consider that, having already acknowledged that the land at Moor Lane is not included in the "strategic areas" to be kept permanently open, the Council's detailed assessment of boundaries does not support the inclusion of the land within Green Belt. Not all sites outside current settlement limits perform a Green Belt function and where this is the case, these should be excluded from being within its boundaries. This would not necessarily mean allocation of sites for development, although this would be an entirely sensible option for viable and sustainable sites such as Moor Lane given the critical housing need. Such sites could alternatively be retained as safeguarded land.
- 3.19 We address each of the three relevant Green Belt purposes below, starting with Purpose 4 in line with its primacy in the Local Plan strategy.

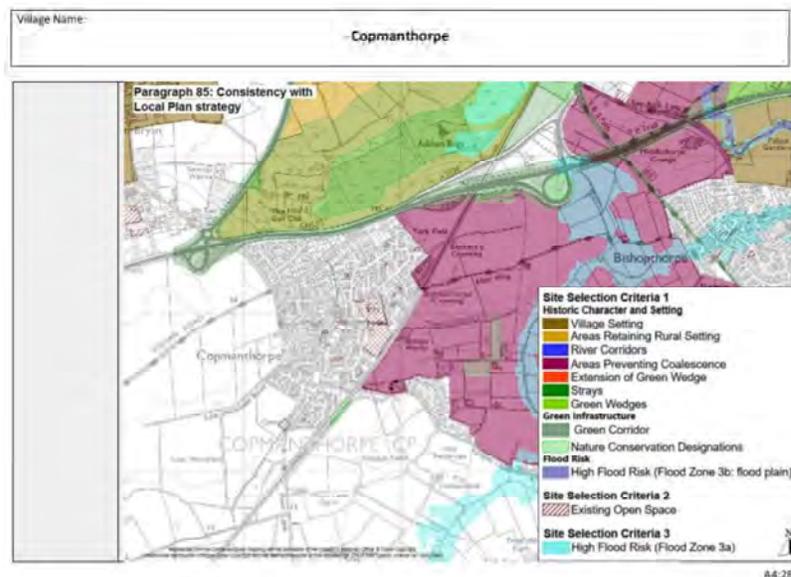
Purpose 4 - To preserve the setting and special character of historic towns

- 3.20 The Council's assessment for Purpose 4 refers to the three criteria of 'Compactness', 'Landmark Monuments' and 'Landscape & Setting'.
- 3.21 In relation to Landmark Monuments, the Assessment refers only to the need for land north of Boundary 4 to be kept open owing to the contribution this makes to understanding the context and dominance of the Minster. The Assessment refers also to distant and key views of the Minster but does not states how these impact on the proposed boundaries, and we consider that there are no such views that would relate to the land at Moor Lane.

3.22 In analysing the two remaining criteria, the Council refer to the need for land around Copmanthorpe to be kept permanently open to:

- maintain the scale and identity of a compact village in a rural landscape: and to
- to protect the setting and special character of York, which includes a clock face of smaller compact villages

3.23 Here, the Council place key emphasis on the Green Belt evidence which identifies land adjacent to Copmanthorpe as being of primary importance to the setting of the historic city as part of retaining the rural setting of the city and preventing coalescence. However, as shown in the Council's plan below, these factors are applicable only to Boundaries 1, 4, and 5 at the northern and eastern boundaries of Copmanthorpe.



3.24 Annex 4 states that land to the east of Copmanthorpe is important in maintaining the identity and separation of the village with Bishopthorpe and York's southern edge, and that the land to the north plays an important role in protecting the rural setting of the City and its villages.

3.25 The Annex claims no such contribution for the land to the west of Copmanthorpe and, as shown in the plan above, the site at Moor Lane does not include any areas assessed by the Council as being important to York's special character and setting. Beyond the general view that all 5 boundaries have a role in keeping land open as part of a wider view of Copmanthorpe, the Council provide no justification as to why it is necessary to keep this land permanently open to preserve the setting and special character of York.

3.26 It is relevant to note that Historic England made no objections to the proposed allocation of sites to the west of Copmanthorpe in earlier iterations of the draft Local Plan. In contrast, Historic England has repeatedly voiced its strong objections to ST31 as part of consultations both on the emerging Local Plan and in relation to the current application (ref. 18/00680/OUTM) relating to the site. These state that:

- land comprising Site ST31 forms an important part of the landscape setting of the historic City that plays a role in allowing its special character to be appreciated.
- development of the site, with the impact of the new Askham Bar Park & Ride, would effectively reduce the gap between York and Copmanthorpe to little more than the field that lies between the A64 and the slip road onto Tadcaster Road
- the development would cause harm to the historic City of York by:
 - harming the relationship of the main built-up area with one of its surrounding villages, as such undermining the primary purpose of the York Green Belt.
 - failing to preserve the special character and setting of the historic City of York.
- proposals for the site do not constitute sustainable development

3.27 In context of the Historic England comments, and the Council's own assessment relating to Purpose 4 and the need to promote sustainable patterns of development, the land at Moor Lane and adjacent sites to the west of Copmanthorpe would offer a more suitable option for allocation than Site ST31.

3.28 If further sites are required to meet York's housing needs, it would clearly be possible for the Moor Lane site to be developed without having an adverse impact on the city's special historic character. In such circumstances, the allocation of this site for housing would be entirely in accordance with the Council's spatial strategy of prioritising development within or as an extension to urban areas to minimise harm to York's historic character. The site would form a logical extension to Copmanthorpe village, which would still be perceived as a freestanding, clearly definable settlement, without further narrowing the gap between the main built-up area of York.

Purpose 1 – To check the unrestricted sprawl of large built-up areas

3.29 The Council's assessment fails to identify any convincing reasons to support its conclusions that the land adjacent to Boundary 2 must be kept open to prevent unrestricted sprawl. It identifies that the land comprises open greenfield connected to an area of dense development at the western edge of the village but is otherwise unconstrained by built development. However, neither of these factors would serve to demonstrate why it is necessary for the land to be included in the Green Belt to serve Purpose 1.

- 3.30 If the land were not to be included in Green Belt, through allocation or by retention as safeguarded land, it would still be the case that sprawl could be controlled by robust and enduring boundaries. Land to the west of Copmanthorpe is characterised by fields with mature hedgerows providing strong linear boundaries. The land at Moor Lane itself is enclosed by a green lane running north-south along its western boundary and by Low Westfield Road to the north, both of which represent well-defined, recognisable, and historic boundary features which would provide a durable barrier to sprawl (ref. Appendix 6).
- 3.31 In the event that further land is required to meet housing need in York, the allocation of land at Moor Lane would form a logical and proportionate extension to settlement limits. It would assist in meeting an identified requirement for sustainable development and enable the enhancement of existing physical features through a landscape character led housing scheme. Allocation of the site would therefore enable the Council to define Green Belt boundaries that are permanent and will endure beyond the Plan period, and in doing so provide a meaningful check to unrestricted sprawl of the wider urban area.

Purpose 3 - To assist in safeguarding the countryside from encroachment

- 3.32 The basic premise of the Council's assessment in terms of Purpose 3 is that the land outside of Boundaries 2 and 3 predominantly functions as part of the countryside and contributes to the character of the countryside through openness and views.
- 3.33 Again, however, these factors would not necessarily mean that the land at Moor Lane must be kept permanently open to safeguard the countryside from encroachment. As stated in the sections relating to Purpose 1 above, there exist alternative potential boundaries to the west of the village (ref. Appendix 6), and these would equally serve to prevent encroachment while offering more permanence than a Green Belt boundary aligned with the existing settlement limits.
- 3.34 Existing physical features along the western and northern boundaries of the Moor Lane site form robust and defensible boundaries, and land to the south is constrained by the East Coast Main Line. Adopting alternative boundaries to the west of the developed limits would ensure that the Council can meet its requirement to meet sustainable development needs if further housing sites are required, or if necessary, include safeguarded land between the urban area and Green Belt to meet longer-term development needs stretching well beyond the plan period.

- 3.35 Neither scenario would result in a significant encroachment into the extensive areas of open countryside to the west of the village. Rather, it will result in a permanent and strong Green Belt boundary that will safeguard the countryside from encroachment and endure beyond the Plan period.

Enduring Boundaries and Safeguarding

- 3.36 Paragraph 85 of the NPPF advises that when defining Green Belt boundaries for the first time, LPAs should, where necessary identify areas of 'safeguarded land' between the urban area and Green Belt, to meet longer-term development needs beyond the plan period. In doing so it must make clear that the safeguarded land is not allocated for development at the present time.
- 3.37 The failure of the Council to address this requirement is a fundamental flaw of the Local Plan and goes to the heart of the soundness of the Plan.
- 3.38 Critically, the Council must evidence that the Green Belt boundaries will not have to be altered at the end of the plan period. As demonstrated in this evidence, the Plan has not allocated adequate land to meet housing needs with the plan period and has failed to exclude land to meet longer-term development needs stretching **well beyond** the Plan period as recommended by paragraph 85 of the NPPF.
- 3.39 Exactly what constitutes "well beyond" the Plan period was put forward for consideration at the Local Plan Working Group meeting on 29 January 2015. Officers had instructed John Hobson QC to advise on the approach that should be adopted in determination of the Green Belt boundary. In particular, Mr Hobson was asked to consider how long beyond the Plan period a Green Belt should endure once it is defined in a statutory plan.
- 3.40 In the advice dated 16 January 2015, Counsel stated:
"9. As paragraph 85 makes clear this involves consideration of the development needs which are to be met during the Plan period, and also the longer-term development needs, "stretching well beyond the Plan period". Quite how far beyond is a matter of planning judgment, but in my opinion a 10-year horizon beyond the life of the Plan as mentioned in my Instructions would be appropriate."
- 3.41 Counsel's advice concluded with:
"16. In my opinion if no safeguarded land is identified in the emerging Local Plan this would give rise to a serious risk of the Plan being found unsound. There would be a failure to identify how the longer-term needs of the area could be met, and in particular a failure to indicate how those longer-term needs could be met without encroaching into the Green Belt and eroding its boundaries."

“17. The only argument which it seems to me the Council could deploy to avoid this danger is to be able to demonstrate that there is sufficient land outside the Green Belt boundary which will be suitable for meeting the need for further development, and which is likely to be available when those needs arise. The important point is to be able to demonstrate that the Green Belt boundary will not be affected. I assume many authorities have adopted Local Plans without including safeguarded land. It would have been appropriate for them to do so in accordance with their local circumstances. However, I am unaware of a situation comparable to the circumstances in York.”

- 3.42 The 2013 Preferred Options Draft Local Plan sensibly included a reasonable amount of safeguarded land to ensure the proposed Green Belt Boundaries would remain permanent beyond the Plan period. Unfortunately, the removal of this sensibility was confirmed in the Preferred Sites Consultation (2016).
- 3.43 The Council's TPI Addendum (Paras 10.33 to 10.42) suggests that the removal of the safeguarded land provides more certainty to local communities and developers, whilst allowing for more comprehensive place shaping and master planning of development. However, certainty is not the test in this situation, rather it is the need to ensure enduring Green Belt boundaries.
- 3.44 In this regard, we strongly challenge the omission of safeguarded land within the Plan. The omission of such a key component of the Local Plan spatial strategy is a serious weakness and may well result in the Plan being found unsound. Particularly so as the Plan period is only up to 2033 and from a best-case point of adoption of 2023, it will only be a 10-year plan with land identified for development needs for a further 5 years. This would give a Green Belt boundary of 15 years, as opposed to a 25-year boundary that would be provided by a 15-year plan with land safeguarded for potential development needs for the 10 years beyond.

4.0 CONCLUSIONS

- 4.1 This submission is made following consideration of the consultation documents for the Council's Proposed Modifications to the Local Plan. It states that:
- realistically, adoption of the Plan is not likely until 2023. By then, 6 years of the Plan Period will have passed. This will give an operational Plan Period of just 10 years.
 - the Green Belt will only be in place for 15 years after adoption. This falls well short of the permanence for Green Belt boundaries required by National Planning Policy.
 - the Council's assessment of its housing requirement is fundamentally flawed and does not make adequate provision for housing land supply.

- the Plan is over-reliant on a small number of isolated strategic housing allocations, and the proposed allocations cannot deliver the houses the City needs.
- delivery of affordable housing will fall significantly short of what is required to meet the acute need in York. Completions on strategic sites – the most significant source of supply – will occur later in the Plan Period than anticipated by the Council.
- the Council's approach to justifying the inner Green Belt boundaries relating to the Moor Lane site is flawed and the Council's assertion that the land serves each of the three Green Belt purposes relevant to York is disputed.

4.2 The representations serve to illustrate the fundamental need for the Council to allocate additional land for residential development if the Local Plan is to meet an increased housing requirement, deliver more realistic housing yields from allocated housing sites and establish a permanent Green Belt boundary. The requirement for additional flexibility is amplified by the absence of any safeguarded land within the Draft Plan, and it is vital that these issues are addressed.

4.3 It is anticipated that examination of the housing requirements and housing yields for the proposed allocations will establish that additional sites must be allocated by the Council. Given the lack of viable brownfield sites in York, consideration of additional sites will necessarily have to include greenfield sites outside existing settlement limits, such as the proposed site and those formerly allocated on the western edge of Copmanthorpe.

4.4 Our analysis demonstrates that the current approach creates a significant risk that there will be a shortfall in the total number of houses to be provided across the various allocations. To avoid this scenario, the Local Plan must allocate additional land for residential development and identify safeguarded land. This will provide greater flexibility in the way that individual sites are brought forward so that they can respond to housing need, and the surrounding context.

4.5 Section 5 of these representations confirm that it is not necessary for the site at Moor Lane to be kept open to serve the purposes of the Green Belt, and in this context, should be omitted from the Green Belt and considered for allocation in the Local Plan. It represents a suitable, available and viable infill site that could make a valuable contribution to York's housing need. There are no abnormal development costs or infrastructure constraints, and the site has a willing landowner able to make the site available in the short- to medium-term to contribute delivery of housing within the early years of the plan.

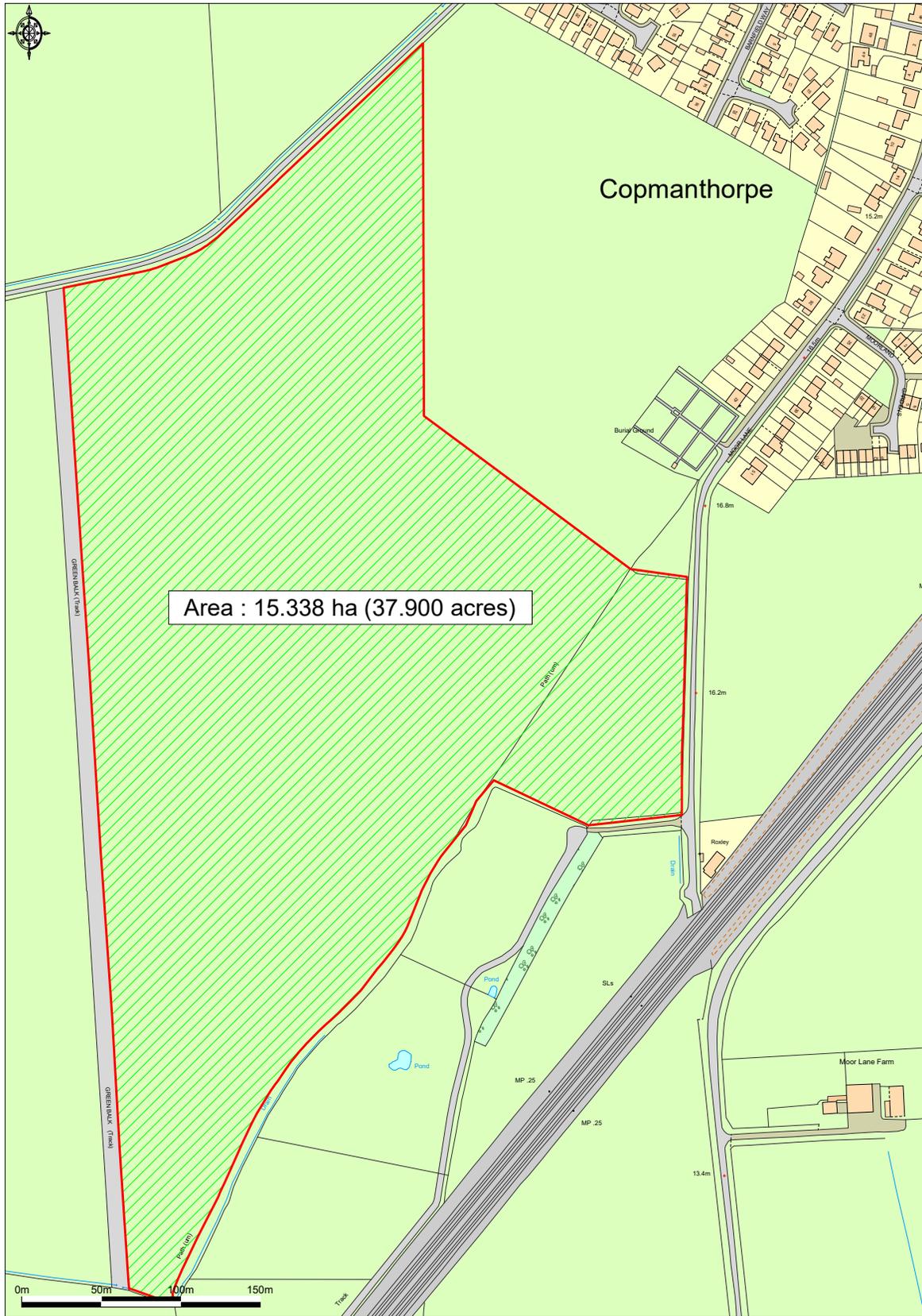
- 4.6 The Council has in previous stages of Local Plan preparation identified the area to the west of the Copmanthorpe as the most logical area for extension of the village. The land is not an area of importance to the City's character and setting, and has no significant effects on views of York or from York. Historic England has not objected to the proposed allocation of sites to the west of Copmanthorpe, as it has for proposed strategic site ST31. Development of the site would therefore represent a more suitable extension of Copmanthorpe than ST15, in context of planning policy relating to the purposes of the Green Belt and the Council's own evidence base on the need to protect the historic character and setting of York.
- 4.7 Crucially, without additional housing land allocations the Green Belt boundaries cannot be confirmed, as the Council would not be able to demonstrate that its boundaries will endure beyond the plan period, thus failing one of the fundamental objectives for Green Belt Policy as set out in the NPPF. On the previous occasions that Planning Inspectors have considered the Council's Draft Development Plan for the city in 2000 and 2010, each Inspector has concluded that the Green Belt could not be confirmed due to inadequate development land being identified. This is also the case with the current plan.

ymlc2107.lp
July 2021

APPENDIX 1

Location Plan

Location Plan - Land to the west of Moor Lane, Copmanthorpe



APPENDIX 2

York Press article, 26 June 2021



NEWS

26th June

First time buyers pay £24,000 more for a York home than a year ago

By [Redacted]
Local Democracy Reporter



f t v 34 comments

HOUSE prices in York have soared in the past year - with first time buyers spending an average of £24,000 more on buying a home than they were 12 months ago.

And property prices across the city have risen by an average of 11.4 per cent since April 2020.

Ben Hudson, from estate agency Hudson Moody, said he is seeing buyers places bids that are above the asking price for properties - driving up house prices.

He said: "Many houses that we thought were correctly priced have gone for higher than the asking price. The market has driven the prices up."



"It's the busiest I have seen it since the 1980s."

He said reasons for the rise include people moving to York from London and the south east as a result of being able to work from home. Buyers selling up in the south tend to have a bigger budget.

He added that people are keen to move as a result of the pandemic, for reasons including because they want to downsize, because they have been living with their parents or because they want to move to a more rural location.

There is also less supply than demand - which can push up prices.

Popular areas include Poppleton, Dunnington, Bishopthorpe and South Bank such as Bishopthorpe Road.

He said there is also increasing interest in buying apartments: "We are finding that city living, now that it is reopening, is starting to come back. Certainly during lockdown, apartments were slow. Apartments can be a good way of getting on the housing ladder."

Land Registry figures show the average York house price in April 2021 was £286,987.

In the past year, properties in the city have sold for an average of £29,000 more than 12 months earlier.

Semi detached houses have seen the biggest price rise - but the cost of detached homes, terraced housing and flats have all risen.

First-time buyers in York spent an average of £246,000 on their property – £24,000 more than a year ago, and £46,000 more than in April 2016.

The average house price in York of £286,987 is higher than the national average of £250,772.

Mr Hudson said: "Last year on March 23 none of us knew what was going to happen, I certainly wouldn't have predicted this.

"Since we reopened, it's been crazy. I think a lot of people are reassessing where they are living and a lot of people from the likes of London have been told they don't need to come into the office anymore."

He said he suspects the market will slow down but that York has a strong housing market and prices are unlikely to fall.

The most expensive properties in Yorkshire and The Humber are in Harrogate, costing £298,000 on average.

APPENDIX 3

Scenario Tables 1, 2, and 3

Scenario Table 1 - Reflecting revised trajectory and 10% non implementation and OAN of 790 dpa

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	25/02/26/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		
Previous Housing Completions	482	345	507	542	977	1331	451	627															
Projected Housing Completions- H Sites (allocated sites < 5 ha)									31	197	270	513	93	595									
Projected Housing Completions- ST Sites (allocated sites > 5 ha)									0	184	187	233	458	923	962	764	827	810	774	784	853		
Projected Housing completions from Unimplemented Consents									477	396	529	347	211	75	75	75	21						
Projected Housing Completions from communal establishments									88	163	154	193	153	32	0								
All Projected Housing completions with 10% non implementation rate applied									536	846	1026	1157	824	1463	933	755	763	729	697	706	768		
Windfall allowance from 2023/24												182	182	182	182	182	182	182	182	182	182		
Projected Housing completions including Windfall allowance (From 2023/24)									536	846	1026	1339	1006	1645	1115	937	945	911	879	888	950		
Annual Housing target	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790		
Inherited Shortfall Annualised over plan period						32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32		
Annual Target (inclusive of shortfall)						822	822	822	822	822	822	822	822	822	822	822	822	822	822	822	822		
Over/ Under supply of Housing against cumulative target						509	138	-57	-342.6	-318.6	-114.6	402.8	586.3	1408.8	1702.1	1817.2	1940.4	2029.4	2086	2151.6	2279		

Scenario Table 2 reflecting revised trajectory and 10% non implementation; no student or communal and no windfalls and OAN of 790

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	25026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
Previous Housing Completions	482	345	507	542	977	659	409	521														
Projected Housing Completions- H Sites (allocated sites < 5 ha)								31	197	270	513	93	595									
Projected Housing Completions- ST Sites (allocated sites > 5 ha)								0	184	187	233	458	923	962	764	827	810	774	784	853		
Projected Housing completions from Unimplemented Consents								477	396	529	347	211	75	75	75	21						
Projected Housing Completions from communal establishments								0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
All Projected Housing completions with 10% non implementation rate applied								457	699	887	984	686	1434	933	755	763	729	697	706	768		
Windfall allowance from 2023/24											0	0	0	0	0	0	0	0	0	0	0	0
Projected Housing completions including Windfall allowance (From 2023/24)								457	699	887	984	686	1434	933	755	763	729	697	706	768		
Annual Housing target	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790	790
Inherited Shortfall Annualised over plan period						78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
Annual Target (inclusive of shortfall)						868	868	868	868	868	868	868	868	868	868	868	868	868	868	868	868	868
Over/ Under supply of Housing against cumulative target						-209	-668	-1015	-1426	-1595	-1575	-1459	-1642	-1076	-1011	-1124	-1228	-1367	-1539	-1701	-1801	

Scenario Table 3 reflecting revised trajectory and 10% non implementation; no student or communal and no windfalls and OAN of 1026

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	25026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33		
Previous Housing Completions	482	345	507	542	977	659	409	521															
Projected Housing Completions- H Sites (allocated sites < 5 ha)								31	197	270	513	93	595										
Projected Housing Completions- ST Sites (allocated sites > 5 ha)								0	184	187	233	458	923	962	962	764	827	810	774	784	853		
Projected Housing completions from Unimplemented Consents								477	396	529	347	211	75	75	75	75	21						
Projected Housing Completions from communal establishments								0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
All Projected Housing completions with 10% non implementation rate applied								457	699	887	984	686	1434	933	933	755	763	729	697	706	768		
Windfall allowance from 2023/24											0	0	0	0	0	0	0	0	0	0	0	0	0
Projected Housing completions including Windfall allowance (From 2023/24)								457	699	887	984	686	1434	933	933	755	763	729	697	706	768		
Annual Housing target	790	790	790	790	790	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026	1026
Inherited Shortfall Annualised over plan period						78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
Annual Target (inclusive of shortfall)						1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104	1104
Over/ Under supply of Housing against cumulative target						-445	-1140	-1723	-2370	-2775	-2991	-3111	-3530	-3200	-3371	-3720	-4060	-4435	-4843	-5241	-5577		

APPENDIX 4

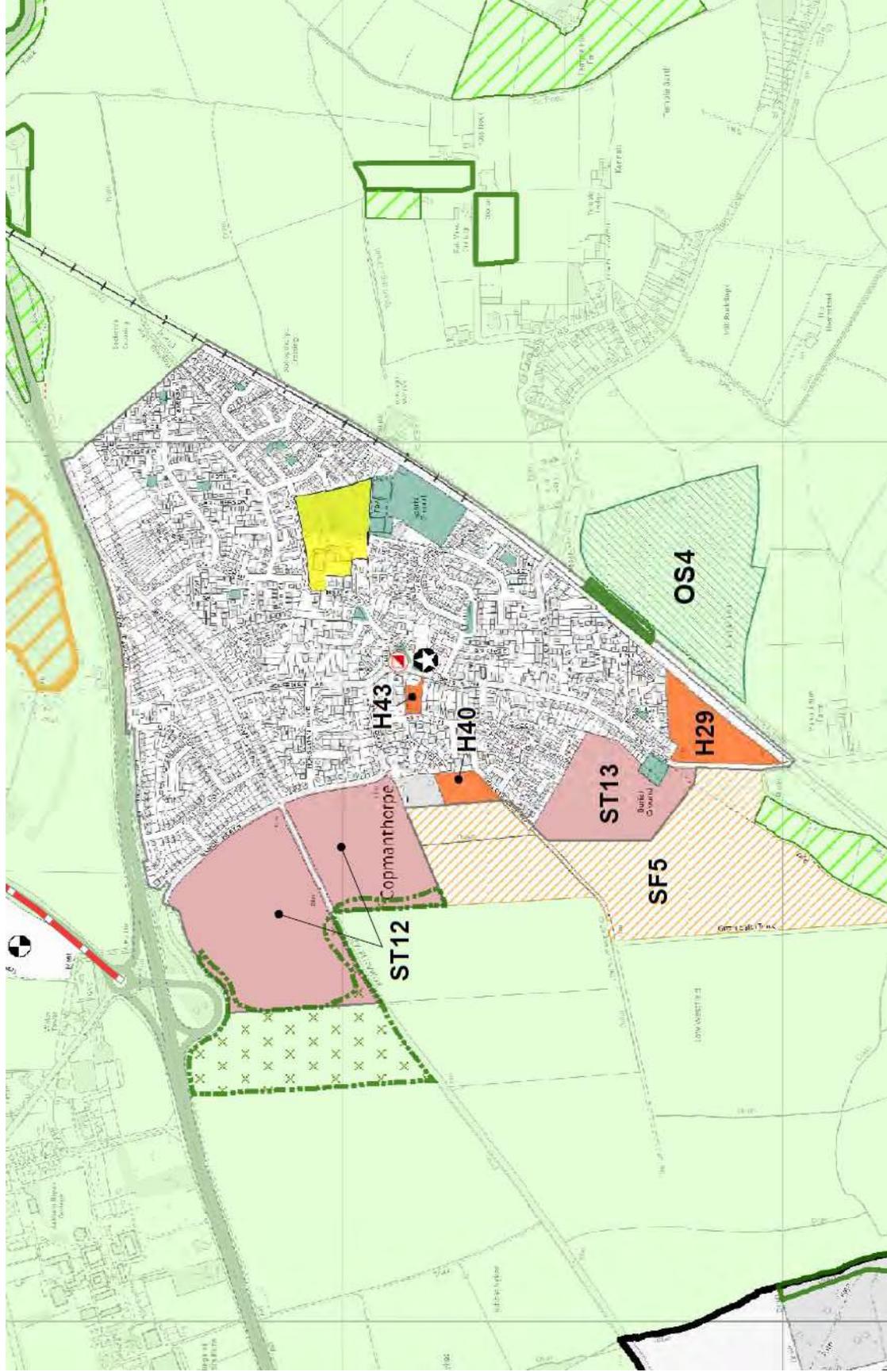
Table 3a – Adjusted Housing Trajectory

Table 3(a) Amended trajectory for ST sites all other inputs as per Council's Figure

3	TOTAL	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	Plan Period	33/34	34/35	35/36	36/37	37/38	yr post plan	Post 2038
1. Net Housing Completions 2017 to 2020																									
		1296	449	560																					
		35	2	67																					
		1331	451	627																					
2. Housing Allocations Below 5 ha (H-Sites)																									
H1a & b	607						215	392																	
H3	72				31	128	6																		
H5	165																								
H6	N/A																								
H7	86						35	16																	
H8	60						35	25																	
H10	187							187																	
1. H20	56						35	21																	
H23	Complete																								
H29	88						35	18																	
H31	76						35	6																	
H38	33						18	15																	
H39	32						17	15																	
H46	104						35	34																	
H52	15						4																		
H53	4																								
H55	20						69																		
H56	69																								
H58	25						15	10																	
Annualised Projected Completions H Sites (H/Sites)																									
	31	197	235	527	114	595	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3. Housing allocations above 5ha (ST Sites)																									
ST1a	1100						150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	
ST1b	100						35	35	30																
2 ST2	266						70	21																	
3 ST4	211						35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	
4 ST5	2500						45	107	107	107	107	119	119	119	119	119	119	119	119	119	119	119	119	119	
5 ST7	845						35	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	
6 ST8	968						35	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	70	
7 ST9	735						35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	
8 ST14	1348						35	70	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	
9 ST15	3339						35	70	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	105	
ST16	22						22																		
ST16	33						17	16																	
ST16	56						18	17	21																
ST17	279						162	117																	
ST17	425						50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	
ST17	158						35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	
ST32	375						196	179																	
ST32	147						35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	
ST36	769						100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
Annualised projected completions for ST Sites																									
	2206	477	396	529	347	211	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	
4. Projected Housing Completions From Non Allocated Unimplemented Consents																									
	783	88	163	154	193	153	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
5. Projected completions from communal establishments and student accommodation																									
	2409	1331	451	627	596	940	1105	1300	936	1625	1037	839	848	810	774	784	853	2409	1331	451	627	596	940	1105	
Supply Trajectory																									
Projected Completions (2017 to 2020)																									
Projected Completions (all sites)																									
Windfalls																									
Actual and Projected Housing Completions (inc. Windfall Allowance)																									
Cumulative Completions (including Windfalls)																									
Requirement (750pa plus 32 under supply) 8220pa																									
Cumulative Requirement																									
Over/Under Supply																									
	509	138	-57	-288	-165	118	778	1074	2059	2456	2655	2863	3083	3167	3311	3524	3737	3950	4163	4376	4589	4802	5015	5228	
Detailed Trajectory (including 10% Non-Implementation Rate)																									
Projected Completions (all sites)																									
Projected Completions (all sites) - 10% Non-implementation Rate Applied																									
Windfall Allowance																									
Total Projected Completions (with 10% Non-implementation rate applied and windfalls) + Actual completions 2017-2020																									
Cumulative Completions (with 10% non-implementation rate applied and windfalls)																									
Annual Housing Target																									
Inherited Shortfall Annualised over Plan Period																									
Annual Target (inclusive of Shortfall)																									
Cumulative Annual Target (inclusive of Shortfall)																									
Over/Under Supply of Housing (calc = Cumulative completions - cumulative annual target)																									
	509	138	-57	-343	-319	-146	384	586	1409	1702	1817	1940	2029	2086	2152	2219	2286	2353	2420	2487	2554	2621	2688	2755	

APPENDIX 5

2014 Publication Draft Local Plan – Proposals Map (South)



#

Copmanthorpe
 2014 Publication Draft Local Plan – Proposals Map (South)

APPENDIX 6

Land Use Plan ref. 050-P2

From: [REDACTED]
Sent: 07 July 2021 14:08
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, ORGANISATION - reference: 205992
Attachments: Land_adj_to_The_Bull_Commercial_Centre.pdf

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent an organisation or group

Organisation or group details

Title:

Name: [REDACTED]

Email address: [REDACTED]

Telephone:

Organisation name: [REDACTED]re

Organisation address: [REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Topic Paper 1 Green Belt Addendum January 2021 Annex 4 Other Developed Areas (EX/CYC/59f)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: The document fails to provide sufficient land for smaller light industrial units.

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: Yes, I consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate: There should be an option to answer "do not know" to this (compulsory) question.

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate:

Your comments: Whether the document is ‘sound’

Do you consider the document to be ‘sound’?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: It is not "effective" as it fails to provide sufficient land for smaller light industrial units. We propose the land adjacent to The Bull Commercial Centre, a major developed site, be taken out of the green belt to address this need.

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or ‘sound’: The Local Plan fails to provide sufficient land for smaller light industrial units. We propose the land adjacent to The Bull Commercial Centre, a major developed site, be taken out of the green belt to address this need.

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: No, I do not wish to participate at hearings sessions

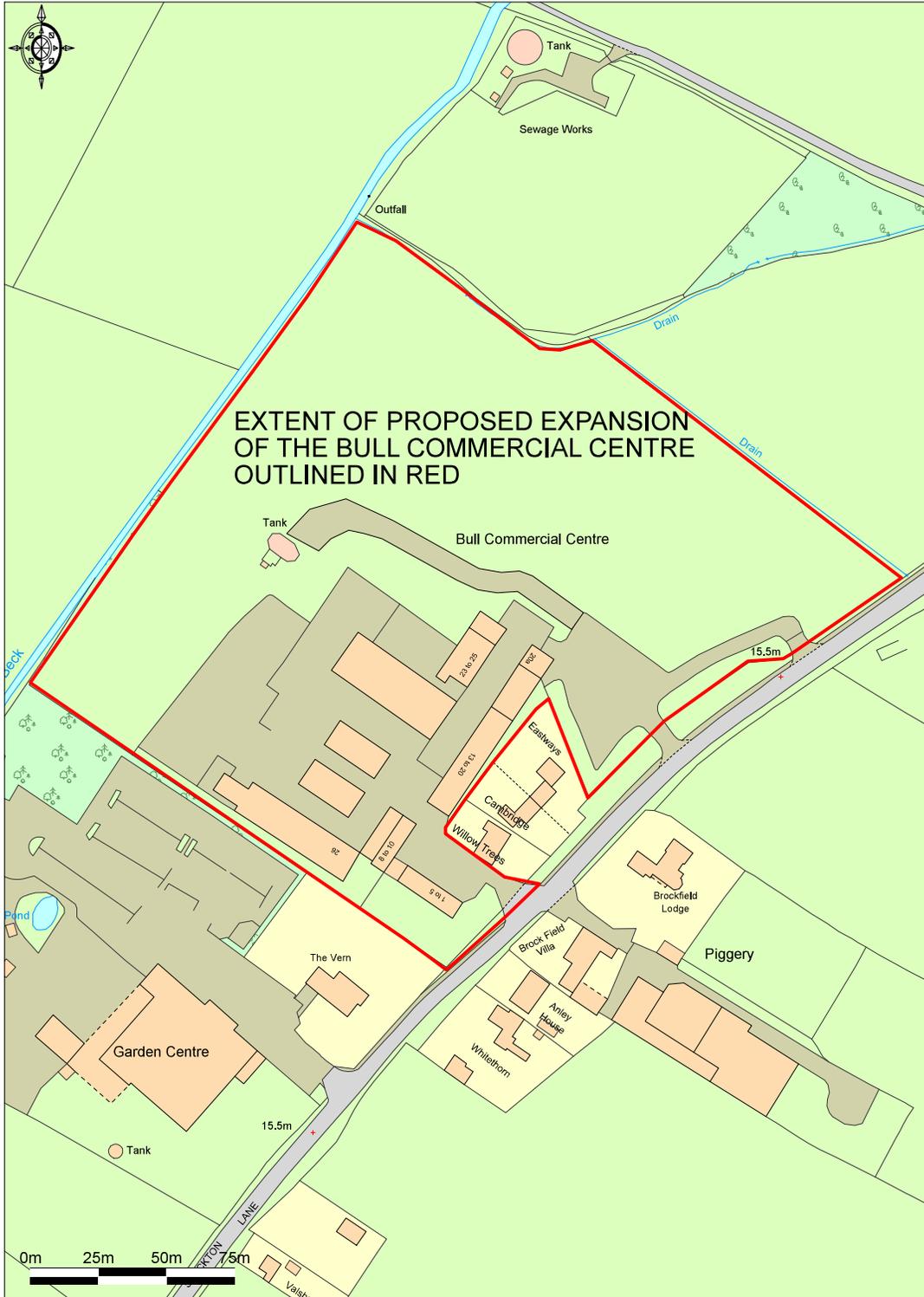
If you do wish to participate at hearing sessions, please state why:

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

Land_adj._to_The_Bull_Commercial_Centre.pdf

THE BULL COMMERCIAL CENTRE
STOCKTON ON THE FOREST
YORK YO32 9LE



[Redacted]

From: [Redacted]
Sent: 05 July 2021 14:56
To: localplan@york.gov.uk
Cc: [Redacted]
Subject: Fulford Parish Council Response & Representations to City of York Local Plan Proposed Modifications Consultation 25 May - 7 July 2021
Attachments: Fulford Parish Council Response & Representations-City of York Local Plan Proposed Modifications Consultation 2021.pdf
Importance: High

This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Dear Sirs

Further to [Redacted] conversation with the Parish Council’s consultant [Redacted], please find attached the Response and Representations of Fulford Parish Council to the City of York Local Plan Proposed Modifications Consultation 25 May – 7 July 2021.

I look forward to receiving confirmation of safe receipt and if you have any queries in the meantime, please do not hesitate to contact me.

Kind regards
Rachel

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

City of York Local Plan Proposed Modifications Consultation Response Form 25 May – 7 July 2021

OFFICE USE ONLY:

ID reference:

This form has three parts: **Part A** How we will use your Personal Information, **Part B** Personal Details and **Part C** Your Representation

To help present your comments in the best way for the Inspectors to consider them, we ask that you use this form because it structures your response in the way in which the Inspectors will consider comments at the Public Examination. Using the form to submit your comments also means that you can register your interest in speaking at the Examination.

Please read the guidance notes and Part A carefully before completing the form. Please ensure you sign the form on page 2.

Please fill in a separate Part C for each issue/representation you wish to make. Failure to fully complete Part C of this form may result in your representation being returned. Any additional sheets must be clearly referenced. If hand writing, please write clearly in blue or black ink.

Part A - How we will use your Personal Information

When we use your personal data, CYC complies with data protection legislation and is the registered 'Controller'. Our data protection notification is registered with the Information Commissioner's Office (ICO) – reference **Z5809563**.

What information will be collected: The consultation only looks at the specific proposed modifications and specific evidence base documents and not other aspects of the plan. The representations should therefore focus only on matters pertaining to those main modifications and documents being consulted upon. We are collecting personal details, including your name and address, alongside your opinions and thoughts.

What will we do with the information: We are using the information you give us with your consent. You can withdraw your consent at any time by contacting the Forward Planning team at localplan@york.gov.uk or 01904 552255.

The information we collect will be provided to the Planning Inspectors, together with a summary of the main issues raised during the representations period and considered as part of the Local Plan examination¹. Response will be made available to view as part of the Examination process and must be made available for public inspection and published on the Council's website; they cannot be treated as confidential or anonymous and will be available for inspection in full. We will protect it and make sure nobody has access to it who shouldn't and we will not keep it for longer than is necessary.

¹ Section 20(3) Planning & Compulsory Purchase Act 2004 Regulations 17,22, 35 & 36 Town and Country Planning (Local Planning) England) Regulations 2012

We will not use the information for any other purpose than set out in this privacy notice and will not disclose to a third party i.e. other companies or individuals, unless we are required to do so by law for the prevention of crime and detection of fraud, or, in some circumstances, when we feel that you or others are at risk.



You can find out more about how the City of York Council uses your information at <https://www.york.gov.uk/privacy>

We will also ask you if you want to take part in future consultations on planning policy matters including Supplementary Planning Documents and Neighbourhood Plans.

Storage of information: We will keep the information you give us in CYC's secure network drive and make sure it can only be accessed by authorised staff.

How long will we keep the information: The response you submit relating to this Local Plan consultation can only cease to be made available 6 weeks after the date of the formal adoption of the Plan². When we no longer have a need to keep your information, we will securely and confidentially destroy it. Where required or appropriate, at the end of the retention period we will pass onto the City Archives any relevant information.

Further processing: If we wish to use your personal information for a new purpose, not covered by this Privacy Notice, we will provide you with a new notice explaining the purpose prior to commencing the processing and the processing conditions. Where and whenever necessary, we will seek your consent prior to the new processing.

Your rights: To find out about your rights under data protection law, you can go to the Information Commissioners Office (ICO): <https://ico.org.uk/for-the-public/>

You can also find information about your rights at <https://www.york.gov.uk/privacy>

If you have any questions about this privacy notice, want to exercise your rights, or if you have a complaint about how your information has been used, please contact us at information.governance@york.gov.uk on 01904 554145 or write to: Data Protection Officer, City of York Council, West Offices, Station Rise, York YO1 6GA.

1. Please tick the box to confirm you have read and understood the privacy notice and consent to your information being used as set out in the privacy notice

2. Please tick the box to confirm we can contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents.

Signature

Date

5 July 2021

²Regulation 35 Town and Country Planning (Local Planning) England) Regulations 2012.

Part B - Personal Details

Please complete in full; in order for the Inspectors to consider your representations you must provide your name and postal address.

3. Personal Details		4. Agent's Details (if applicable)
Title		
First Name		
Last Name		
Organisation (where relevant)		
Representing (if applicable)		
Address – line 1		
Address – line 2		
Address – line 3		
Address – line 4		
Address – line 5		
Postcode		
E-mail Address		
Telephone Number		

Guidance note

Where do I send my completed form?

Please return the completed form **by Wednesday 7 July 2021, up until midnight**

- To: FREEPOST RTEG-TYYU-KLTZ Local Plan, City of York Council, West Offices, Station Rise, York, YO1 6GA
- By email to: localplan@york.gov.uk

You can also complete the form online at:

www.york.gov.uk/form/LocalPlanConsultation.

What can I make comments on?

This consultation provides the opportunity for anyone to make a representation on the proposed modifications and supporting evidence base, further to the Local Plan which was submitted to the Planning Inspectorate in May 2018 and following the phase 1 hearing sessions in December 2019 as part of the Examination into the Plan. You can make comments on any of the proposed modifications and a number of evidence base documents as set out below. The purpose of this consultation is for you to say whether you think the proposed modifications and/or new evidence make the Local Plan 'Legally Compliant' and 'Sound'. These terms are explained as you go through this form.

- City of York Local Plan Composite Modifications Schedule (May 2021) [[EX/CYC/58](#)] and City of York Local Plan Publication Draft (February 2018) [[CD001](#)] **to be read alongside the comprehensive schedule of proposed modifications only**
- York Economic Outlook (December 2019) Oxford Economics [[EX/CYC/29](#)]
- CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return (December 2019) [[EX/CYC/32](#)]
- Affordable Housing Note Final (February 2020) [[EX/CYC/36](#)]
- Audit Trail of Sites 35-100 Hectares (June 2020) [[EX/CYC/37](#)]
- Joint Position Statement between CYC and Selby DC Housing Market Area (April 2020) [[EX/CYC/38](#)]
- G L Hearn Housing Needs Update (September 2020) [[EX/CYC/43a](#)]
- Habitat Regulation Assessment (HRA) (October 2020) Waterman Infrastructure and Environment Limited [[EX/CYC/45](#)] and Appendices (October 2020) [[EX/CYC/45a](#)]
- Key Diagram Update (January 2021) [[EX/CYC/46](#)]
- Statement of Community Involvement Update (November 2020) [[EX/CYC/49](#)]
- SHLAA Update (April 2021) [[EX/CYC/56](#)]
- CYC SuDs Guidance for Developers (August 2018) [[EX/CYC/57](#)]
- Topic Paper TP1: Approach to defining York's Green Belt (Addendum) (January 2021) [[EX/CYC/59](#)]
 - Annex 1: Evidence Base (January 2021) [[EX/CYC/59a](#)]
 - Annex 2: Outer Boundary (February 2021) [[EX/CYC/59b](#)]
 - Annex 3: Inner Boundary (Part: 1 March 2021 [[EX/CYC/59c](#)], Part 2: April 2021 [[EX/CYC/59d](#)] and Part 3 April 2021) [[EX/CYC/59e](#)]
 - Annex 4: Other Urban Areas within the General Extent (April 2021) [[EX/CYC/59f](#)]
 - Annex 5: Freestanding Sites (March 2021) [[EX/CYC/59g](#)]
 - Annex 6: Proposed Modifications Summary (April 2021) [[EX/CYC/59h](#)]
 - Annex 7: Housing Supply Update (April 2021) [[EX/CYC/59i](#)] and Trajectory Summary (April 2021) [[EX/CYC/59j](#)]
- City of York Council Strategic Flood Risk Assessment (SFRA) Level 1 Report [[EX/CYC/60](#)]
- Sustainability Appraisal of the Composite Modifications Schedule (April 2021) [[EX/CYC/61](#)]

Do I have to use the response form?

Yes please. This is because further changes to the plan will be a matter for a Planning Inspectors to consider and providing responses in a consistent format is important. For this reason, all responses should use this consultation response form. Please be as succinct as possible and **use one response form for each topic or issue you wish to comment on**. You can attach additional evidence to support your case, but please ensure that it is clearly referenced. It will be a matter for the Inspector to invite additional evidence in advance of, or during the Public Examination.

You can use our online consultation form via www.york.gov.uk/form/LocalPlanConsultation or send back your response via email to localplan@york.gov.uk. **However you choose to respond, in order for the inspector to consider your comments you must provide your name and address with your response. We also need your confirmation that you consent to our Privacy Policy (Part A of this form).**

Can I submit representations on behalf of a group or neighbourhood?

Yes, you can. Where there are groups who share a common view, it would be very helpful for that group to send a single representation that represents that view, rather than for a large number of individuals to send in separate representations that repeat the same points. In such cases the group should indicate how many people it is representing and how the representation has been agreed e.g. via a parish council/action group meeting; signing a petition etc. The representations should still be submitted on this standard form with the information attached. Please indicate in Part B of this form the group you are representing.

Do I need to attend the Public Examination?

The scope of the Public Examination will be set by the key issues raised by responses received and other matters the Inspector considers to be relevant. You can indicate if you consider there is a need to present your representation at a hearing session during the Public Examination. You should note that Inspectors do not give any more weight to issues presented in person than written evidence. The Inspectors will use their own discretion in regard to who participates at the Public Examination. All examination hearings will be open to the public.

Where can I view the Consultation documents?

Copies of the consultation documents are available to view on the council's website at <https://www.york.gov.uk/LocalPlanConsultation>.

In line with the current pandemic, we are also making the documents available for inspection by appointment only at City of York Council Offices, if open in line with the Government's Coronavirus restrictions. To make an appointment to view the documents, please contact the Forward Planning team via localplan@york.gov.uk or on 01904 552255.

Documents are also available to view electronically via Libraries, if open in line with Government Coronavirus restrictions. See our [Statement of Representations Procedure](#) for further information.

Part C -Your Representation

(Please use a separate Part C form for **each** issue to you want to raise)



5. To which Proposed Modification or new evidence document does your response relate?

Proposed Modification Reference:

See Attached

Document:

See Attached

Page Number:

See Attached

What does 'legally compliant' mean?

Legally compliant means asking whether or not the plan has been prepared in line with: statutory regulations; the duty to cooperate; and legal procedural requirements such as the Sustainability Appraisal (SA). Details of how the plan has been prepared are set out in the published Consultation Statements and the Duty to Cooperate Statement, which can be found at www.york.gov.uk/localplan or sent by request.

6. Based on the Proposed Modification or new evidence document:

6.(1) Do you consider that the Local Plan is Legally compliant?

Yes

No

6.(2) Do you consider that the Local Plan complies with the Duty to Cooperate?

Yes

No

6.(3) Please justify your answer to question 6.(1) and 6.(2)

See Attached

What does 'Sound' mean?

Soundness may be considered in this context within its ordinary meaning of 'fit for purpose' and 'showing good judgement'. The Inspector will use the Public Examination process to explore and investigate the plan against the National Planning Policy Framework's four 'tests of soundness' listed below.

What makes a Local Plan "sound"?

Positively prepared - the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

Justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.



Effective – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities

Consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework

7. Based on the Proposed Modification or new evidence document:

7.(1) Do you consider that the Local Plan is Sound?

Yes No

7.(2) Please tell us which tests of soundness are applicable to 7.(1):

(tick all that apply)

Positively prepared	<input type="checkbox"/>	Justified	<input checked="" type="checkbox"/>
Effective	<input checked="" type="checkbox"/>	Consistent with national policy	<input checked="" type="checkbox"/>

7.(3) Please justify your answers to questions 7.(1) and 7.(2)

Please use extra sheets if necessary

See Attached

8. (1) Please set out any change(s) you consider necessary to make the City of York Local Plan legally compliant or sound, having regard to the tests you have identified at Question 7 where this relates to soundness.



You will need to say why this modification will make the plan legally compliant or sound. It will be helpful if you could put forward your suggested revised wording of any policy or text and cover succinctly all the information, evidence and supporting information necessary to support/justify your comments and suggested modification, as **there will not normally be a subsequent opportunity to make further representations unless at the request of the Inspectors, based on the matters and issues they identify for examination.**

See Attached

9. If your representation is seeking a change at question 8.(1)

9.(1). Do you consider it necessary to participate at the hearing sessions of the Public Examination? (tick one box only)

No, I do not wish to participate at the hearing session at the examination. I would like my representation to be dealt with by written representation

Yes, I wish to appear at the examination

If you have selected **No**, your representation(s) will still be considered by the independent Planning Inspectors by way of written representations.

9.(2). If you wish to participate at the oral part of the examination, please outline why you consider this to be necessary:

See Attached

Please note: the Inspectors will determine the most appropriate procedure to adopt to hear those who have indicated that they wish to participate at the hearing session of the examination.

CITY OF YORK LOCAL PLAN
PROPOSED MODIFICATIONS
REPRESENTATIONS BY FULFORD PARISH COUNCIL
JULY 2021

OUT-OF-DATE INFORMATION

The City of York Council (CYC) submitted the Local Plan on 25 May 2018 which is now over three years ago. Since May 2018, the economic and social circumstances of the UK and York have changed significantly, especially as a result of the worldwide pandemic and associated economic downturn which has been the deepest for 300 years. Important new information has also become available, including two new sets of sub-national population and household projections. The result is that much of the evidence base used to support the Submitted Local Plan is now out-of-date. This is particularly true for those documents which are concerned with economic and demographic issues, including the key Employment Land Review- September 2017 [SD063] and the Retail Study- September 2014 [SD065]. Much of the environmental information is also becoming outdated. Environmental conditions have changed significantly since 2018, including traffic levels and air quality. The problem is compounded by the fact that much of the information used to support the Local Plan was some years old at the time of submission.

Most of the three year delay has been caused by the need for the Council to produce further information and proposals to meet fundamental concerns raised by the Inspectors about the submitted Local Plan evidence base. Some 18 months passed between submission (May 2018) and the first hearings (December 2019). Since then, there has been a delay of a further 18 months whilst the Council has sought to produce new information on housing need and Green Belt matters. Over this period, the Council has continually failed to meet its own deadlines for the submission of information and documents.

Even now there is no clear timetable when the Local Plan will be adopted. Because of the extent of the new material and the lapse of time, the Phase 1 hearings will have to be repeated. Even if the Inspectors are happy to proceed beyond Phase 1, there will have to be very lengthy hearings on the detailed Green Belt boundaries as well as the other matters covered by the Local Plan. In FPC's view, it is almost certain that further rounds of consultation will need to take place in the future. On this basis, we consider that the Inspectors are unlikely to report before the end of 2022 and more likely the middle of 2023. By this time, the results of the 2021 Census will have become available causing a need again to review housing and economic needs.

The Council has already had to submit over 60 new documents since the Examination process began, including multiple versions of some papers. The evidence base for the Submitted Local Plan is already unduly complex because the Council has sought to rely on documents

produced for withdrawn and superseded versions of the Local Plan. Further documentation will simply compound the 'paperchase problem' which occurred at the first phase hearings.

FPC considers that the time has come when the current Local Plan should be withdrawn and a new Local Plan prepared which is based upon up-to-date information and current national planning policy and guidance. The Examination should not be allowed to limp on as CYC seeks to produce ever more new information and proposals seeking to overcome fundamental shortfalls of the original submitted Local Plan. The present delay gives rise to much uncertainty and concern to individuals and communities adversely affected by the Submitted proposals. That uncertainty and concern should not be allowed to continue any longer.

EX/CYC/29 YORK ECONOMIC OUTLOOK DECEMBER 2019

This document was prepared by Oxford Economics and contains employment forecasts for York over the plan period. Its results provide the only justification for the Council's housing need figure of 790dpa.

The Council produced EX/CYC/29 during the course of the Phase 1 hearings. No explanation was given why it was produced so late. FPC and others had criticised the lack of up-to-date employment projections in their representations on the Publication Draft which should have given the Council adequate notice of the need to produce new projections well before the start of the hearings.

FPC has some technical reservations about EX/CYC/29 but our main concern is that it is now completely out-of-date as it was produced (December 2019) before the onset of the COVID19 pandemic and the deep economic recession it occasioned. Not unsurprisingly the document does not foresee COVID19 and it projects a future of steady economic growth nationally and for York. However, after its production in December 2019, national output fell by nearly 10%; there were large job losses especially in the retail and hospitality sectors; and many European migrants left the UK. In recent months there has been some recovery as sectors of the economy reopen. However, this recovery is from a much lower base than in December 2019 and the economic outlook is still uncertain as the UK and the rest of the world struggles to cope with new variants, corporate indebtedness and the end of national support schemes.

There are many forecasts of future economic activity nationally and internationally. Although varying, all have in common that UK economic activity over the next decade, including employment, will be significantly lower than expected in December 2019. The most official and definitive is that produced by the Office of Budget Responsibility (OBR) in its Budget report entitled 'Economic and Fiscal Outlook'. The OBR (1.13) highlights that the UK economy has suffered its largest economic shock in over 300 years, with output falling 9.9% in 2020. The UK has experienced one of the largest economic contractions among the major advanced economies. By the end of the first lockdown in June 2020, 3.6 million new claims had been made for universal credit; a peak of 8.9 million jobs were furloughed; and 2.6 million self-employed had received income support grant. There has also been a final BREXIT agreement which the OBR says will entail "*a long-run loss of productivity of around 4% compared with remaining in the EU*" (1.21). Based upon a rapid roll-out of vaccines and easing of public health restrictions as set out in the Government's Roadmap, the OBR forecasts that national output may recover to its post-pandemic levels by the middle of 2022. In other words, the

national output would have lost nearly three years of growth due to the pandemic. The OBR also makes clear (1.25) that beyond 2022 the effect of the virus will linger through its scarring impact on the supply capacity of the economy. This is because of factors such as lower investment by companies, corporate insolvencies and a lower population. Indeed, the OBR postulates (2.42) that on a worst case basis, the UK population may be up to 2% smaller than pre-pandemic because of net international out-migration. On this basis, the OBR (1.25) forecasts that the pandemic will reduce output in the medium term by 3% relative to the pre-pandemic path. The OBR forecasts a similar impact upon employment. Table 1.1 shows that national total employment will not return to its 2019 level until 2023 and thereafter will increase at a lesser rate than previously forecast. The OBR also warns that (1.31) future virus mutations and reduced vaccine effectiveness might result in more scarring and harm to the economy. We are currently seeing this with the Indian or Delta mutation.

EX/CYC/29 fails to foresee any of these major changes to the national economy and instead bases its employment projection for York upon a steady rate of growth in the national economy from 2019 onwards. This is not a criticism of Oxford Economics. However, CYC is to be criticised for continuing to rely on a document which is so patently out-of-date.

As a local planning authority, CYC should be fully aware of the harm that the pandemic has caused to the local economy. York Officers produce a Quarterly Economic Update which is on the Council's website. The latest, dated 23 March 2021, shows that although York has suffered less than some other cities, there has been severe damage to the local economy. In particular:

- 20,000 York employees and self-employed were still furloughed on Government support packages in March 2021.
- Unemployment rose "in the largest increase in at least 35 years" from 1800 to 5000 in April 2020. Since then, it has decreased "slightly" but is expected to rise sharply with the end of furlough.
- The York economy has been vulnerable because of the size of its retail, hospitality and tourism sectors.
- Shop vacancies in the city centre have risen significantly, especially in Coney Street which is the main location for chain stores. There have also been closures of John Lewis and Debenhams in out-of-centre locations with very high job losses.
- Tourism has significantly declined and hotels have seen much reduced occupancy.

The Quarterly Report concludes (16) that recovery "*will take at least 2 years, with some models suggesting a slower 5 year return to pre-2020 levels of employment and productivity*".

In conclusion, EX/CYC/29 can no longer be considered an "*adequate, up-to-date and relevant*" evidence base for the Local Plan (NPPF1 para 158). As such the Council's continued reliance upon it means that the Local Plan is not sound, failing the tests of being justified and consistent with national policy.

EX/CYC/29 not only provides the main justification for the Council's housing need assessment but the Oxford Economics' employment projections underpin the Employment Land Review (SD063). If the employment projections are out-of-date, so is that document which provides the main justification for the Local Plan employment policies and proposals.

EX/CYC/43a: HOUSING NEEDS UPDATE

Economic-led Housing Needs

The conclusion of EX/CYC/43a (5.8) is that "*the housing need of the City has not changed materially since the last assessment in January 2019.*" This conclusion is based entirely upon the employment forecast set out in EX/CYC/29 which indicates an economic-led housing need in the range of 766 to 788 dpa over the plan period. It notes that this economic-led need is much higher than the demographic need even when market signals are taken into account.

EX/CYC/43a does not seek to examine whether the Oxford Economics employment projection it relies on from EX/CYC/29 remains up-to-date and relevant. This is confirmed by EX/CYC/43a as follows:

"The scale of economic growth of 650 jobs was in the submitted local plan and was further corroborated by the economic forecasting by Oxford Economics published in December 2019 [EX/CYC/29]. It was previously calculated that that this needed 790 homes per annum to support it. This note has not sought to update the economic growth assessment..." (our underlining)

We have already shown that the EX/CYC/29 employment forecast is now significantly out-of-date due to the economic consequences of COVID19. According to the latest OBR Report, there is likely to be at least 3 years of lost employment growth nationally, and even when employment returns to pre-pandemic levels, growth will be slower because of long-term economic scarring. CYC has accepted in its Quarterly Economic Update (March 2021) that there will be a similar pattern in York. Paragraph 16 says that recovery "*will take at least 2 years, with some models suggesting a slower 5 year return to pre-2020 levels of employment and growth*".

Any change in projected employment growth has a major impact on the housing figure proposed by EX/CYC/43a. Just on the basis of 2 years loss of employment growth, and employment growth then resuming at the rate forecast by EX/CYC/29 (which is a highly optimistic and unlikely scenario), the housing need figure would be reduced by at least 100dpa.

In summary, EX/CYC/29 cannot be considered to be an up-to-date and reliable basis on which to assess economic-led housing needs. This undermines the central assumption of EX/CYC/43a.

The pandemic has also led to new attitudes developing about the relationship between jobs and homes. Much greater working from home is anticipated in the future with employers reducing their need for office space. At least one major local employer (Aviva) has already closed one of its two offices in York on the basis that staff will work from home. The need

to attend offices only occasionally or not at all will increase the ability of people to live much further away from their formal workplace and at the same time reduce the impact of commuting on the environment. It challenges some of the central assumptions of EX/CYC/43a (3.4) about the relationship between workplaces and homes, including that 2011 Census commuting patterns should be projected forward over the plan period.

In conclusion, FPC considers that EX/CYC/43a's assessment of economic-led housing needs is irredeemably flawed because it relies on out-of-date economic information to justify its assessed housing need of 790dpa.

Demographic Housing Needs

EX/CYC/43a accepts that the 2018-based Sub-National Household Projections (SNHPs) indicates only a growth of 293 households per annum over the plan period from 2017 to 2033 which translates into an overall housing need of 302 dpa after a 3% vacancy rate is applied. GL Hearn recognises that this is a significant decrease compared to that derived from the 2016-based SNHPs.

EX/CYC/43a does not accept the 2018-based SNHPs as the demographic starting-point for the calculation of housing needs. Instead, it seeks to argue that the demographic need should be derived from two variant population projections prepared by ONS: the 10 year Migrant Variant and Alternative Internal Migration Variant. These variants suggest much higher rates of population growth than the principal projection underlying the 2018-based SNHPs.

The starting-point to consider GL Hearn's position is the relevant national guidance. This makes clear (2a-015-130729) that the latest household projections published by the Government (and now ONS) should be the starting-point estimate of overall housing need. Plan-makers (2a-017-130729) may consider sensitivity testing "*specific to their local circumstances*" but "*any local changes*" would need to be clearly explained and justified on the basis of "*robust evidence*". Such local issues might include "*changes in employment growth*" or "*the expansion in education or facilities for older people*". EX/CYC/43a provides no evidence of such local issues or indeed any evidence to justify why the principal projection should not be accepted for York. Instead, it (2.7) sets out what is in effect an in principle objection to the methodology used by ONS saying that a "*more robust*" projection would be derived using longer-term trends. Such an argument could be applied equally to any local authority in England and simply represents a methodological disagreement between GL Hearn and ONS. GL Hearn provides no evidence of any factors specific to York which would justify their position. In the absence of any such evidence, GL Hearn's proposed use of the two much higher migration variants would be contrary to national guidance.

GL Hearn also fails to take into account the evidence referred to by the March 2021 OBR Report of the significant fall in the national population during the pandemic which has been caused by the return of EU citizens to their own countries. Many of these EU citizens are unlikely to return. The full consequences will not be known until the 2021 Census results begin to be published. However, it substantially argues against GL Hearn's use of significantly higher migration assumptions than those used by the official projections. BREXIT and its

tighter immigration controls also suggest a significant break with the longer-term trends preferred by GL Hearn.

Similarly, EX/CYC/43a does not accept the household formation rates underlying the 2018-based SNHP for York. Instead, it suggests what it calls a "*part-return to trend*" HRR which produces much higher rates of household formation than the SNHP. The trend referred to by GL Hearn is one dating back to 1971 whilst the ONS uses the trend since 2001. Like its preferred variant population projections, GL Hearn provides no evidence of local factors to justify the use of its "*part-return to trend*" HRR. In particular, there is no evidence that household formation in York has been suppressed in the past or that the projected household formation rates are realistic or achievable over the plan period.

The issue is essentially one of disagreement with the ONS methodology and if so, national guidance indicates that the 2018-based SNHPs should be used as the basis for the assessment of demographic housing needs.

Unmet Need 2012-2017

FPC argued at the Phase 1 hearings that no allowance should be made for any claimed unmet needs from the period before the start of the plan period in 2017. It did so on the basis that there is nothing in national policy and guidance to support the inclusion of such an element of need and methodologically the concept is flawed. Any housing needs arising from before the start of the plan period would have been met by the existing housing stock either in York or in nearby areas. There is a possibility (but no evidence for it) that some households might not have been able to form or people might not have moved to York because of the lack of affordable housing but this is taken into account in the projections of future need through the migration and household formation rates.

We now note that EX/CYC/43a supports our position. Paragraph 3.5 says:

"We have not examined the economic need associated with historic growth (pre-2019) as the accommodation has already been provided to support that growth."

For the benefit of any doubt, it is the assessed economic-led need that the Council has previously argued has not been met rather than the demographic need.

EX/CYC/43a therefore removes the justification given by CYC for additional provision to be made for unmet needs arising from before the start of the plan period. National policy and guidance, of course, makes no reference to such additional provision being necessary.

Conclusion

For the reasons given, EX/CYC/43a cannot be considered to provide an "*adequate, up-to-date and relevant*" evidence base for the Local Plan (NPPF1 para 158). As such, the Council's reliance upon it means that the Local Plan fails the soundness tests of being justified and consistent with national policy.

EX/CYC/59 GREEN BELT TOPIC PAPER ADDENDUM AND ANNEXES

Whether the Methodology is New or Clarified?

The Inspectors in their letter of 12 June 2020 highlighted the substantial concerns which they had with the methodology set out in the TP1 Addendum [EX/CYC/18] which CYC had used to define the Submitted Local Plan Green Belt boundaries, including (very importantly) how strategic sites were "*selected and established.*" In light of these concerns, the Inspectors gave CYC three options of how they could proceed including withdrawal of the Local Plan or "*to convincingly explain to us how we have misunderstood the methodology and that it adequately justifies the proposed Green Belt boundaries.*" The Inspectors also said that they had considered the possibility of the Council undertaking a fresh assessment of the Green Belt boundaries. However, they concluded that "*such fundamental evidence as this*" is "*plan preparation work*" and there would be a serious risk that such new evidence would lead to "*different outcomes*". On this basis, the Inspectors said that they would not support following such a path as part of the current examination.

CYC responded to the Inspectors by letter of 6 October 2020 saying that it would "*update*" the Addendum and Annexes to "*simplify and clarify*" the methodology. By saying this CYC was clearly implying that there would be no significant change to the methodology. CYC's letter also said that work at that stage had not revealed "*any need for significant changes to the proposed Green Belt boundaries.*"

CYC submitted the new TP1 Addendum in January 2021, some 7 months after the Inspectors had raised their concerns about the methodology. Even then the detailed annexes did not follow until March and April 2021.

EX/CYC/59 is confused about whether it has adopted a new methodology or not. Paragraph 2.132 describes it as a "*revised*" methodology whilst paragraph 2.6 says that the Council has just "*simplified and clarified its approach.*"

FPC considers that, in reality CYC has adopted a wholly new methodology which has little relationship with the previous one. As such it has acted contrary to the instructions of the Inspectors as set out in their letter of 12 June 2020. This becomes clear when the two methodologies are compared:

1. EX/CYC/18 seeks to define areas of importance to Green Belt Purpose 1 (to check the unrestricted sprawl of built-up areas) by identifying those areas of land which did not have access to 2 or more services within 800 metres (Figure 1). EX/CYC/59 omits this plan and instead produces a plan of "Built Structure Density" (Figure 4) or put more simply the existing built-up areas. There is no attempt to identify areas of strategic importance to Purpose 1. This is a fundamental difference between the two methodologies.
2. EX/CYC/18 seeks to define areas of importance to Green Belt Purpose 2 (to prevent neighbouring towns merging into one another) by identifying those areas of the city essential for preventing coalescence (Figure 5). Six areas are shown. EX/CYC/59 does not identify any areas as important to Purpose 2. Although this follows the Inspectors' conclusion, it represents a fundamental difference between the two methodologies.
3. EX/CYC/18 seeks to define areas of importance to Green Belt Purpose 3 (to assist in safeguarding the countryside from encroachment) by identifying areas of green

infrastructure, nature conservation, green corridors and open space (Figure 6). EX/CYC59 omits this plan and simply includes text that recognises the self-obvious fact that the open land around York provides a countryside setting to the city. No attempt is made to identify areas of strategic importance to Purpose 3 which represents a fundamental difference between the two methodologies.

4. EX/CYC/18 seeks to define areas of importance to Green Belt Purpose 4 (to preserve the setting and special character of historic towns) on a plan (Figure 3). EX/CYC/59 retains this plan (also Figure 3) but adds reference to the Heritage Topic Paper Update September 2014 [SD103] which it says provides much greater detail about the "*principal characteristics*" of York's historic environment, including the city's compactness, landmark monuments and landscape and setting. This represents a very different approach as this document was not previously relied on.
 - EX/CYC/18 includes a plan (Figure 7) showing the "*strategic areas* (of open land) *which need to be kept permanently open*" which the text box at page 21 says "*sets the context for defining detailed Green Belt boundaries.*" EX/CYC/59 omits this plan or any update of it. As such the new methodology provides no strategic context for defining detailed Green Belt boundaries. In effect, the new methodology seeks to look at each individual parcel of land around the city without any overview of whether it fulfils strategic functions or not (other than the areas shown on Figure 3). This approach represents a fundamental difference between the two methodologies.
5. EX/CYC/18 (section 5c) sets out the local assessment criteria which were used to define the detailed Green Belt boundaries within the context of Figure 7. These criteria are protecting local historic assets, protecting land which is open and serves a countryside function on the urban fringe, and permanence. EX/CYC/59 replaces these with more general criteria derived from SD103 such as compactness, landmark monuments, landscape and setting, urban sprawl and setting and then sets a series of "*key*" and "*detailed assessment*" questions which need to be answered for each individual parcel of land and boundary. The approach is fundamentally different from the more strategic one taken by EX/CYC/18.

In conclusion, the new methodology set out in EX/CYC/59 cannot be considered to be a simplified or clarified version of that contained in EX/CYC/18. Instead, it represents a very different approach to defining Green Belt boundaries. This is borne out by the very substantial modifications which CYC are now proposing to Green Belt boundaries. These include:

- The exclusion of Little Hob Moor from the submitted Green Belt (PM36)
- The inclusion of the whole village of Knapton in the Green Belt. It had been previously excluded (PM41).
- The exclusion of a large area north of Moor Lane around Hogg's Pond from the Green Belt (PM72).
- The exclusion of Acomb Water Works from the submitted Green Belt (PM73).

- The exclusion of Homestead Park from the submitted Green Belt (PM76).
- The exclusion of the former Clifton Hospital site from the submitted Green Belt (PM78).
- The exclusion of the whole village of Heslington from the submitted Green Belt (PM87). It had been previously washed over.
- The exclusion of the Retreat hospital from the submitted Green Belt (PM89).
- The exclusion of part of Imphal Barracks from the submitted Green Belt (PM90).
- The major redefinition of Green Belt boundaries in the vicinity of Fordlands Road, Fulford (PM91).
- The exclusion of Rowntree Park from the submitted Green Belt (PM92).
- The exclusion of the developed part of York Racecourse from the submitted Green Belt (PM93).
- The exclusion of Scarcroft Allotments from the submitted Green Belt (PM94).
- The exclusion of Stockton Hall Hospital from the submitted Green Belt (PM100).
- The significant redrawing of green Belt boundaries in the vicinity of Strensall Barracks (PM101). Part of this redrawing consists of the exclusion from the Green Belt of a large area to the east of Strensall Road which a previous modification had proposed to be included in the Green Belt.

The number and extent of the proposed changes (whatever their merits or otherwise) demonstrate that a significantly different methodology has been applied. The use of a different methodology has given rise to the situation which the Inspectors had previously warned they would not agree to: namely that a "*fresh*" assessment of Green Belt boundaries would lead to "*different outcomes*".

Flaws in the Proposed Methodology

The new methodology set out in EX/CYC/59 is clearly intended as a response by CYC to the methodological flaws identified by the Inspectors in their letter of 12 June 2020. However, FPC still considers that it is still far too complex, not adequately robust, and takes into account matters which are not appropriate to the setting of Green Belt boundaries. The flaws include:

1. The methodology does not provide for any strategic overview of the tracts of open land which need to be kept permanently open to serve essential Green Belt purposes. Without such a strategic overview it is impossible to come to a proper assessment of whether or not individual parcels of land perform essential Green Belt purposes. CYC previously recognised the need for a strategic overview and tried to provide it (however flawed) as part of the old methodology set out in EX/CYC/18. However, the new methodology does not include any strategic overview and seeks to assess each area of land around York individually without asking the fundamental question of whether or not it forms part of a wider tract of open land which fulfils essential Green

Belt functions. Many of the detailed assessment questions on matters such as compactness, landscape and setting, and sprawl cannot be properly addressed by looking at relatively small parcels of land without a strategic context as EX/CYC/59 seeks to do.

2. The need for a strategic overview is particularly necessary for a Green Belt like York where the primary purpose is to preserve the setting and special character of the historic town. For the Green Belt to fulfil this function, there needs to be a full study of what makes up the setting and special character which needs to be preserved. EX/CYC/18 sought to do this by reference to Figure 3 which purported to show the areas important to York's special character and setting. However, paragraph 4.17 of that document also said that the figure only showed "*the most important*" which the Inspectors identified as an area of potential weakness in the evidence. To overcome the point, EX/CYC/59 says that further work on this matter is set out in the Heritage Paper Update September 2014 (SD103). However, this document was not produced for the purpose of defining Green Belt boundaries and provides little assistance to the matter. Most of the document is concerned with the "*principal characteristics*" of the existing urban area and especially the city centre rather than the surrounding open land. There are parts which deal with landscape and setting but these are very generalised and provide little assistance for whether or not individual parcels of land should be included within the Green Belt. For the sake of clarity, it is worth emphasising that SD103 provides no diagrammatic indication which tracts of open land around the City may be important to maintain compactness or important views of landmark monuments or the setting of villages. Moreover, where textual detail is given, the site assessment annexes to EX/CYC/59 has often ignored it. We give two examples here but there are many. Under the heading 'Landscape and setting', SD103 says a "*key feature*" of "*the open countryside surrounding York*" are "*Airfields with large expanse of openness/cultural heritage/habitat value.*" Under the sub-heading of significance, SD103 specifically refers to Elvington Airfield with "*its uncommon grassland habitat and birds because of extensive open nature*". The only possible conclusion from this is that Elvington Airfield in its current open condition is a key part of the landscape and setting of the historic city. Despite this, EX/CYC/59g (Annex 5) places little significance on the fact that Proposal ST15 would lead to the loss of over half of the Airfield for the new settlement. No particular harm is identified. Similarly, SD103 identifies views of the Minster from the A64 between Hopgrove Roundabout and Hull Road as key features of York's landscape and setting. Despite this, EX/CYC/59 Annex 5 places little significance on the fact that Proposal ST7: East of Metcalfe Lane would bring development much closer to the A64 in this location and intrude significantly (even with landscape mitigation) into the present important view across the site to the Minster.
3. The methodology takes into account matters which should be irrelevant to consideration of Green Belt boundaries. We draw attention here to Questions 2.1, 2.2, 2.3 and 3.2. We fully accept that long distance views of such features as the Minister, Terry's and the Racecourse are very important to the setting and special character of York, but it is no function of the Green Belt to protect the setting of individual listed

buildings, conservation areas and registered gardens. These are protected under other policies. Despite this, Annex 3 makes multiple reference to such protection when justifying the proposed boundaries.

4. The methodology uses terms in Annex 5 such as 'minor harm' and 'significant harm' without defining what these mean. As such it is impossible for anyone to understand the extent of harm which is being envisaged so that a proper judgement can be made about the appropriateness of the proposed boundaries. Judgements are made about potential harm or the absence of it without any clear explanation. Often 'potential mitigation' is used as a reason to reduce the assessed harm without giving any explanation how this mitigation would work. Some of the important judgements made about strategic sites are perverse and demonstrate unsoundness. We give examples later.
5. In overall terms, the documentation forming the EX/CYC/59 and its annexes is overly lengthy, presented confusingly, often repetitive and sometimes contradictory, and contains material which is irrelevant to defining Green Belt boundaries. The sheer quantity of verbiage conceals whether matters of significance have been treated properly. As a whole, the document does not provide an appropriate basis to define Green Belt boundaries around York for the first time.

The Lack of Overall Assessment of Impact Upon the Green Belt

EX/CYC/18 recognised the importance of assessing the overall impact of the Submitted Local Plan upon the purposes of the Green Belt and made a judgement upon it (7.117). Although we disagreed with that judgement and showed in argument at the first phase hearings that it was contradicted by the Council's own more detailed evidence, the document saw the importance that such a judgement is made.

In contrast, EX/CYC/59 fails to come to any conclusion about the impact of the Submission Local Plan proposals upon Green Belt purposes, and particularly the primary purpose to preserve the setting and special character of the city. The lack of any conclusion on this matter has significant implications for the local plan and its compliance with national policy and legal requirements.

The starting-point is NPPF1 paragraph 14. This states that local plans should meet objectively assessed needs. However, very importantly, it makes two exceptions which are where:

- "- any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
- specific policies in this Framework indicate development should be restricted."*

The issue is whether these exceptions apply in York.

NPPF1 (79) recognises the importance which the Government places upon Green Belts. Paragraph 80 sets out their five purposes. If development needs can only be met by Green Belt boundaries which cause significant harm to these purposes, NPPF paragraph 14 indicates

that such boundaries do not accord with national policy. At the very least, the first potential exception under paragraph 14 requires that any harm is properly identified and balanced against the benefits of fully meeting needs.

EX/CYC/59 takes a totally different approach to NPPF1 paragraph 14. It assumes that development for housing, employment and education needs have to be met in full and undertakes no balancing exercise to assess whether the harm caused by doing so is outweighed by the benefits. It cannot, of course, carry out a balancing exercise because it has not evaluated overall harm to Green Belt purposes by the Local Plan proposals. For the record, it has been a consistent Local Plan theme through the years that development needs should be met in full without any consideration of the impact upon the purposes of the Green Belt or the wider environment.

The Government has consistently made clear that development needs should not be met in full if it would have an unduly adverse impact upon the Green Belt. The latest statement (April 2021) is in regard to the standard housing methodology but the principle applies more widely:

“Within the current planning system the standard method does not present a ‘target’ in plan-making, but instead provides a starting point for determining the level of need for the area, and it is only after consideration of this, alongside what constraints areas face, such as Green Belt, and the land that is actually available for development, that the decision on how many homes should be planned for is made. It does not override other planning policies, including the protections set out in (Paragraph 14 of NPPF1) or our strong protections for the Green Belt.” (our underlining)

Such guidance is of particular importance for York which is an historic city of recognised international importance and where the primary purpose of its Green Belt is to preserve its setting and special character.

It is worth noting that the lack of any overall assessment of harm to Green Belt purposes in EX/CYC/59 means that the judgements made within the Sustainability Assessment about housing and Green Belt policies lack an adequate evidence base which takes the plan out of legal compliance.

Housing, Employment and Educational Needs

EX/CYC/59 relies on needs assessments which are now out-of-date because of the pandemic and the associated economic downturn.

Strategic Sites

Alongside the original TP1 Addendum, CYC produced Annex 5 which sought to assess the potential impacts upon Green Belt purposes of the identified strategic sites. CYC has not sought to replicate this annex in its methodology. It has produced a much shorter document

EX/CYC/59g on the proposed new settlement sites but otherwise the impacts of the identified strategic sites upon Green Belt purposes are assessed in much less detail in Annex 3.

FPC is concerned principally with the strategic sites in the south-eastern quadrant of the city (ST27, ST15 and ST7). However, similar criticisms can be made of the appraisals of the other strategic sites.

Site ST27 is the **University of York Expansion** and is dealt with at pages A3.679 to A.686 of EX/CYC/59e. The section starts by saying that the Green Belt boundary "*runs along the drainage ditch from the edge of the outdoor cycle track (of York Sports Village), along the southern extent of the lake to the weir which crosses the lake.*" We assume that this is the boundary which the section assesses, despite the fact that it is a different boundary to that shown by the Submitted Plan. We also assume from the context that where there are references to "*the land which needs to be kept permanently open*", these are references to land south of this boundary which includes the allocated strategic site ST27. No other interpretation of the text would be sensible.

Annex 3 makes clear statements about the harm which built development south of the University lakes would cause. Applying CYC's own criteria, it says:

"1.1 The land should be kept permanently open as part of a wider view of a dense compact city in an open or rural landscape."

"1.2+1.3 The land should be kept permanently open as part of maintaining the scale and identity of York and its districts as well as maintaining a connection to open and historic setting."

"3.1 The land should be kept open to aid the understanding of the historical relationship of the city to its hinterland."

"4.1 Land is connected to the urban area and therefore relevant for sprawl."

"4.2 Land is contained by strong boundaries on more than one side and is therefore contained, however, development would still represent sprawl."

"5.1+5.2 The land contributes to the character of the countryside through openness and views."

Although EX/CYC/59e makes no overall assessment of the potential harm that development south of the University lakes would cause, the above findings clearly demonstrate significant conflict with essential Green Belt purposes. This conflict is best summarised by the following statement which comes under the heading of 'urban sprawl':

"The proposed boundary defines where University Campus East meets its rural setting. Should development be allowed to occur freely within the land to the south and south-east of the proposed boundary (i.e. within the site of ST27), it would be eventually contained by the York Outer Ring Road. However, given that this land is important to keep permanently open in line with purpose 4, allowing development up to the road

would represent unacceptable sprawl as it would result in the loss of compactness and the rural setting, which would be detrimental to the York Green Belt." (our underlining)

The section goes on to consider the strategic site allocation. It says that there have been requests from the University for expansion and there is potential to extend "*the new nursery and excellent transport links which exist in this location.*" On this basis, it says that there is potential here for a sustainable employment growth location "*which would focus development towards the urban area within the Green Belt (in line with NPPF para 85)*". It also says that the site is a sustainable option when judged against the site selection criteria and employment land assessment, adding that the Heritage Impact Assessment (September 2017) has identified that there is some potential scope for development if the compactness of the city and its rural setting could be preserved.

We consider that this reasoning makes little sense. One of the principal elements of the Local Plan strategy is to conserve and enhance York's historic and natural environment (Policy SS1) which must include its setting and special character as a historic town. If, as the Annex suggests, ST27 would cause "unacceptable harm", the allocation of the site cannot be considered to be in accordance with the strategy. The references to the site selection criteria and employment land assessment are irrelevant as these do not include consideration of Green Belt purposes. Similarly, the reference to the Heritage Impact Assessment (HIA) is of little assistance because it was prepared applying the Council's misunderstanding of Green Belt purposes as revealed during the first phase hearings. In any event, the HIA does recognise that significant harm would be caused by the proposal to the rural setting of the city and there is no suggestion that it would be successfully mitigated. The HIA only says that "*screening and landscaping may afford some protection*" but it does not consider whether the type of bunding and heavy landscaping required to partially screen the site from the A64 would appear as alien and urbanising features in the otherwise open rural landscape.

For the record, the Annex does not consider separately the impacts of the Strategic Site ST27 upon each of the relevant Green Belt purposes. The only such consideration given is about a Green Belt boundary running alongside the University lakes to the north.

In conclusion the Annex fails properly to consider the impacts of Strategic Site ST27 upon the purposes of the Green Belt. What analysis there is suggests that the allocation would have an unacceptable impact.

ST15 is the new settlement site '**Land West of Elvington Lane.**' An assessment of the potential impacts of the new settlement is set out in Annex 5 (EX/CYC/59). This assessment has major flaws as follows:

1. It provides no overall assessment of the degree of harm which the new settlement would cause to Green Belt purposes, although it accepts there would be some unspecified level of harm. Without such an overall assessment, the harm cannot be balanced against any benefits of the proposal. This is of great importance as the proposal is by far the largest housing allocation of the Local Plan and is central to its strategy. Without a proper assessment of its potential harm, the Local Plan strategy cannot be said to be properly justified nor can the sustainability assessment be said to be based upon adequate information. CYC local plan documentation repeatedly

says that the strategy of freestanding settlements will limit harm to the purposes of the York Green Belt compared to the alternatives but without a full assessment of harm (both cumulatively and individually) this is just an assertion and not evidence. Equally the potential harm from the new settlement needs to be put into the balancing exercise required by NPPF1 when determining whether development needs should be met in full by the Local Plan.

2. The lack of a conclusion on overall harm from the proposal means that it cannot be properly evaluated against alternative new settlement sites or strategies not involving new settlements.
3. EX/CYC/59g has not assessed the impact on Green Belt purposes of the very substantial off-site infrastructure required to serve ST15, including a new 1.8km access road crossing open countryside and a large new grade-separated junction onto the A64. This new road infrastructure is a key part of the proposal would have a considerable impact on the rural landscape to the south of the city, including the rural settings of Heslington and Fulford. However, it is completely ignored by the assessment. Failure to consider highly harmful off-site infrastructure is a fatal failing of the evidence, including the sustainability assessment.
4. EX/CYC/59g assesses the harm of the proposal as "*minor to significant*" in relation to the criteria of compactness, landmark monuments, landscape and setting and encroachment. The document does not however define what "*minor*" and "*significant*" means or where the degree of harm lies in what must be a very broad range of potential harm. It does not seek to provide any detail how these judgements have been reached or why it considers that the "*scale and form of development*" would allow for significant mitigation. Many of the judgements appear unreasonable to the point of perversity. For example, it is extremely difficult to understand how the development of a 259ha new settlement for over 3300 dwellings located within one of the most tranquil and attractive areas of countryside around York (criss-crossed by public rights-of-way) can be said to result in only "*minor*" harm to Green Belt purpose 3. Equally EX/CYC/59g completely fails to even acknowledge the importance that SD103 says that the open character of Elvington Airfield has as a key feature within the open countryside and green belt surrounding York.
5. EX/CYC/59g completely ignores the role which the site of ST15 plays as part of a much wider tract of open countryside to the south of York which includes forming part of the setting of Heslington, Fulford and Elvington villages.

Our criticisms are similar in respect of **ST7** (Land East of Metcalfe Lane) and **ST14** (Land West of Wigginton Road).

Conclusion

For the reasons given, EX/CYC/57 and Annexes cannot be considered to provide an "*adequate, up-to-date and relevant*" evidence base for the Local Plan (NPPF1 para 158). As such the Council's reliance upon it means that the Local Plan fails the soundness tests of being justified

and consistent with national policy. It also fails the legal compliance test as the sustainability assessment is not based upon adequate information.

EX/CYC/56 STRATEGIC HOUSING LAND AVAILABILITY ASSESSMENT

The Update does not change the basic thrust of our previous representations that the Local Plan greatly over-provides housing land against the identified requirement.

FPC considers that the windfall allowance should be significantly increased to take into account the relaxation of permitted development rights and the potential changes to land use resulting from the pandemic. There is likely to be a large increase in retail and office premises being converted to housing, thereby reducing the need for greenfield housing. Similarly working-from-home is likely to result in a much lower need for new employment premises resulting in potential for allocated employment sites to be changed to housing.

EX/CYC/38 JOINT POSITION STATEMENT WITH SELBY DISTRICT COUNCIL

Since this document was produced in April 2020, Selby District Council has made significant progress with its local plan including the publication of an options document. One of the main options being suggested is one or more new settlements just outside York's boundary and the Green Belt. Although these new settlements are primarily intended to meet Selby's needs, they would also be well-located to meet part of York's needs if these could not be met without significant harm to the setting and special character of the historic city. This represents a significant change in circumstances since the original Phase 1 hearings.

EX/CYC/58 PROPOSED MODIFICATIONS

PM55, PM67 and PM68 Rural Exception Sites for Gypsies and Travellers

The proposed modifications are intended to allow rural exception sites for the caravans of gypsies and travellers.

The starting point to consider this matter is NPPF1 para 89 which allows an exception to Green Belt restrictions for "*limited affordable housing for local community needs*". Affordable housing is defined by the Glossary as:

"Social rented, affordable rented and intermediate housing, provided by eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable provision."

It is difficult to see how a privately owned site offering caravan pitches could fulfil this definition which is clearly related to providing affordable dwellings within permanent buildings and managed by a registered provider.

National planning policy treats gypsy and traveller sites as inappropriate development to be justified by very special circumstances and so should the local plan.

In conclusion, FPC considers that PMs 55, 67 and 68 fail the soundness tests of being justified and consistent with national policy.

PM66: Policy H5 Gypsies and Travellers

The justification for the proposed policy modification is said to be "*to strengthen the policy approach for those Gypsy and Travellers not meeting the Planning definition, encouraging on-site provision unless proven unviable.*" However, this is not the effect of the policy modification which retains provision off-site as an option of equal validity to on-site provision. For the record, Policy H5 appears to be intended to allow such alternative provision on sites within the Green Belt contrary to national policy.

To ensure that on-site provision is prioritised as matter of policy, FPC suggests the proposed modification is reworded as follows:

Applications for larger development sites of 5ha or more will be required to provide the required number of pitches within the site. Off-site provision or commuted sum payments to contribute to development of pitches elsewhere will only be allowed where on-site delivery is proven to be unviable.

Our proposed change would bring the policy more in line with that taken by Policy H10 for affordable housing.

In conclusion, FPC considers that PM66 fails the soundness tests of being justified and consistent with national policy.

From: [REDACTED]
Sent: 07 July 2021 03:15
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, INDIVIDUAL - reference: 205836
Attachments: Wording_from_cyc_green_belt_2021.docx

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent my own views

Your personal information

Title: Ms

Name: Gillian Shaw

Email address: [REDACTED]

Telephone: [REDACTED]

Address: [REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Topic Paper 1 Green Belt Addendum January 2021 Annex 4 Other Developed Areas (EX/CYC/59f)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: Yes, I consider the document to be legally compliant

Please justify why you consider the document to be legally compliant: I know of no reason why it shouldn't be. However I am not a lawyer.

Please justify why you do not consider the document to be legally compliant:

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: Yes, I consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate: I know of no reason why not.

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate:

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: I question the soundness of the Local Plan. In determining the Green Belt Boundary changes for development, whilst the boundaries are drawn on the maps in question incorporating the land to be developed, there are no scales of size given. I would therefore recommend that the acreage be given in order to add clarity and meaning to the document and to justify why this land is being taken out of the Green Belt. Plus I have numerous comments on the statements submitted.

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': I have submitted my comments alongside the statements that have been made on the uploaded document.

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: No, I do not wish to participate at hearings sessions

If you do wish to participate at hearing sessions, please state why:

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

Dunnington H31 Site 930

A4/49

“Land to the north of the village (boundary 1) is particularly vulnerable to changing the perception of the compactness of Dunnington given the elevated views from the A166, and has the potential to cause the greatest impact on the historic core of the village. To the east (boundary 2), some expansion is possible but this would need to be limited so as not to allow development to reach too far from the existing urban core and ensure compactness of the village is retained.” – **There is no justification for the development of a small field and the bottom of the Market Garden. If the acreage of Site H31 was given you would realise that it is not of significance and should not be put forward for development.**

“Relevant to all boundaries is that there is a clear distinction between the built up area and the open landscape beyond the village, which maintains a strong link between the village and its agricultural heritage in the economy of York. Remnant strip field patterns are identifiable adjacent to the village. It is important that land around Dunnington maintains a connection to its agricultural past and openness as part of the setting of the village and the setting of the city as a village within its rural settlement pattern.” – **H31 is of historic value as it is the start of what remains of the remnant strip field pattern. Therefore should not be taken out of the Green Belt.**

“York Moraine providing higher ground to the north. To the immediate north of Dunnington, the land rises gently to a peak parallel with Eastfield Lane on the Moraine, before dropping slightly to the A166 and the surrounding open landscape and villages. From its highest point at Mill Hill (also part of the York Moraine), north of Eastfield Lane, there are views to the south across the village and beyond, longer, uninterrupted views to the Wolds, across the Vale of York in all directions – with a very prominent view of York Minster. Both the A166 to the north, and the A1079 to the south of Dunnington are considered open approaches for experiencing the rural context of the city. The A166 in particular is on higher ground and it is necessary to keep land permanently open either side of the A166, which maintains this sense of openness and contributes to understanding the setting of York and connections to agricultural features.” – **H31 is sited on Eastfield Lane and forms part of the geological Moraine. It has views across farmland and to the Wolds beyond.**

“From its highest point at Mill Hill (also part of the York Moraine), north of Eastfield Lane, there are views to the south across the village and beyond, longer, uninterrupted views to the Wolds, across the Vale of York in all directions – with a very prominent view of York Minster.” – **These views will be blocked if H31 is made available for development.**

“Boundary 2 - The Market Garden on Eastfield Lane is separated to the east of Dunnington by one field. It is more open compared to the main urban area of Dunnington and in agricultural use so more built up nature than the surrounding countryside. There is some scope for extending the village to this north east corner, which would bring development up to include the existing farm. There is a cluster of 3 residential properties on Intake lane separated by only one field to the east of Dunnington. These are large properties within their own grounds and of a more rural setting than

the main urban area. Any expansion of Dunnington to the east along intake lane would bring these properties into the village. It is important that strong boundaries are created to the eastern edge of the village to prevent uncontained sprawl.” – There is no logic as to why one field (H31) can be developed up to “the existing farm” (I believe that should read “The Market Garden”) and yet one field on Intake Lane can’t be built on because it would link the cluster of 3 properties.

“Alternative boundaries which follow established infrastructure could see the village expand up to the A166 to the North, to the A1079 to the south and without being checked to the east. This scale of expansion would be significant and would constitute significant sprawl far beyond the existing settlement detracting from the pattern of development”. – The east is in check as it is within the existing Green Belt.

“Boundary 2 – The Market Garden along Eastfield Road is an acceptable use in the Green Belt, and while less densely developed than the main urban area of Dunnington it is more built up than the surrounding countryside. It is compatible with rural and agricultural uses. Can only be accessed from Eastfield Road. Land to the south is in agricultural use.” – I believe this statement is misleading. This should read “Eastfield Lane” and by its very nature is a Lane bounded by historic hedging which from the start of H31 is a single track road right up to the junction of the A166.

“Boundary 2: The boundary then turns south along the rear property boundaries of Holly Tree Croft and the Kerver Lane estate, to the point where it meets Intake Lane. The boundary in this section consists of a combination of hedges, trees, fences (mostly forming the curtilage boundaries of properties). The boundary is recognisable and is easily determined on OS maps and on the ground.” – There is no mention of the fact that the boundary crosses a public footpath.

A4/65

“Determining a clear, defensible boundary Site specific considerations from GB purpose analysis Opportunities for growth need to consider the following: • Must consider compactness of the standalone urbanised area avoiding perception of coalescence; • Must consider the perception of the development from open approaches; • Must consider potential to resist future encroachment and sprawl. Strategic Permanence conclusions In order to deliver long term permanence for the York Green Belt it has been determined that there is potential for the village of Dunnington to grow within a sustainable pattern of development. The most appropriate location for this development has been determined as rounding off land to the north east corner of the village to include the existing ‘Market Garden’ as allocation H31. This results in the final Green Belt boundary for the village as follows” – I challenge the words “potential for the village of Dunnington to grow”. The village infrastructure is not capable of sustaining further growth. The only access to the site is not wide enough for construction traffic (see above). The Market Garden has an agricultural restriction placed on it as it has been built in the existing Green Belt. No doubt the owner who stands to gain by offering up part of his land will also stand to gain by applying for this restriction to be removed once his dwelling is no longer deemed to be in the Green Belt. Also what is meant by “rounding off”? I would not have expected such terminology to be used in a document that is to shape the future of not just York but more importantly Dunnington. There is no “rounding off” in my vocabulary to describe what is being proposed. Incidentally there is a planning application that has been in abeyance with City of York Council for some time for 78 homes to be built on site H31.

Proposed boundary description and recognisability

“Boundary 2: The boundary turns south along the field boundary to the eastern extent of the agricultural/commercial use before turning west along the track (Peter Croft Lane) to the curtilage of the properties and turning south again to follow the rear curtilage of properties on Kerver Lane, to the point where it meets Intake Lane. The boundary in this section consists of a combination of hedges, trees, fences (mostly forming the curtilage boundaries of properties). The boundary is recognisable and is easily determined on OS maps and on the ground.” – **Therefore it is an existing recognisable Green Belt boundary.**

Permanence of proposed boundary

“Boundary 2: The boundary follows field boundaries dating from around the mid 19th Century, and the alignment of Peter Crofts Lane. The boundary offers permanence. Recommendation: In defining a clear and defensible boundary to resist further encroachment eastwards, it is recommended that the eastern boundary is strengthened as part of the masterplanning of the site (for example through the creation of landscape buffers) in order to create a single boundary, which acts as a defined and recognisable urban edge which will be permanent in the long term.” – **There already is a recognise Green Belt boundary that has been acknowledged by City of York Council’s own planning department when dealing with the numerous planning applications submitted by the Market Garden. What is the masterplanning referred to? Please illuminate. Do you mean the 78 homes in the planning application submission? If a single boundary is needed to strengthen the already defined Green Belt boundary then I am sure that those residents whose properties form the Green Belt boundary in conjunction with Dunnington Parish Council would only be too willing to plant hedging where required.**

Summary

“Drawing on the assessment of Green Belt purposes, in order to mitigate the potential harm to the Green Belt the development the allocation identified: • Is located to the south of Eastfield Lane to the east of village which should minimise visual impact and avoid coalescence; important to the perception of compactness of the village and historic city overall in a rural setting (boundary 1). In defining a clear and defensible boundary, it is recommended that the eastern boundary is strengthened as part of the masterplanning of the site (for example through the creation of landscape buffers) in order to create a single boundary, which acts as a defined and recognisable urban edge which will be permanent in the long term. The site allocation identified in Policy H1 ‘Housing Allocations’ is H31 ‘Eastfield Lane’. Development proposals will take consideration for policies set out in Section 8: Placemaking, Heritage, Design and Conservation to ensure high environmental quality and support the character and setting of the city.” – **What harm to the Green Belt? The Green Belt boundary has been in existence long before Dunnington came under the auspices of City of York Council and has not been harmed. In fact I would argue it had been strengthened by the residents and Dunnington Parish Council who are concerned for the loss of their Green Belt and countryside. Surely the harm is going to come from the submission for 78 homes to be built on!**

From: [REDACTED]
Sent: 07 July 2021 11:49
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205932
Attachments: 50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019 (EX/CYC/32)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To allow the housing matters to be fully tested and explored by the inspectors.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

- 2.7 In particular:
- “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”.* [§60]
- 2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].
- 2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.
- 2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.
- 2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.
- 2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]
- 2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”.* [page 12]
- 2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:
- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.

- 2.17 The PPG states that:

“The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹

- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:
- “There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.”* [paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that *“there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.”* [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, *“it should provide some comfort that the latest version of the standard method arrives at a very similar number”*. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.*¹⁵

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

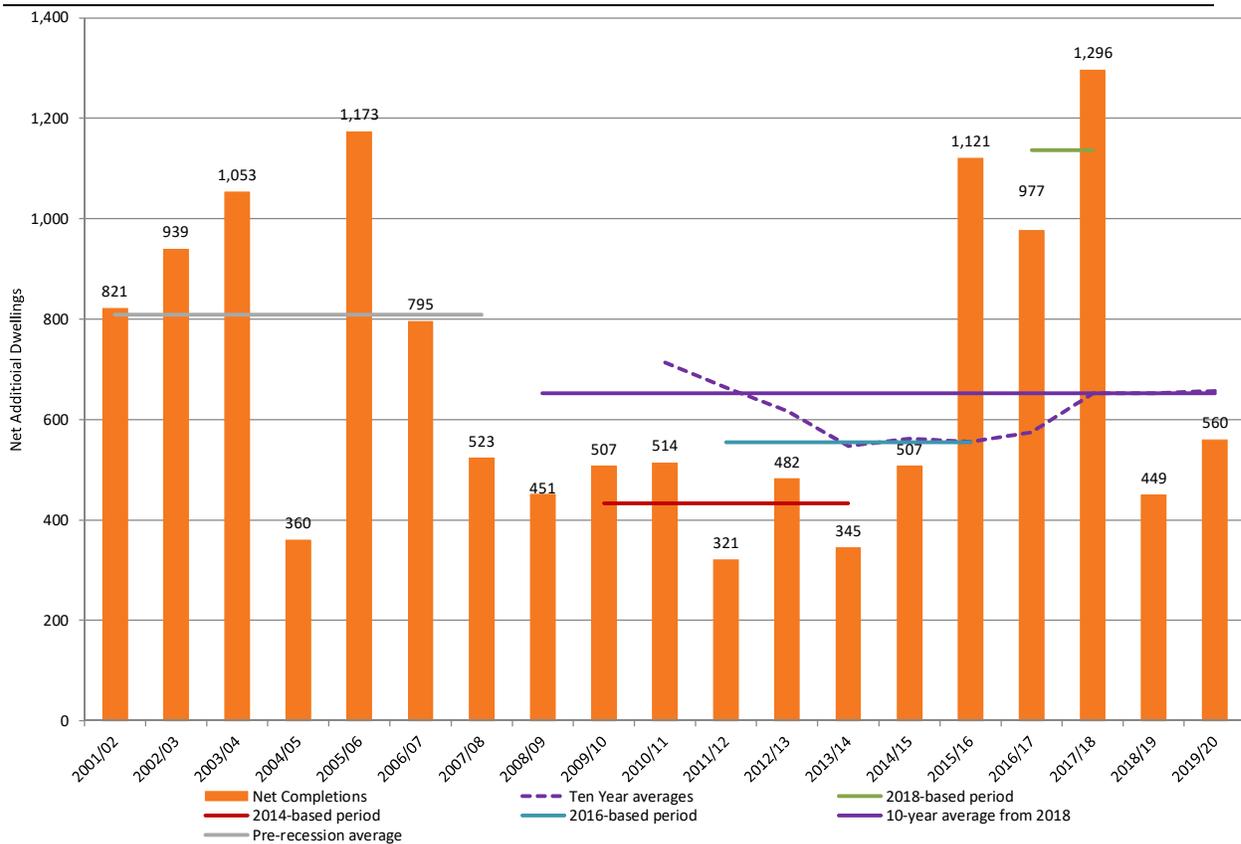
¹⁵ Practice Guidance - ID: 2a-017-20140306

¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

- 3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.
- 3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

- 3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

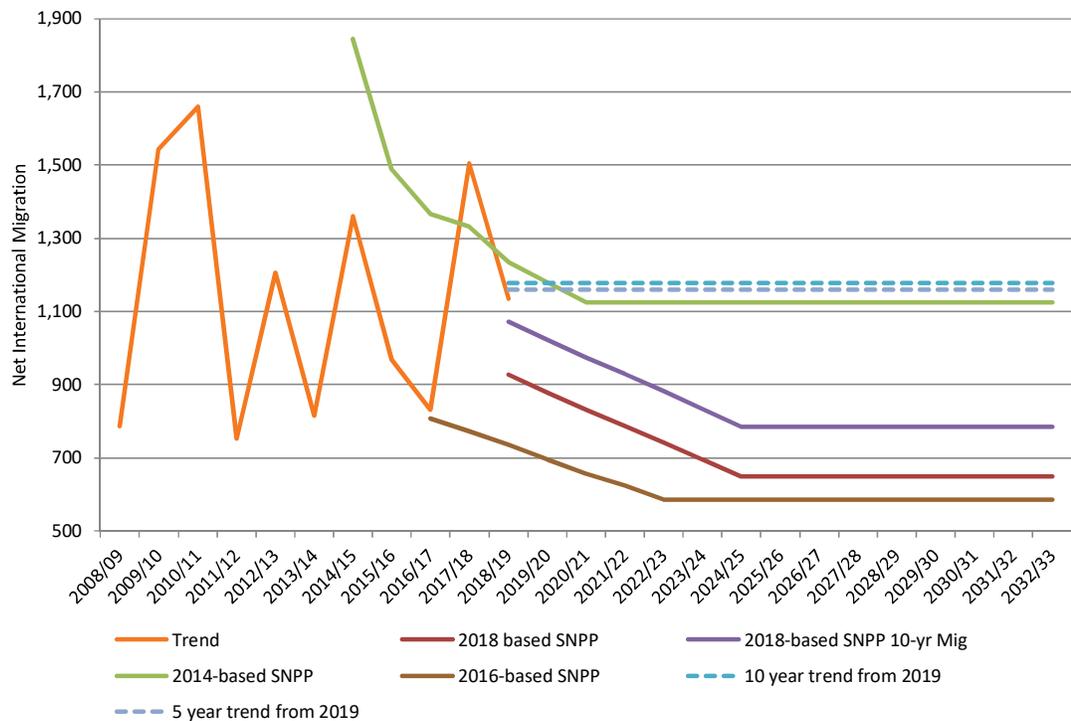
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they *“have not examined the economic need associated with historic employment growth as the accommodation has already been **provided to support that growth**. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-*

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn’s use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS’s 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on ‘*specific local circumstances*’ (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

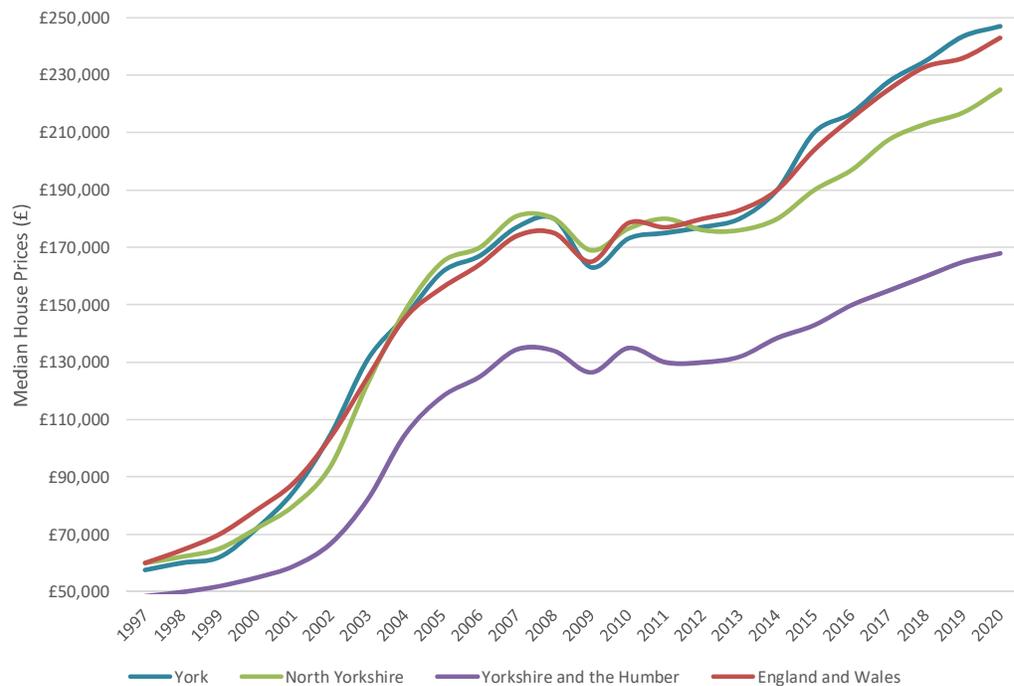
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

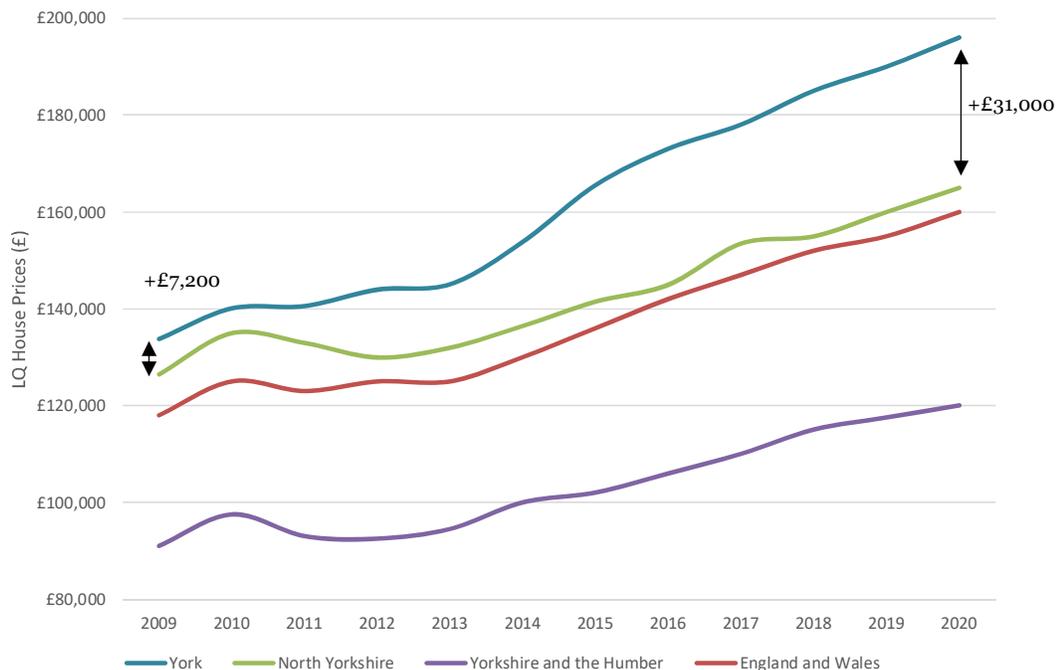
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

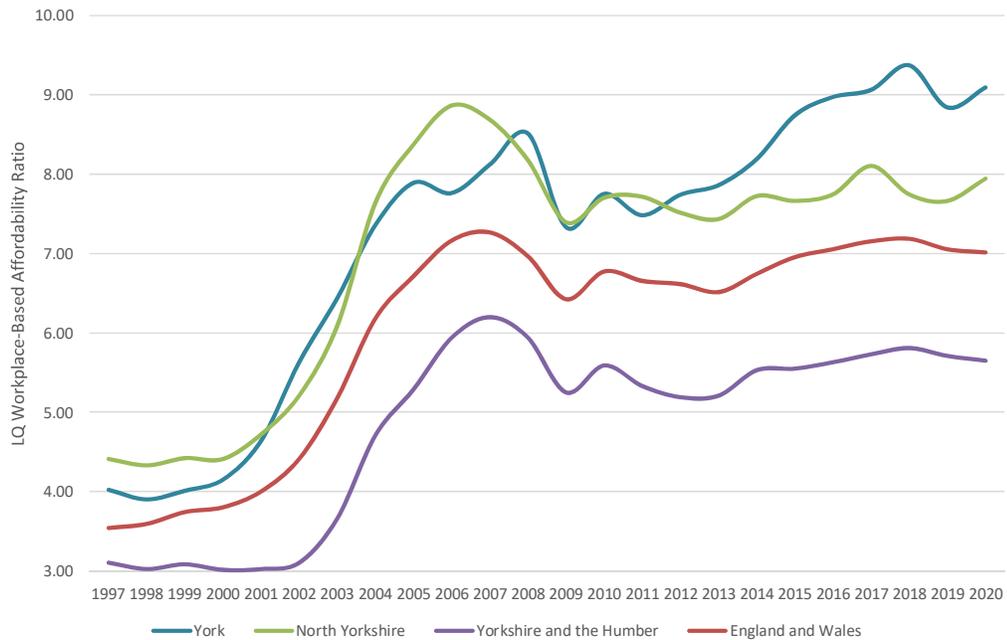
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O'Neill's Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.

6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.

6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”

6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.

6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.

6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).

6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

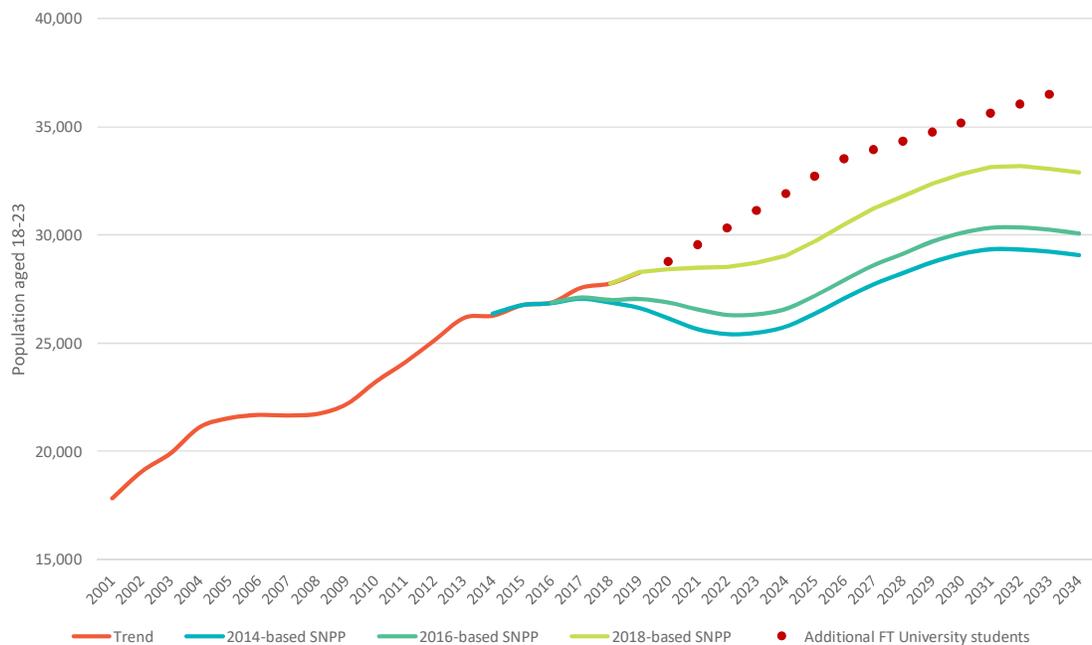
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

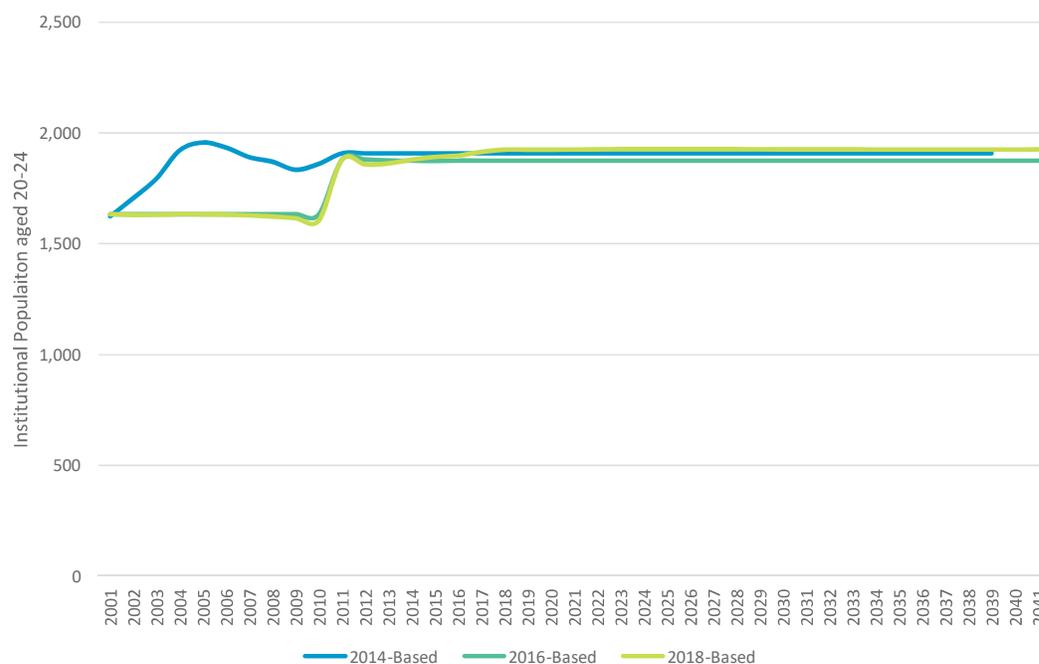
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council's housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

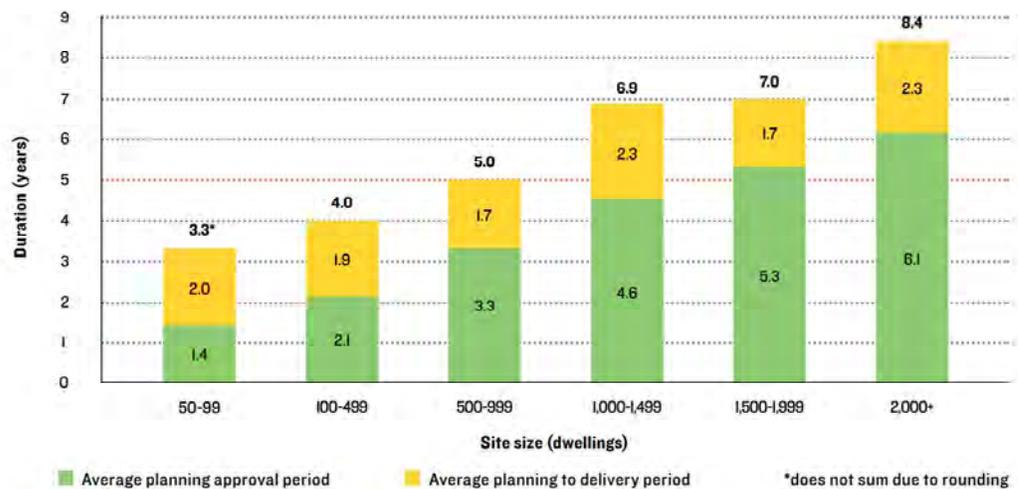
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer's commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA ('SHLAA Assumptions for Evidence Bases'). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council's approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council's current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council's current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council's approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn't always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

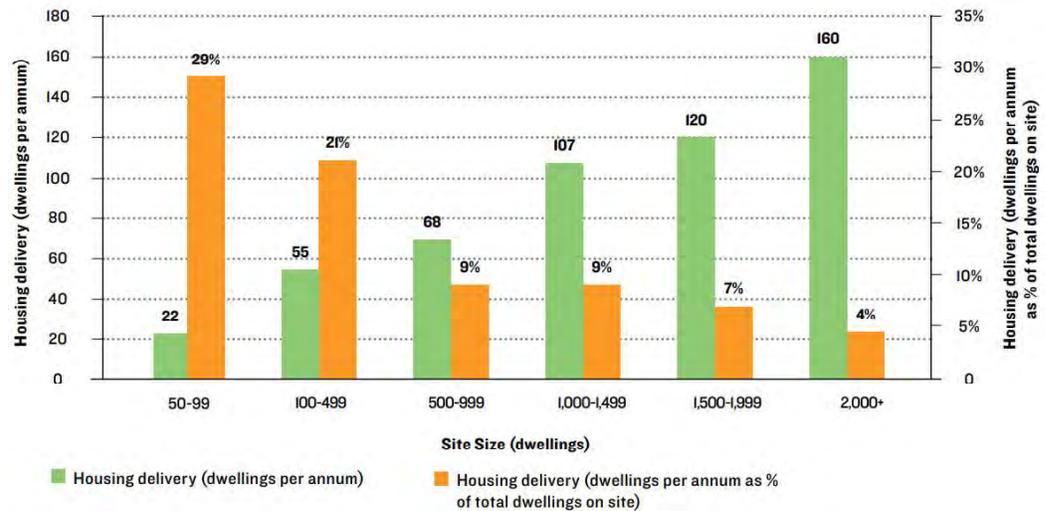
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.

8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.

8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.

8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).

8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.

8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.

8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council’s housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City’s residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

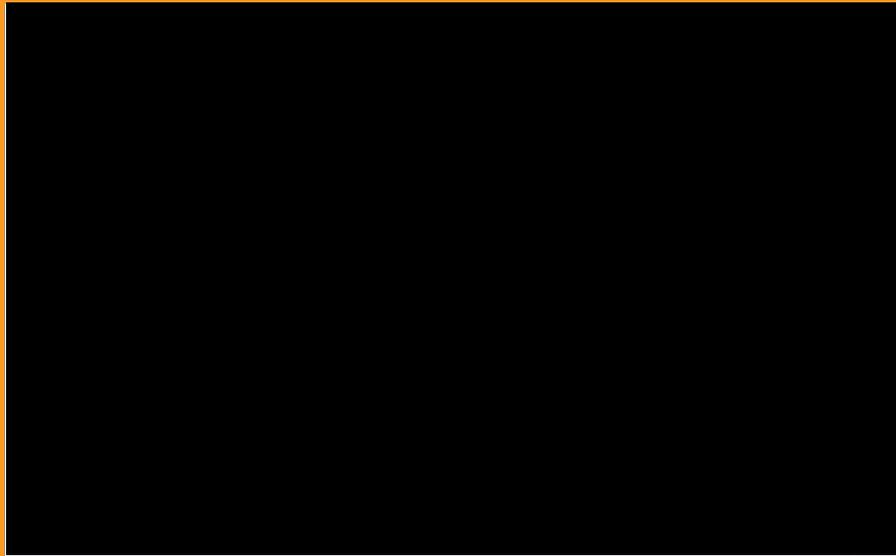
Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



Roberts, John

From: [REDACTED]
Sent: 07 July 2021 11:53
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205937
Attachments: 50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Affordable Housing Note Final February 2020 (EX/CYC/36)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the housing matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

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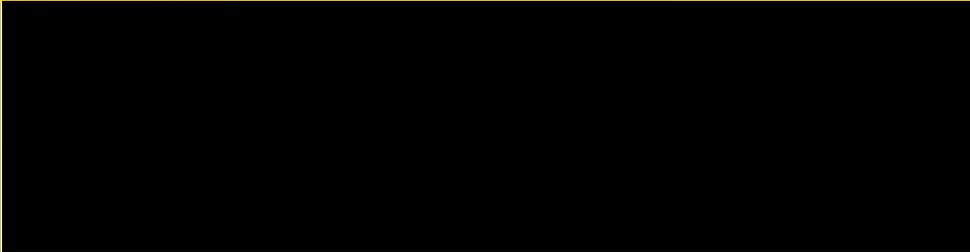


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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

- 2.7 In particular:
- “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. [§60]*
- 2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].
- 2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.
- 2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.
- 2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.
- 2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]
- 2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”*. [page 12]
- 2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:
- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.

- 2.17 The PPG states that:

“The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹

- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:

“There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.” [paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that *“there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.”* [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, *“it should provide some comfort that the latest version of the standard method arrives at a very similar number”*. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0

Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.*¹⁵

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

¹⁵ Practice Guidance - ID: 2a-017-20140306

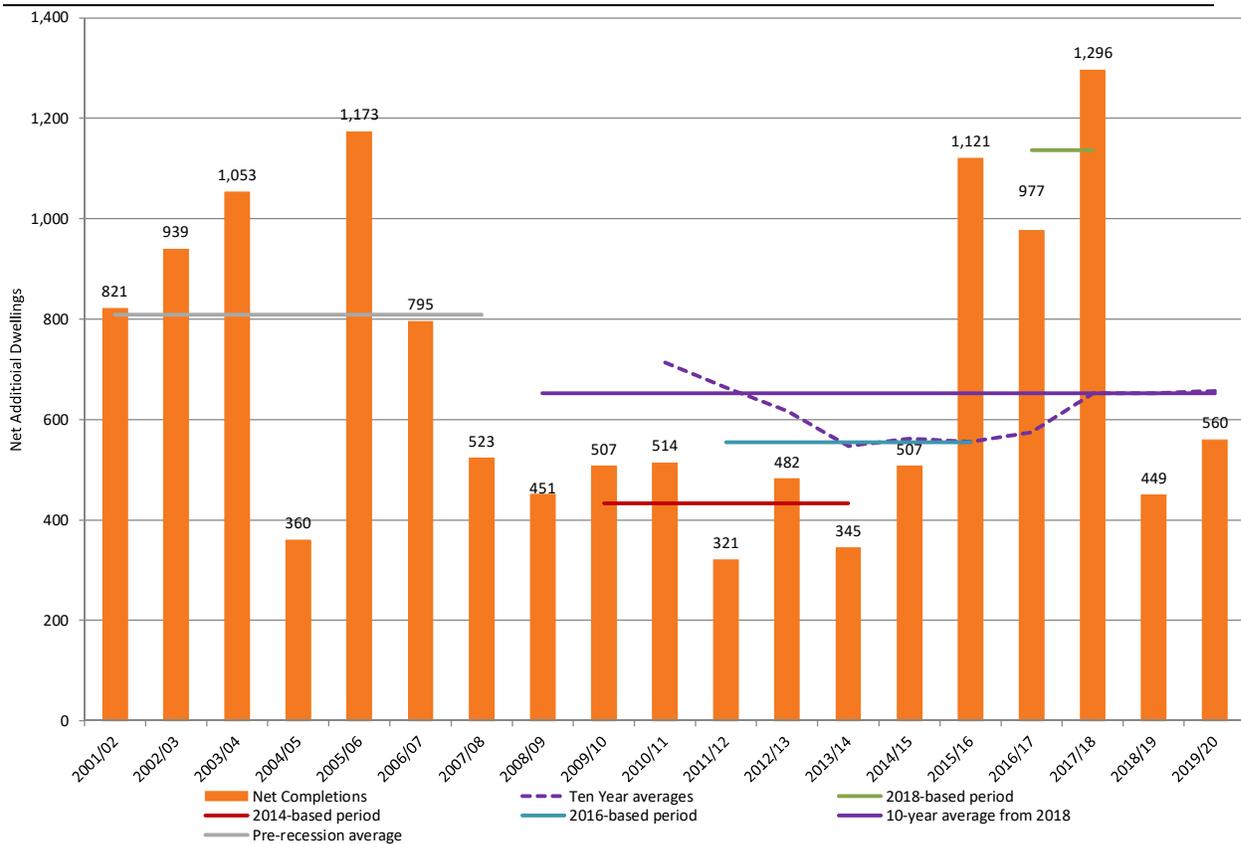
¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.

3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

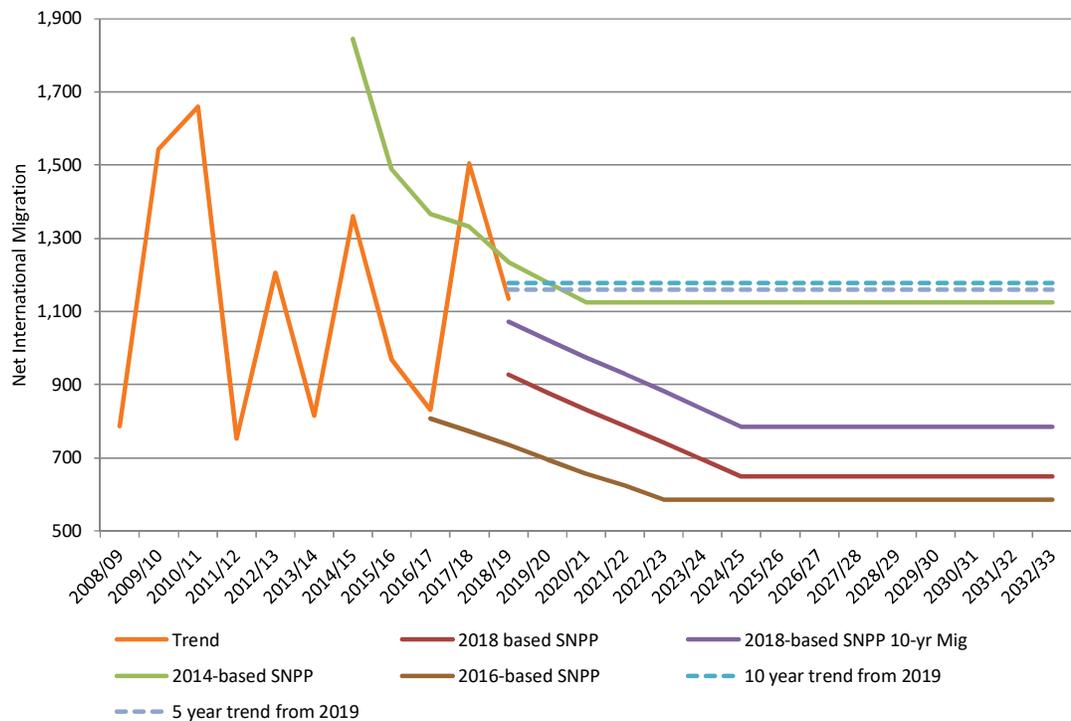
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they “*have not examined the economic need associated with historic employment growth as the accommodation has already been provided to support that growth*”. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn’s use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS’s 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on ‘*specific local circumstances*’ (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

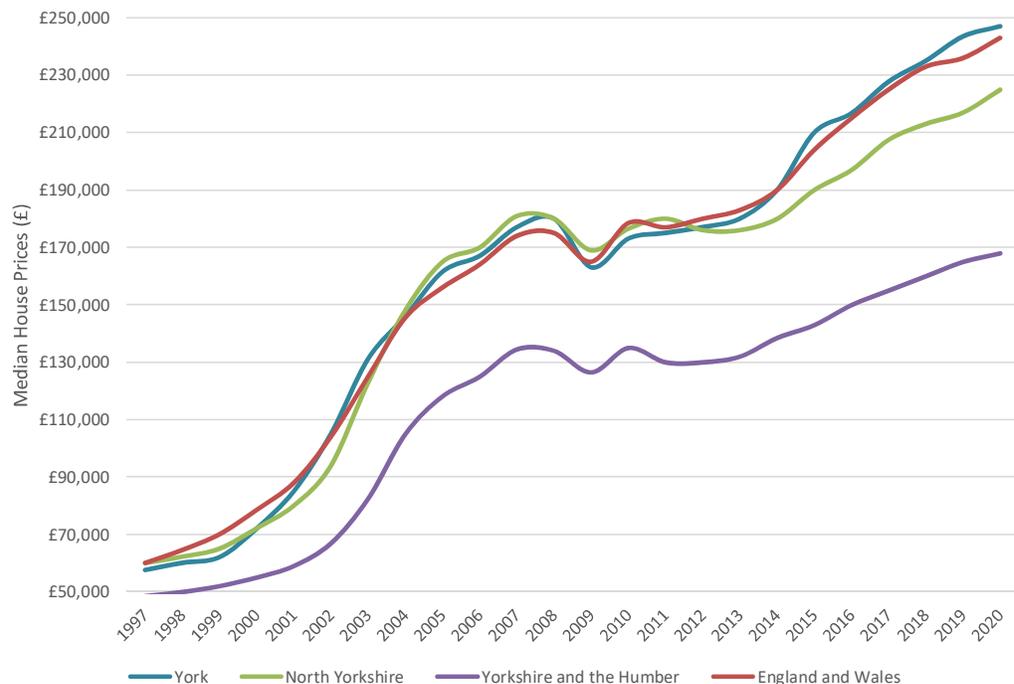
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

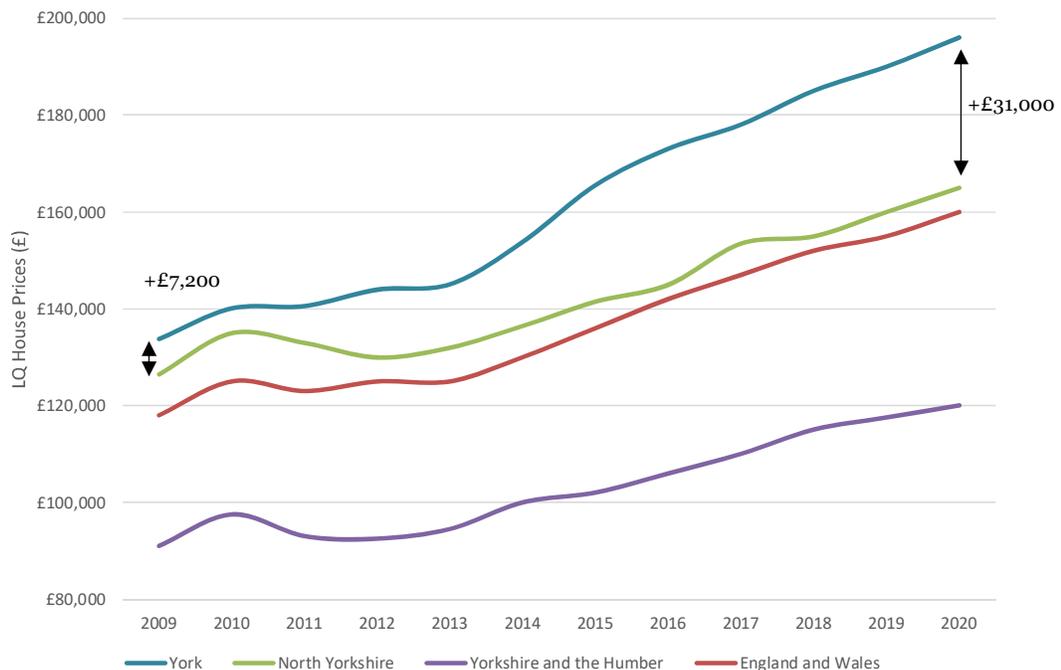
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

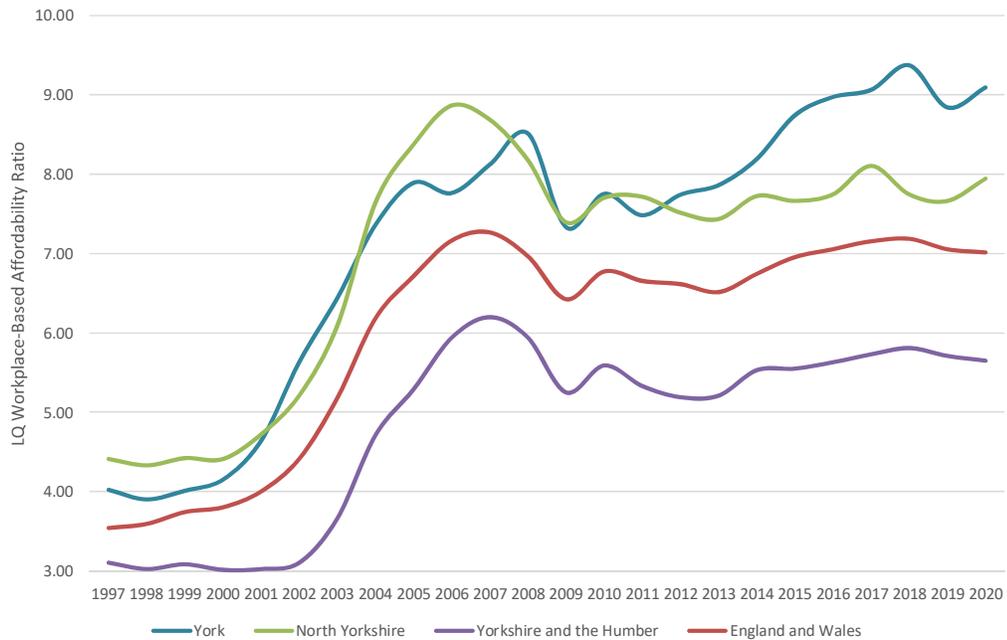
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

- 6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O'Neill's Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

- 6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.
- 6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.
- 6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”
- 6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.
- 6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.
- 6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).
- 6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

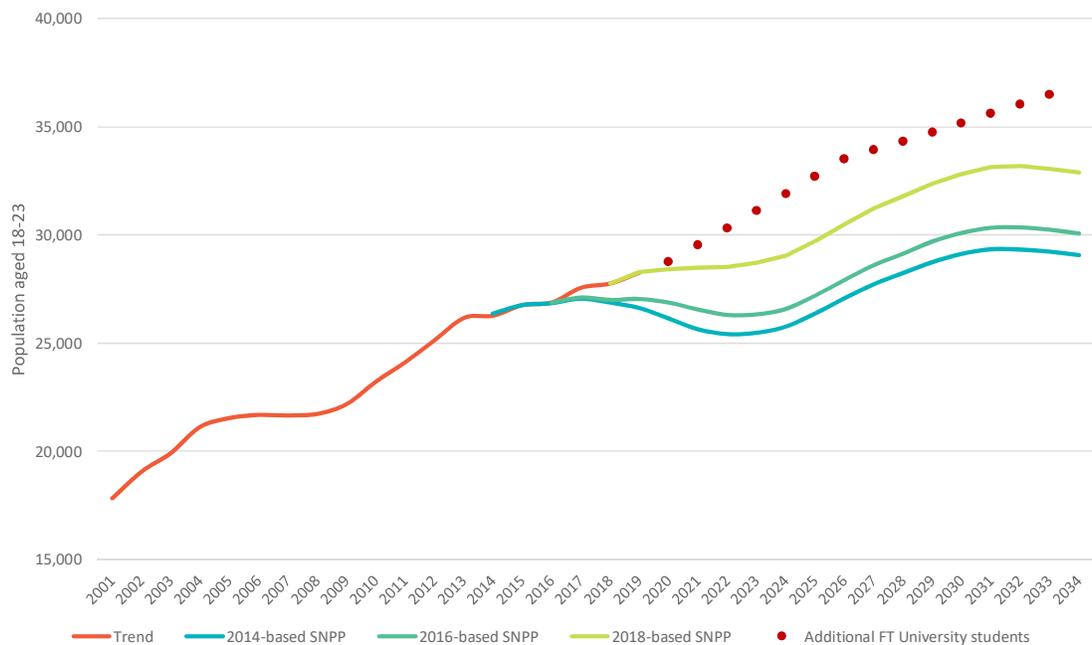
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

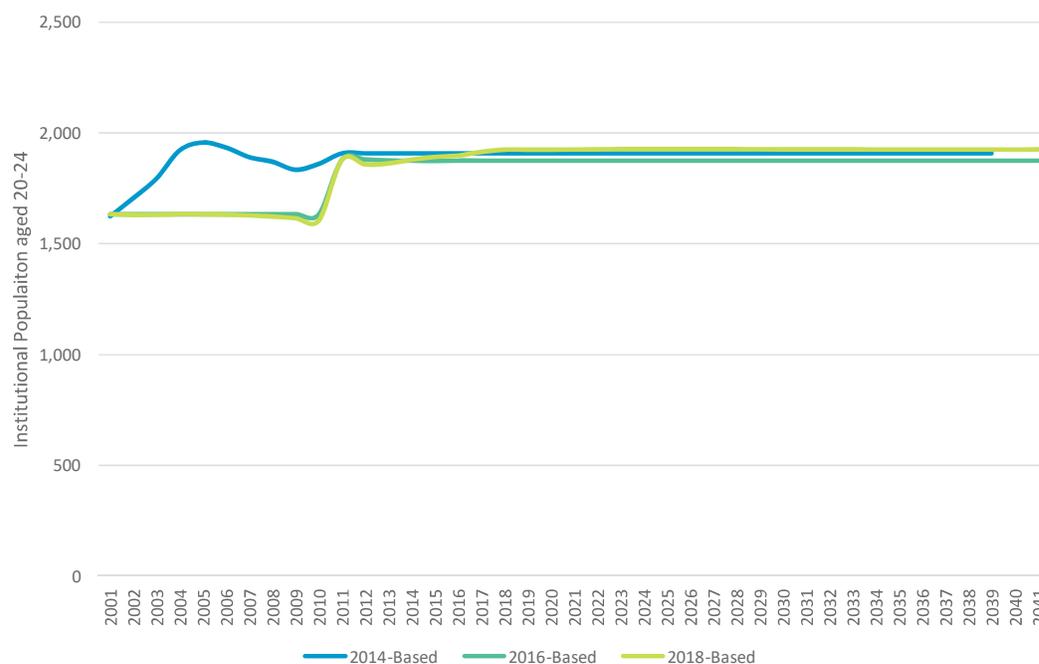
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council’s housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

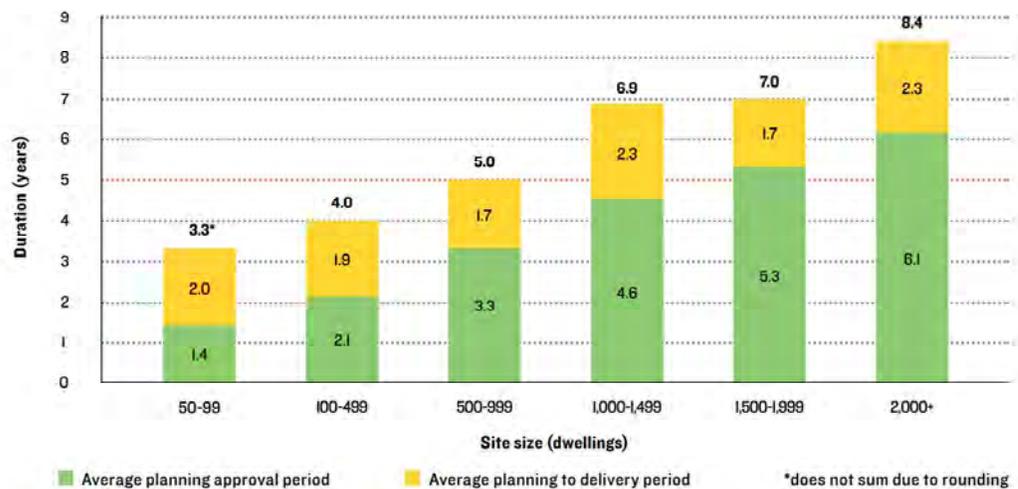
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer’s commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA (‘SHLAA Assumptions for Evidence Bases’). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council’s approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council’s current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council’s current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council’s approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn’t always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

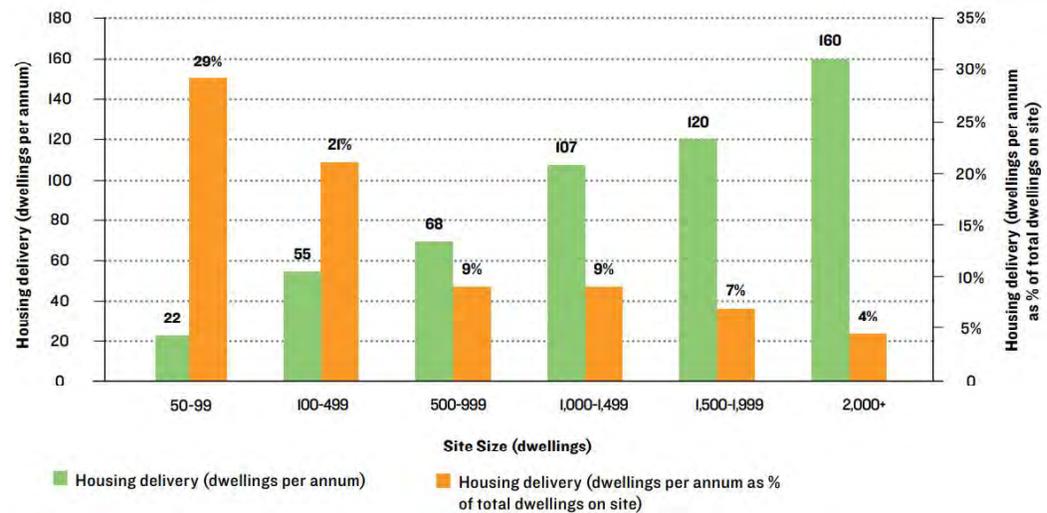
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

- 8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

- 8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.
- 8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.
- 8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.
- 8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).
- 8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.
- 8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.
- 8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council’s housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City’s residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

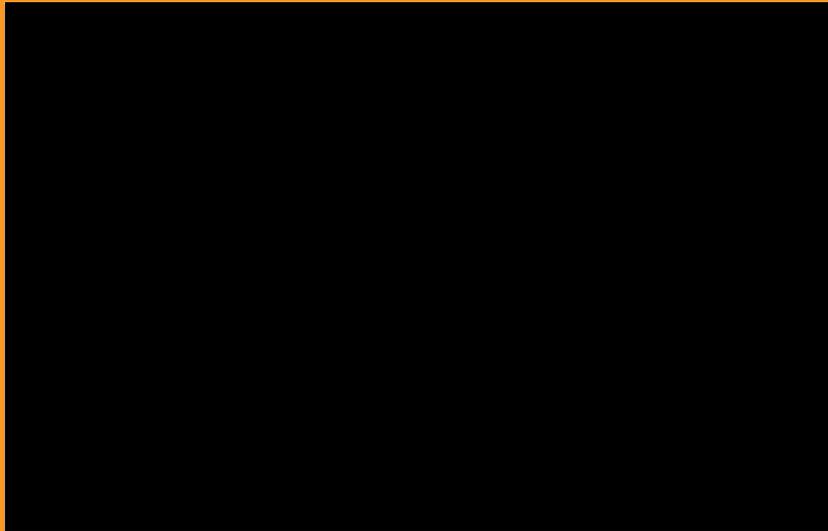
Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



From: [REDACTED]
Sent: 07 July 2021 11:58
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205939
Attachments: 50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form:

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Housing Needs Update September 2020 (EX/CYC/43a)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the housing matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.

2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)

2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:

"Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- *Meets household and population projections, taking account of migration and demographic change;*
- *Addresses the needs for all types of housing, including affordable housing...; and*
- *Caters for housing demand and the scale of housing supply necessary to meet this demand."*

2019 NPPF

2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.

2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

2.7 In particular:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. [§60]

2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].

2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.

2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.

2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.

2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]

2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”*. [page 12]

2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:

- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.

- 2.17 The PPG states that:

“The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹

- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:

“There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.” [paragraph 2.14]

2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.

2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.

2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.

2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).

2.42 The HNU concludes that *“there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.”* [paragraph 3.11]

2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, *“it should provide some comfort that the latest version of the standard method arrives at a very similar number”*. [paragraph 4.20]

2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.

2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.*¹⁵

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

¹⁵ Practice Guidance - ID: 2a-017-20140306

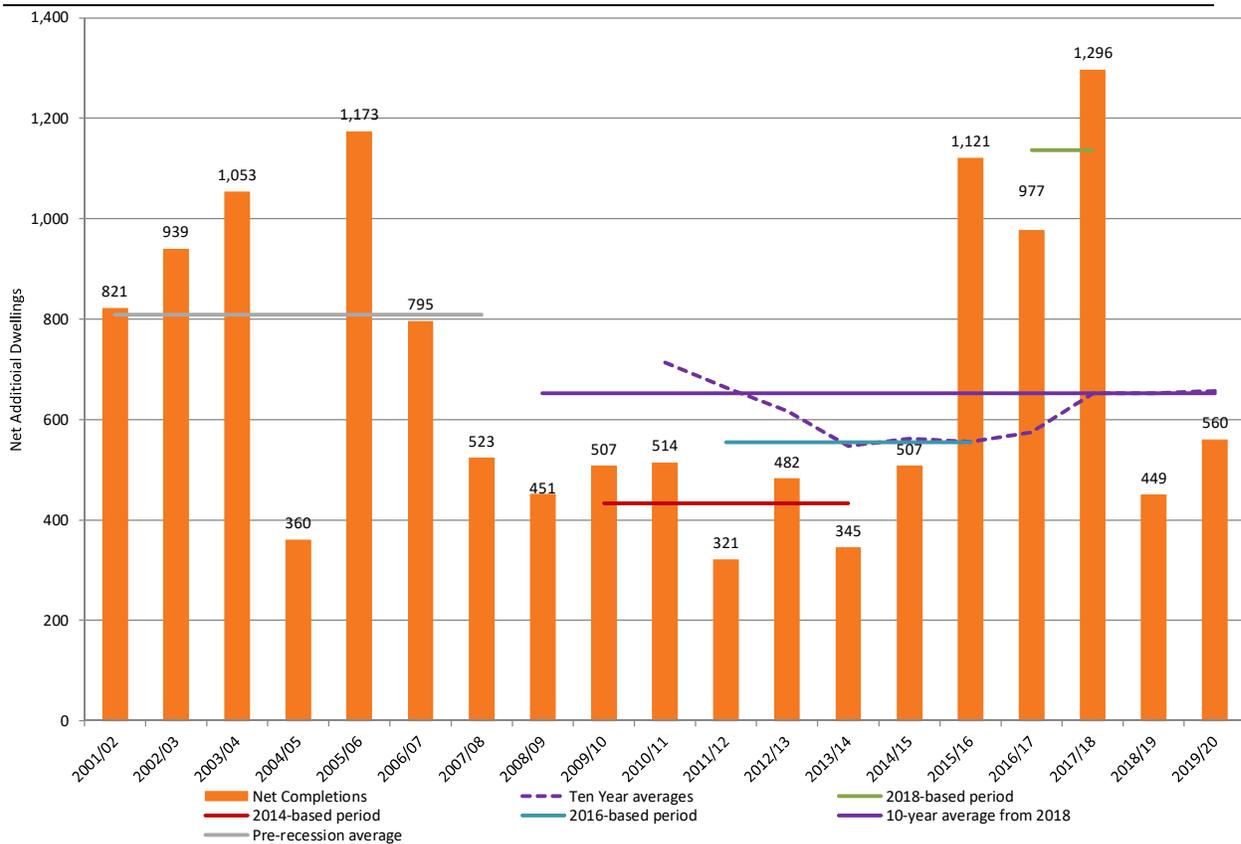
¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.

3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

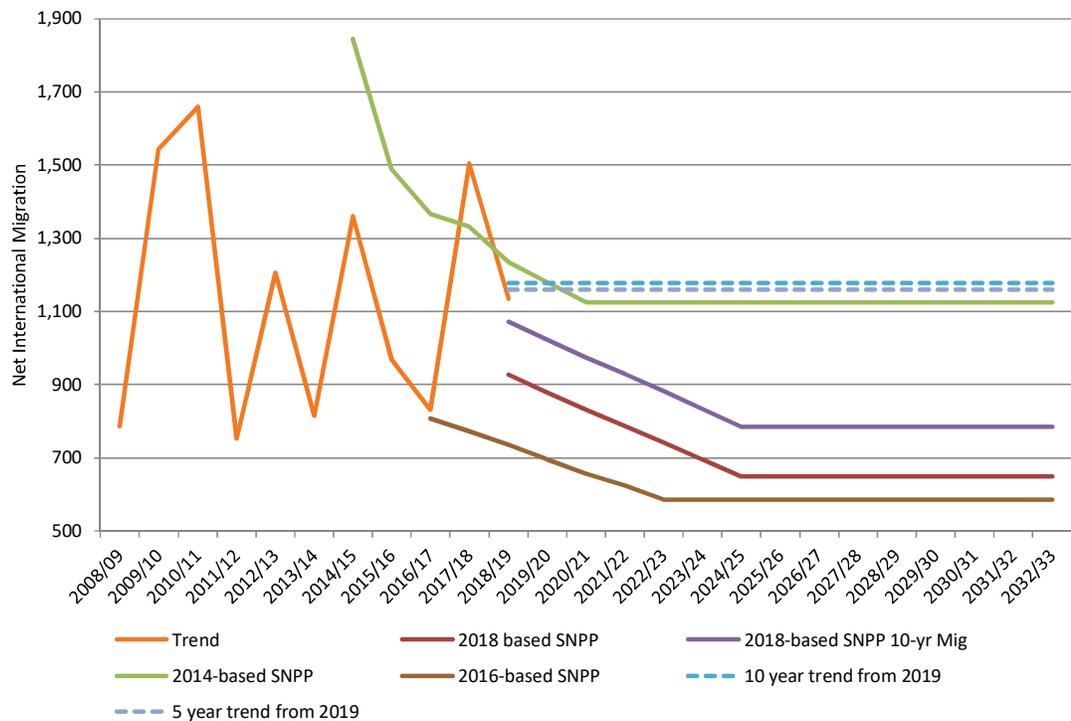
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they *“have not examined the economic need associated with historic employment growth as the accommodation has already been provided to support that growth. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-*

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn's use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS's 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on '*specific local circumstances*' (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

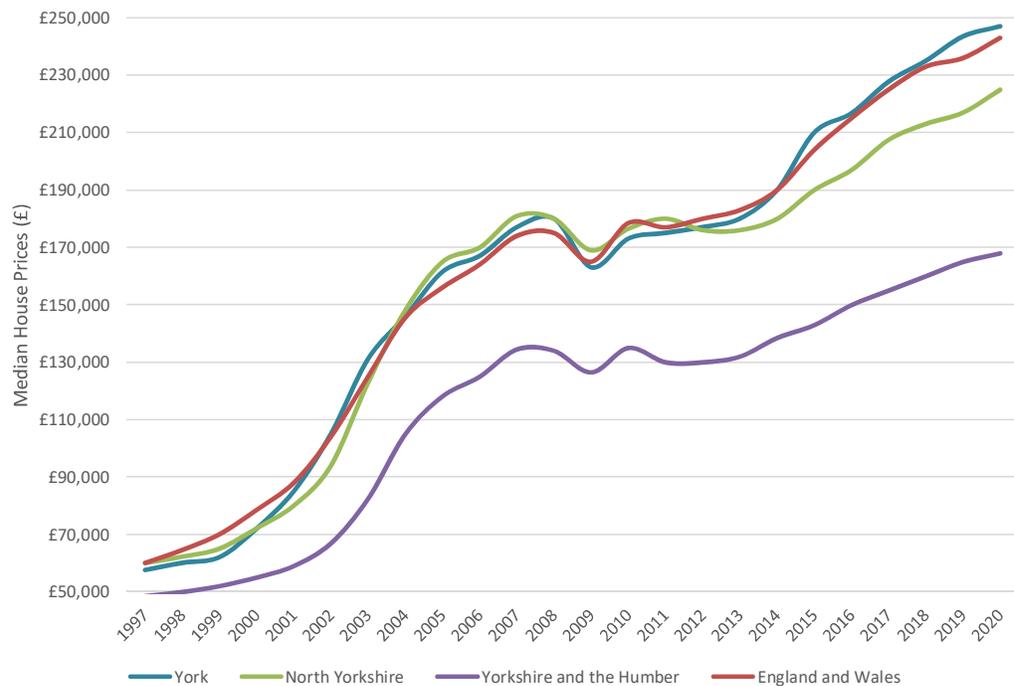
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

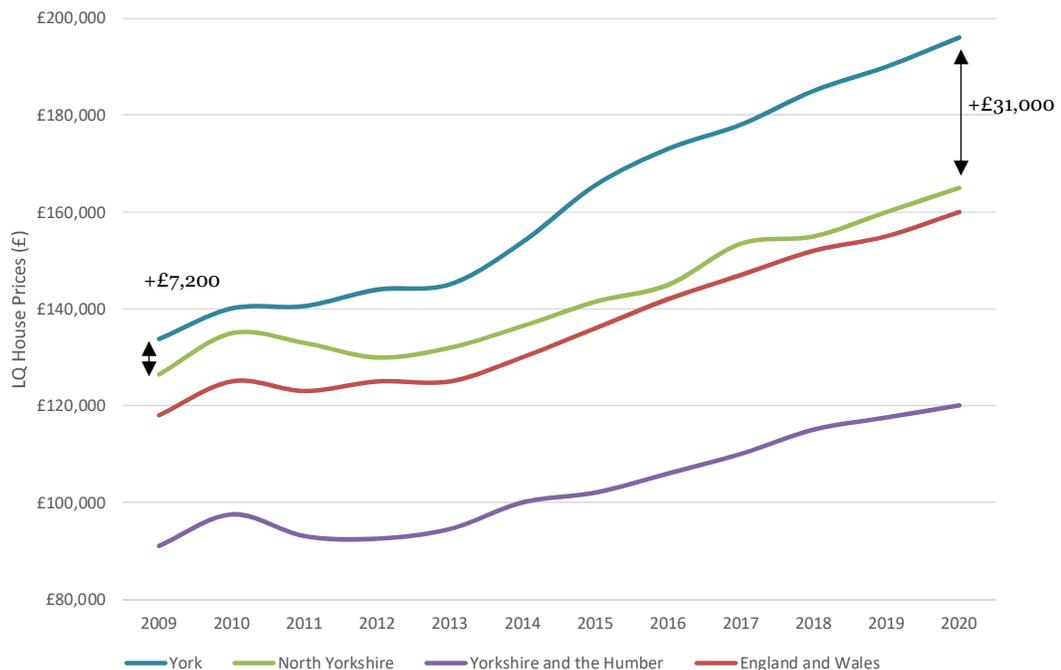
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

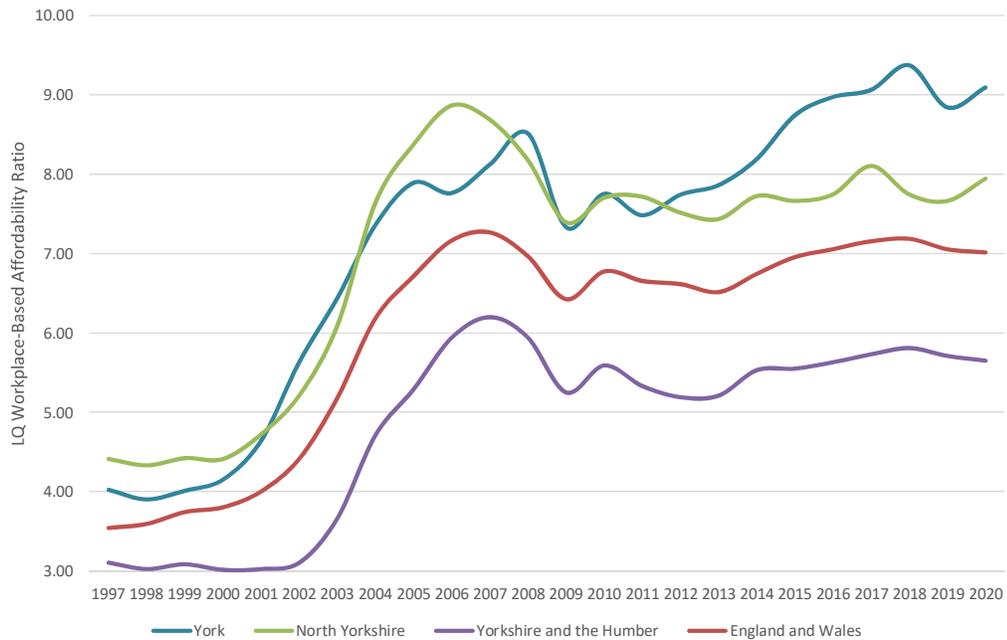
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



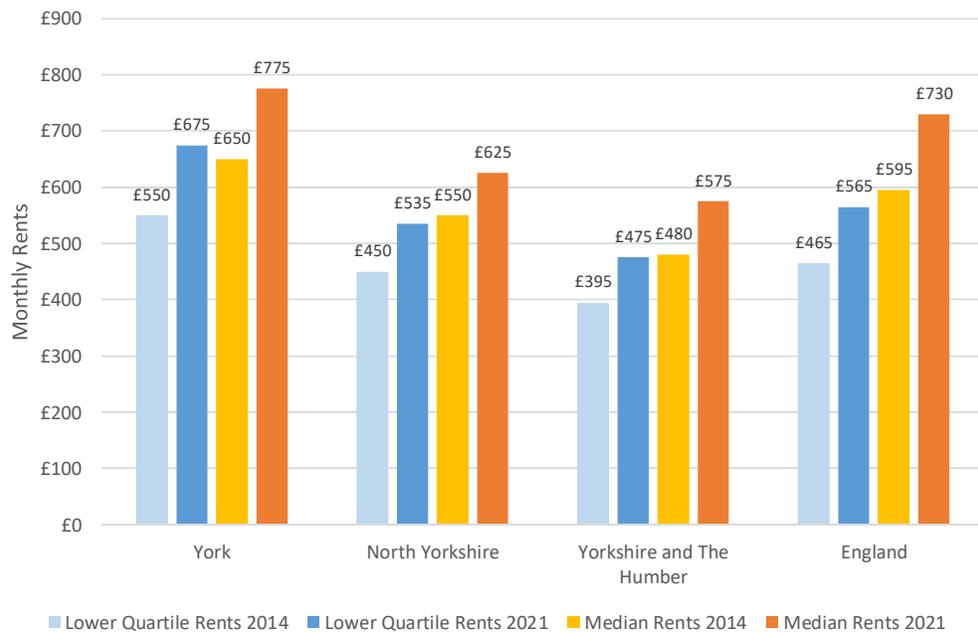
Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

- 6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O'Neill's Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

- 6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.
- 6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.
- 6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”
- 6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.
- 6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.
- 6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).
- 6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

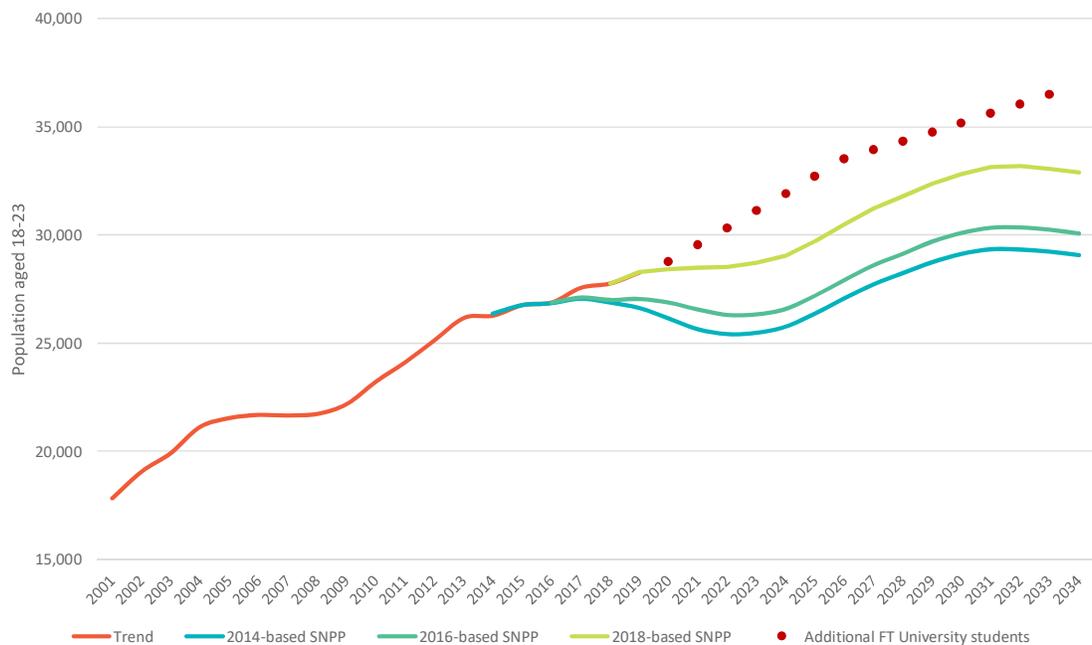
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

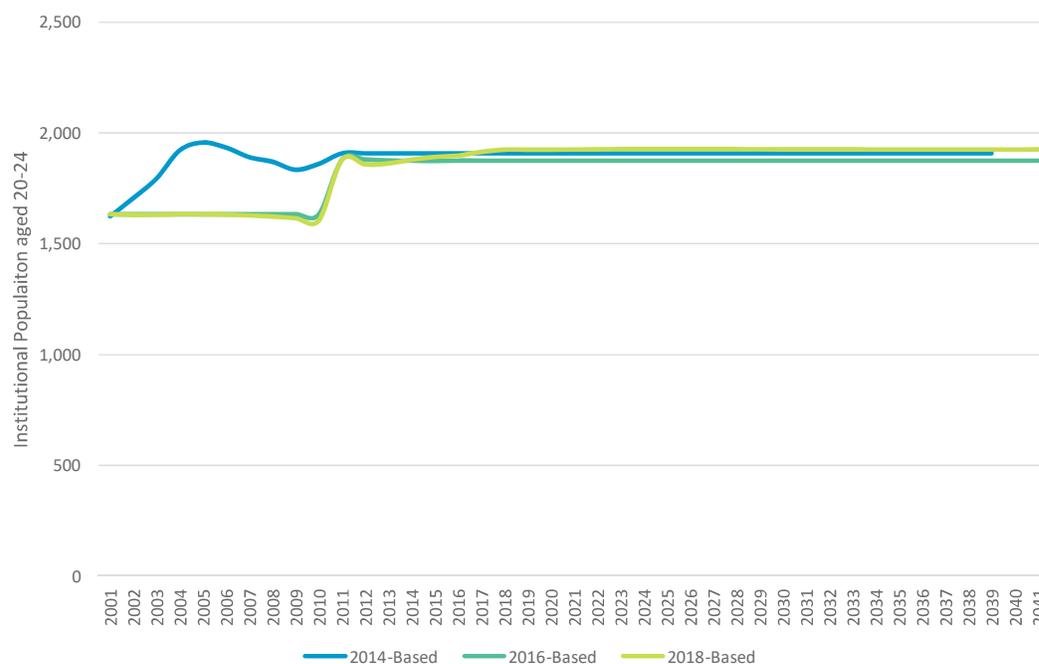
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council's housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

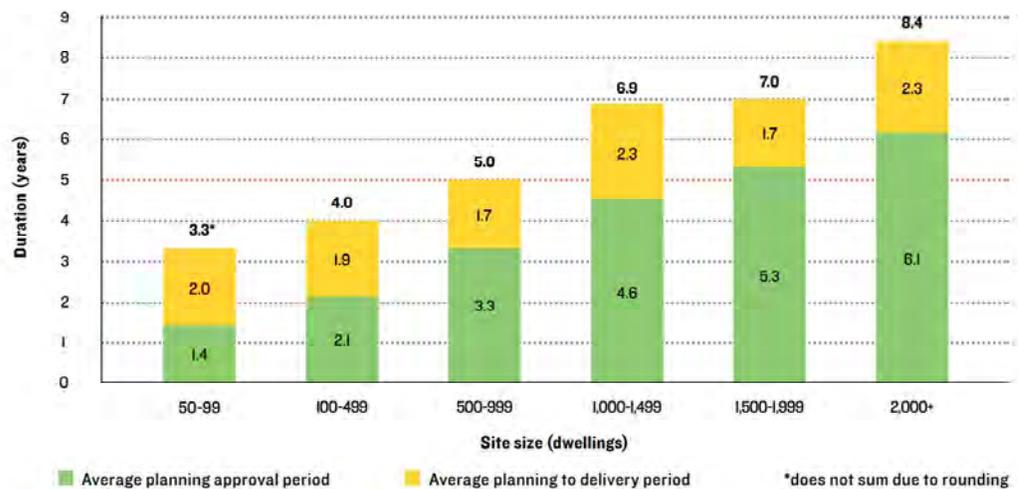
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer's commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA ('SHLAA Assumptions for Evidence Bases'). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of ‘Start to Finish’ (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council’s approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council’s current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council’s current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council’s approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn’t always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

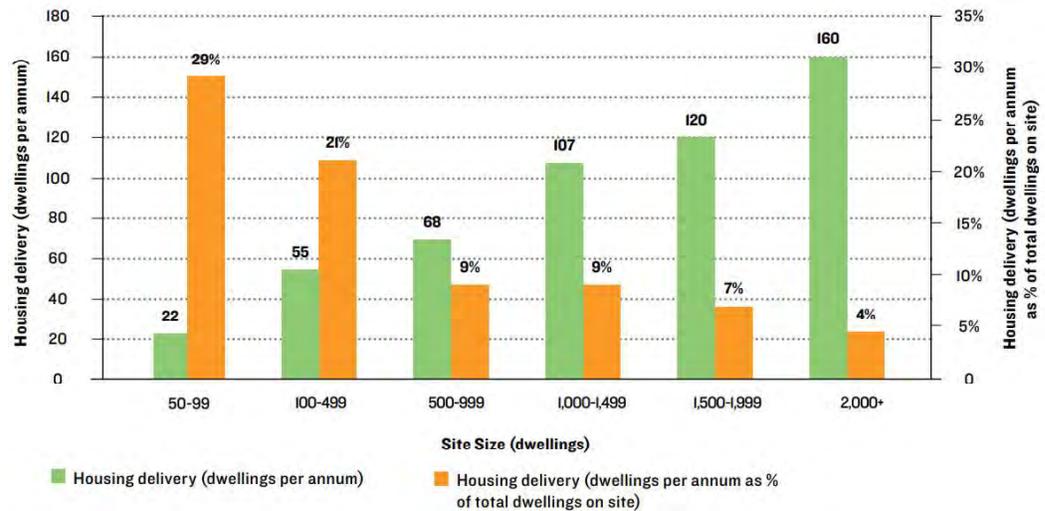
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

- 8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

- 8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.
- 8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.
- 8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.
- 8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).
- 8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.
- 8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.
- 8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council’s housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City’s residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



From: [REDACTED]
Sent: 07 July 2021 11:56
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205938
Attachments: 50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020 (EX/CYC/38)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the housing matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

- 2.7 In particular:
- “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. [§60]*
- 2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].
- 2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.
- 2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.
- 2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.
- 2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]
- 2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”*. [page 12]
- 2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:
- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.
- 2.17 The PPG states that:
- “The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹*
- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:
- “Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”*

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:
- “There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.”* [paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that “*there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.*” [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, “*it should provide some comfort that the latest version of the standard method arrives at a very similar number*”. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.”¹⁵*

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

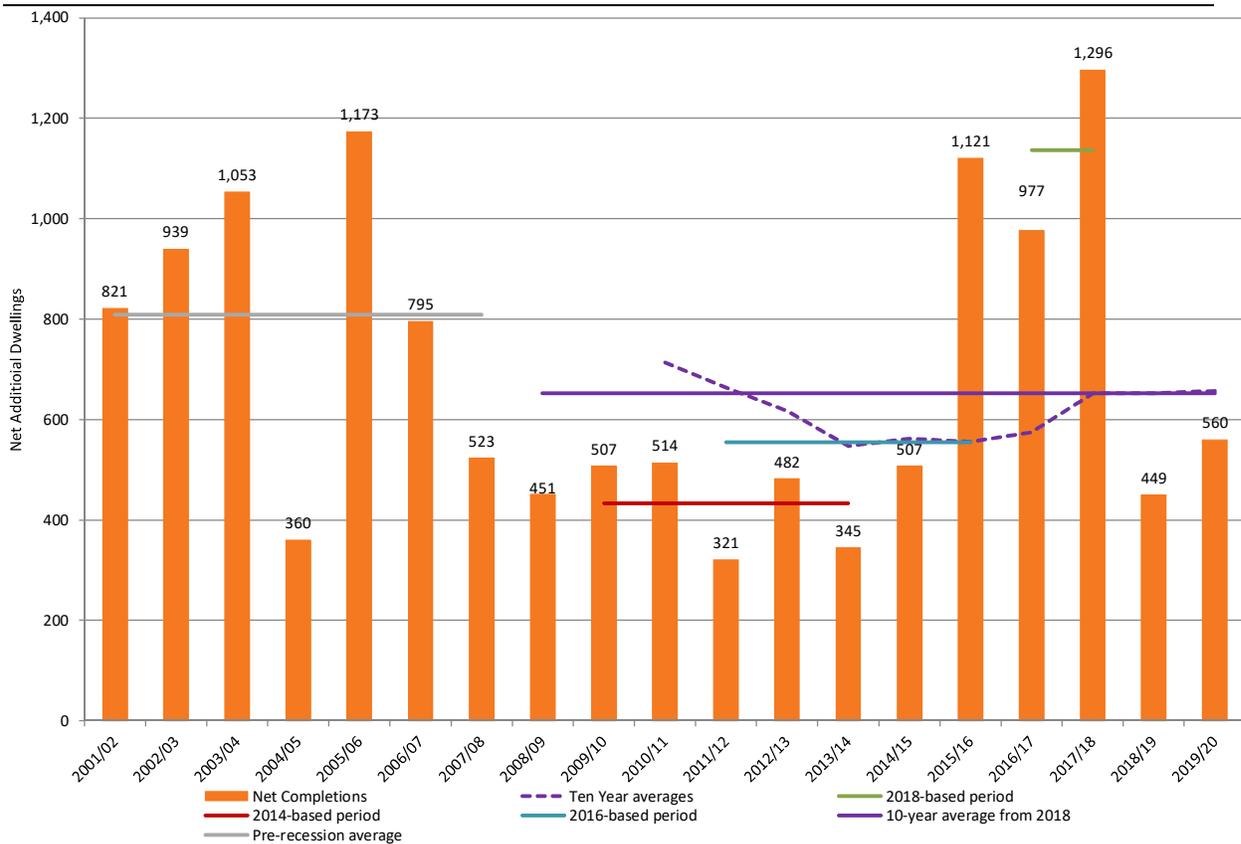
¹⁵ Practice Guidance - ID: 2a-017-20140306

¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

- 3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.
- 3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

- 3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

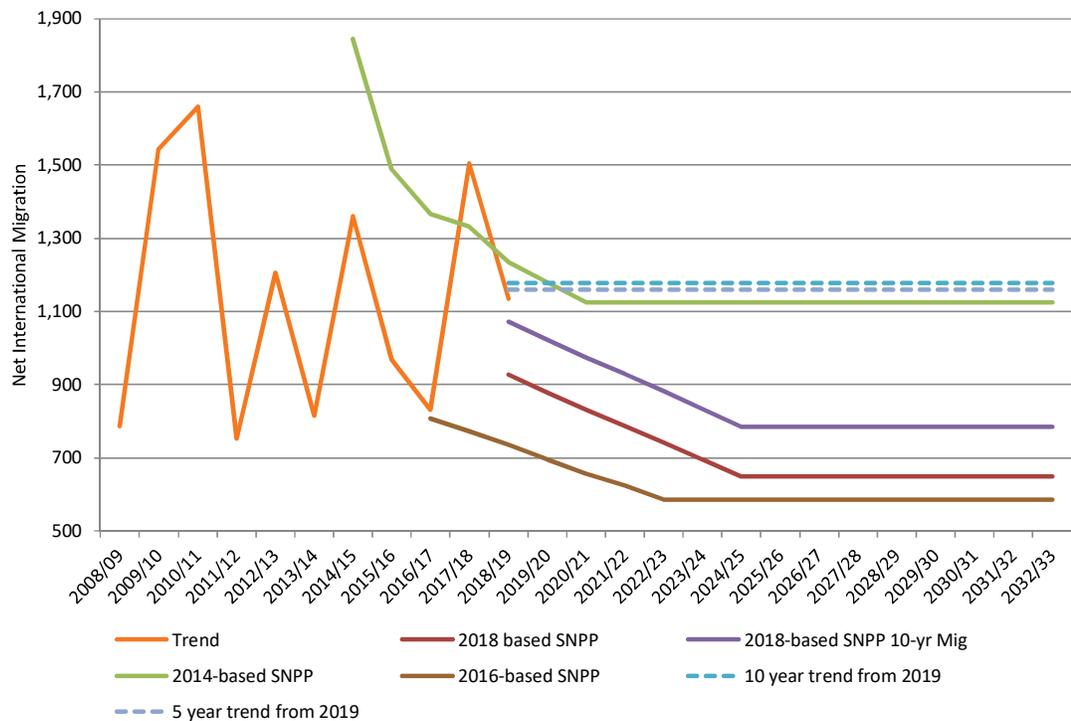
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they “*have not examined the economic need associated with historic employment growth as the accommodation has already been provided to support that growth*”. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn's use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS's 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on '*specific local circumstances*' (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

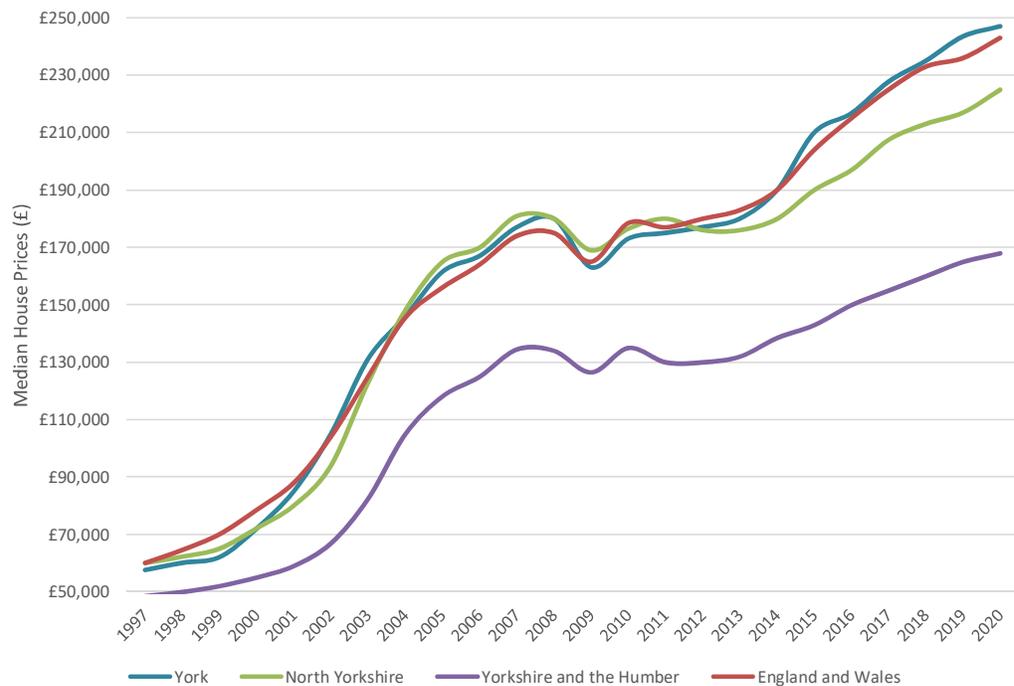
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

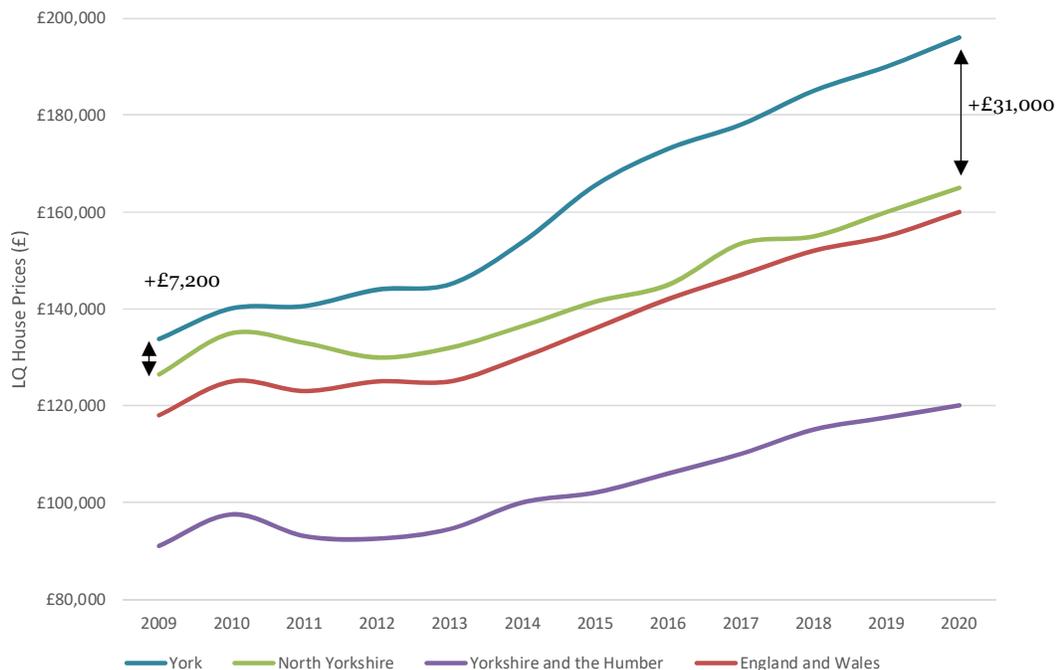
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

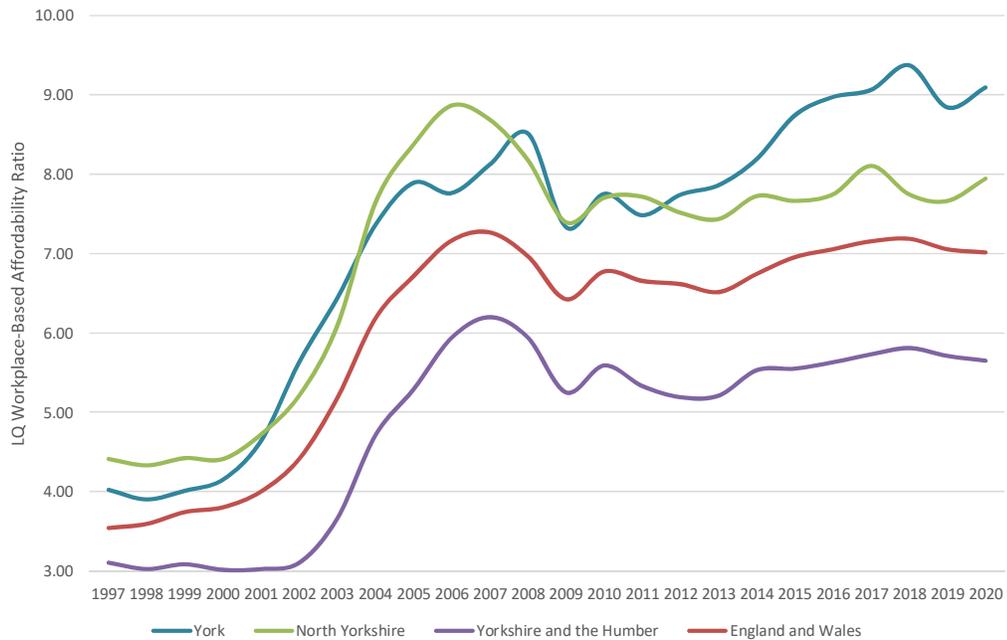
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



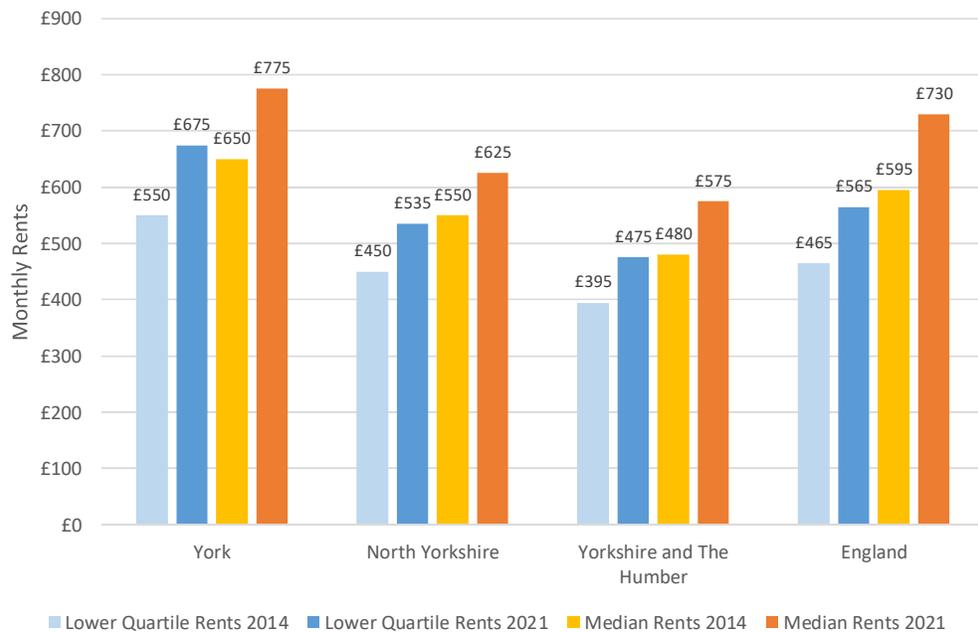
Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

- 6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O'Neill's Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

- 6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.
- 6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.
- 6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”
- 6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.
- 6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.
- 6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).
- 6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

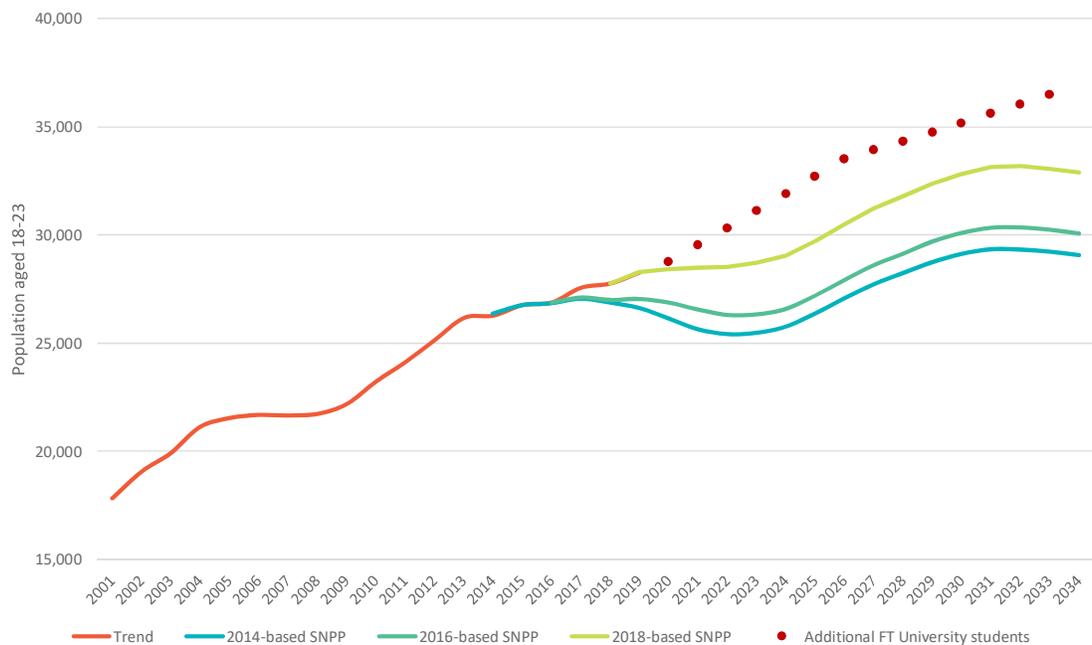
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

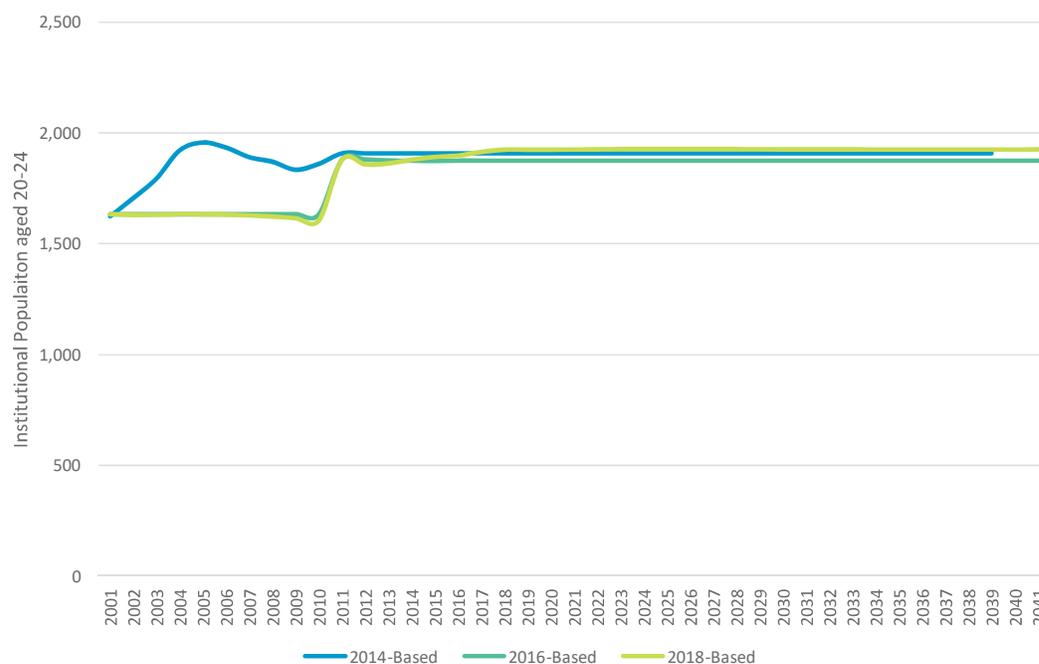
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council's housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

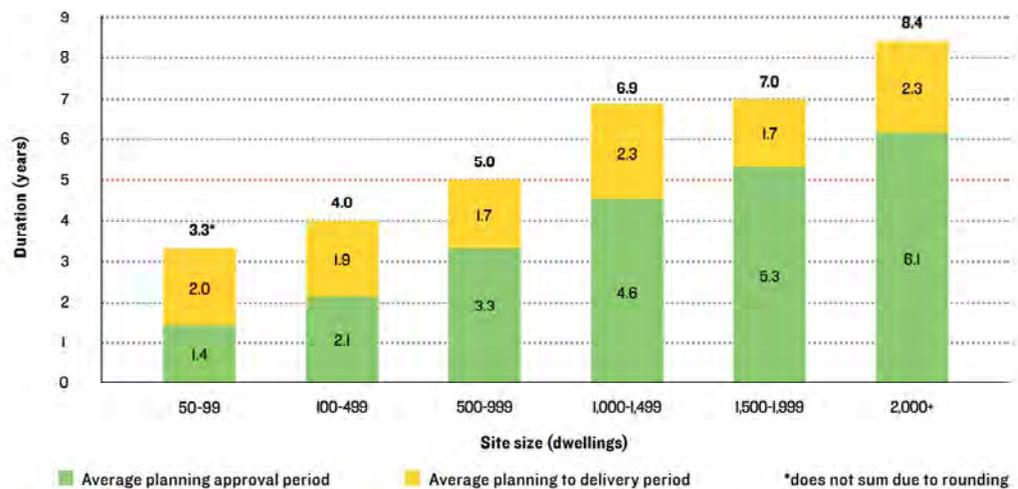
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer's commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA ('SHLAA Assumptions for Evidence Bases'). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council’s approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council’s current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council’s current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council’s approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn’t always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

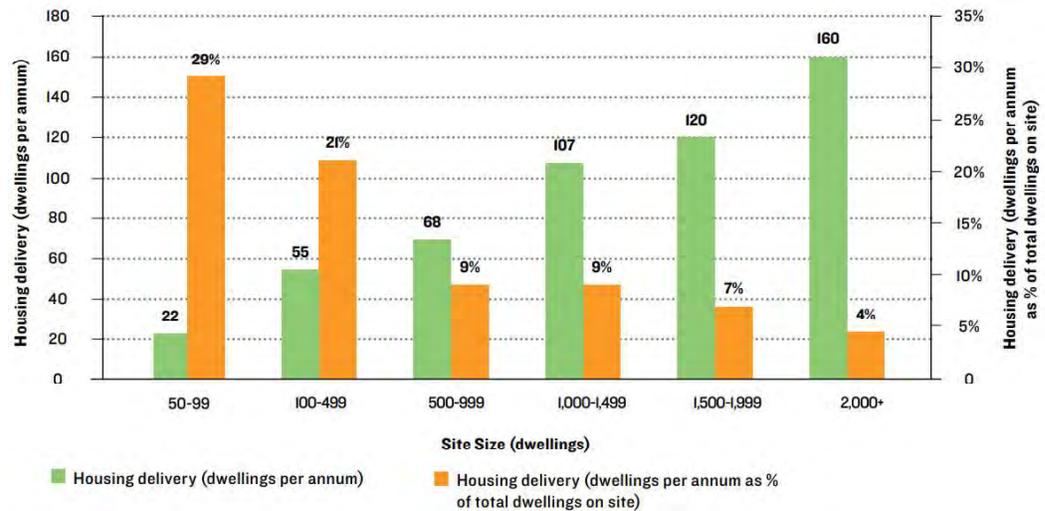
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

- 8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

- 8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.
- 8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.
- 8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.
- 8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).
- 8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.
- 8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.
- 8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council's housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City's residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

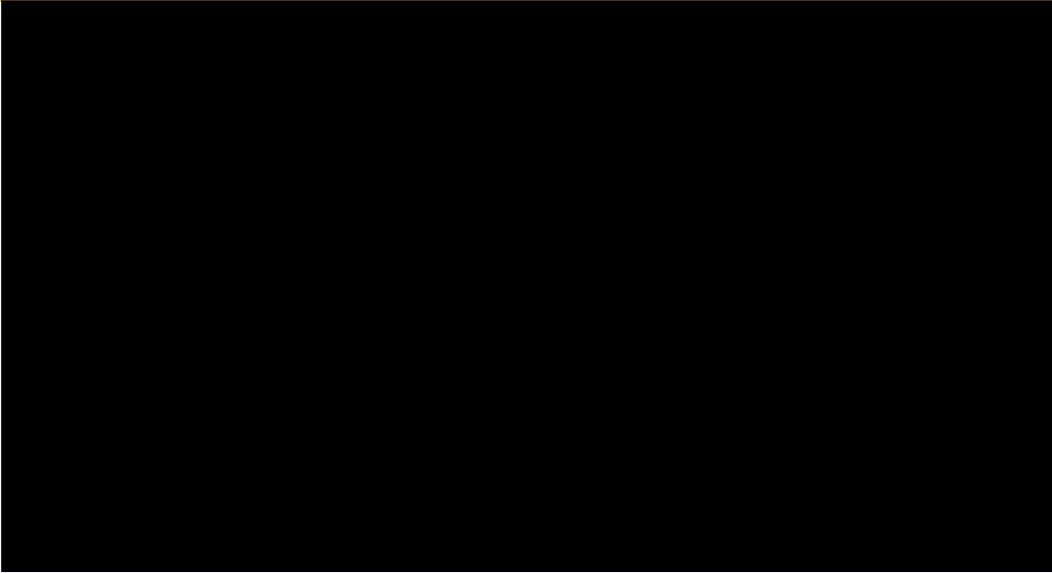
Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



From: [REDACTED]
Sent: 07 July 2021 12:11
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205952
Attachments: 5073003_Earwick_York_Local_Plan_Reps_July_2021.pdf

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Topic Paper 1 Approach to defining Green Belt Addendum January 2021 (EX/CYC/59)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the policy matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

5073003_Earswick_York_Local_Plan_Reps_July_2021.pdf

**City of York Local Plan New
Proposed Modifications
Consultation 2021
Representations on behalf of
Bellway Homes PLC**

6 July 2021

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1.0 Introduction

1.1 This report has been prepared by Lichfields on behalf of Bellway Homes PLC (hereafter referred to as ‘Bellway’). It forms Bellway’s response to the City of York Local Plan New Proposed Modifications Consultation (June 2021), in respect of Bellway’s land interests East of Strensall Road, Earswick. Representations seeking the allocation of the site for residential development have been submitted by Lichfields to City of York Council at various stages of the emerging Local Plan.

1.2 The Earswick site is identified on the existing ‘Development Control Local Plan (2005)’ Proposals Map as lying within the Green Belt, albeit it is acknowledged in the Examination in Public Inspectors’ letter of 12th June 2020 that this comprises only the ‘general extent’ of Green Belt carried forward from the saved RSS policy. The specific Green Belt boundaries have never been defined and it is possible for the emerging Local Plan to define those boundaries, including identifying sites for development, without needing to demonstrate ‘exceptional circumstances’. Bellway is seeking the allocation of the site in the City of York Local Plan for residential development. At the very least, the site must be identified as safeguarded land, without which the emerging plan is not ‘sound’. A Vision Document, demonstrating the suitability of the site and submitted as part of previous representations is attached at Appendix 1.

1.3 These representations are accompanied by a Housing Technical Report, which has been produced on behalf of a consortium of developers including Bellway (see Appendix 2). The Housing Technical Report provides a review of the September 2020 Housing Needs Update prepared by GL Hearn¹. In particular, two main issues are analysed:

- 1 A review of CYC’s existing evidence on housing needs for market/affordable housing in the City; and,
- 2 An appraisal of the housing trajectory and five-year land supply position which underpins CYC’s Plan.

1.4 It is a statutory requirement that every development plan document must be submitted for independent examination to assess whether it is “sound”, as well as whether other statutory requirements have been satisfied (s.20(5) of the 2004 Act). S19 of the 2004 Act requires that in preparing a development plan document, a local planning authority must have regard to a number of matters including national policies and advice contained in guidance issued by the Secretary of State. Such guidance currently exists in the form of the National Planning Policy Framework [the Framework] and the National Planning Practice Guidance [Practice Guidance].

1.5 The Framework² (February 2019) states that the policies in the previous Framework published in March 2012 will apply for the purpose of examining plans, where those plans were submitted on or before 24 January 2019. The York Local Plan was submitted to the Secretary of State for Housing, Communities and Local Government for examination in May 2018. The policies in the Framework (March 2012) therefore apply in this instance.

1.6 There is no statutory definition of “soundness”. However, the Framework states that to be sound a Local Plan should be:

- 1 **Positively Prepared:** The plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet

¹ EX/CYC/43a Housing Needs Update September 2020

² National Planning Policy Framework (February 2019) Annex 1: Implementation

requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

- 2 **Justified:** The plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.
- 3 **Effective:** The Plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities.
- 4 **Consistent with National Policy:** The Plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

1.7 In addition, the Framework³ states that:

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

For **plan-making** this means that:

- *Local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless*
 - a *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
 - b *specific policies in this Framework indicate development should be restricted.....”*

1.8 The Core Planning Principles are set out in the Framework⁴.

1.9 The requirements of the Framework in respect Local Plans are reinforced in the Practice Guidance⁵ which states that the Framework “sets clear expectations as to how a Local Plan must be developed in order to be justified, effective, consistent with national policy and positively prepared to deliver sustainable development that meets local needs and national priorities”.

Examination in Public Progress

1.10 The City of York Local Plan was submitted for examination three years ago, in May 2018. As a result, the examination is progressing under the transitional arrangements set out at paragraph 214 of the 2019 National Planning Policy Framework – that being that the plan is being examined in accordance with the policies of the 2012 National Planning Policy Framework.

1.11 After some delay, the EiP hearing sessions opened in December 2019 and the inspectors wrote to the Council in June 2020 identifying a number of significant concerns with the Council’s methodology and evidence used to underpin the approach taken to Green Belt.

1.12 The inspectors again wrote to the Council in July 2020 seeking the Council’s opinion on the significance of the publication of the 2018-based household projections. The Council was asked to consider if this represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019.

³ National Planning Policy Framework §14

⁴ National Planning Policy Framework §17

⁵ Practice Guidance - ID: 12-001-20170728

- 1.13 Finally, the inspectors exchanged a number of letters with the Council in December 2020 and January 2021 noting, amongst other things, that due to the passage of time and age of some of the key evidence base documents, there is “*a reduced likelihood of adopting a truly up to date development plan for York*”.

Structure

- 1.14 This report supplements the completed representation form and demonstrates that a number of policies within the Local Plan New Proposed Modifications [LPNPM] are, at present, ‘unsound’ in the context of the tests of soundness established by the Framework.
- 1.15 The report firstly provides background context to the Earswick site to demonstrate why its exclusion from the Green Belt and allocation for residential development is appropriate.
- 1.16 This report then provides detailed representations in relation to the following proposed modifications and updated evidence:
- 1 Modification PM49 – Policy SS1
 - 2 Modification PM50– Policy SS1
 - 3 Modification PM53 – Policy SS1
 - 4 Modification PM54 – Policy SS1
 - 5 Modification PM55 – Policy SS1
 - 6 Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC)
 - 7 Modification PM 71 - New Policy GI2a Justification
 - 8 Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021
- 1.17 Recommendations are set out at the end of each section setting out how the Council needs to address the Modification to make it sound.
- 1.18 Submitted alongside these site specific representations, Lichfields has prepared a report entitled ‘City of York Local Plan Proposed Modifications Version: Representations on Housing Matters’, prepared on behalf of a consortium of Taylor Wimpey, Persimmon Homes and Bellway Homes. This report provides the context for many of the comments in these site specific representations and is directly referenced as appropriate to the case.

2.0 **Background to the Strensall Road, Earswick Site**

Introduction

- 2.1 This representation confirms that the housing requirement set out in the Publication Draft is insufficient to accommodate the economic and population growth of the City and should be increased. These representations seek the allocation of land to the 'East of Strensall Road, Earswick' for housing or alternatively at least be identified as Safeguarded Land. The allocation of this land would ensure that the Plan can be considered sound.
- 2.2 The land was previously designated as Safeguarded Land in earlier iterations of the draft Plan. It is our Client's view that the land to the East of Strensall Road, Earswick represents one of the most appropriate site options on the northern periphery of York which will ensure the Plan allocates sufficient sites to deliver its housing requirement. Additional housing sites are required to ensure the Plan delivers the full objectively assessed housing needs to ensure that the Local Plan is positively prepared, justified, effective and consistent with national planning policy. Identifying safeguarded land to ensure that the Green Belt boundary has permanence beyond the plan period is essential as part of the plan-making process.
- 2.3 Land East of Strensall Road should be allocated for housing or at the very least identified as safeguarded land as the Site is deliverable within the definition of paragraph 47 of the National Planning Policy Framework (NPPF); and represents one of the most appropriate site options to meet the full objectively assessed housing needs of the City.
- 2.4 The site will provide an essential extension to provide for needed future residential growth in the City of York. There is an urgent need to identify additional and significant sources of housing land which can meet the City's quantitative and qualitative housing needs. Given the tightly drawn Green Belt boundary around the urban area, it is considered that there are exceptional circumstances necessary to justify the release of Green Belt land, and Green Belt release should be planned in order that the Council can commence and successfully implement housing delivery immediately upon the adoption of the Local Plan.
- 2.5 A consideration of the site against the NPPF demonstrates that it does not serve any specific role when compared against the five purposes of the Green Belt.

Purpose 1 - To Check the Unrestricted Sprawl of Large Built-Up Areas

- 2.6 The village of Earswick is not a large built-up area and the site does not therefore have a role in restricting the urban sprawl of a large built-up area. The terminology of 'sprawl' suggests disorganised or unplanned expansion, whereas the development of land at east of Strensall Road has been envisaged and considered in previous iterations of the Council's plan-making process and clearly demonstrate that the Council considered that the site should be developed for housing at a future date.
- 2.7 In the context of Green Belt purposes, the site is well contained and has strong robust and defensible boundaries. It does not therefore represent part of a potentially continuous urban sprawl. This is therefore not on its own a reason to discount the site.

Purpose 2 - To Prevent Neighbouring Towns Merging Into One Another

- 2.8 Land east of Strensall Road plays no role in this purpose.

Purpose 3 - To Assist in Safeguarding the Countryside from Encroachment

- 2.9 The site is largely contained by development with a strong landscape boundary to the east, which would be further enhanced as part of any development proposals. It does not therefore form part of the open countryside.

Purpose 4 - To Preserve the Setting and Special Character of Historic Towns

- 2.10 The surrounding area is not of heritage value, the site makes no contribution to this Green Belt purpose. The development of the site itself will not impact upon wider views of the urban area of Earswick, and therefore, this is not on its own a reason to discount this site.

Purpose 5 - To Assist In Urban Regeneration, By Encouraging the Recycling Of Derelict and Other Urban Land

- 2.11 There is a fundamental issue of the overall OAN housing requirement within the Publication Draft being too low and insufficient sites identified to meet the correct OAN. Despite this issue, it is right that brownfield sites are identified within the Publication Draft Local Plan. However, these sites by their nature tend to take longer to be successfully implemented and delivered due to the often substantial preliminary works and associated financial costs required to get the brownfield site 'ready' for development.
- 2.12 The identification of the most appropriate land to be used for development through the process of preparing the York Local Plan should be evidenced and be based upon detailed analysis of the supply of such sites. The Council admits that it does not have a 5-year supply of deliverable housing land and consequently, there is significant pressure to bring forward development sites not just in the short term to meet this shortfall, but throughout the Plan period.
- 2.13 Delivery is a key test of soundness for the Local Plan. It is imperative that the Plan contains an appropriate Policy mechanism to ensure a deliverable supply of housing land, if there is an insufficient level of supply. This would ensure that the Plan aligns with the NPPF requirement at paragraph 21 which is that "*Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.*"
- 2.14 If sites have not been delivered and supply is falling short of the requirement, it is not clear what the Council intend to do with developers and landowners to identify new sites or bring forward suitable sites faster. Additional sites should be allocated to ensure that the Plan seeks to meet its identified housing need in the first instance, as currently drafted it does not do this. Further, to address any shortcomings, an early review mechanism should be included in the Plan. Reserve sites, via the identification of Safeguarded Land should be incorporated as a mechanism to ensure that housing needs are met, should identified sites not come forward as envisaged.

Benefits and information for land East of Strensall Road, Earswick

- 2.15 The land to the 'East of Strensall Road' contains no designated heritage assets, nor are there any in near proximity. There is no suggestion that the site has any archaeological significance and provides no role in the historical influence of the city, so any proposed development would not cause any heritage-based issues.
- 2.16 In regards to questions concerning the ecological and environmental impacts of any proposed development, the development would be in close proximity to the existing development to the West of Strensall Road, so would be in keeping with its surroundings. The surrounding borders to the site are lined with strong ecological barriers such as vegetation, and screening from

Strensall Road by further vegetation would shield the development from all sides, reducing its impact upon the landscape of the area. Vegetation surrounding the site will also be maintained and enhanced so as to ensure ecological sustainability and no loss of visual amenity from any proposed development.

- 2.17 There are a number of amenities in close proximity to the proposed site, including six primary schools (currently functioning under capacity so would easily accommodate growth). There are also two secondary schools around half an hours walking distance from the site. Access to public transport options for such schools to reduce car dependency will be discussed in the upcoming paragraphs.
- 2.18 In terms of commercial amenities close to the site, the nearest retail centre is at the Huntington Parade, approximately 1.3km from the Site. Further retail centres can be found within 4km of the site, and York City Centre is only 6km from the site itself. Leisure amenities, such as pubs and social clubs, along with a doctors surgery, can be found within 2km of the proposed site.
- 2.19 In terms of public transport connections to and from the site, bus stops are located approximately 160m from the potential site accesses. Nearby stops provide services linking the proposed development to the closest secondary schools and also provide wider connections to retail centres and to York city centre. These are within the 400m which is considered the maximum walking distance to a bus stop for a site to be considered 'sustainable'. York rail station is around 6.3km away, and is accessible by bus, providing direct services to Leeds, London and Edinburgh.
- 2.20 The site itself is envisaged to be pedestrian friendly, with connections and walkways connecting all areas of the site to improve walkability and reduce car dependency, whilst also promote the use of bikes and other forms of sustainable transport through designated cycle lanes and links to public transport opportunities.

Deliverability

- 2.21 The Framework⁶ states that for sites to be considered deliverable, they must be suitable, available and achievable. The land East of Strensall Road, Earswick meets all of these requirements:
- 1 **Suitable:** the sites can be accessed from existing access points; and is located within an established residential area, very close to the village centre, and provides the opportunity to increase housing provision within Earswick without impacting upon the wider landscape.
- Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents.
- It is proposed that one point of access is provided initially, supported by an emergency secondary access. The main access is proposed to be taken from the Strensall Road/Earswick Chase roundabout, where an additional arm to the existing three-arm roundabout to the south-west of the site would be incorporated.
- Should two formal accesses be required, a second access would likely be in the form of a ghost island junction. This is considered appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.

Access to schools

⁶ Framework footnote 11, page 12

There are a number of primary schools in proximity to the site which are currently under capacity;

- a Burton Green Primary School;
- b Headlands Primary School;
- c Huntington Primary Academy;
- d Ralph Butterfield Primary School;
- e Skelton Primary School; and
- f Wiggington Primary School

There are also two secondary schools, the Huntington Secondary School and Joseph Rowntree School, within a 30 and 35 minute walk respectively of the site.

- 2 **Available:** The site is in the ownership of a willing landowner who is looking to release the site for development.
- 3 **Achievable:** The site is capable of coming forward for development in the short term. As a national housebuilder, Bellway Homes encompasses long experience in landowning, development and housebuilding. They have expressed their intention to commence the development of the site immediately upon the adoption of the Local Plan, if not before subject to the grant of planning permission. They confirm that there are no legal or ownership constraints which would preclude the early delivery of development.

2.22 The Technical Report on Housing Issues prepared by Lichfields sets out our concerns in relation to the Council's housing requirement and housing supply. It concludes that the Council is not providing sufficient land to meet the housing needs of the City and further sites should be allocated for housing development as part of the YLP. The LPP is therefore not soundly based and it is requested that the calculation of York's Objective Assessment of Housing Needs [OAHN] is revisited, and that Southfields Road and Princess Road are allocated for residential development in order to help make up for the shortfall in housing land.

3.0 Modifications PM49, PM50, PM53, PM54 and PM55

Introduction

3.1 The above modifications relate to the modification to Policy SS1 which sets a need to deliver a minimum annual provision of 790 new dwellings over the plan period 2017 to 2032/33 and post plan period to 2037/38. The annual dwelling requirement has been reduced from the 867 dwellings per annum proposed in the Local Plan Publication Draft.

3.2 A SHLAA Housing Supply and Trajectory Update (April 2021)⁷ has been produced to accompany the modifications, based on the revised annual dwelling requirement put forward by the Council. The soundness of the proposed modification is entirely dependent on the strength of the Council's updated evidence, as discussed below. In a number of cases the evidence remains flawed and out-of-date.

Consideration of Modifications

3.3 Bellway objects to modifications PM49, PM50, PM53, PM54 and PM55 (and associated modifications) as it is considered that the Council's proposed objectively assessed housing need (OAHN) is not based on a robust assessment which is compliant with the Framework. On behalf of Bellway, and a wider consortium of housebuilders, Lichfields has undertaken a review of the work prepared by GL Hearn⁸ on behalf of the Council which concludes there is no need for the Council to move away from their current position of 790 dwelling per annum.

3.4 Lichfields' analysis can be found at Appendix 2. The main conclusions of the review are set out below:

3.5 The Council's approach to identifying an assessed need of 790 dpa in the HNU 2020 is flawed. There are a number of significant deficiencies in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have considered modelling the High International variant produced by ONS, which produces a level of net international migration more in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.
- 2 **Market Signals Adjustment:** GL Hearn's uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given

⁷ EX/CYC/56 Strategic Housing Land Availability Assessment Housing Supply and Trajectory Update April 2021

⁸ EX/CYC/43a Housing Needs Update September 2020

that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.

- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
 - 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be achievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift on the OAHN figure would be appropriate in this instance, resulting in a figure of **920 dpa**.
 - 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields' critique of the projections clearly indicates that they do not adequately reflect the Universities' student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
 - 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
 - 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council's housing completions figures and MHCLGs, if Lichfields' higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**
- 3.6 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.
- 3.7 This process is summarised in Table 3.1.

Table 3.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

- 3.8 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. This concludes that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings.
- 3.9 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgefield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken. Whilst we consider Sedgefield is the correct approach, application of the Liverpool approach makes no material difference and the supply remains well below 5-years, meaning there is a requirement to identify additional sites for development.
- 3.10 It is understood that there are a number of sites which are proposed to be allocated but have yet to have a planning application submitted. In order help ensure a 5YHLS, the Council must demonstrate that there is a realistic prospect that housing will be delivered on site within five years at a defensible annual yield.

Safeguarded Land

- 3.11 Modification PM49 proposed the following modification to Policy SS1:

*“Development during the plan period (2017 - 2032/33) will be consistent with the priorities below. **To ensure Green Belt permanence beyond the plan period, sufficient land is allocated for development to meet a further, minimum, period of 5 years to 2038**”.*

- 3.12 Representations promoting the Earswick site at previous stages of the Local Plan consultation have established a case as to why safeguarded land must be identified in York. Indeed, the Council considered the site to have potential as safeguarded land in earlier iterations of the Plan.
- 3.13 The Framework⁹ is clear that local authorities should consider Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period.
- 3.14 Paragraph 83 of the Framework advises that Green Belts:
“...should be capable of enduring beyond the plan period.”
- 3.15 In this case that would be beyond 2033.
- 3.16 Paragraph 85 goes on to consider various issues when defining Green Belt boundaries, including the allocation of safeguarded land. It states:
“where necessary, identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period” (Lichfields’ emphasis)
- 3.17 There is much debate over the period of time that is relevant for ‘beyond’ and ‘well beyond’ the plan period. However, given the national policy significance of Green Belts and the fact that a plan period is generally in the order of 15 years, it is entirely reasonable to conclude that the Framework is directing policy makers to ensure a Green Belt review is not required for the following Local Plan, meaning it could be in the order of 30 years before Green Belt is considered again.
- 3.18 Whilst we should not speculate on future delays in the plan making process, it is significant to this issue that York has never adopted a Local Plan, largely due to the political pressures of Green Belt. A repeat of this scenario could see another 50+ years passing before another Local Plan is adopted and the Green Belt is properly reviewed.
- 3.19 It is clear from the representations consistently made by ourselves and others to the emerging CoY Local Plan that the proposed allocations are not sufficient for the immediate plan period and certainly do not align with future plan requirements ‘beyond’ or ‘well beyond’ the plan period.
- 3.20 The Council has failed to consider the release of safeguarded land as part of the New Proposed Modifications consultation and in the additional Green Belt work undertaken in the 2021 GB Addendum. With regard to this matter the Addendum states¹⁰:
“As set out in section 10a, many of the strategic allocations have anticipated build out times beyond the plan period and there is headroom identified for both employment and housing development against the identified requirements. This in combination with the oversupply identified to meet a minimum of 5 years beyond the plan period ensures that development can continue within York without the need to alter Green Belt boundaries the end of the plan period and that it can endure for at least 5 years, in accordance with SP12.

⁹ The Framework §§83 and 85

¹⁰ Topic Paper TP1 Approach to defining York’s Green Belt Addendum January 2021 §§10.39 and 10.40

Additionally, the windfall assessment [SD049] identifies increasing trends over both the longer and shorter term for conversions and changes of use completions. In light of relaxed permitted development rights relating to office conversions being made permanent and evidence of substantial numbers of unimplemented consents from this source of housing supply, there is also qualified anticipation that the 169 dpa projected as part of the housing trajectory is conservative”.

- 3.21 There are several failings with this statement and its assumptions. The most significant is that whilst permitted development rights are indeed being made permanent, the permitted conversions typically do not deliver the range of homes needed in York. It also fails to consider that from August 2021, the permitted development right for office conversions reduces to a maximum existing floor space of 1,500 sqm, rather than the currently open ended floorspace. It is likely that this will reduce the number of PD conversions. Finally, the existence of ‘*substantial numbers of unimplemented consents from this source*’ is very different to having certainty on actual delivery of those homes.
- 3.22 The now superseded YLP-PD identified a reserve of safeguarded land to ensure that the Green Belt boundary was capable of enduring beyond the plan period. This approach is entirely consistent with national guidance. Bellway are therefore concerned that the Local Plan no longer designates safeguarded land, provides no justification for this approach, and relies on strategic sites and windfalls delivering beyond the plan period, without sufficient evidence to demonstrate such sites are deliverable.
- 3.23 The identification of safeguarded land is considered essential as the Local Plan will set detailed Green Belt boundaries for the first time and an appropriate and sound strategy is therefore required to enable flexibility beyond the plan period. Bellway consider that safeguarded land is required in the City to provide certainty that the Green Belt can endure beyond the plan period and avoid the need for future review. It would also provide flexibility and allow land to be brought forward quickly without a fundamental review of the whole Local Plan if there was slippage over the plan period and allocated sites were unable to deliver the quantum of development envisaged.
- 3.24 This is particularly important when considering the complex nature of some of the sites that are proposed for allocation in the Local Plan e.g. Land to the West of Elvington Lane (ST15), where deliverability is uncertain due to issues including land ownership, funding and viability.
- 3.25 The Council’s reliance on windfall sites to help meet need beyond the plan period is fundamentally flawed as there is no guarantee that windfall supply will remain at similar levels for such a substantial period of time into the future. For example, the availability of buildings for conversion, such as offices, is finite, and supplies may well have been largely exhausted beyond the plan period.
- 3.26 Bellway therefore considers that the establishment of suitable boundaries for safeguarded sites should have been assessed as part of the further work undertaken in the 2021 GB Addendum and safeguarded sites should have been identified. This is the only way to ensure strong and enduring Green Belt boundaries.

Tests of Soundness

- 3.27 Bellway considers that the above modifications fail to meet the following tests of soundness because:
- 1 There is a compelling case at York to identify and allocate safeguarded land within the Local Plan. Green belt boundaries need to be capable of enduring ‘beyond’ the plan period, and

the potential period between further Local Plan Reviews means that land should be removed from the Green Belt now to meet future needs.

- 2 **It is not Justified:** There is no clear evidence to demonstrate why safeguarded land has not been identified to meet need beyond the plan period.
- 3 The Council's submitted evidence does not robustly demonstrate sufficient housing delivery during the plan period and beyond and there are significant flaws in the Council's assumptions on future windfalls.
- 4 Without the inclusion of safeguarded land as a minimum in this Local Plan, it is clear that the plan is not sound and should not be adopted. However, it is considered that a modification to the plan requiring the inclusion of safeguarded land could make the plan sound without it having to be withdrawn.
- 5 PM49 – the change is well intended but the plan fails to deliver permanence to the Green Belt and deliver sufficient land for housing.
- 6 PM50 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 7 PM53 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 8 PM54 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 9 PM55 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.

Recommended Change

- 3.28 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council must:
- 1 Review the Green belt assessment to identify which parcels of land could be released from the Green Belt to act as allocations and Safeguarded Land.
 - 2 Make policy provision for Safeguarded Land and identify Safeguarded Land on the Local Plan Proposals Map.
- 3.29 Without this change the plan cannot be found sound and should not progress to adoption. Later parts of these representations demonstrate the suitability of the Earswick site either for allocation for housing or safeguarded land.
- 3.30 It is clear from analysis of the Council's evidence base that the approach to identifying an OAHN is not compliant with the Framework. The Council is not planning to deliver a sufficient supply of housing to meet the district's OAHN as identified by Lichfields. Furthermore, there are doubts that the housing trajectory is based on robust delivery assumptions and therefore the Council's ability to deliver a five year housing land supply or meet the housing requirement across the plan period.
- 3.31 The Council should therefore revisit its housing requirement and also seek to identify additional land to meet the housing needs of the district. In order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change. This will ensure compliance with the Framework by significantly boosting the supply of housing.
- 3.32 Overall, it is noted that the OAN presented in the Lichfields report is very similar to the government's Standard Method figure for York. Whilst the Local Plan is continuing under the transitional arrangements of the Framework, allowing it to be tested against the 2012

Framework, a robust case has been made to increase the OAN to this order. It is similarly noted that the Inspectors have repeatedly raised concerns about the age of key pieces of evidence should be Local Plan be adopted in its current form, presenting a risk that the Plan is 'out-of-date' at the point of adoption. Such a scenario would be of no benefit to anybody involved in the process.

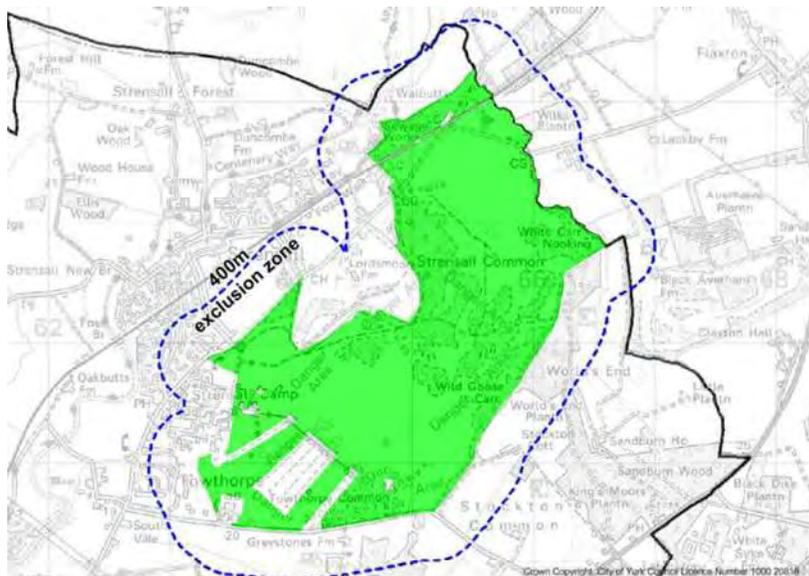
- 3.33 On the basis that a robust argument is made for an increase in OAN and there is a risk of the Local Plan being out-of-date, it is considered that the increased OAN would deliver a plan which is more likely to endure over its full intended plan period. Without this, the Council is effectively 'baking in' a future significant shortage of housing supply and an inevitable need to review Green Belt boundaries when it has to prepare a Local Plan which responds to the government's standard method for OAN.

4.0 **Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC) and PM 71 - New Policy GI2a Justification**

Introduction

- 4.1 Following a challenge from Natural England and at the request of the Inspectors, the latest Habitat Regulations Assessment [HRA] (October 2020) comprises changes to fully assess possible impacts from recreational pressure at the Strensall Common Special Area of Conservation [SAC] and to confirm compliance with case law. Based on the findings of the HRA the Proposed Modifications seek to introduce a new policy to the Local Plan.
- 4.2 New Policy G12a proposes an ‘exclusion zone’ set at a 400m linear distance from the SAC boundary. Part (a) of the policy states that permission will not be granted for development that results in a net increase in residential units within this zone.
- 4.3 Part (b) of the policy identifies a ‘zone of influence’ between 400m and 5.5km linear distance from the SAC boundary. Part (b)(i) requires that where new residential development is proposed within the zone of influence on allocated housing sites, provision of open space must include or secure access to areas of suitable natural greenspace secured by way of mitigation prior to any occupation of new dwellings and secured in perpetuity. Part (b)(ii) states that proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6.
- 4.4 The proposed Exclusion Zone is shown in Figure 4.1.

Figure 4.1 Strensall Common - Proposed Exclusion Zone



Source: City of York Local Plan Composite Modifications Schedule (April 2021)

Consideration of Modification

- 4.5 Bellway considers that the diagram identifying the proposed Exclusion Zone is not sufficiently detailed and of an appropriate scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone and whether the 400m boundary line identified is accurate.
- 4.6 For example, it would appear that the outer boundary of the Exclusion Zone does not include the east of Strensall Road site, although the boundary is rather ambiguous. It is therefore essential that a plan of a sufficient scale is provided so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 4.7 Bellway is also concerned that there is no clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone. The identification of this distance appears to be reliant on other examples in the country and there is no clear explanation as to why it is appropriate in this instance. It is not clear why a shorter distance could not be applied, so that only development which would be in the closest proximity to the Common (and therefore more likely to access it) would be affected.
- 4.8 Bellway also considers that the wording of Part (a) of Policy G12a has not been positively prepared. The need to protect the important wildlife site of Strensall Common SAC is recognised. However, it is considered that the policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage and appropriate mitigation identified. This may include contributions to habitat management; access management and visitor infrastructure; publicity, education and awareness raising; provision of Suitable Alternative Natural Green Space (SANGS) within development sites where they can be accommodated and where they cannot by contributions to off-site alternative green space. This approach would reflect that taken in other authority areas such as Cannock Chase where the Cannock Chase SAC is protected by a similar policy¹¹.
- 4.9 The wording of Part(b)(ii) of the Policy is not considered to be positively prepared or effective, in particular the text which states that “*proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects*” (our emphasis). Bellway does not consider that it would be practical for applicants to consider other plans and projects as this could potentially include a very large number of schemes and there would be no way of applicants to accurately assess or confirm the impacts of these schemes and any proposed mitigation. The policy should be reworded to make clear that the effects of the application site alone would need to be considered.

Tests of Soundness

- 4.10 The above modifications fail to meet the following tests of soundness because:
- 1 **It is not Positively Prepared:** The policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage.
 - 2 **It is not Justified:** No clear justification has been provided for the 400m distance identified for the outer boundary of the Exclusion Zone.

¹¹ Cannock Chase Local Plan (Part 1) 2014 Policy CP13 - Cannock Chase Special Area of Conservation (SAC)

- 3 **It is not Effective:** The diagram identifying the proposed Exclusion Zone is not sufficiently detailed in scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone.

Recommended Change

4.11 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council should:

- 1 Provide a plan of a sufficient scale so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 2 Provide clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone.
- 3 The wording of Part (a) of the policy should be deleted and replaced with the following:

“All proposals for net new residential development within the Exclusion Zone will be required to undertake an Appropriate Assessment to demonstrate (a) that they will not have an adverse effect on the SAC and/or (b) the acceptability of any avoidance and mitigation measures provided. The Council will need to be satisfied that any such development will not lead to further recreational use of the SAC or have any other significant effect on its integrity”.

- 4 The wording of Part(b)(ii) of the Policy should be amended as follows:

“Proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, ~~either alone or in combination with other plans or projects~~. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6”.

5.0 **Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021**

Introduction

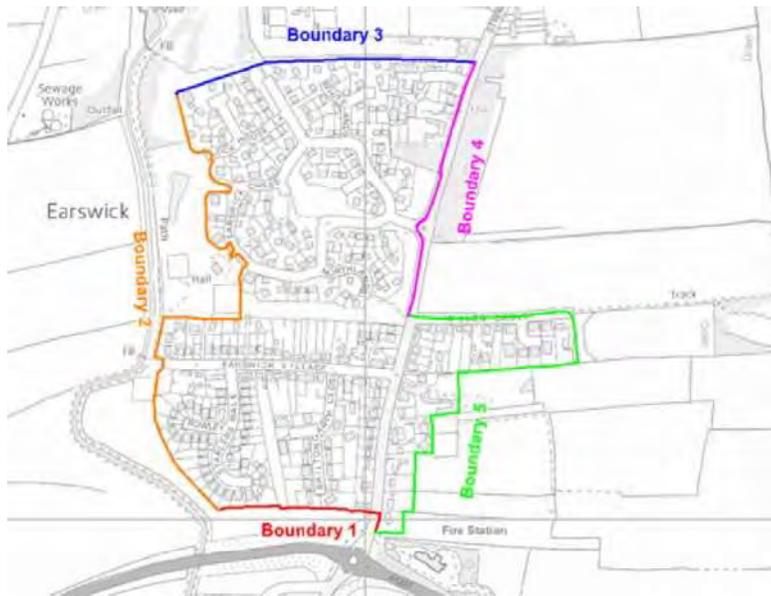
5.1 The Council has published ‘Topic Paper 1: Approach to defining York’s Green Belt Addendum (2021)’ [‘the 2021 GB Addendum’] to support its position on Green Belt boundaries, including those around existing settlements such as Earswick. The 2021 GB Addendum seeks to clarify the methodology and revises the text to represent the methodology developed and applied for setting York’s Green Belt Boundaries. There are no proposed changes to the Green Belt boundary around Earswick as a result of the addendum. It aims to address concerns raised by the Inspectors following the Phase 1 Local Plan Examination Hearings. In addressing these concerns, the document states that it¹²:

- *“Simplifies and clarifies the methodology relied upon to delineate the proposed Green Belt boundaries*
- *Sets the methodology out in four linked sections (5-8)*
- *Ensures that the criteria used for boundary definition have more clearly expressed connections to Green Belt purposes*
- *Removes elements that have caused confusion*
- *Applies the methodology as now clarified with more detail to show how boundaries were justified*
- *Revises the text to explain why, notwithstanding the methodological concerns raised by the Inspectors, the proposed boundaries (with minor proposed amendment) remain sound under the application of the clarified methodology”.*

5.2 The Green Belt boundary proposed in Annex 4 of the 2021 GB Addendum identifies the land east of Strensall Road, Earswick as lying within the Green Belt. The proposed boundary between the Green Belt and the settlement sits along the western boundary of the site (Green Belt boundary 4) and southern boundary of the site (Green Belt boundary 5) (see Figure 5.1 Proposed Green Belt Boundary - Earswick).

¹² Topic Paper TP1 Approach to defining York’s Green Belt Addendum January 2021 §1.4

Figure 5.1 Proposed Green Belt Boundary - Earswick



Source: Topic Paper 1: Approach to defining York's Green Belt Addendum 2021: Annex 4

Consideration of Modification

- 5.3 Having reviewed the Topic Paper Addendum, Bellway maintain a concern with the adopted methodology which does not satisfactorily address the issues raised by the Inspectors in their letter of June 2020. The approach taken to identifying boundaries is flawed as there is a lack of transparency and justification as to how the findings within the document have resulted in the Green Belt boundaries identified.

Methodology

- 5.4 The 2021 GB Addendum seeks to clarify how the methodology has been revised. It states that in order to address the concerns raised by the Inspectors it:

- “(a) proceeds on the basis that, as the Inspectors have found, the approach to defining detailed Green Belt boundaries is broadly in general conformity with the RSS;*
- (b) revises the methodology used to assess how boundary delineation performs against Green Belt purposes by removing those aspects which rely on “shapers” in the Local Plan, in favour of considerations which are explicitly linked to each of those purposes;*
- (c) when considering purpose 4, provides further explanation of how the Heritage Topic Paper [SD103] was taken into account to identify all areas that are considered to be important to the historic character and setting of York;*
- (e) revises the assessment at both a strategic and detailed local level accordingly, whilst continuing to place particular emphasis on purpose 4, as accepted by the Inspectors;*
- (f) confirms how the revised approach followed by the Council accords with both saved policy in the RSS as well as policy in the NPPF relating to the definition of Green Belt boundaries”.*

5.5 With regard to the five Green Belt purposes, the 2021 GB Addendum notes that the Council has simplified and clarified its approach. For **Purpose 2** (to prevent neighbouring towns merging into one another), it notes¹³ that:

“York does not have any other major towns close to the general extent of the Green Belt, so the potential issue of towns merging does not arise ... However, as the Inspectors accepted, the coalescence of smaller settlements and villages may be relevant under Purpose 4, where this issue is considered”.

5.6 With regard to **Purpose 5** (to assist in urban regeneration by encouraging the recycling of derelict and other urban land) it states:

“It is not considered that this purpose of itself assists materially in determining where any individual and detailed part of the boundary should be set”.

5.7 On this basis, the 2021 GB Addendum states that purposes 1, 3 and 4 apply as follows¹⁴:

“The Council has considered all of the Green Belt purposes, and determined that purposes 4, 1 and 3 are appropriate in examining the general extent of the Green Belt and justifying the proposed York Green Belt detailed boundaries, but in accordance with RSS policy (and as accepted by the Inspectors) placed primary emphasis on the fourth NPPF Green Belt purpose (“to preserve the setting and special character of historic towns”), which is recognised as being appropriate in the context of York”.

5.8 It notes¹⁵ that all York Green Belt boundaries have been assessed as to their potential impact on the aspects of the Heritage Topic Paper which relate to openness.

5.9 In terms of defining detailed boundaries, the methodology now includes 5 criteria which link back to the three relevant Green Belt purposes and strategic principles. These criteria and their relevant purposes are:

- 1 Does land need to be kept permanently open in order to aid the perception or understanding of a compact city (Purpose 4)?
- 2 Does the land need to be kept permanently open to contribute to the understanding and significance of a building, landmark or monument (Purpose 4)?
- 3 Does the land need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York (Purpose 4)?
- 4 Does the land function to contain the urban area and protect open land from urban sprawl? (Purpose 1)
- 5 Does the land have the characteristics of countryside and/or connect to land with the characteristics of countryside which needs to be protected from encroachment? (Purpose 3)

5.10 A set of more detailed assessment questions is provided in the 2021 GB Addendum to enable the assessment of boundaries against these criteria.

5.11 Consideration of Earswick and its boundaries against these criteria is set out in Annex 4 of the 2021 GB Addendum. Five individual boundaries are identified around Earswick. The eastern boundaries, which the east of Strensall Road site sits adjacent to, are identified as ‘Boundary 4 and 5’.

¹³ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.7

¹⁴ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.10

¹⁵ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.25

- 5.12 We review the assessment of Earswick and its boundaries against these criteria and the associated detailed assessment questions below.
- 5.13 For the reasons set out below, it is considered that the methodology applied by the Council remains flawed and fails to justify the defined boundaries. We use the Earswick boundary to demonstrate the failings of the Addendum.

Compactness (Criterion 1)

Detailed Assessment Questions

1.1 Does the land need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape?

1.2 Does the land need to be kept permanently open to maintain the scale or identity of a compact district or village?

1.3 Does the land need to be kept permanently open to constrain development from coalescing or by maintaining a connection to open or historic setting?

- 5.14 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.15 It suggests that land around Earswick needs to be kept permanently open to maintain the scale and identity of a compact village and to maintain a connection to the open and historic setting. It notes that allowing the village to grow significantly would take it out of proportion with the settlement pattern of York.
- 5.16 The supporting text recognises the historic growth of the village to the west, with further western expansion likely to cause issues of coalescence with Haxby. The addendum understandably focuses on the boundaries which might cause issues of coalescence but fails to recognise the existence of well defined field boundaries to the east which could contain future development, and the ‘finger’ of development which already extends eastward along Willow Grove and forms the southern boundary of the proposed site.
- 5.17 The village is capable of expansion to the west without any significant impact on the overall compactness of the settlement and does not need to be kept permanently open in order to aid the perception or understanding of a compact city. In fact, the development of the site affords an opportunity to enhance the substantial visual screen at the northern and eastern boundary. It does not therefore need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape.
- 5.18 In this respect the conclusions of this paper seem to contradict the conclusions previously reached by the Council when it identified the site as safeguarded land.
- 5.19 The land does not therefore need to be kept permanently open in order to aid the perception or understanding of a compact city and the east of Strensall Road site is suitable for removal from the Green Belt on this basis.

Landmark Monuments (Criterion 2)

Detailed Assessment Questions

2.1 Does land need to be kept permanently open to understand the original siting or context of a building, landmark or monument.

2.2 Does land need to be kept permanently open to understand the visual dominance, prominence or role of a focal point of the building, landmark or monument?

2.3 Does the land need to be kept permanently open as part of the tranquillity, remoteness or wildness of the asset?

5.20 The 2021 GB Addendum answers ‘No’ to questions 2.1, 2.2 and 2.3.

5.21 The 2021 GB Addendum concludes that the land around Earswick does not need to be kept permanently open for these purposes.

Landscape and Setting (Criterion 3)

Detailed Assessment Questions

3.1 Does the land need to remain permanently open to aid the understanding of the historical relationship of the city to its hinterland, particularly as perceived from open approaches?

3.2 Does the land need to remain permanently open to aid the understanding or significance for the situation of a designated landscape, park or garden?

5.22 The 2021 GB Addendum answers ‘Yes’ to question 3.1 and ‘No’ to question 3.2.

5.23 The assessment against Criterion 3 does not make specific reference to any individual boundary. It simply notes:

“The land needs to be kept permanently open to protect the setting and special character of the wider city landscape and character of York, which includes a clockface of smaller, compact villages, particularly as perceived from open approaches.”

5.24 The commentary used by the Council on this criterion bears little relevance to the purposes of Green Belt set out at paragraph 80 of the Framework, or the considerations for defining boundaries at paragraph 85. Having regard to the characteristic of the existing form of the village (discussed above, particularly with the development of Willow Grove), a well considered development to the east of the village does not need to change any of the above characteristics.

5.25 The east of Strensall Road site does not therefore need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York.

Urban Sprawl (Criterion 4)

Detailed Assessment Questions

4.1 Is land connected to or within proximity to the urban area and therefore relevant for sprawl?

4.2 Does the land have an increased risk of sprawl occurring through the presence of low-density, agricultural or recreational structures such as farms, isolated buildings or small clusters with a strong sense of openness, or the possibility of creating ribbon development?

4.3 Is the land unconstrained by built development or strong boundaries on more than one side, and therefore not contained or enclosed in a way which would prevent sprawl?

- 5.26 The 2021 GB Addendum answers ‘Yes’ to question 4.1, ‘Yes, 3 only’ to question 4.2 and ‘Yes, 3, 4 and 5’ to question 4.3.
- 5.27 It states:
- “Land adjacent to all boundaries is connected to the built up area of the village and unconstrained by built development on more than one side”*
- 5.28 The development of land on the edge of any settlement has the potential to result in sprawl and the usual barometer to assess sprawl is to consider how well contained the parcel is by the urban area and how strong the boundary is to restrict it from sprawl. We consider, as demonstrated by the Vision Document submitted to earlier rounds of consultation on the Local Plan (attached here at Appendix 1), that the eastern side of the settlement is capable of expansion without any significant impact on sprawl given its level of containment.
- 5.29 It is clear from the nature of commentary that the Council’s failure to identify individual land parcels and consider their individual contribution towards Green Belt purposes, as is normally the case for authorities changing or establishing Green Belt boundaries, has resulted in an assessment which lacks clarity and transparency.
- 5.30 The east of Strensall Road site is able to contain the urban area and protect the open land beyond from urban sprawl and is therefore suitable for removal from the Green Belt and inclusion within the settlement boundary of Earswick.

Encroachment (Criterion 5)

Detailed Assessment Questions

5.1 Is the land characterised by an absence of built development or urbanising influences?

5.2 Does the land function as part of the countryside in terms of relationships within it or acceptable uses within it; including those for agriculture, forestry, woodland, equestrian and other uses, small villages, rural business parks or other building clusters?

5.3 Does the land contribute to the character of the countryside through openness, views or accessibility

- 5.31 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.32 The fact that land east of Strensall Road is greenfield, lies on the edge of an existing settlement and is thus open and having the appearance of countryside inevitably means that its development might be said to have an adverse effect in terms of encroachment on the open countryside. The same is equally true of any site located on the edge of any urban area.
- 5.33 When making an assessment of encroachment the normal approach is to consider the presence of a strong physical boundary and the extent of development which does not fall within an appropriate countryside use. With regard to this matter the east of Strensall Road site is contained by development to the west and much of the south, with strong and defensible boundaries to the east and north which can be appropriately landscaped as part of a well designed development. Indeed, development of the site would represent a ‘rounding’ rounding of the village and consequently would not be seen as ‘encroachment’ into the countryside.

Boundary Permanence

- 5.34 The remaining text considers the permanence of the tightly drawn boundary. To some extent, following a tight line around the existing built form of the village, it is inevitable that the boundary is clearly defined. It offers no opportunity for future sustainable growth of the village. However, it does not follow that other boundaries are not equally, and potential better, defined as part of a well planned development.
- 5.35 Further, it is clear that the Council continues to use measures such as relative sustainability (the number of services available within 800m), location of open space and flood risk amongst other things to justify the boundaries. These are the matters on which the Council received clear instruction from the Inspectors to change, yet they remain within the Green Belt evidence. These considerations have no relevance to how the land performs against Green Belt purposes.

Consistency with the Local Plan Strategy

- 5.36 Overall we remain concerned that the assessment is continues to rely on the ‘shapers’ in the Local Plan which the Inspectors previously criticised the Council for using.
- 5.37 A more robust and transparent approach would be to identify individual land parcels, as is common across other Local Plans, and identify their individual contribution to Green Belt purposes. Only then, once individual contributions are clearly understood, should any kind of policy analysis factor in the consideration of which sites should and should not be released from the Green Belt. It is clear that the CoY has continued to confuse these two stages resulting in a flawed evidence base prepared to retro fit the draft Local Plan.
- 5.38 It appears that in reviewing the evidence, the Council has set out to prepare evidence which supports its policy of no Green Belt release, without undertaking a robust assessment of the contribution different sites make to the Green Belt. This is particularly concerning in light of our related representations on proposed modifications to Policy SS1.

Appendix 1 East of Strensall Road, Earswick: Vision Document

The Bellway logo features the word "Bellway" in a bold, black, sans-serif font. A thin, curved orange line arches over the top of the letters "y" and "a".

Bellway

*Building Homes,
Building Value*

A photograph of a row of modern, two-story brick houses with red brick facades and dark grey window frames. The houses are set against a blue sky with light clouds. In the foreground, there are green trees and a black metal fence. A dark blue rectangular box is overlaid on the right side of the image, containing white text.

Land east of Strensall Road, Earswick, York

Vision Document

This document has been prepared by:

LICHFIELDS

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1.0 Introduction

Bellway Homes PLC is a major UK residential property developer with its head office based in Newcastle upon Tyne. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. In just over 70 years, Bellway Homes has grown from a small, family-owned firm to one of the most successful house builders in the UK. Today we directly employ more than 2,000 people and have earned an enviable reputation, built on the pillars of quality, service and trust. As the 4th largest housebuilder the Company has built its successful track record and reputation on the principle of providing the homes people aspire to by developing local designs with the help of local people.

This Vision Document has been prepared by Lichfields on behalf of Bellway Homes. It aims to assist York City Council in the preparation of its Local Plan by articulating and illustrating the opportunity provided by land east of Strensall Road, Earswick and in particular the benefits of bringing forward a comprehensive residential development of approximately 350 homes.

The vision is to create a high quality, green neighbourhood which will create a sustainable community and help to meet the housing objectives of the Local Plan. The development will afford residents the opportunity to benefit from new sustainable family homes in a vibrant and inclusive neighbourhood. The development will deliver approximately 350 new homes.



Site context plan

2.0 Site and Surroundings

Earswick is a village which lies between Huntington and Strensall, and is approximately 4 miles north of York. On the York to Strensall road, Earswick is one mile south of Strensall. The site is on the Eastern side of the village, on the northern edge of the A1237 ring road offering easy access to and from York City Centre.

The site is approximately 19ha in size and regular in shape, consisting of a generally square area of land in the western section of the site. It consists of agricultural land. Strensall Road bounds the site to the west and there are a number of houses to the north. The southern and eastern boundaries are marked by hedges and trees with the Willow Grove residential estate adjoining the site at the south-western corner. There is a strip of semi-mature woodland at the western edge of the site which would be retained.

There is already residential development on the eastern side of Strensall Road. Earswick itself is largely defined by a modern suburban development character.

The site is well served by facilities available in Earswick and Huntington, including, inter alia:

- Earswick Village Hall;
- The Minster Veterinary Practice;
- Huntington Post Office;
- Huntington Pharmacy.

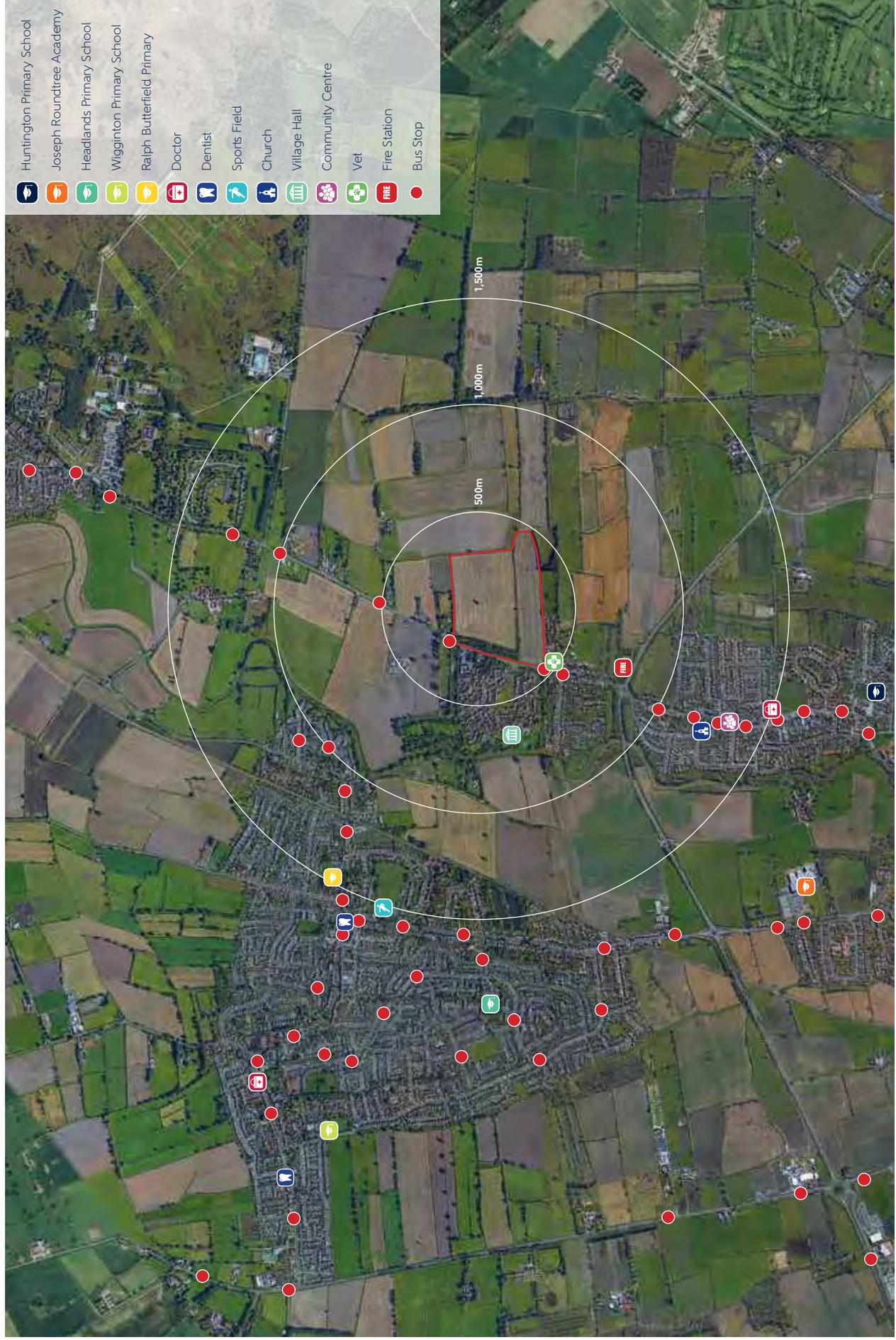
There are a number of primary schools in proximity to the site which are currently under capacity;

- Burton Green Primary School;
- Headlands Primary School;
- Huntington Primary Academy;
- Ralph Butterfield Primary School;
- Skelton Primary School; and
- Wiggington Primary School.

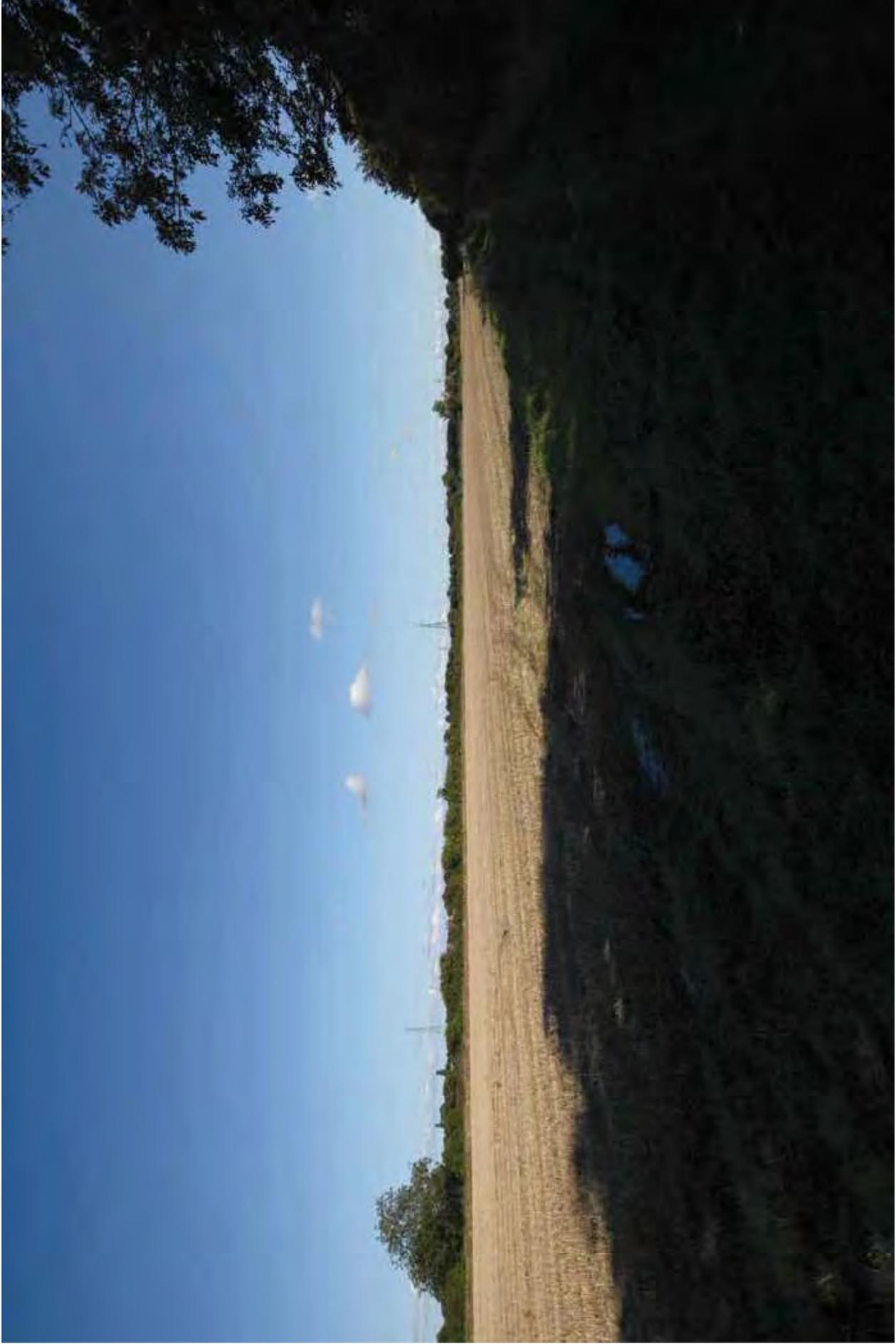
Secondary education facilities are available at Huntington Secondary School, which is also under capacity.

Further facilities include a number of supermarkets and a hospital available in York, 5km to the south. There are a number of bus stops located along Strensall Road offering regular public transport services to Strensall, Acomb and York.

SITE AND SURROUNDINGS



Local services plan



The site



Earswick



Community open space, Earswick



Buses on Strensall Road



Huntington Primary Academy



The Blacksmiths Arms pub in Earswick



Monks Cross Shopping Park

3.0 Policy Context

National Planning Policy

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking”

Paragraph 14, NPPF

At the heart of the NPPF is a presumption in favour of sustainable development. The planning system should contribute to building a strong economy, boost the supply of housing to meet present and future needs, whilst also protecting and enhancing the natural, built and historic environment.

“Local Plans should be aspirational but realistic...crucially, Local Plans should plan positively for the development and infrastructure required in the area.”

Paragraph 154 and 157, NPPF

Guidance in the NPPF emphasises the importance of:

- Significantly increasing the supply of housing;
- Using an evidence base to ensure that Local Plans identify key sites critical to the delivery of the housing strategy
- Delivering a wide choice of high quality homes that people want and need;
- Widening opportunities for home ownership; and
- Creating sustainable communities.

Local Planning Policy

The City of York Local Plan Pre-Publication Draft sets out the vision and spatial strategy that will guide development of York over the plan period which runs from 2017 to 2032/33.

National Planning Policy requires Councils to prepare long term planning policies for their area and through regulations, sets out prescribed processes for doing this.

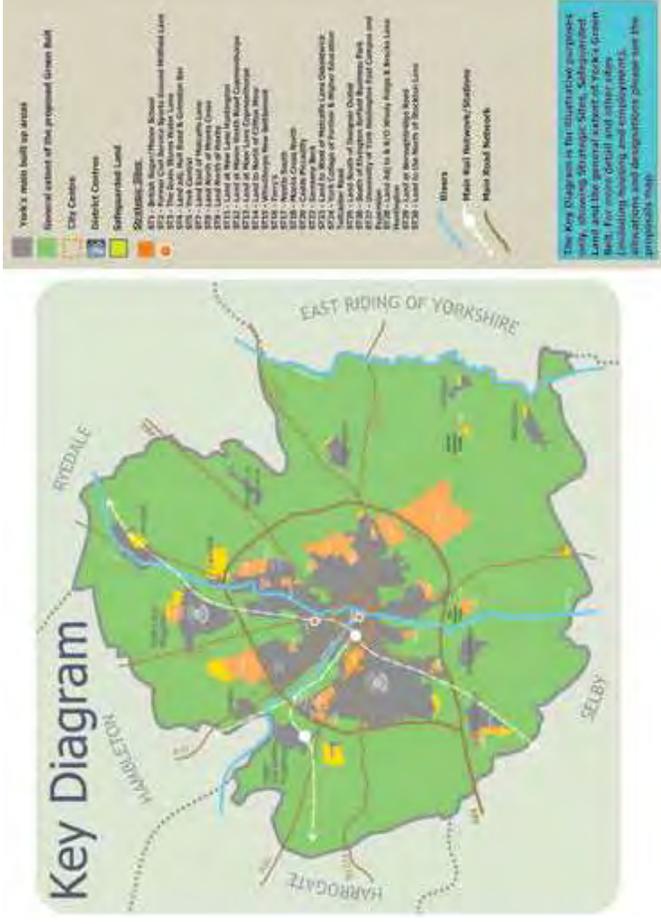
“...identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period...”

Paragraph 85, NPPF

Work on the City of York Local Plan is currently at Regulation 18 stage - the first stage. To date, as part of this stage the Council has already consulted on Preferred Options in 2013 plus additional consultations as part of the further sites consultation in 2014 and preferred sites consultation in 2016.

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including our Client’s site at east of Strensall Road, Earswick. The Officer Report from the Site Selection Paper Addendum (September 2014) considers that the site is still viable and should still be safeguarded. Furthermore the site was considered to be suitable, deliverable and viable in the 2017 Consultation Statement.

Proposals Map Plan: City of York Local Plan Publication Draft 2014



It was demonstrably clear that the Council considered this land as Safeguarded Land for development at the time of a subsequent Plan review. Its purpose is to help ensure that the Green Belt as defined in the Local Plan endures beyond the Plan period. The land forms part of a much larger site (LPA Ref SF14 – land at Earswick), which was previously designated as Safeguarded Land in the City of York Local Plan Publication Draft 2014.

Bellway Homes considers that the land to the East of Strensall Road, Earswick represents one of the most appropriate site options when considered against reasonable alternatives i.e. a number of the Council's preferred housing allocations in and around the northern outskirts of York. However, it is also considered that in order to ensure that the Local Plan is positively prepared, justified, effective and consistent with national planning policy, the document should identify further housing sites to meet its full OAN and allocate Safeguarded Land to ensure that the Green Belt boundary has permanence beyond the plan period.

The Council should therefore reintroduce 'Policy SS3: The Creation of an Enduring Green Belt', as per the City of York Local Plan Publication Draft 2014.

Wider Earswick Site:
City of York Local Plan Further Sites Consultation, June 2014



City of York Local Plan (2014) Appendix 6 Safeguarded Land Assessment (Site Ref: 810)

4.0 Housing Requirement

City of York Local Plan – Pre-Publication Draft

Policy SS1 (Delivering Sustainable Growth for York) sets out that the Council will deliver a minimum annual provision of 867 new dwellings over the plan period to 2032/33.

The spatial strategy sets out the general spatial principles that will underpin the distribution of future development in York. It considers a range of issues which will influence the spatial strategy and includes a section on York City Centre, York Central, Castle Gateway and the strategic sites (those that are 5ha or more).

The latest population projections (2014 SNPP) project a growth of 7.6% over the 25 year period to 2039, with a population of 34,000 more people anticipated in 2039. This is higher than the growth of 29,000 projected under the 2012 SNPP. This is an annual growth of 1,360 people compared to 1,160 people.

The higher growth is driven by greater levels of net in-migration – particularly levels of international net migration during the first 5 years of the projected period.

The 'York Strategic Housing Market Assessment Update (SHMA 2017) is clear that development should provide both market and affordable housing. In response to both market signals and affordable housing need they advocate a 10% uplift to the OAN. In line with the PPG this was set against the official starting point of 867 dpa. The resultant housing need would therefore be 953 dpa for the 2012-32 period.

This increase in the OAN, whilst still below the figure derived from the new methodology which the Government are currently consulting upon within 'Planning for the Right Homes in the Right Places', indicates that the Council is aware that current population and market trends demonstrate that not enough houses are being built within York. The subsequent designation of the site east of Strensall Road would help alleviate these pressures.

The SHMA has examined housing completions data for York dating back to 2004/05 and set these against the annual housing target from 2004/05 to 2015/16. With the exception of last year, housing delivery in York has failed to meet its target each year since 2007. The overall target for these years was missed by 20%, which equals 2,051 units below the target level.

Green Belt Release

Paragraphs 83 to 85 of the NPPF sets out the national policy position on determining the boundaries of the Green Belt and the role of safeguarded land as a tool to help ensure that Green Belt boundaries endure beyond the Plan period.

Paragraph 83 confirms authorities should consider the Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period. In helping to achieve this degree of permanence paragraph 85 provides further policy on determining boundaries including: where necessary, identify in their plans areas of 'safeguarded land' between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period.

The preferred options draft Local Plan and the subsequent publication draft (September 2014) sought to apply the national and saved regional policies in setting out the extent of the Green Belt and identified a reserve of safeguarded land (including this site) to ensure that the Green Belt boundary is capable of enduring beyond the Plan period. To do this the Plan included policy to identify safeguarded land and protect it from development until such time as a plan review identified the need for the land to be allocated for development.

It is very clear the Green Belt must endure beyond the Plan period and that land not needed for development during the Plan period should be protected as safeguarded land. If no safeguarded land is identified in the emerging Local Plan this would be a significant failure to identify how the longer term needs of the areas could be met, particularly without encroaching into the Green Belt and eroding its boundaries.

The delivery of land East of Strensall Road, Earswick is essential to provide the new homes needed in the City of York. The Council must consider its release from the Green Belt and allocation or safeguarding for longer-term development needs.



5.0 What types of new houses are needed in York?

Strategic Housing Market Assessment Update 2017

The York Strategic Housing Market Assessment Update 2017 (SHMA, 2017) makes clear that future housing development should focus on delivering both market and affordable housing to the area.

The Pre Publication Draft Local Plan 2017

The current draft local plans sets out through its proposed housing policies an aim to achieve a balance across the housing market to reflect the diverse mix of need across the city.

It is the council's aspiration to ensure a mix of types of housing across a development - catering for small families, newly forming households and people looking to downsize as well as specialist housing provision for vulnerable people.

Stock Analysis

The 2016 SHMA indicates that the housing stock within York is very similar to national averages with no comparative concentrations or shortages in any of the specific housing categories.

Our client's site in Earswick offers a viable opportunity to maintain this property balance by providing a mix of properties and allow for considered distribution in line with market demands on site.

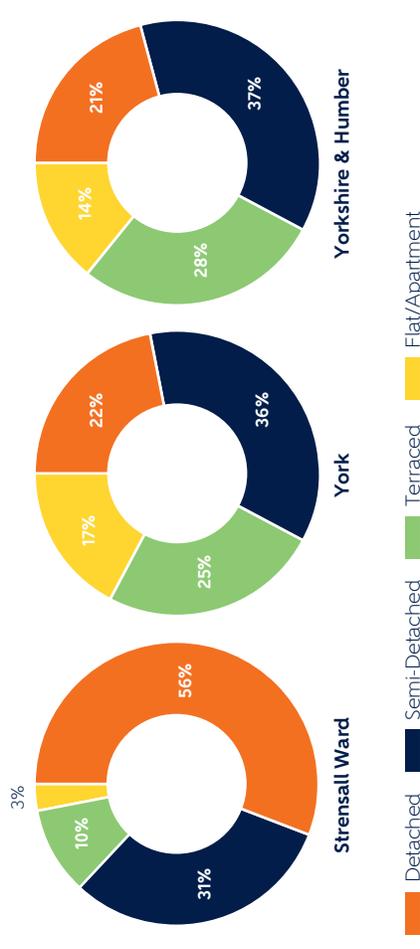


Figure 5.1: Existing Housing Types in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

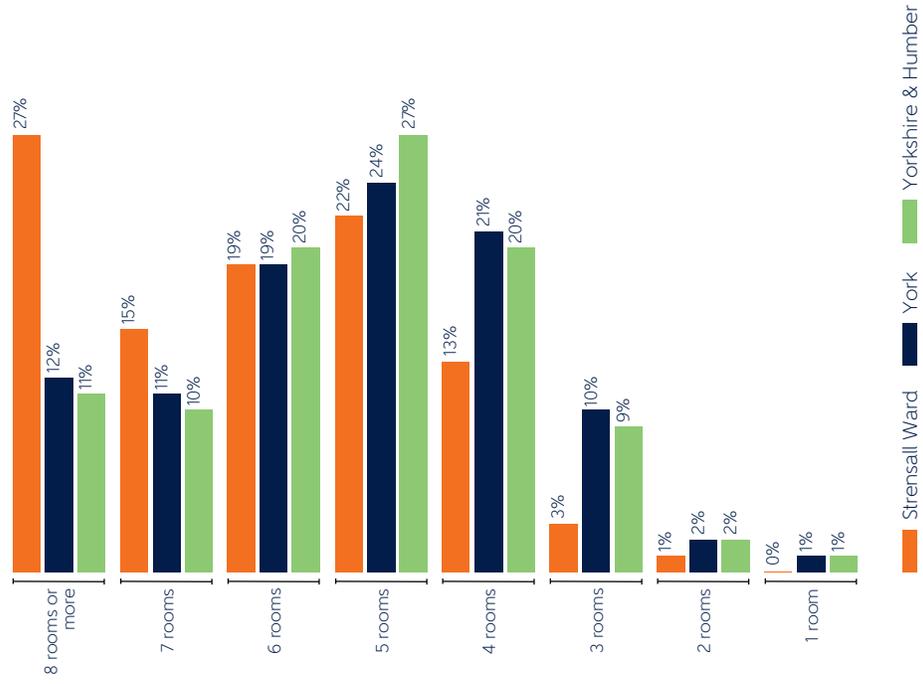


Figure 52: Number of rooms per dwelling in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

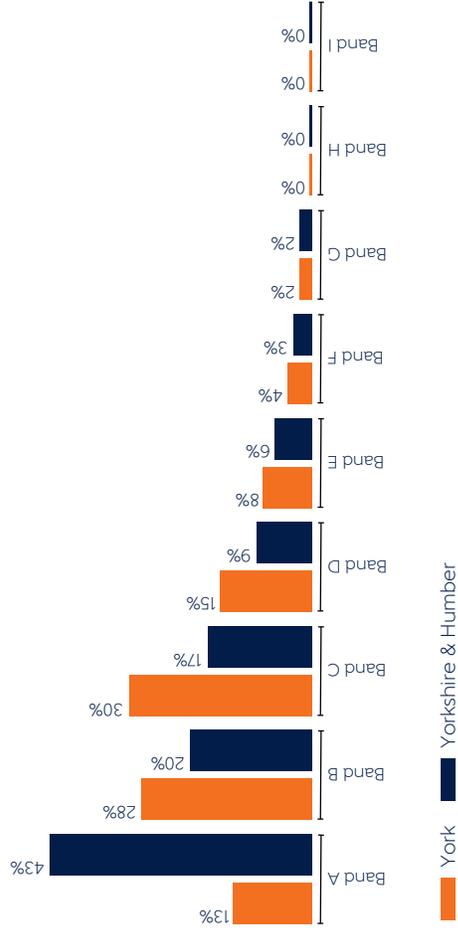


Figure 53: Dwelling Stock by Council Tax Band
Source: VOA (2017), Council Tax: stock of properties

Conclusion

The Draft Plan and supporting SHMA identify an increased housing need across the Local Authority. There is demand for market and affordable housing throughout York, providing a balanced housing market.

6.0 Environmental and Technical Appraisal

Constraints

The site and its surroundings have been considered in relation to potential developmental constraints which will inform the future development of the site.

The map opposite illustrates constraints, none of which represent a significant limit to the capacity of the site.

The site is not subject to any ecological, landscape, archaeological or geotechnical designations.

Green Belt

As documented earlier the site is currently designated Green Belt. The justification for Green Belt removal is considered due to the insufficient supply of non-Green Belt sites representing 'exceptional circumstances' that justify the release of the land in accordance with paragraph 82 of the NPPF.

Opportunity

The proposal provides an opportunity to comprehensively plan the delivery of this site, presenting an opportunity to create a high quality residential neighbourhood which responds to and accommodates the potential constraints. It will also result in numerous social, economic and environmental benefits which are discussed in greater detail at Section 9 of this document.

Landscape

The vegetated nature of the boundaries to the site is such that views are limited for the most part. This means the site would not have an overbearing impact on neighbouring and adjacent properties, and would integrate with and form a logical extension to Earswick.



Existing median and drop kerb potential access into site. Bus stops seen in background.



Flat topography. Large mature Oak notable feature in views. Electricity pylons seen in the distance.



Strenall Road roundabout with Earswick Chase. Potential new access into site, subject to achieving necessary sight lines.



Mature tree line defines southern boundary of the site. Boundary vegetation limits visibility into site, especially in summer



Recreation facilities including Village Hall, playground, tennis courts and football pitches adjoining River Foss. Consider link from site to these facilities.

Key

	Site boundary
	Potential future access
	Bus stops
	Listed building
	Public rights of way
	River Foss
	Green link to River Foss
	Large mature trees
	Hedgerow
	Distinctive views (neighbourhood plain)
	Photo viewpoints

Transport

A site accessibility assessment has already been undertaken by systra. Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents. A full Transport Assessment would be undertaken to understand any potential issues that may arise from the increased traffic on the road network.

Highways Improvements

There are two proposed potential accesses to the site:

1. an additional arm from the Strensall Road / Earswick Chase roundabouts
2. ghost island turn on Strensall Road.

The site access would need to be located on Strensall Road. Strensall Road has a 30mph speed limit until 50m north of the development site, where it becomes national speed limit. The City of York Council Highway Design Guide states that 'Major access roads serve between 100 and 400 dwellings' and that 'Major access roads should preferably have two points of access.' Whilst the guidance states that two accesses are 'preferable', it is proposed that one is provided initially, supported by an emergency secondary access. The highways assessment undertaken on behalf of Bellway Homes has identified a formal second access should this be desirable from a masterplanning perspective or if the local highway authority insists that two public vehicular accesses are provided.

Main Access - Strensall Road / Earswick Chase roundabout

There is an existing three-arm roundabout to the south-west of the site providing access to Earswick Chase from Strensall Road. It is not possible to provide an additional arm at the roundabout designed to standard without providing modifications to the existing roundabout circulatory and approach arms.

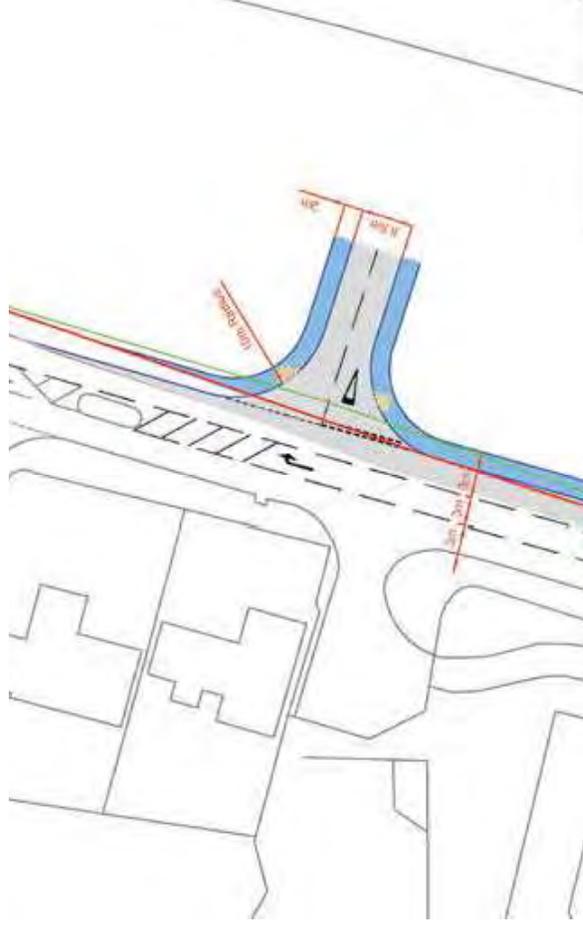
A secondary emergency access is likely to be required to the development if only one formal access is provided. This is anticipated to take the form of a simple priority junction with a lockable bollard and could provide an access point to and from the site for non-motorised users. A possible location for the emergency access could be the location of the existing field access off Strensall Road.

Secondary Access - Strensall Road ghost island junction

Should two formal accesses be required, a second access would likely be in the form of a ghost island junction as a residential development of the Site is likely to provide a minor road flow. To reduce the scale of the engineering works and tree removal, a simple priority junction could be discussed with the local highway authority. This may be appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.



Proposed site access plan



Proposed site access ghost island option

7.0 The Vision

The design principles for the site will provide a vibrant and sustainable extension to the existing community, created through a holistic design approach and carefully considered scheme response.

- The scheme will seek to create a positive relationship with the surrounding residential context through the use of the form and density levels cognisant of surrounding development, with the opportunity to provide a sensitive yet distinctive design response.

The vision will be achieved through the realisation of the following key objectives:

- The scheme will successfully integrate within the landscape context of the surrounding area through retention and celebration of key existing landscape features including existing hedgerows and tree planting running through and around the perimeter of the proposed site;
- Integration of pedestrian connections through the site, and linkages to the north, south and west will provide a permeable scheme which will improve pedestrian linkages and connections to Earswick;
- Use of landscape to establish a clear hierarchy of interlinked streets, footpaths and cycle routes which can be negotiated with ease;
- Housing layouts to integrate as much of the existing landscape features as possible with some properties to front onto the public open spaces to provide an active edge and allow natural surveillance;
- New housing to have individual identity but take cues from the local vernacular to achieve good integration with surrounding buildings;
- Through successful provision of SUDS areas, the ecological value of the site could be significantly enhanced whilst providing a natural and sustainable solution to surface water drainage. SUDS areas will be located on localised low points;

The townscape of the local area has been heavily influenced by a mixture of mid to late 20th century development which can be described as suburban in character. Recent developments have a high proportion of cul-de-sacs generally accessed from winding loop roads. The built form is typically two storey detached dwellings that are of their time set within generous gardens. Building materials vary across the local area, however more recent development have a predominant red brick character. Architectural details include bay windows, above door lintels / canopies, front facing gables.



Masterplan layout

8.0 Benefits



The land to the east of Strensall Road, Earswick constitutes an excellent opportunity for residential development in a sustainable location. Removal of the site from the Green Belt and development for approximately 350 units will provide the following benefits:

Social Benefits

- An opportunity to meet local housing requirements, widening range and choice of:
 - a family housing; and
 - b affordable housing.
- New public open space / children's play area; and
- More spending power in the local area to enhance vitality of local facilities.

Environmental Benefits

- Sustainable pedestrian and cycle routes;
- High quality public realm and landscaping;
- Biodiversity and habitat improvements; and
- Reduce off-site local flood risk.

Economic Benefits

The economic benefits arising from the delivery of approximately 350 new homes at Earswick are likely to include the following:

Construction benefits



£70m
Construction value
(total construction cost)



£9.3m GVA
Economic output
(additional GVA p.a. over the 10 year build period)



65 FTE Jobs
Construction jobs
(permanent full-time equivalent direct jobs created)



100 FTE Jobs
Supply chain jobs
(indirect/induced 'spin-off' jobs created)



Operational and expenditure benefits



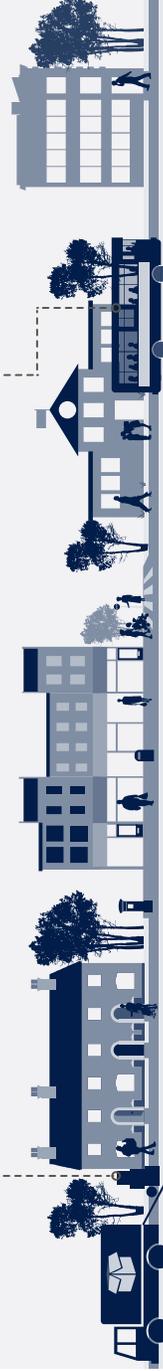
£2.75m
First occupation expenditure
(spending to make a house 'feel like a home')



£8.5m
Resident expenditure
(within local shops and services p.a.)



110 FTE jobs
(from increased expenditure in local area)



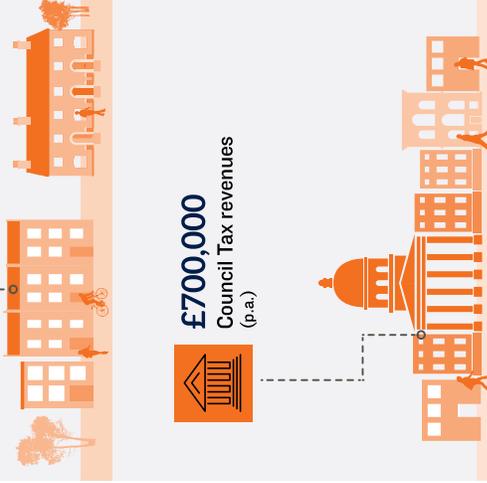
Local Authority revenue benefits



£3.0m
New Homes Bonus payments
(over a 4 year period)



£700,000
Council Tax revenues
(p.a.)



9.0 Next Steps

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including the site at east of Strensall Road, Earswick. It was demonstrably clear that the Council considered it fully appropriate to reserve this land for residential development at the time of a subsequent Plan review.

It is demonstrably clear from this submission that Bellway's land to the East of Strensall Road, Earswick should be identified in the next iteration of the emerging Local Plan to ensure that sufficient sites have been identified so that the housing requirement and development needs for York can be delivered. This justifies the 'exceptional circumstances' that are required to facilitate its removal from the Green Belt.

This Vision Document details how the site can be comprehensively delivered. The site will provide a range of homes in a sustainable location.

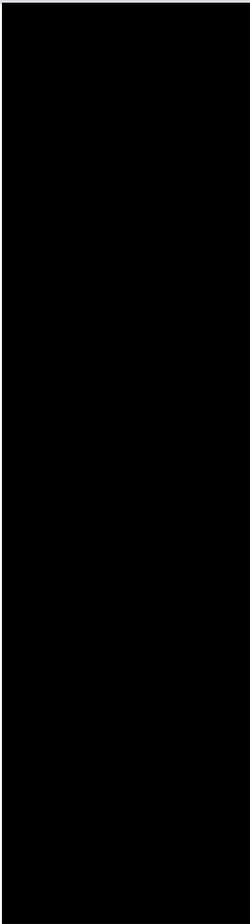
In order that that this is achieved it is considered that the site should be removed from the Green Belt and allocated for a total of 350 houses in the York Local Plan. Bellway Homes looks forward to working alongside the Council, the local community and other stakeholders to progress the proposals for the site and welcomes the opportunity to discuss the proposal further.



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Appendix 2 Housing Technical Report

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

- 2.7 In particular:
- “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. [§60]*
- 2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].
- 2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.
- 2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.
- 2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.
- 2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]
- 2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”*. [page 12]
- 2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:
- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.

- 2.17 The PPG states that:

“The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹

- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:
- “There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.”* [paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that *“there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.”* [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, *“it should provide some comfort that the latest version of the standard method arrives at a very similar number”*. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.”¹⁵*

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

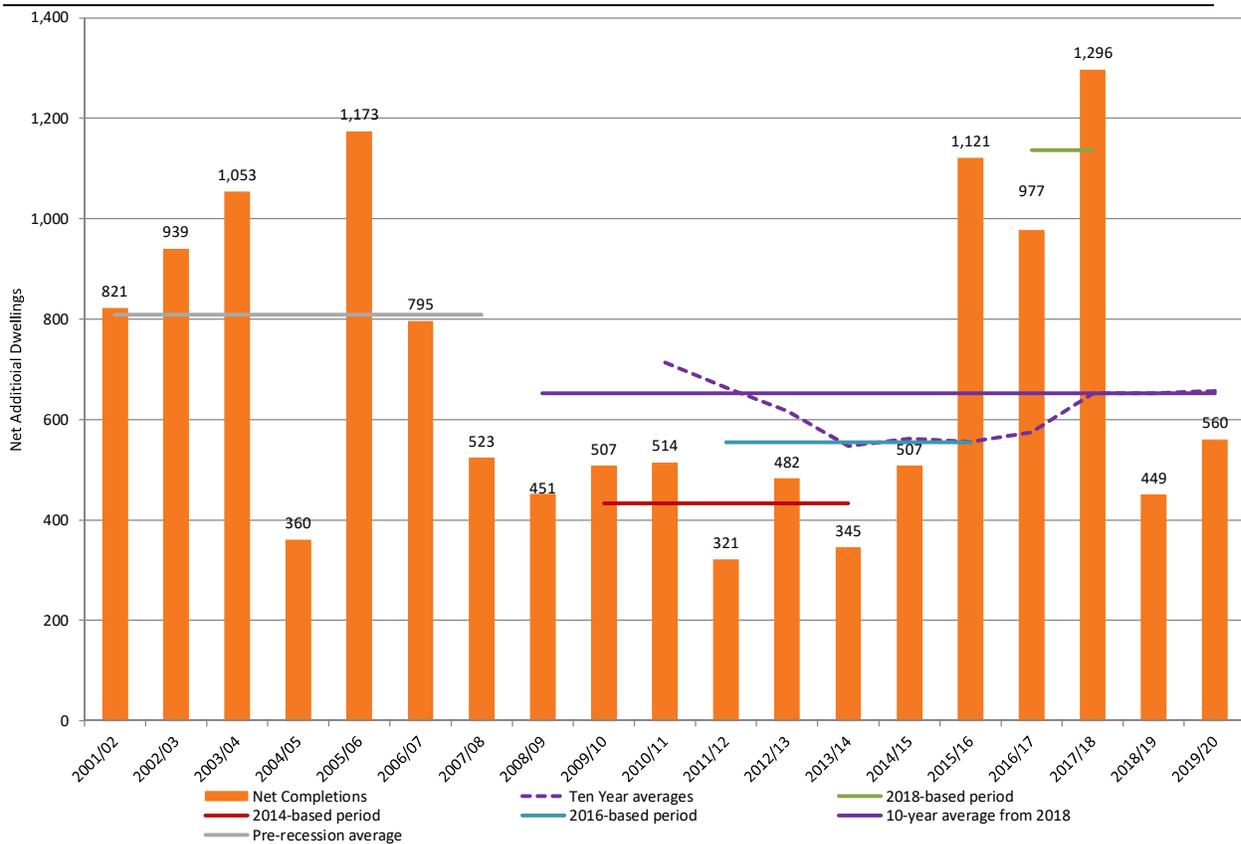
¹⁵ Practice Guidance - ID: 2a-017-20140306

¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

- 3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.
- 3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

- 3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they “*have not examined the economic need associated with historic employment growth as the accommodation has already been provided to support that growth*”. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn’s use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS’s 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on ‘*specific local circumstances*’ (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

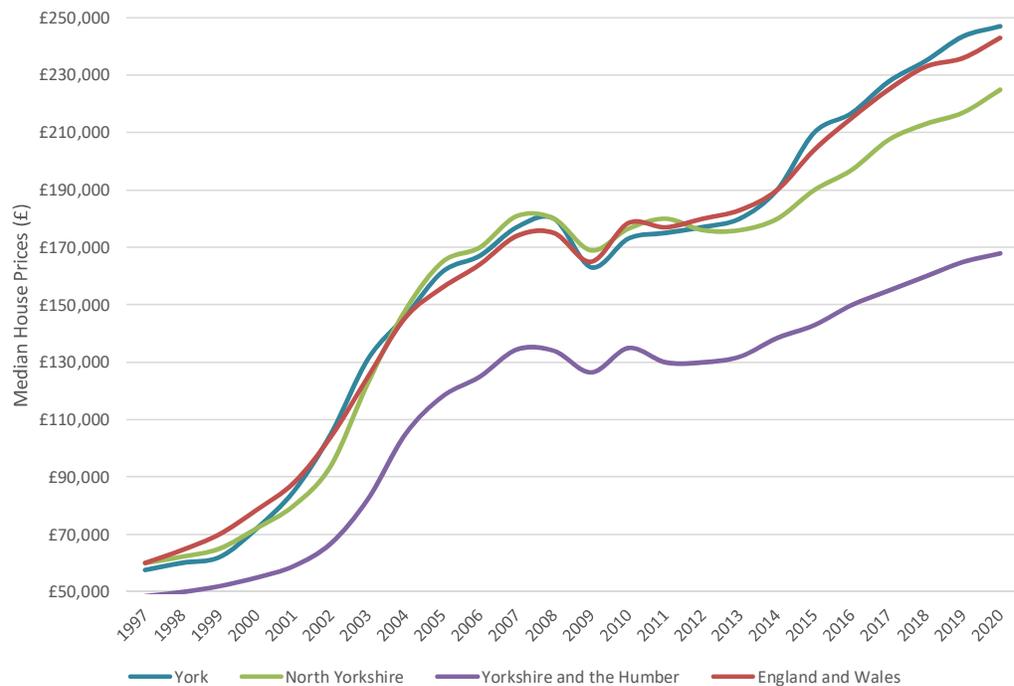
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

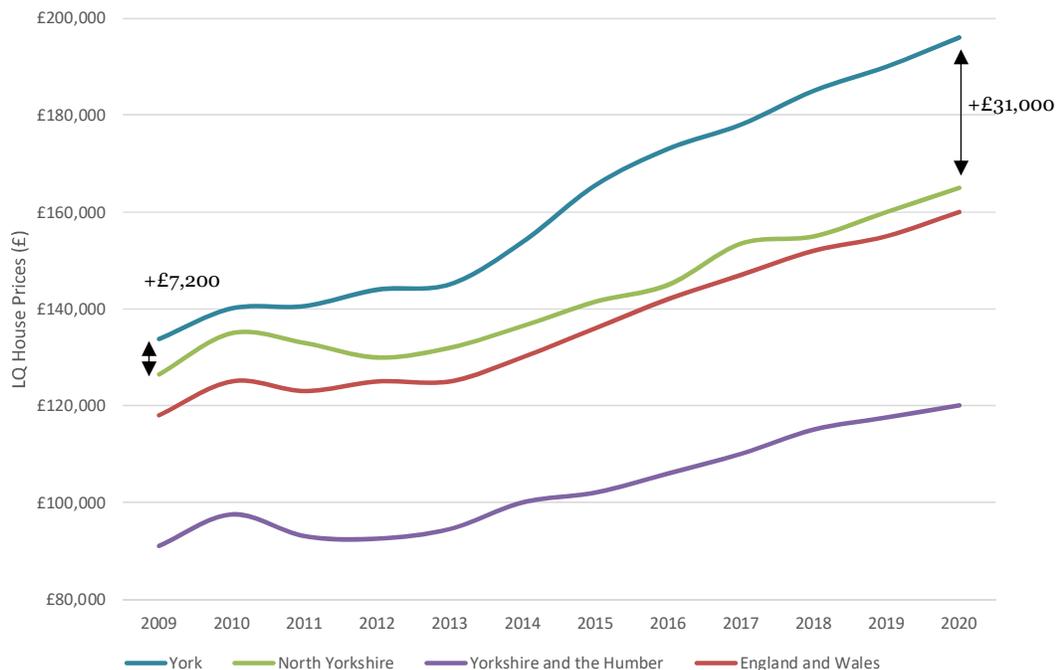
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

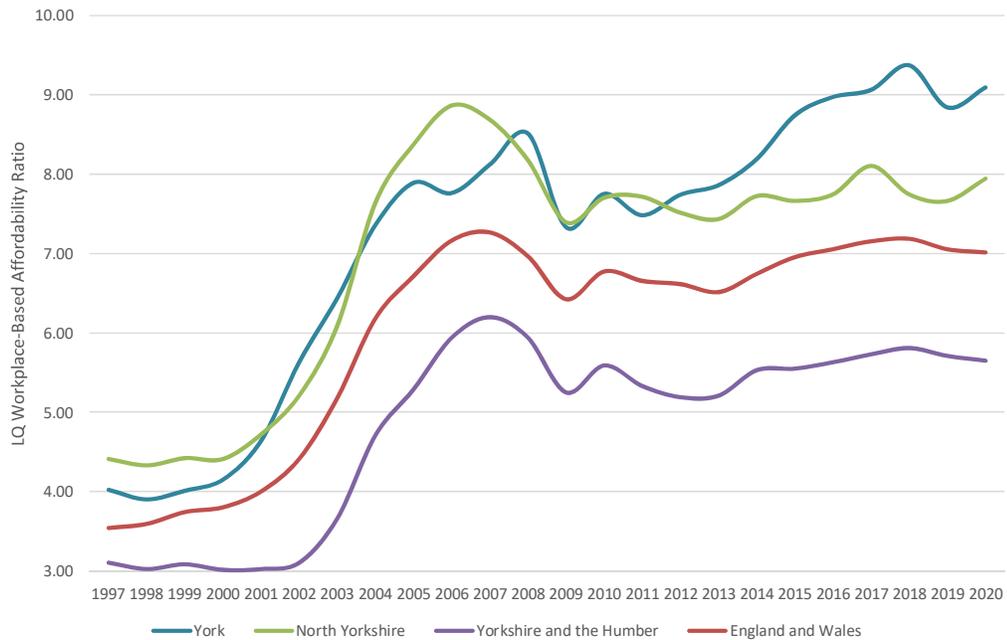
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O'Neill's Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.

6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.

6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”

6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.

6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.

6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).

6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

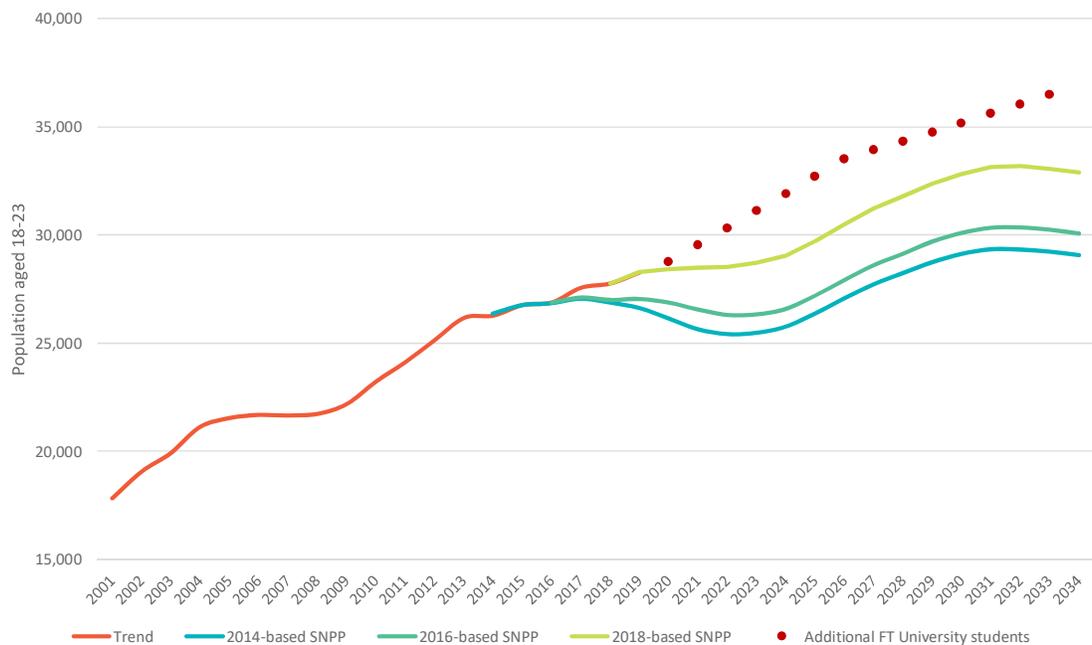
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

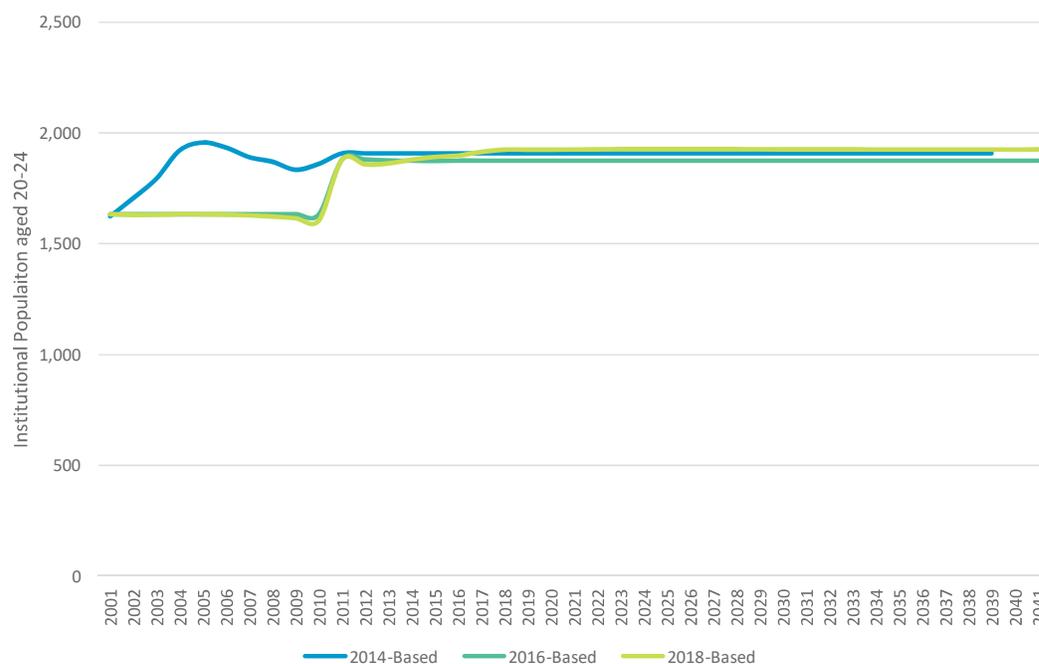
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 **Factoring in the Backlog**

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council's housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

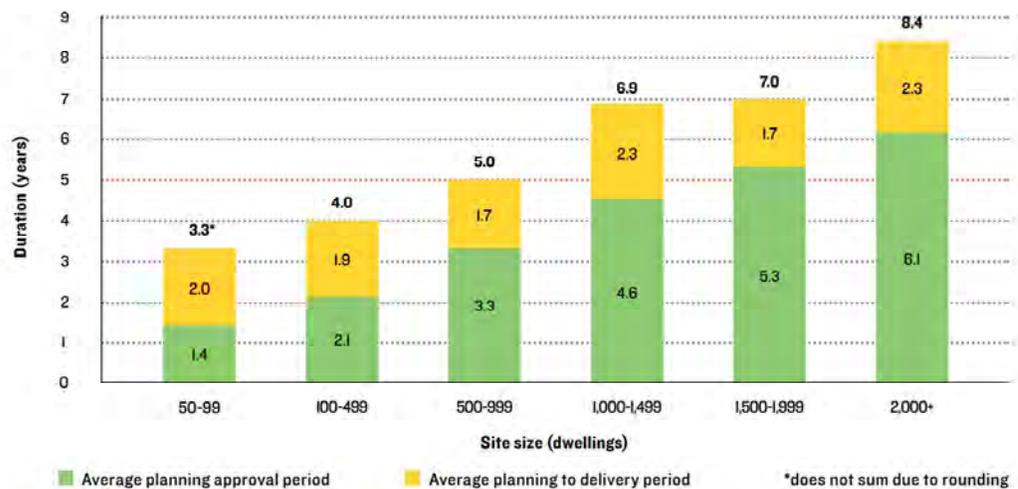
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer's commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA ('SHLAA Assumptions for Evidence Bases'). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council's approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council's current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council's current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council's approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn't always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

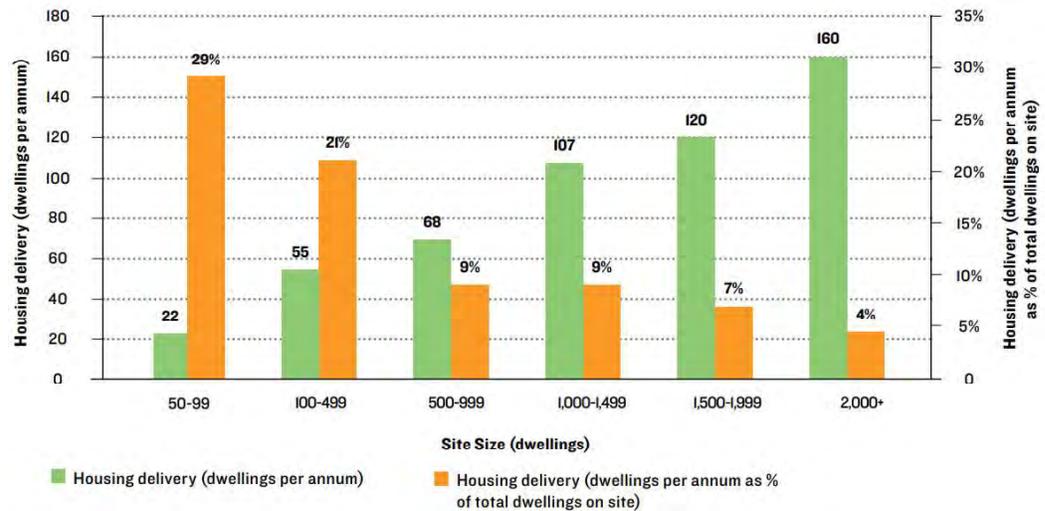
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

- 8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

- 8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.
- 8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.
- 8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.
- 8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).
- 8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.
- 8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.
- 8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council's housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City's residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

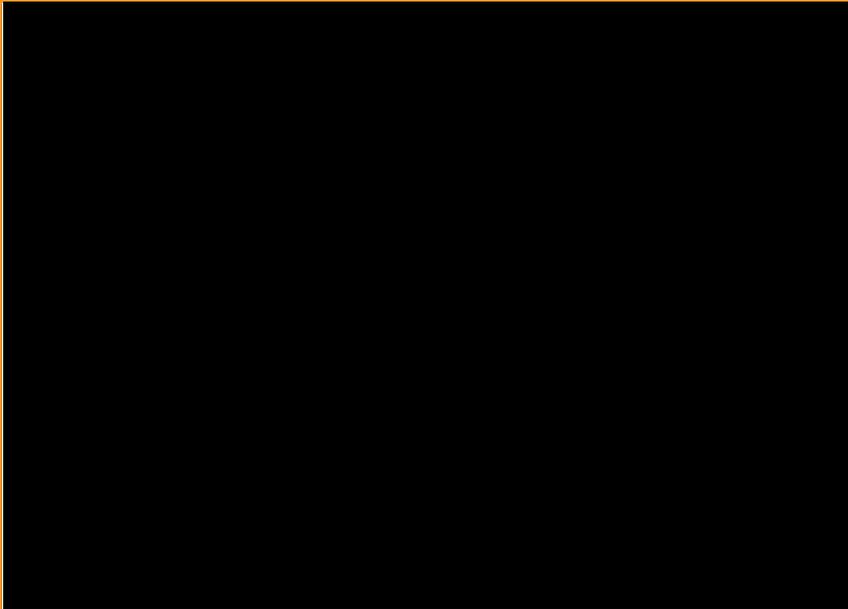
Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



From: [REDACTED]
Sent: 07 July 2021 12:08
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205946
Attachments: 5073003_Earshawick_York_Local_Plan_Reps_July_2021.pdf

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED] S
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Composite Modifications Schedule April 2021 (EX/CYC/58)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the policy matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

5073003_Earswick_York_Local_Plan_Reps_July_2021.pdf

**City of York Local Plan New
Proposed Modifications
Consultation 2021
Representations on behalf of
Bellway Homes PLC**

6 July 2021

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1.0 Introduction

1.1 This report has been prepared by Lichfields on behalf of Bellway Homes PLC (hereafter referred to as ‘Bellway’). It forms Bellway’s response to the City of York Local Plan New Proposed Modifications Consultation (June 2021), in respect of Bellway’s land interests East of Strensall Road, Earswick. Representations seeking the allocation of the site for residential development have been submitted by Lichfields to City of York Council at various stages of the emerging Local Plan.

1.2 The Earswick site is identified on the existing ‘Development Control Local Plan (2005)’ Proposals Map as lying within the Green Belt, albeit it is acknowledged in the Examination in Public Inspectors’ letter of 12th June 2020 that this comprises only the ‘general extent’ of Green Belt carried forward from the saved RSS policy. The specific Green Belt boundaries have never been defined and it is possible for the emerging Local Plan to define those boundaries, including identifying sites for development, without needing to demonstrate ‘exceptional circumstances’. Bellway is seeking the allocation of the site in the City of York Local Plan for residential development. At the very least, the site must be identified as safeguarded land, without which the emerging plan is not ‘sound’. A Vision Document, demonstrating the suitability of the site and submitted as part of previous representations is attached at Appendix 1.

1.3 These representations are accompanied by a Housing Technical Report, which has been produced on behalf of a consortium of developers including Bellway (see Appendix 2). The Housing Technical Report provides a review of the September 2020 Housing Needs Update prepared by GL Hearn¹. In particular, two main issues are analysed:

- 1 A review of CYC’s existing evidence on housing needs for market/affordable housing in the City; and,
- 2 An appraisal of the housing trajectory and five-year land supply position which underpins CYC’s Plan.

1.4 It is a statutory requirement that every development plan document must be submitted for independent examination to assess whether it is “sound”, as well as whether other statutory requirements have been satisfied (s.20(5) of the 2004 Act). S19 of the 2004 Act requires that in preparing a development plan document, a local planning authority must have regard to a number of matters including national policies and advice contained in guidance issued by the Secretary of State. Such guidance currently exists in the form of the National Planning Policy Framework [the Framework] and the National Planning Practice Guidance [Practice Guidance].

1.5 The Framework² (February 2019) states that the policies in the previous Framework published in March 2012 will apply for the purpose of examining plans, where those plans were submitted on or before 24 January 2019. The York Local Plan was submitted to the Secretary of State for Housing, Communities and Local Government for examination in May 2018. The policies in the Framework (March 2012) therefore apply in this instance.

1.6 There is no statutory definition of “soundness”. However, the Framework states that to be sound a Local Plan should be:

- 1 **Positively Prepared:** The plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet

¹ EX/CYC/43a Housing Needs Update September 2020

² National Planning Policy Framework (February 2019) Annex 1: Implementation

requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

- 2 **Justified:** The plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.
- 3 **Effective:** The Plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities.
- 4 **Consistent with National Policy:** The Plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

1.7 In addition, the Framework³ states that:

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

For **plan-making** this means that:

- *Local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless*
 - a *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
 - b *specific policies in this Framework indicate development should be restricted.....”*

1.8 The Core Planning Principles are set out in the Framework⁴.

1.9 The requirements of the Framework in respect Local Plans are reinforced in the Practice Guidance⁵ which states that the Framework “sets clear expectations as to how a Local Plan must be developed in order to be justified, effective, consistent with national policy and positively prepared to deliver sustainable development that meets local needs and national priorities”.

Examination in Public Progress

1.10 The City of York Local Plan was submitted for examination three years ago, in May 2018. As a result, the examination is progressing under the transitional arrangements set out at paragraph 214 of the 2019 National Planning Policy Framework – that being that the plan is being examined in accordance with the policies of the 2012 National Planning Policy Framework.

1.11 After some delay, the EiP hearing sessions opened in December 2019 and the inspectors wrote to the Council in June 2020 identifying a number of significant concerns with the Council’s methodology and evidence used to underpin the approach taken to Green Belt.

1.12 The inspectors again wrote to the Council in July 2020 seeking the Council’s opinion on the significance of the publication of the 2018-based household projections. The Council was asked to consider if this represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019.

³ National Planning Policy Framework §14

⁴ National Planning Policy Framework §17

⁵ Practice Guidance - ID: 12-001-20170728

- 1.13 Finally, the inspectors exchanged a number of letters with the Council in December 2020 and January 2021 noting, amongst other things, that due to the passage of time and age of some of the key evidence base documents, there is “*a reduced likelihood of adopting a truly up to date development plan for York*”.

Structure

- 1.14 This report supplements the completed representation form and demonstrates that a number of policies within the Local Plan New Proposed Modifications [LPNPM] are, at present, ‘unsound’ in the context of the tests of soundness established by the Framework.
- 1.15 The report firstly provides background context to the Earswick site to demonstrate why its exclusion from the Green Belt and allocation for residential development is appropriate.
- 1.16 This report then provides detailed representations in relation to the following proposed modifications and updated evidence:
- 1 Modification PM49 – Policy SS1
 - 2 Modification PM50– Policy SS1
 - 3 Modification PM53 – Policy SS1
 - 4 Modification PM54 – Policy SS1
 - 5 Modification PM55 – Policy SS1
 - 6 Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC)
 - 7 Modification PM 71 - New Policy GI2a Justification
 - 8 Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021
- 1.17 Recommendations are set out at the end of each section setting out how the Council needs to address the Modification to make it sound.
- 1.18 Submitted alongside these site specific representations, Lichfields has prepared a report entitled ‘City of York Local Plan Proposed Modifications Version: Representations on Housing Matters’, prepared on behalf of a consortium of Taylor Wimpey, Persimmon Homes and Bellway Homes. This report provides the context for many of the comments in these site specific representations and is directly referenced as appropriate to the case.

2.0 **Background to the Strensall Road, Earswick Site**

Introduction

- 2.1 This representation confirms that the housing requirement set out in the Publication Draft is insufficient to accommodate the economic and population growth of the City and should be increased. These representations seek the allocation of land to the 'East of Strensall Road, Earswick' for housing or alternatively at least be identified as Safeguarded Land. The allocation of this land would ensure that the Plan can be considered sound.
- 2.2 The land was previously designated as Safeguarded Land in earlier iterations of the draft Plan. It is our Client's view that the land to the East of Strensall Road, Earswick represents one of the most appropriate site options on the northern periphery of York which will ensure the Plan allocates sufficient sites to deliver its housing requirement. Additional housing sites are required to ensure the Plan delivers the full objectively assessed housing needs to ensure that the Local Plan is positively prepared, justified, effective and consistent with national planning policy. Identifying safeguarded land to ensure that the Green Belt boundary has permanence beyond the plan period is essential as part of the plan-making process.
- 2.3 Land East of Strensall Road should be allocated for housing or at the very least identified as safeguarded land as the Site is deliverable within the definition of paragraph 47 of the National Planning Policy Framework (NPPF); and represents one of the most appropriate site options to meet the full objectively assessed housing needs of the City.
- 2.4 The site will provide an essential extension to provide for needed future residential growth in the City of York. There is an urgent need to identify additional and significant sources of housing land which can meet the City's quantitative and qualitative housing needs. Given the tightly drawn Green Belt boundary around the urban area, it is considered that there are exceptional circumstances necessary to justify the release of Green Belt land, and Green Belt release should be planned in order that the Council can commence and successfully implement housing delivery immediately upon the adoption of the Local Plan.
- 2.5 A consideration of the site against the NPPF demonstrates that it does not serve any specific role when compared against the five purposes of the Green Belt.

Purpose 1 - To Check the Unrestricted Sprawl of Large Built-Up Areas

- 2.6 The village of Earswick is not a large built-up area and the site does not therefore have a role in restricting the urban sprawl of a large built-up area. The terminology of 'sprawl' suggests disorganised or unplanned expansion, whereas the development of land at east of Strensall Road has been envisaged and considered in previous iterations of the Council's plan-making process and clearly demonstrate that the Council considered that the site should be developed for housing at a future date.
- 2.7 In the context of Green Belt purposes, the site is well contained and has strong robust and defensible boundaries. It does not therefore represent part of a potentially continuous urban sprawl. This is therefore not on its own a reason to discount the site.

Purpose 2 - To Prevent Neighbouring Towns Merging Into One Another

- 2.8 Land east of Strensall Road plays no role in this purpose.

Purpose 3 - To Assist in Safeguarding the Countryside from Encroachment

- 2.9 The site is largely contained by development with a strong landscape boundary to the east, which would be further enhanced as part of any development proposals. It does not therefore form part of the open countryside.

Purpose 4 - To Preserve the Setting and Special Character of Historic Towns

- 2.10 The surrounding area is not of heritage value, the site makes no contribution to this Green Belt purpose. The development of the site itself will not impact upon wider views of the urban area of Earswick, and therefore, this is not on its own a reason to discount this site.

Purpose 5 - To Assist In Urban Regeneration, By Encouraging the Recycling Of Derelict and Other Urban Land

- 2.11 There is a fundamental issue of the overall OAN housing requirement within the Publication Draft being too low and insufficient sites identified to meet the correct OAN. Despite this issue, it is right that brownfield sites are identified within the Publication Draft Local Plan. However, these sites by their nature tend to take longer to be successfully implemented and delivered due to the often substantial preliminary works and associated financial costs required to get the brownfield site 'ready' for development.
- 2.12 The identification of the most appropriate land to be used for development through the process of preparing the York Local Plan should be evidenced and be based upon detailed analysis of the supply of such sites. The Council admits that it does not have a 5-year supply of deliverable housing land and consequently, there is significant pressure to bring forward development sites not just in the short term to meet this shortfall, but throughout the Plan period.
- 2.13 Delivery is a key test of soundness for the Local Plan. It is imperative that the Plan contains an appropriate Policy mechanism to ensure a deliverable supply of housing land, if there is an insufficient level of supply. This would ensure that the Plan aligns with the NPPF requirement at paragraph 21 which is that "*Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.*"
- 2.14 If sites have not been delivered and supply is falling short of the requirement, it is not clear what the Council intend to do with developers and landowners to identify new sites or bring forward suitable sites faster. Additional sites should be allocated to ensure that the Plan seeks to meet its identified housing need in the first instance, as currently drafted it does not do this. Further, to address any shortcomings, an early review mechanism should be included in the Plan. Reserve sites, via the identification of Safeguarded Land should be incorporated as a mechanism to ensure that housing needs are met, should identified sites not come forward as envisaged.

Benefits and information for land East of Strensall Road, Earswick

- 2.15 The land to the 'East of Strensall Road' contains no designated heritage assets, nor are there any in near proximity. There is no suggestion that the site has any archaeological significance and provides no role in the historical influence of the city, so any proposed development would not cause any heritage-based issues.
- 2.16 In regards to questions concerning the ecological and environmental impacts of any proposed development, the development would be in close proximity to the existing development to the West of Strensall Road, so would be in keeping with its surroundings. The surrounding borders to the site are lined with strong ecological barriers such as vegetation, and screening from

Strensall Road by further vegetation would shield the development from all sides, reducing its impact upon the landscape of the area. Vegetation surrounding the site will also be maintained and enhanced so as to ensure ecological sustainability and no loss of visual amenity from any proposed development.

- 2.17 There are a number of amenities in close proximity to the proposed site, including six primary schools (currently functioning under capacity so would easily accommodate growth). There are also two secondary schools around half an hours walking distance from the site. Access to public transport options for such schools to reduce car dependency will be discussed in the upcoming paragraphs.
- 2.18 In terms of commercial amenities close to the site, the nearest retail centre is at the Huntington Parade, approximately 1.3km from the Site. Further retail centres can be found within 4km of the site, and York City Centre is only 6km from the site itself. Leisure amenities, such as pubs and social clubs, along with a doctors surgery, can be found within 2km of the proposed site.
- 2.19 In terms of public transport connections to and from the site, bus stops are located approximately 160m from the potential site accesses. Nearby stops provide services linking the proposed development to the closest secondary schools and also provide wider connections to retail centres and to York city centre. These are within the 400m which is considered the maximum walking distance to a bus stop for a site to be considered 'sustainable'. York rail station is around 6.3km away, and is accessible by bus, providing direct services to Leeds, London and Edinburgh.
- 2.20 The site itself is envisaged to be pedestrian friendly, with connections and walkways connecting all areas of the site to improve walkability and reduce car dependency, whilst also promote the use of bikes and other forms of sustainable transport through designated cycle lanes and links to public transport opportunities.

Deliverability

- 2.21 The Framework⁶ states that for sites to be considered deliverable, they must be suitable, available and achievable. The land East of Strensall Road, Earswick meets all of these requirements:
- 1 **Suitable:** the sites can be accessed from existing access points; and is located within an established residential area, very close to the village centre, and provides the opportunity to increase housing provision within Earswick without impacting upon the wider landscape.
- Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents.
- It is proposed that one point of access is provided initially, supported by an emergency secondary access. The main access is proposed to be taken from the Strensall Road/Earswick Chase roundabout, where an additional arm to the existing three-arm roundabout to the south-west of the site would be incorporated.
- Should two formal accesses be required, a second access would likely be in the form of a ghost island junction. This is considered appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.

Access to schools

⁶ Framework footnote 11, page 12

There are a number of primary schools in proximity to the site which are currently under capacity;

- a Burton Green Primary School;
- b Headlands Primary School;
- c Huntington Primary Academy;
- d Ralph Butterfield Primary School;
- e Skelton Primary School; and
- f Wiggington Primary School

There are also two secondary schools, the Huntington Secondary School and Joseph Rowntree School, within a 30 and 35 minute walk respectively of the site.

- 2 **Available:** The site is in the ownership of a willing landowner who is looking to release the site for development.
- 3 **Achievable:** The site is capable of coming forward for development in the short term. As a national housebuilder, Bellway Homes encompasses long experience in landowning, development and housebuilding. They have expressed their intention to commence the development of the site immediately upon the adoption of the Local Plan, if not before subject to the grant of planning permission. They confirm that there are no legal or ownership constraints which would preclude the early delivery of development.

2.22 The Technical Report on Housing Issues prepared by Lichfields sets out our concerns in relation to the Council's housing requirement and housing supply. It concludes that the Council is not providing sufficient land to meet the housing needs of the City and further sites should be allocated for housing development as part of the YLP. The LPP is therefore not soundly based and it is requested that the calculation of York's Objective Assessment of Housing Needs [OAHN] is revisited, and that Southfields Road and Princess Road are allocated for residential development in order to help make up for the shortfall in housing land.

3.0 Modifications PM49, PM50, PM53, PM54 and PM55

Introduction

3.1 The above modifications relate to the modification to Policy SS1 which sets a need to deliver a minimum annual provision of 790 new dwellings over the plan period 2017 to 2032/33 and post plan period to 2037/38. The annual dwelling requirement has been reduced from the 867 dwellings per annum proposed in the Local Plan Publication Draft.

3.2 A SHLAA Housing Supply and Trajectory Update (April 2021)⁷ has been produced to accompany the modifications, based on the revised annual dwelling requirement put forward by the Council. The soundness of the proposed modification is entirely dependent on the strength of the Council's updated evidence, as discussed below. In a number of cases the evidence remains flawed and out-of-date.

Consideration of Modifications

3.3 Bellway objects to modifications PM49, PM50, PM53, PM54 and PM55 (and associated modifications) as it is considered that the Council's proposed objectively assessed housing need (OAHN) is not based on a robust assessment which is compliant with the Framework. On behalf of Bellway, and a wider consortium of housebuilders, Lichfields has undertaken a review of the work prepared by GL Hearn⁸ on behalf of the Council which concludes there is no need for the Council to move away from their current position of 790 dwelling per annum.

3.4 Lichfields' analysis can be found at Appendix 2. The main conclusions of the review are set out below:

3.5 The Council's approach to identifying an assessed need of 790 dpa in the HNU 2020 is flawed. There are a number of significant deficiencies in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have considered modelling the High International variant produced by ONS, which produces a level of net international migration more in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.
- 2 **Market Signals Adjustment:** GL Hearn's uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given

⁷ EX/CYC/56 Strategic Housing Land Availability Assessment Housing Supply and Trajectory Update April 2021

⁸ EX/CYC/43a Housing Needs Update September 2020

that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.

- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
 - 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be achievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift on the OAHN figure would be appropriate in this instance, resulting in a figure of **920 dpa**.
 - 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields' critique of the projections clearly indicates that they do not adequately reflect the Universities' student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
 - 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
 - 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council's housing completions figures and MHCLGs, if Lichfields' higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**
- 3.6 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.
- 3.7 This process is summarised in Table 3.1.

Table 3.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

- 3.8 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. This concludes that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings.
- 3.9 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgefield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken. Whilst we consider Sedgefield is the correct approach, application of the Liverpool approach makes no material difference and the supply remains well below 5-years, meaning there is a requirement to identify additional sites for development.
- 3.10 It is understood that there are a number of sites which are proposed to be allocated but have yet to have a planning application submitted. In order help ensure a 5YHLS, the Council must demonstrate that there is a realistic prospect that housing will be delivered on site within five years at a defensible annual yield.

Safeguarded Land

- 3.11 Modification PM49 proposed the following modification to Policy SS1:

*“Development during the plan period (2017 - 2032/33) will be consistent with the priorities below. **To ensure Green Belt permanence beyond the plan period, sufficient land is allocated for development to meet a further, minimum, period of 5 years to 2038**”.*

- 3.12 Representations promoting the Earswick site at previous stages of the Local Plan consultation have established a case as to why safeguarded land must be identified in York. Indeed, the Council considered the site to have potential as safeguarded land in earlier iterations of the Plan.
- 3.13 The Framework⁹ is clear that local authorities should consider Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period.
- 3.14 Paragraph 83 of the Framework advises that Green Belts:
“...should be capable of enduring beyond the plan period.”
- 3.15 In this case that would be beyond 2033.
- 3.16 Paragraph 85 goes on to consider various issues when defining Green Belt boundaries, including the allocation of safeguarded land. It states:
“where necessary, identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period” (Lichfields’ emphasis)
- 3.17 There is much debate over the period of time that is relevant for ‘beyond’ and ‘well beyond’ the plan period. However, given the national policy significance of Green Belts and the fact that a plan period is generally in the order of 15 years, it is entirely reasonable to conclude that the Framework is directing policy makers to ensure a Green Belt review is not required for the following Local Plan, meaning it could be in the order of 30 years before Green Belt is considered again.
- 3.18 Whilst we should not speculate on future delays in the plan making process, it is significant to this issue that York has never adopted a Local Plan, largely due to the political pressures of Green Belt. A repeat of this scenario could see another 50+ years passing before another Local Plan is adopted and the Green Belt is properly reviewed.
- 3.19 It is clear from the representations consistently made by ourselves and others to the emerging CoY Local Plan that the proposed allocations are not sufficient for the immediate plan period and certainly do not align with future plan requirements ‘beyond’ or ‘well beyond’ the plan period.
- 3.20 The Council has failed to consider the release of safeguarded land as part of the New Proposed Modifications consultation and in the additional Green Belt work undertaken in the 2021 GB Addendum. With regard to this matter the Addendum states¹⁰:
“As set out in section 10a, many of the strategic allocations have anticipated build out times beyond the plan period and there is headroom identified for both employment and housing development against the identified requirements. This in combination with the oversupply identified to meet a minimum of 5 years beyond the plan period ensures that development can continue within York without the need to alter Green Belt boundaries the end of the plan period and that it can endure for at least 5 years, in accordance with SP12.

⁹ The Framework §§83 and 85

¹⁰ Topic Paper TP1 Approach to defining York’s Green Belt Addendum January 2021 §§10.39 and 10.40

Additionally, the windfall assessment [SD049] identifies increasing trends over both the longer and shorter term for conversions and changes of use completions. In light of relaxed permitted development rights relating to office conversions being made permanent and evidence of substantial numbers of unimplemented consents from this source of housing supply, there is also qualified anticipation that the 169 dpa projected as part of the housing trajectory is conservative”.

- 3.21 There are several failings with this statement and its assumptions. The most significant is that whilst permitted development rights are indeed being made permanent, the permitted conversions typically do not deliver the range of homes needed in York. It also fails to consider that from August 2021, the permitted development right for office conversions reduces to a maximum existing floor space of 1,500 sqm, rather than the currently open ended floorspace. It is likely that this will reduce the number of PD conversions. Finally, the existence of ‘*substantial numbers of unimplemented consents from this source*’ is very different to having certainty on actual delivery of those homes.
- 3.22 The now superseded YLP-PD identified a reserve of safeguarded land to ensure that the Green Belt boundary was capable of enduring beyond the plan period. This approach is entirely consistent with national guidance. Bellway are therefore concerned that the Local Plan no longer designates safeguarded land, provides no justification for this approach, and relies on strategic sites and windfalls delivering beyond the plan period, without sufficient evidence to demonstrate such sites are deliverable.
- 3.23 The identification of safeguarded land is considered essential as the Local Plan will set detailed Green Belt boundaries for the first time and an appropriate and sound strategy is therefore required to enable flexibility beyond the plan period. Bellway consider that safeguarded land is required in the City to provide certainty that the Green Belt can endure beyond the plan period and avoid the need for future review. It would also provide flexibility and allow land to be brought forward quickly without a fundamental review of the whole Local Plan if there was slippage over the plan period and allocated sites were unable to deliver the quantum of development envisaged.
- 3.24 This is particularly important when considering the complex nature of some of the sites that are proposed for allocation in the Local Plan e.g. Land to the West of Elvington Lane (ST15), where deliverability is uncertain due to issues including land ownership, funding and viability.
- 3.25 The Council’s reliance on windfall sites to help meet need beyond the plan period is fundamentally flawed as there is no guarantee that windfall supply will remain at similar levels for such a substantial period of time into the future. For example, the availability of buildings for conversion, such as offices, is finite, and supplies may well have been largely exhausted beyond the plan period.
- 3.26 Bellway therefore considers that the establishment of suitable boundaries for safeguarded sites should have been assessed as part of the further work undertaken in the 2021 GB Addendum and safeguarded sites should have been identified. This is the only way to ensure strong and enduring Green Belt boundaries.

Tests of Soundness

- 3.27 Bellway considers that the above modifications fail to meet the following tests of soundness because:
- 1 There is a compelling case at York to identify and allocate safeguarded land within the Local Plan. Green belt boundaries need to be capable of enduring ‘beyond’ the plan period, and

the potential period between further Local Plan Reviews means that land should be removed from the Green Belt now to meet future needs.

- 2 **It is not Justified:** There is no clear evidence to demonstrate why safeguarded land has not been identified to meet need beyond the plan period.
- 3 The Council's submitted evidence does not robustly demonstrate sufficient housing delivery during the plan period and beyond and there are significant flaws in the Council's assumptions on future windfalls.
- 4 Without the inclusion of safeguarded land as a minimum in this Local Plan, it is clear that the plan is not sound and should not be adopted. However, it is considered that a modification to the plan requiring the inclusion of safeguarded land could make the plan sound without it having to be withdrawn.
- 5 PM49 – the change is well intended but the plan fails to deliver permanence to the Green Belt and deliver sufficient land for housing.
- 6 PM50 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 7 PM53 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 8 PM54 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 9 PM55 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.

Recommended Change

- 3.28 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council must:
- 1 Review the Green belt assessment to identify which parcels of land could be released from the Green Belt to act as allocations and Safeguarded Land.
 - 2 Make policy provision for Safeguarded Land and identify Safeguarded Land on the Local Plan Proposals Map.
- 3.29 Without this change the plan cannot be found sound and should not progress to adoption. Later parts of these representations demonstrate the suitability of the Earswick site either for allocation for housing or safeguarded land.
- 3.30 It is clear from analysis of the Council's evidence base that the approach to identifying an OAHN is not compliant with the Framework. The Council is not planning to deliver a sufficient supply of housing to meet the district's OAHN as identified by Lichfields. Furthermore, there are doubts that the housing trajectory is based on robust delivery assumptions and therefore the Council's ability to deliver a five year housing land supply or meet the housing requirement across the plan period.
- 3.31 The Council should therefore revisit its housing requirement and also seek to identify additional land to meet the housing needs of the district. In order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change. This will ensure compliance with the Framework by significantly boosting the supply of housing.
- 3.32 Overall, it is noted that the OAN presented in the Lichfields report is very similar to the government's Standard Method figure for York. Whilst the Local Plan is continuing under the transitional arrangements of the Framework, allowing it to be tested against the 2012

Framework, a robust case has been made to increase the OAN to this order. It is similarly noted that the Inspectors have repeatedly raised concerns about the age of key pieces of evidence should be Local Plan be adopted in its current form, presenting a risk that the Plan is 'out-of-date' at the point of adoption. Such a scenario would be of no benefit to anybody involved in the process.

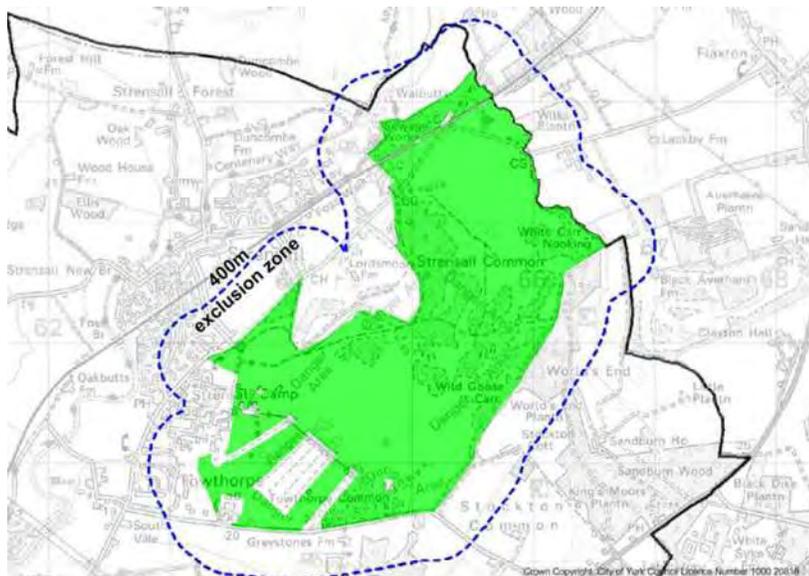
- 3.33 On the basis that a robust argument is made for an increase in OAN and there is a risk of the Local Plan being out-of-date, it is considered that the increased OAN would deliver a plan which is more likely to endure over its full intended plan period. Without this, the Council is effectively 'baking in' a future significant shortage of housing supply and an inevitable need to review Green Belt boundaries when it has to prepare a Local Plan which responds to the government's standard method for OAN.

4.0 **Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC) and PM 71 - New Policy GI2a Justification**

Introduction

- 4.1 Following a challenge from Natural England and at the request of the Inspectors, the latest Habitat Regulations Assessment [HRA] (October 2020) comprises changes to fully assess possible impacts from recreational pressure at the Strensall Common Special Area of Conservation [SAC] and to confirm compliance with case law. Based on the findings of the HRA the Proposed Modifications seek to introduce a new policy to the Local Plan.
- 4.2 New Policy G12a proposes an ‘exclusion zone’ set at a 400m linear distance from the SAC boundary. Part (a) of the policy states that permission will not be granted for development that results in a net increase in residential units within this zone.
- 4.3 Part (b) of the policy identifies a ‘zone of influence’ between 400m and 5.5km linear distance from the SAC boundary. Part (b)(i) requires that where new residential development is proposed within the zone of influence on allocated housing sites, provision of open space must include or secure access to areas of suitable natural greenspace secured by way of mitigation prior to any occupation of new dwellings and secured in perpetuity. Part (b)(ii) states that proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6.
- 4.4 The proposed Exclusion Zone is shown in Figure 4.1.

Figure 4.1 Strensall Common - Proposed Exclusion Zone



Source: City of York Local Plan Composite Modifications Schedule (April 2021)

Consideration of Modification

- 4.5 Bellway considers that the diagram identifying the proposed Exclusion Zone is not sufficiently detailed and of an appropriate scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone and whether the 400m boundary line identified is accurate.
- 4.6 For example, it would appear that the outer boundary of the Exclusion Zone does not include the east of Strensall Road site, although the boundary is rather ambiguous. It is therefore essential that a plan of a sufficient scale is provided so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 4.7 Bellway is also concerned that there is no clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone. The identification of this distance appears to be reliant on other examples in the country and there is no clear explanation as to why it is appropriate in this instance. It is not clear why a shorter distance could not be applied, so that only development which would be in the closest proximity to the Common (and therefore more likely to access it) would be affected.
- 4.8 Bellway also considers that the wording of Part (a) of Policy G12a has not been positively prepared. The need to protect the important wildlife site of Strensall Common SAC is recognised. However, it is considered that the policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage and appropriate mitigation identified. This may include contributions to habitat management; access management and visitor infrastructure; publicity, education and awareness raising; provision of Suitable Alternative Natural Green Space (SANGS) within development sites where they can be accommodated and where they cannot by contributions to off-site alternative green space. This approach would reflect that taken in other authority areas such as Cannock Chase where the Cannock Chase SAC is protected by a similar policy¹¹.
- 4.9 The wording of Part(b)(ii) of the Policy is not considered to be positively prepared or effective, in particular the text which states that “*proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects*” (our emphasis). Bellway does not consider that it would be practical for applicants to consider other plans and projects as this could potentially include a very large number of schemes and there would be no way of applicants to accurately assess or confirm the impacts of these schemes and any proposed mitigation. The policy should be reworded to make clear that the effects of the application site alone would need to be considered.

Tests of Soundness

- 4.10 The above modifications fail to meet the following tests of soundness because:
- 1 **It is not Positively Prepared:** The policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage.
 - 2 **It is not Justified:** No clear justification has been provided for the 400m distance identified for the outer boundary of the Exclusion Zone.

¹¹ Cannock Chase Local Plan (Part 1) 2014 Policy CP13 - Cannock Chase Special Area of Conservation (SAC)

- 3 **It is not Effective:** The diagram identifying the proposed Exclusion Zone is not sufficiently detailed in scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone.

Recommended Change

4.11 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council should:

- 1 Provide a plan of a sufficient scale so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 2 Provide clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone.
- 3 The wording of Part (a) of the policy should be deleted and replaced with the following:

“All proposals for net new residential development within the Exclusion Zone will be required to undertake an Appropriate Assessment to demonstrate (a) that they will not have an adverse effect on the SAC and/or (b) the acceptability of any avoidance and mitigation measures provided. The Council will need to be satisfied that any such development will not lead to further recreational use of the SAC or have any other significant effect on its integrity”.

- 4 The wording of Part(b)(ii) of the Policy should be amended as follows:

“Proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, ~~either alone or in combination with other plans or projects~~. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6”.

5.0 **Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021**

Introduction

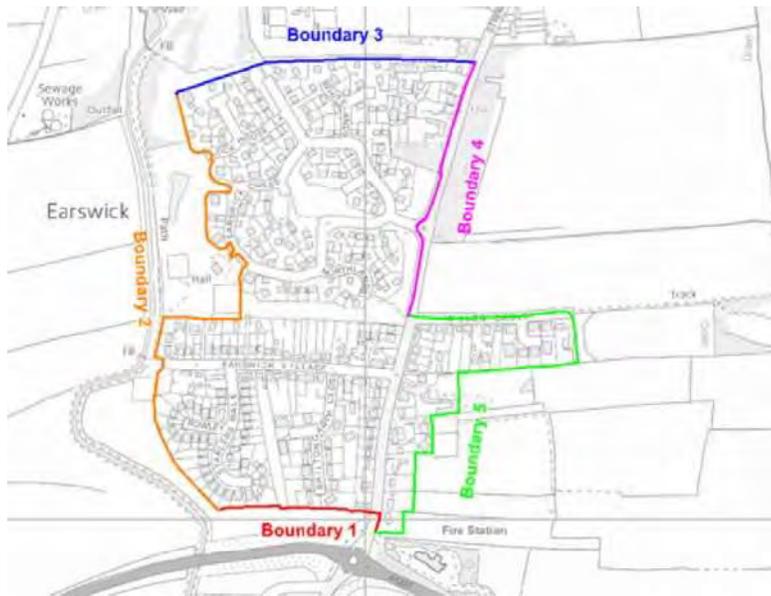
5.1 The Council has published ‘Topic Paper 1: Approach to defining York’s Green Belt Addendum (2021)’ [‘the 2021 GB Addendum’] to support its position on Green Belt boundaries, including those around existing settlements such as Earswick. The 2021 GB Addendum seeks to clarify the methodology and revises the text to represent the methodology developed and applied for setting York’s Green Belt Boundaries. There are no proposed changes to the Green Belt boundary around Earswick as a result of the addendum. It aims to address concerns raised by the Inspectors following the Phase 1 Local Plan Examination Hearings. In addressing these concerns, the document states that it¹²:

- *“Simplifies and clarifies the methodology relied upon to delineate the proposed Green Belt boundaries*
- *Sets the methodology out in four linked sections (5-8)*
- *Ensures that the criteria used for boundary definition have more clearly expressed connections to Green Belt purposes*
- *Removes elements that have caused confusion*
- *Applies the methodology as now clarified with more detail to show how boundaries were justified*
- *Revises the text to explain why, notwithstanding the methodological concerns raised by the Inspectors, the proposed boundaries (with minor proposed amendment) remain sound under the application of the clarified methodology”.*

5.2 The Green Belt boundary proposed in Annex 4 of the 2021 GB Addendum identifies the land east of Strensall Road, Earswick as lying within the Green Belt. The proposed boundary between the Green Belt and the settlement sits along the western boundary of the site (Green Belt boundary 4) and southern boundary of the site (Green Belt boundary 5) (see Figure 5.1 Proposed Green Belt Boundary - Earswick).

¹² Topic Paper TP1 Approach to defining York’s Green Belt Addendum January 2021 §1.4

Figure 5.1 Proposed Green Belt Boundary - Earswick



Source: Topic Paper 1: Approach to defining York's Green Belt Addendum 2021: Annex 4

Consideration of Modification

- 5.3 Having reviewed the Topic Paper Addendum, Bellway maintain a concern with the adopted methodology which does not satisfactorily address the issues raised by the Inspectors in their letter of June 2020. The approach taken to identifying boundaries is flawed as there is a lack of transparency and justification as to how the findings within the document have resulted in the Green Belt boundaries identified.

Methodology

- 5.4 The 2021 GB Addendum seeks to clarify how the methodology has been revised. It states that in order to address the concerns raised by the Inspectors it:

- “(a) proceeds on the basis that, as the Inspectors have found, the approach to defining detailed Green Belt boundaries is broadly in general conformity with the RSS;*
- (b) revises the methodology used to assess how boundary delineation performs against Green Belt purposes by removing those aspects which rely on “shapers” in the Local Plan, in favour of considerations which are explicitly linked to each of those purposes;*
- (c) when considering purpose 4, provides further explanation of how the Heritage Topic Paper [SD103] was taken into account to identify all areas that are considered to be important to the historic character and setting of York;*
- (e) revises the assessment at both a strategic and detailed local level accordingly, whilst continuing to place particular emphasis on purpose 4, as accepted by the Inspectors;*
- (f) confirms how the revised approach followed by the Council accords with both saved policy in the RSS as well as policy in the NPPF relating to the definition of Green Belt boundaries”.*

5.5 With regard to the five Green Belt purposes, the 2021 GB Addendum notes that the Council has simplified and clarified its approach. For **Purpose 2** (to prevent neighbouring towns merging into one another), it notes¹³ that:

“York does not have any other major towns close to the general extent of the Green Belt, so the potential issue of towns merging does not arise ... However, as the Inspectors accepted, the coalescence of smaller settlements and villages may be relevant under Purpose 4, where this issue is considered”.

5.6 With regard to **Purpose 5** (to assist in urban regeneration by encouraging the recycling of derelict and other urban land) it states:

“It is not considered that this purpose of itself assists materially in determining where any individual and detailed part of the boundary should be set”.

5.7 On this basis, the 2021 GB Addendum states that purposes 1, 3 and 4 apply as follows¹⁴:

“The Council has considered all of the Green Belt purposes, and determined that purposes 4, 1 and 3 are appropriate in examining the general extent of the Green Belt and justifying the proposed York Green Belt detailed boundaries, but in accordance with RSS policy (and as accepted by the Inspectors) placed primary emphasis on the fourth NPPF Green Belt purpose (“to preserve the setting and special character of historic towns”), which is recognised as being appropriate in the context of York”.

5.8 It notes¹⁵ that all York Green Belt boundaries have been assessed as to their potential impact on the aspects of the Heritage Topic Paper which relate to openness.

5.9 In terms of defining detailed boundaries, the methodology now includes 5 criteria which link back to the three relevant Green Belt purposes and strategic principles. These criteria and their relevant purposes are:

- 1 Does land need to be kept permanently open in order to aid the perception or understanding of a compact city (Purpose 4)?
- 2 Does the land need to be kept permanently open to contribute to the understanding and significance of a building, landmark or monument (Purpose 4)?
- 3 Does the land need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York (Purpose 4)?
- 4 Does the land function to contain the urban area and protect open land from urban sprawl? (Purpose 1)
- 5 Does the land have the characteristics of countryside and/or connect to land with the characteristics of countryside which needs to be protected from encroachment? (Purpose 3)

5.10 A set of more detailed assessment questions is provided in the 2021 GB Addendum to enable the assessment of boundaries against these criteria.

5.11 Consideration of Earswick and its boundaries against these criteria is set out in Annex 4 of the 2021 GB Addendum. Five individual boundaries are identified around Earswick. The eastern boundaries, which the east of Strensall Road site sits adjacent to, are identified as ‘Boundary 4 and 5’.

¹³ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.7

¹⁴ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.10

¹⁵ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.25

- 5.12 We review the assessment of Earswick and its boundaries against these criteria and the associated detailed assessment questions below.
- 5.13 For the reasons set out below, it is considered that the methodology applied by the Council remains flawed and fails to justify the defined boundaries. We use the Earswick boundary to demonstrate the failings of the Addendum.

Compactness (Criterion 1)

Detailed Assessment Questions

1.1 Does the land need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape?

1.2 Does the land need to be kept permanently open to maintain the scale or identity of a compact district or village?

1.3 Does the land need to be kept permanently open to constrain development from coalescing or by maintaining a connection to open or historic setting?

- 5.14 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.15 It suggests that land around Earswick needs to be kept permanently open to maintain the scale and identity of a compact village and to maintain a connection to the open and historic setting. It notes that allowing the village to grow significantly would take it out of proportion with the settlement pattern of York.
- 5.16 The supporting text recognises the historic growth of the village to the west, with further western expansion likely to cause issues of coalescence with Haxby. The addendum understandably focuses on the boundaries which might cause issues of coalescence but fails to recognise the existence of well defined field boundaries to the east which could contain future development, and the ‘finger’ of development which already extends eastward along Willow Grove and forms the southern boundary of the proposed site.
- 5.17 The village is capable of expansion to the west without any significant impact on the overall compactness of the settlement and does not need to be kept permanently open in order to aid the perception or understanding of a compact city. In fact, the development of the site affords an opportunity to enhance the substantial visual screen at the northern and eastern boundary. It does not therefore need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape.
- 5.18 In this respect the conclusions of this paper seem to contradict the conclusions previously reached by the Council when it identified the site as safeguarded land.
- 5.19 The land does not therefore need to be kept permanently open in order to aid the perception or understanding of a compact city and the east of Strensall Road site is suitable for removal from the Green Belt on this basis.

Landmark Monuments (Criterion 2)

Detailed Assessment Questions

2.1 Does land need to be kept permanently open to understand the original siting or context of a building, landmark or monument.

2.2 Does land need to be kept permanently open to understand the visual dominance, prominence or role of a focal point of the building, landmark or monument?

2.3 Does the land need to be kept permanently open as part of the tranquillity, remoteness or wildness of the asset?

5.20 The 2021 GB Addendum answers ‘No’ to questions 2.1, 2.2 and 2.3.

5.21 The 2021 GB Addendum concludes that the land around Earswick does not need to be kept permanently open for these purposes.

Landscape and Setting (Criterion 3)

Detailed Assessment Questions

3.1 Does the land need to remain permanently open to aid the understanding of the historical relationship of the city to its hinterland, particularly as perceived from open approaches?

3.2 Does the land need to remain permanently open to aid the understanding or significance for the situation of a designated landscape, park or garden?

5.22 The 2021 GB Addendum answers ‘Yes’ to question 3.1 and ‘No’ to question 3.2.

5.23 The assessment against Criterion 3 does not make specific reference to any individual boundary. It simply notes:

“The land needs to be kept permanently open to protect the setting and special character of the wider city landscape and character of York, which includes a clockface of smaller, compact villages, particularly as perceived from open approaches.”

5.24 The commentary used by the Council on this criterion bears little relevance to the purposes of Green Belt set out at paragraph 80 of the Framework, or the considerations for defining boundaries at paragraph 85. Having regard to the characteristic of the existing form of the village (discussed above, particularly with the development of Willow Grove), a well considered development to the east of the village does not need to change any of the above characteristics.

5.25 The east of Strensall Road site does not therefore need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York.

Urban Sprawl (Criterion 4)

Detailed Assessment Questions

4.1 Is land connected to or within proximity to the urban area and therefore relevant for sprawl?

4.2 Does the land have an increased risk of sprawl occurring through the presence of low-density, agricultural or recreational structures such as farms, isolated buildings or small clusters with a strong sense of openness, or the possibility of creating ribbon development?

4.3 Is the land unconstrained by built development or strong boundaries on more than one side, and therefore not contained or enclosed in a way which would prevent sprawl?

- 5.26 The 2021 GB Addendum answers ‘Yes’ to question 4.1, ‘Yes, 3 only’ to question 4.2 and ‘Yes, 3, 4 and 5’ to question 4.3.
- 5.27 It states:
- “Land adjacent to all boundaries is connected to the built up area of the village and unconstrained by built development on more than one side”*
- 5.28 The development of land on the edge of any settlement has the potential to result in sprawl and the usual barometer to assess sprawl is to consider how well contained the parcel is by the urban area and how strong the boundary is to restrict it from sprawl. We consider, as demonstrated by the Vision Document submitted to earlier rounds of consultation on the Local Plan (attached here at Appendix 1), that the eastern side of the settlement is capable of expansion without any significant impact on sprawl given its level of containment.
- 5.29 It is clear from the nature of commentary that the Council’s failure to identify individual land parcels and consider their individual contribution towards Green Belt purposes, as is normally the case for authorities changing or establishing Green Belt boundaries, has resulted in an assessment which lacks clarity and transparency.
- 5.30 The east of Strensall Road site is able to contain the urban area and protect the open land beyond from urban sprawl and is therefore suitable for removal from the Green Belt and inclusion within the settlement boundary of Earswick.

Encroachment (Criterion 5)

Detailed Assessment Questions

5.1 Is the land characterised by an absence of built development or urbanising influences?

5.2 Does the land function as part of the countryside in terms of relationships within it or acceptable uses within it; including those for agriculture, forestry, woodland, equestrian and other uses, small villages, rural business parks or other building clusters?

5.3 Does the land contribute to the character of the countryside through openness, views or accessibility

- 5.31 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.32 The fact that land east of Strensall Road is greenfield, lies on the edge of an existing settlement and is thus open and having the appearance of countryside inevitably means that its development might be said to have an adverse effect in terms of encroachment on the open countryside. The same is equally true of any site located on the edge of any urban area.
- 5.33 When making an assessment of encroachment the normal approach is to consider the presence of a strong physical boundary and the extent of development which does not fall within an appropriate countryside use. With regard to this matter the east of Strensall Road site is contained by development to the west and much of the south, with strong and defensible boundaries to the east and north which can be appropriately landscaped as part of a well designed development. Indeed, development of the site would represent a ‘rounding’ rounding of the village and consequently would not be seen as ‘encroachment’ into the countryside.

Boundary Permanence

- 5.34 The remaining text considers the permanence of the tightly drawn boundary. To some extent, following a tight line around the existing built form of the village, it is inevitable that the boundary is clearly defined. It offers no opportunity for future sustainable growth of the village. However, it does not follow that other boundaries are not equally, and potential better, defined as part of a well planned development.
- 5.35 Further, it is clear that the Council continues to use measures such as relative sustainability (the number of services available within 800m), location of open space and flood risk amongst other things to justify the boundaries. These are the matters on which the Council received clear instruction from the Inspectors to change, yet they remain within the Green Belt evidence. These considerations have no relevance to how the land performs against Green Belt purposes.

Consistency with the Local Plan Strategy

- 5.36 Overall we remain concerned that the assessment is continues to rely on the ‘shapers’ in the Local Plan which the Inspectors previously criticised the Council for using.
- 5.37 A more robust and transparent approach would be to identify individual land parcels, as is common across other Local Plans, and identify their individual contribution to Green Belt purposes. Only then, once individual contributions are clearly understood, should any kind of policy analysis factor in the consideration of which sites should and should not be released from the Green Belt. It is clear that the CoY has continued to confuse these two stages resulting in a flawed evidence base prepared to retro fit the draft Local Plan.
- 5.38 It appears that in reviewing the evidence, the Council has set out to prepare evidence which supports its policy of no Green Belt release, without undertaking a robust assessment of the contribution different sites make to the Green Belt. This is particularly concerning in light of our related representations on proposed modifications to Policy SS1.

Appendix 1 East of Strensall Road, Earswick: Vision Document

The Bellway logo features the word "Bellway" in a bold, black, sans-serif font. A thin, curved orange line arches over the top of the letters "l" and "l", extending from the top of the first "l" to the top of the second "l".

Bellway

*Building Homes,
Building Value*

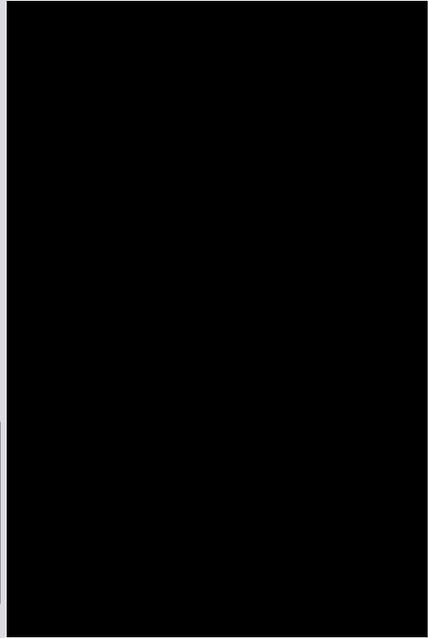
A photograph of a row of modern, two-story brick houses. The houses have red brick facades, dark grey window frames, and gabled roofs with dark grey gutters. Each house has a small front garden with a black metal fence and a brick pillar topped with a white light fixture. The houses are set against a blue sky with light clouds.

Land east of Strensall Road, Earswick, York

Vision Document

This document has been prepared by:

LICHFIELDS



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1.0 Introduction

Bellway Homes PLC is a major UK residential property developer with its head office based in Newcastle upon Tyne. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. In just over 70 years, Bellway Homes has grown from a small, family-owned firm to one of the most successful house builders in the UK. Today we directly employ more than 2,000 people and have earned an enviable reputation, built on the pillars of quality, service and trust. As the 4th largest housebuilder the Company has built its successful track record and reputation on the principle of providing the homes people aspire to by developing local designs with the help of local people.

This Vision Document has been prepared by Lichfields on behalf of Bellway Homes. It aims to assist York City Council in the preparation of its Local Plan by articulating and illustrating the opportunity provided by land east of Strensall Road, Earswick and in particular the benefits of bringing forward a comprehensive residential development of approximately 350 homes.

The vision is to create a high quality, green neighbourhood which will create a sustainable community and help to meet the housing objectives of the Local Plan. The development will afford residents the opportunity to benefit from new sustainable family homes in a vibrant and inclusive neighbourhood. The development will deliver approximately 350 new homes.



Site context plan

2.0 Site and Surroundings

Earswick is a village which lies between Huntington and Strensall, and is approximately 4 miles north of York. On the York to Strensall road, Earswick is one mile south of Strensall. The site is on the Eastern side of the village, on the northern edge of the A1237 ring road offering easy access to and from York City Centre.

The site is approximately 19ha in size and regular in shape, consisting of a generally square area of land in the western section of the site. It consists of agricultural land. Strensall Road bounds the site to the west and there are a number of houses to the north. The southern and eastern boundaries are marked by hedges and trees with the Willow Grove residential estate adjoining the site at the south-western corner. There is a strip of semi-mature woodland at the western edge of the site which would be retained.

There is already residential development on the eastern side of Strensall Road. Earswick itself is largely defined by a modern suburban development character.

The site is well served by facilities available in Earswick and Huntington, including, inter alia:

- Earswick Village Hall;
- The Minster Veterinary Practice;
- Huntington Post Office;
- Huntington Pharmacy.

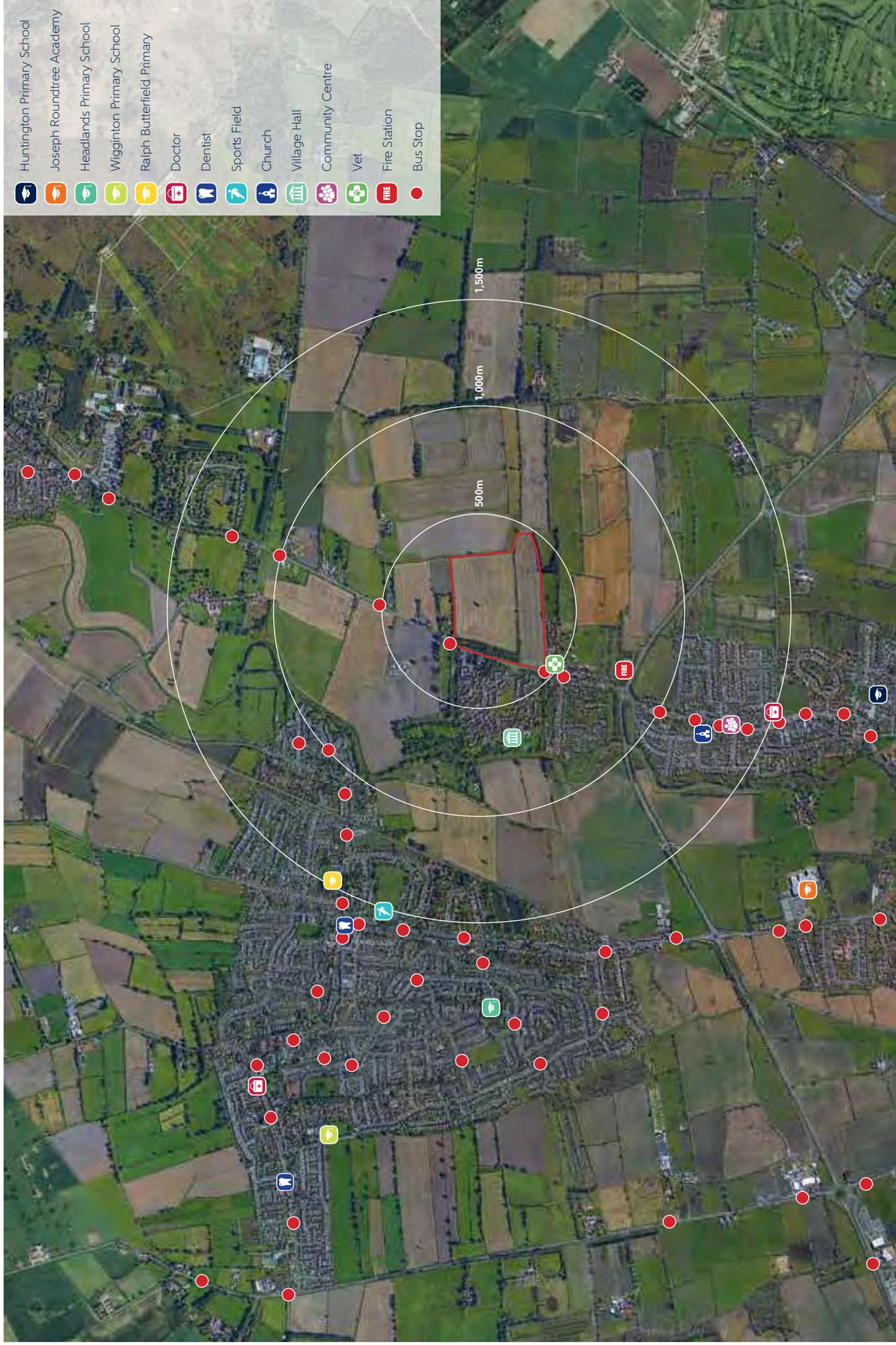
There are a number of primary schools in proximity to the site which are currently under capacity;

- Burton Green Primary School;
- Headlands Primary School;
- Huntington Primary Academy;
- Ralph Butterfield Primary School;
- Skelton Primary School; and
- Wiggington Primary School.

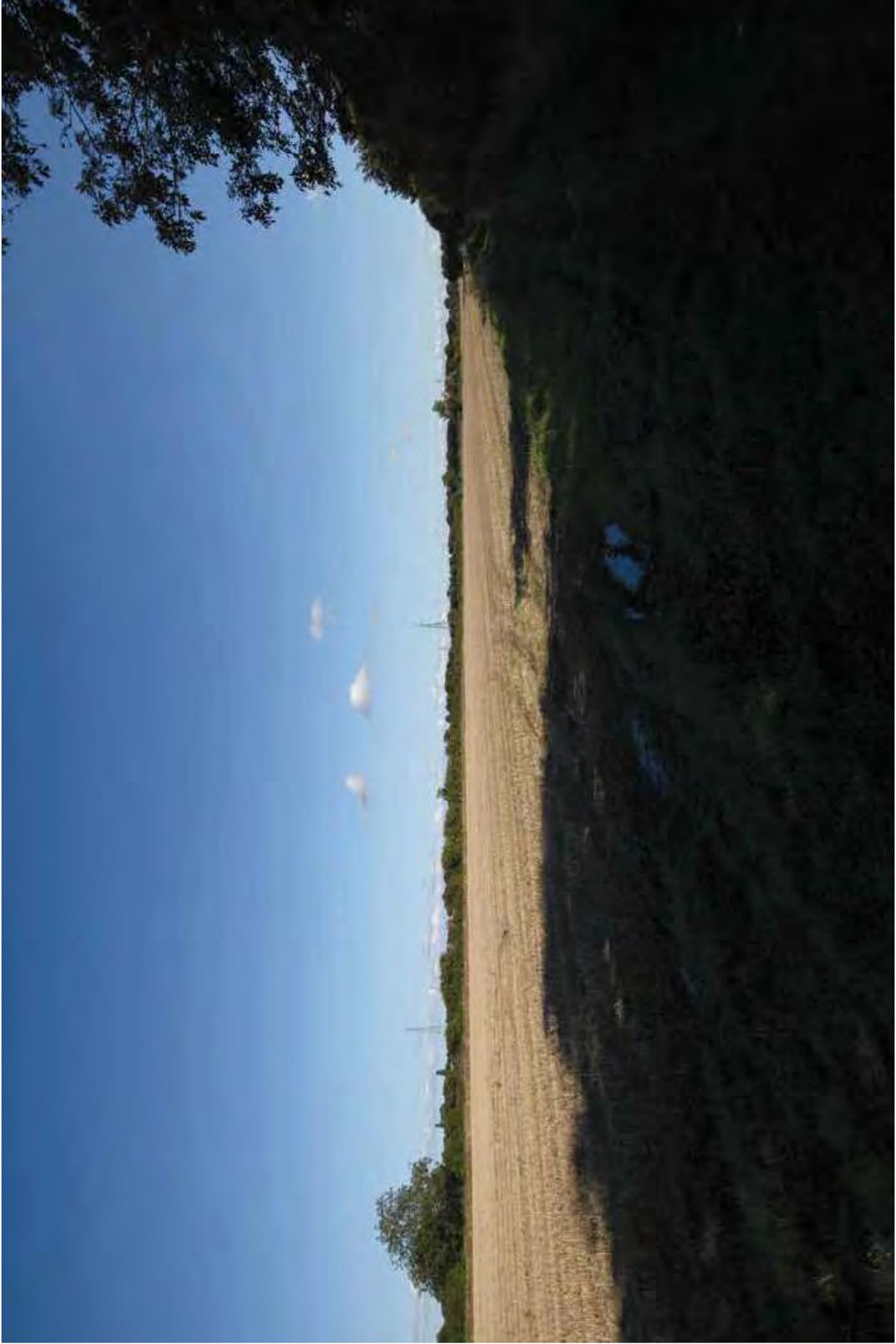
Secondary education facilities are available at Huntington Secondary School, which is also under capacity.

Further facilities include a number of supermarkets and a hospital available in York, 5km to the south. There are a number of bus stops located along Strensall Road offering regular public transport services to Strensall, Acomb and York.

SITE AND SURROUNDINGS



Local services plan



The site



Earswick



Community open space, Earswick



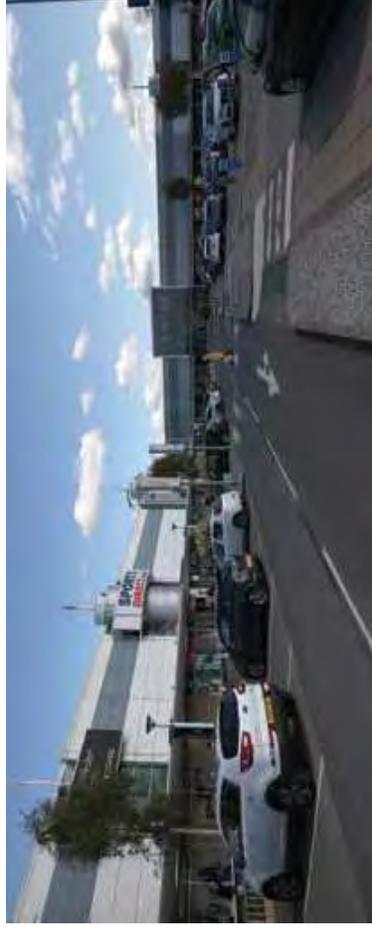
Buses on Strensall Road



Huntington Primary Academy



The Blacksmiths Arms pub in Earswick



Monks Cross Shopping Park

3.0 Policy Context

National Planning Policy

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking”

Paragraph 14, NPPF

At the heart of the NPPF is a presumption in favour of sustainable development. The planning system should contribute to building a strong economy, boost the supply of housing to meet present and future needs, whilst also protecting and enhancing the natural, built and historic environment.

“Local Plans should be aspirational but realistic...crucially, Local Plans should plan positively for the development and infrastructure required in the area.”

Paragraph 154 and 157, NPPF

Guidance in the NPPF emphasises the importance of:

- Significantly increasing the supply of housing;
- Using an evidence base to ensure that Local Plans identify key sites critical to the delivery of the housing strategy
- Delivering a wide choice of high quality homes that people want and need;
- Widening opportunities for home ownership; and
- Creating sustainable communities.

Local Planning Policy

The City of York Local Plan Pre-Publication Draft sets out the vision and spatial strategy that will guide development of York over the plan period which runs from 2017 to 2032/33.

National Planning Policy requires Councils to prepare long term planning policies for their area and through regulations, sets out prescribed processes for doing this.

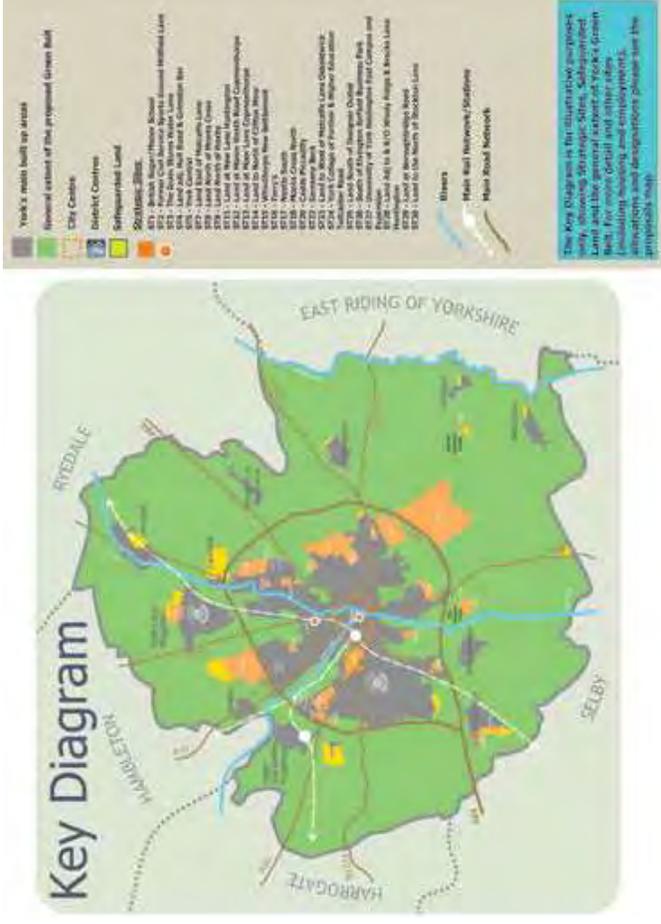
“...identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period...”

Paragraph 85, NPPF

Work on the City of York Local Plan is currently at Regulation 18 stage - the first stage. To date, as part of this stage the Council has already consulted on Preferred Options in 2013 plus additional consultations as part of the further sites consultation in 2014 and preferred sites consultation in 2016.

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including our Client’s site at east of Strensall Road, Earswick. The Officer Report from the Site Selection Paper Addendum (September 2014) considers that the site is still viable and should still be safeguarded. Furthermore the site was considered to be suitable, deliverable and viable in the 2017 Consultation Statement.

Proposals Map Plan: City of York Local Plan Publication Draft 2014



It was demonstrably clear that the Council considered this land as Safeguarded Land for development at the time of a subsequent Plan review. Its purpose is to help ensure that the Green Belt as defined in the Local Plan endures beyond the Plan period. The land forms part of a much larger site (LPA Ref SF14 – land at Earswick), which was previously designated as Safeguarded Land in the City of York Local Plan Publication Draft 2014.

Bellway Homes considers that the land to the East of Strensall Road, Earswick represents one of the most appropriate site options when considered against reasonable alternatives i.e. a number of the Council's preferred housing allocations in and around the northern outskirts of York. However, it is also considered that in order to ensure that the Local Plan is positively prepared, justified, effective and consistent with national planning policy, the document should identify further housing sites to meet its full OAN and allocate Safeguarded Land to ensure that the Green Belt boundary has permanence beyond the plan period.

The Council should therefore reintroduce 'Policy SS3: The Creation of an Enduring Green Belt', as per the City of York Local Plan Publication Draft 2014.

Wider Earswick Site:
City of York Local Plan Further Sites Consultation, June 2014



City of York Local Plan (2014) Appendix 6 Safeguarded Land Assessment (Site Ref: 810)

4.0 Housing Requirement

City of York Local Plan – Pre-Publication Draft

Policy SS1 (Delivering Sustainable Growth for York) sets out that the Council will deliver a minimum annual provision of 867 new dwellings over the plan period to 2032/33.

The spatial strategy sets out the general spatial principles that will underpin the distribution of future development in York. It considers a range of issues which will influence the spatial strategy and includes a section on York City Centre, York Central, Castle Gateway and the strategic sites (those that are 5ha or more).

The latest population projections (2014 SNPP) project a growth of 7.6% over the 25 year period to 2039, with a population of 34,000 more people anticipated in 2039. This is higher than the growth of 29,000 projected under the 2012 SNPP. This is an annual growth of 1,360 people compared to 1,160 people.

The higher growth is driven by greater levels of net in-migration – particularly levels of international net migration during the first 5 years of the projected period.

The 'York Strategic Housing Market Assessment Update (SHMA 2017) is clear that development should provide both market and affordable housing. In response to both market signals and affordable housing need they advocate a 10% uplift to the OAN. In line with the PPG this was set against the official starting point of 867 dpa. The resultant housing need would therefore be 953 dpa for the 2012-32 period.

This increase in the OAN, whilst still below the figure derived from the new methodology which the Government are currently consulting upon within 'Planning for the Right Homes in the Right Places', indicates that the Council is aware that current population and market trends demonstrate that not enough houses are being built within York. The subsequent designation of the site east of Strensall Road would help alleviate these pressures.

The SHMA has examined housing completions data for York dating back to 2004/05 and set these against the annual housing target from 2004/05 to 2015/16. With the exception of last year, housing delivery in York has failed to meet its target each year since 2007. The overall target for these years was missed by 20%, which equals 2,051 units below the target level.

Green Belt Release

Paragraphs 83 to 85 of the NPPF sets out the national policy position on determining the boundaries of the Green Belt and the role of safeguarded land as a tool to help ensure that Green Belt boundaries endure beyond the Plan period.

Paragraph 83 confirms authorities should consider the Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period. In helping to achieve this degree of permanence paragraph 85 provides further policy on determining boundaries including: where necessary, identify in their plans areas of 'safeguarded land' between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period.

The preferred options draft Local Plan and the subsequent publication draft (September 2014) sought to apply the national and saved regional policies in setting out the extent of the Green Belt and identified a reserve of safeguarded land (including this site) to ensure that the Green Belt boundary is capable of enduring beyond the Plan period. To do this the Plan included policy to identify safeguarded land and protect it from development until such time as a plan review identified the need for the land to be allocated for development.

It is very clear the Green Belt must endure beyond the Plan period and that land not needed for development during the Plan period should be protected as safeguarded land. If no safeguarded land is identified in the emerging Local Plan this would be a significant failure to identify how the longer term needs of the areas could be met, particularly without encroaching into the Green Belt and eroding its boundaries.

The delivery of land East of Strensall Road, Earswick is essential to provide the new homes needed in the City of York. The Council must consider its release from the Green Belt and allocation or safeguarding for longer-term development needs.



5.0 What types of new houses are needed in York?

Strategic Housing Market Assessment Update 2017

The York Strategic Housing Market Assessment Update 2017 (SHMA, 2017) makes clear that future housing development should focus on delivering both market and affordable housing to the area.

The Pre Publication Draft Local Plan 2017

The current draft local plans sets out through its proposed housing policies an aim to achieve a balance across the housing market to reflect the diverse mix of need across the city.

It is the council's aspiration to ensure a mix of types of housing across a development - catering for small families, newly forming households and people looking to downsize as well as specialist housing provision for vulnerable people.

Stock Analysis

The 2016 SHMA indicates that the housing stock within York is very similar to national averages with no comparative concentrations or shortages in any of the specific housing categories.

Our client's site in Earswick offers a viable opportunity to maintain this property balance by providing a mix of properties and allow for considered distribution in line with market demands on site.

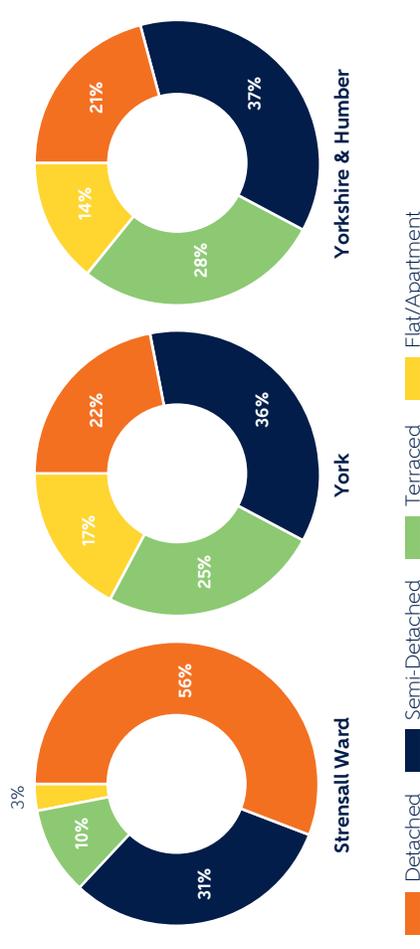


Figure 5.1: Existing Housing Types in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

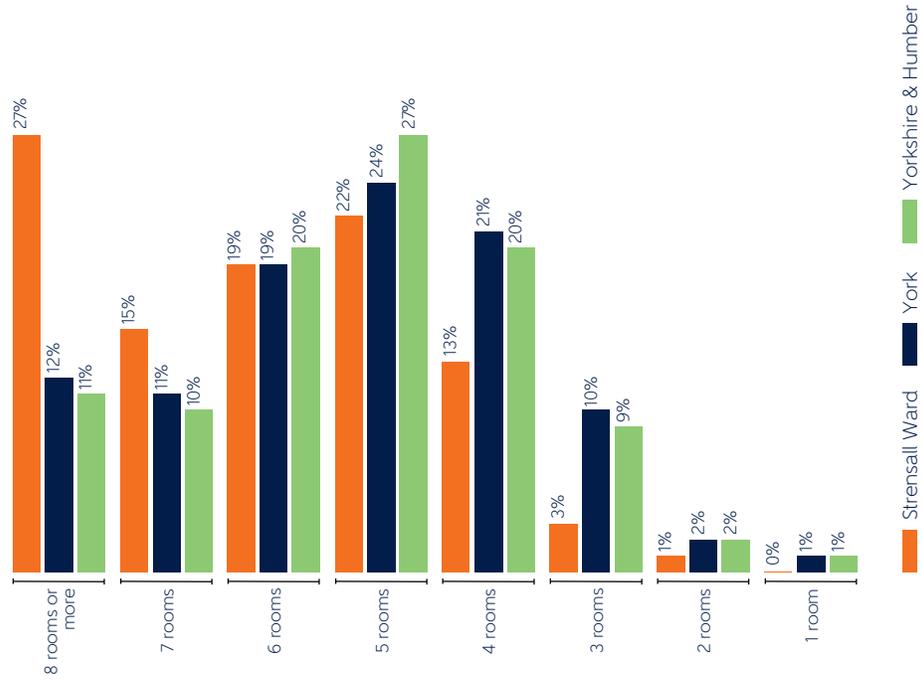


Figure 52: Number of rooms per dwelling in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

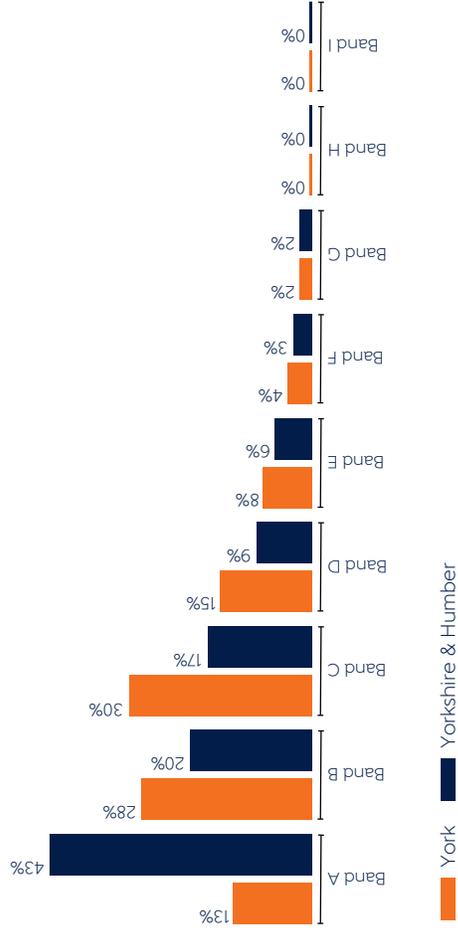


Figure 53: Dwelling Stock by Council Tax Band
Source: VOA (2017), Council Tax: stock of properties

Conclusion

The Draft Plan and supporting SHMA identify an increased housing need across the Local Authority. There is demand for market and affordable housing throughout York, providing a balanced housing market.

6.0 Environmental and Technical Appraisal

Constraints

The site and its surroundings have been considered in relation to potential developmental constraints which will inform the future development of the site.

The map opposite illustrates constraints, none of which represent a significant limit to the capacity of the site.

The site is not subject to any ecological, landscape, archaeological or geotechnical designations.

Green Belt

As documented earlier the site is currently designated Green Belt. The justification for Green Belt removal is considered due to the insufficient supply of non-Green Belt sites representing 'exceptional circumstances' that justify the release of the land in accordance with paragraph 82 of the NPPF.

Opportunity

The proposal provides an opportunity to comprehensively plan the delivery of this site, presenting an opportunity to create a high quality residential neighbourhood which responds to and accommodates the potential constraints. It will also result in numerous social, economic and environmental benefits which are discussed in greater detail at Section 9 of this document.

Landscape

The vegetated nature of the boundaries to the site is such that views are limited for the most part. This means the site would not have an overbearing impact on neighbouring and adjacent properties, and would integrate with and form a logical extension to Earswick.



Existing median and drop kerb potential access into site. Bus stops seen in background.



Flat topography. Large mature Oak notable feature in views. Electricity pylons seen in the distance.



Strenall Road roundabout with Earswick Chase. Potential new access into site, subject to achieving necessary sight lines.



Mature tree line defines southern boundary of the site. Boundary vegetation limits visibility into site, especially in summer



Recreation facilities including Village Hall, playground, tennis courts and football pitches adjoining River Foss. Consider link from site to these facilities.

Key

	Site boundary
	Potential future access
	Bus stops
	Listed building
	Public rights of way
	River Foss
	Green link to River Foss
	Large mature trees
	Hedgerow
	Distinctive views (neighbourhood plain)
	Photo viewpoints

Transport

A site accessibility assessment has already been undertaken by systra. Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents. A full Transport Assessment would be undertaken to understand any potential issues that may arise from the increased traffic on the road network.

Highways Improvements

There are two proposed potential accesses to the site:

1. an additional arm from the Strensall Road / Earswick Chase roundabouts
2. ghost island turn on Strensall Road.

The site access would need to be located on Strensall Road. Strensall Road has a 30mph speed limit until 50m north of the development site, where it becomes national speed limit. The City of York Council Highway Design Guide states that 'Major access roads serve between 100 and 400 dwellings' and that 'Major access roads should preferably have two points of access.' Whilst the guidance states that two accesses are 'preferable', it is proposed that one is provided initially, supported by an emergency secondary access. The highways assessment undertaken on behalf of Bellway Homes has identified a formal second access should this be desirable from a masterplanning perspective or if the local highway authority insists that two public vehicular accesses are provided.

Main Access - Strensall Road / Earswick Chase roundabout

There is an existing three-arm roundabout to the south-west of the site providing access to Earswick Chase from Strensall Road. It is not possible to provide an additional arm at the roundabout designed to standard without providing modifications to the existing roundabout circulatory and approach arms.

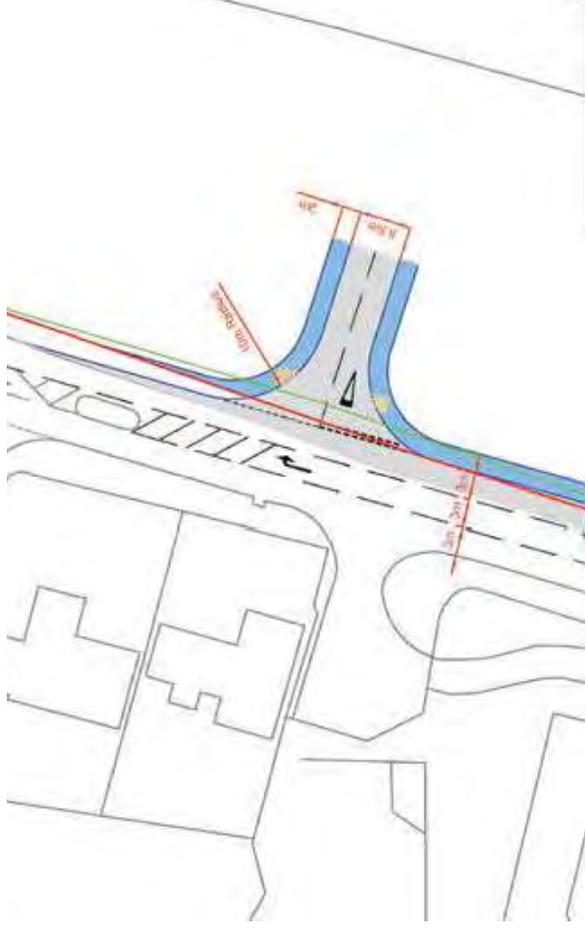
A secondary emergency access is likely to be required to the development if only one formal access is provided. This is anticipated to take the form of a simple priority junction with a lockable bollard and could provide an access point to and from the site for non-motorised users. A possible location for the emergency access could be the location of the existing field access off Strensall Road.

Secondary Access - Strensall Road ghost island junction

Should two formal accesses be required, a second access would likely be in the form of a ghost island junction as a residential development of the Site is likely to provide a minor road flow. To reduce the scale of the engineering works and tree removal, a simple priority junction could be discussed with the local highway authority. This may be appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.



Proposed site access plan



Proposed site access ghost island option

7.0 The Vision

The design principles for the site will provide a vibrant and sustainable extension to the existing community, created through a holistic design approach and carefully considered scheme response.

- The scheme will seek to create a positive relationship with the surrounding residential context through the use of the form and density levels cognisant of surrounding development, with the opportunity to provide a sensitive yet distinctive design response.

The vision will be achieved through the realisation of the following key objectives:

The townscape of the local area has been heavily influenced by a mixture of mid to late 20th century development which can be described as suburban in character. Recent developments have a high proportion of cul-de-sacs generally accessed from winding loop roads. The built form is typically two storey detached dwellings that are of their time set within generous gardens. Building materials vary across the local area, however more recent development have a predominant red brick character. Architectural details include bay windows, above door lintels / canopies, front facing gables.

- The scheme will successfully integrate within the landscape context of the surrounding area through retention and celebration of key existing landscape features including existing hedgerows and tree planting running through and around the perimeter of the proposed site;
- Integration of pedestrian connections through the site, and linkages to the north, south and west will provide a permeable scheme which will improve pedestrian linkages and connections to Earswick;
- Use of landscape to establish a clear hierarchy of interlinked streets, footpaths and cycle routes which can be negotiated with ease;
- Housing layouts to integrate as much of the existing landscape features as possible with some properties to front onto the public open spaces to provide an active edge and allow natural surveillance;
- New housing to have individual identity but take cues from the local vernacular to achieve good integration with surrounding buildings;
- Through successful provision of SUDS areas, the ecological value of the site could be significantly enhanced whilst providing a natural and sustainable solution to surface water drainage. SUDS areas will be located on localised low points;



Masterplan layout

8.0 Benefits



The land to the east of Strensall Road, Earswick constitutes an excellent opportunity for residential development in a sustainable location. Removal of the site from the Green Belt and development for approximately 350 units will provide the following benefits:

Social Benefits

- An opportunity to meet local housing requirements, widening range and choice of:
 - a family housing; and
 - b affordable housing.
- New public open space / children's play area; and
- More spending power in the local area to enhance vitality of local facilities.

Environmental Benefits

- Sustainable pedestrian and cycle routes;
- High quality public realm and landscaping;
- Biodiversity and habitat improvements; and
- Reduce off-site local flood risk.

Economic Benefits

The economic benefits arising from the delivery of approximately 350 new homes at Earswick are likely to include the following:

Construction benefits



£70m
Construction value
(total construction cost)



£9.3m GVA
Economic output
(additional GVA p.a. over the 10 year build period)



65 FTE Jobs
Construction jobs
(permanent full-time equivalent direct jobs created)



100 FTE Jobs
Supply chain jobs
(indirect/induced 'spin-off' jobs created)



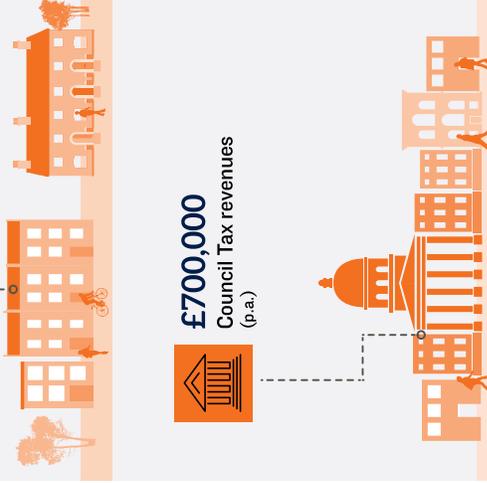
Local Authority revenue benefits



£3.0m
New Homes Bonus payments
(over a 4 year period)



£700,000
Council Tax revenues
(p.a.)



Operational and expenditure benefits



£2.75m
First occupation expenditure
(spending to make a house 'feel like a home')



£8.5m
Resident expenditure
(within local shops and services p.a.)



110 FTE jobs
(from increased expenditure in local area)



9.0 Next Steps

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including the site at east of Strensall Road, Earswick. It was demonstrably clear that the Council considered it fully appropriate to reserve this land for residential development at the time of a subsequent Plan review.

It is demonstrably clear from this submission that Bellway's land to the East of Strensall Road, Earswick should be identified in the next iteration of the emerging Local Plan to ensure that sufficient sites have been identified so that the housing requirement and development needs for York can be delivered. This justifies the 'exceptional circumstances' that are required to facilitate its removal from the Green Belt.

This Vision Document details how the site can be comprehensively delivered. The site will provide a range of homes in a sustainable location.

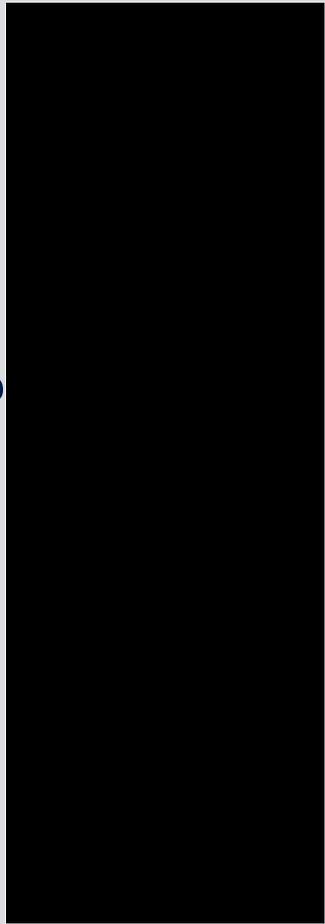
In order that that this is achieved it is considered that the site should be removed from the Green Belt and allocated for a total of 350 houses in the York Local Plan. Bellway Homes looks forward to working alongside the Council, the local community and other stakeholders to progress the proposals for the site and welcomes the opportunity to discuss the proposal further.



LICHTFELDS

Bellway

*Building Homes,
Building Value*



Appendix 2 Housing Technical Report

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

2.7 In particular:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. [§60]

2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].

2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.

2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.

2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.

2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]

2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”*. [page 12]

2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:

- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.
- 2.17 The PPG states that:
- “The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹*
- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:
- “Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”*

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:

“There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.”
[paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that *“there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.”* [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, *“it should provide some comfort that the latest version of the standard method arrives at a very similar number”*. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.”¹⁵*

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

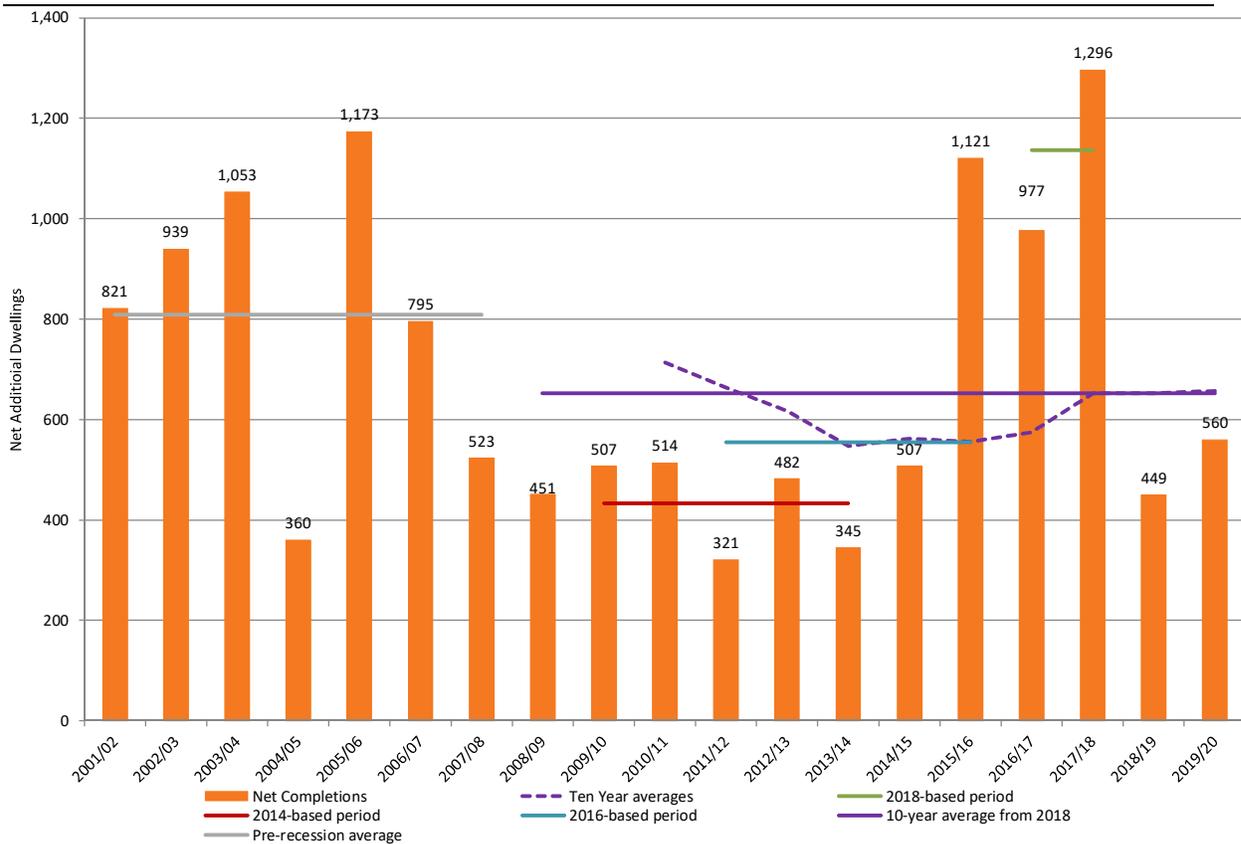
¹⁵ Practice Guidance - ID: 2a-017-20140306

¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

- 3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.
- 3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

- 3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

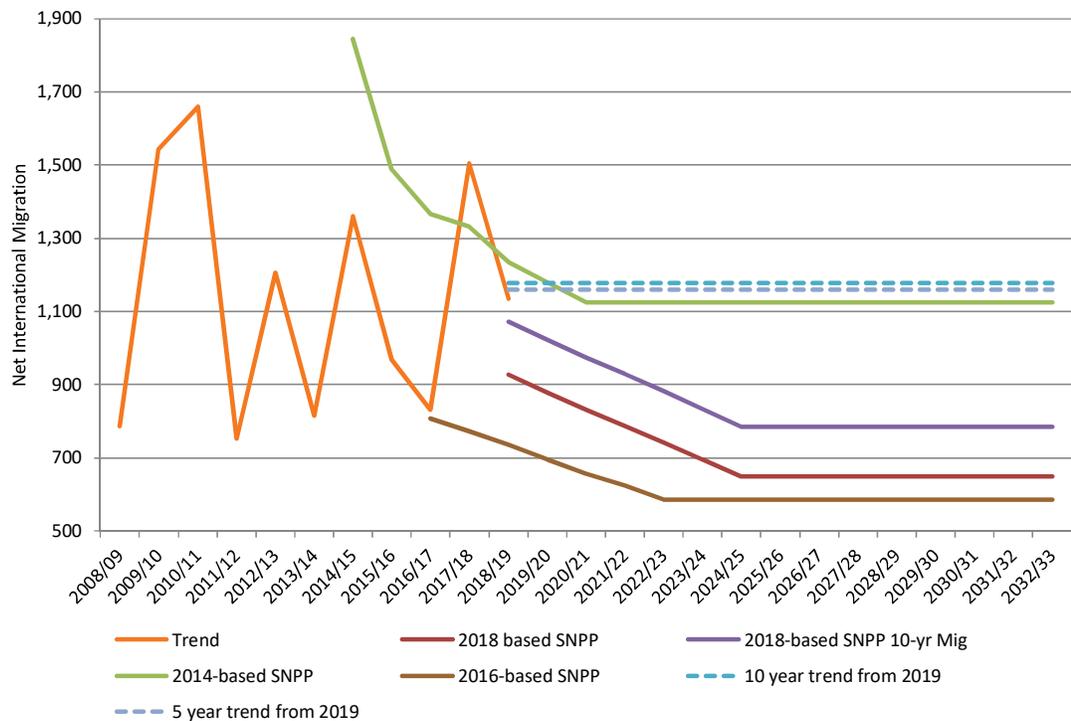
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they *“have not examined the economic need associated with historic employment growth as the accommodation has already been provided to support that growth. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-*

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn’s use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS’s 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on ‘*specific local circumstances*’ (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

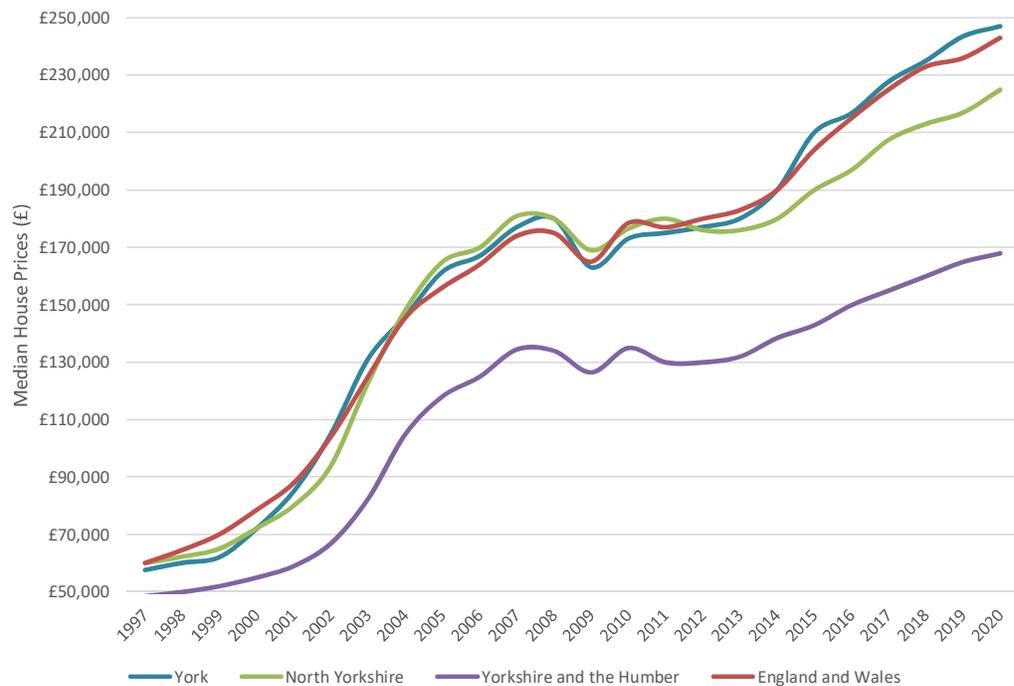
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

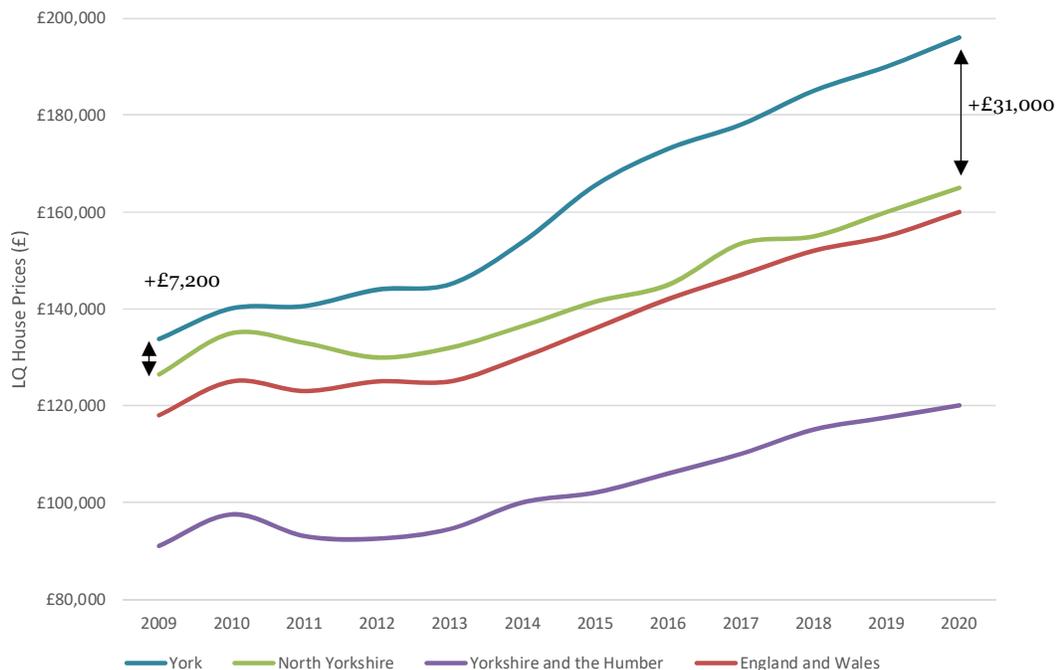
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

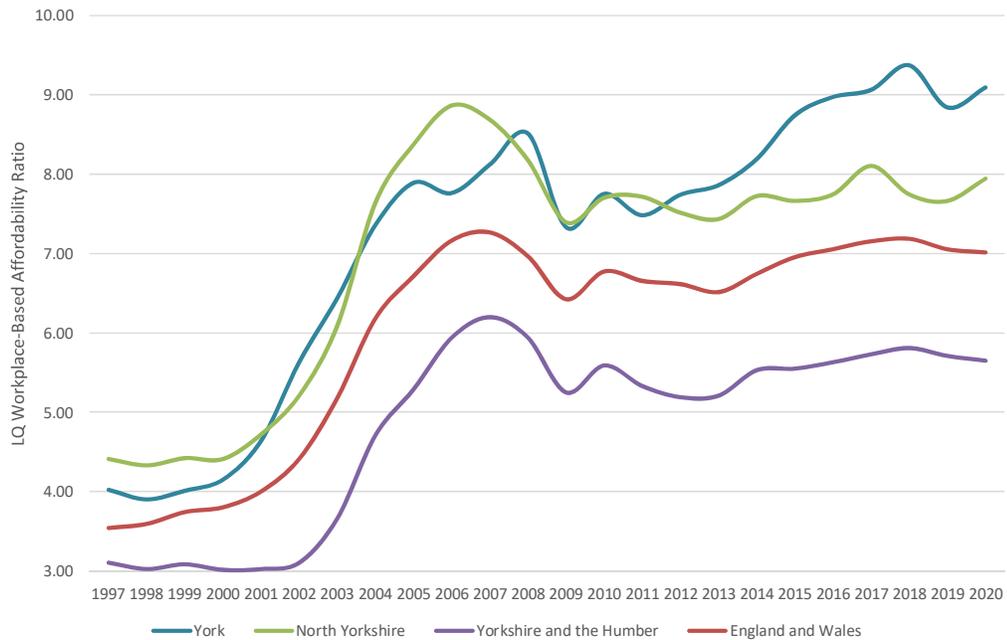
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.

6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.

6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”

6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.

6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.

6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).

6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

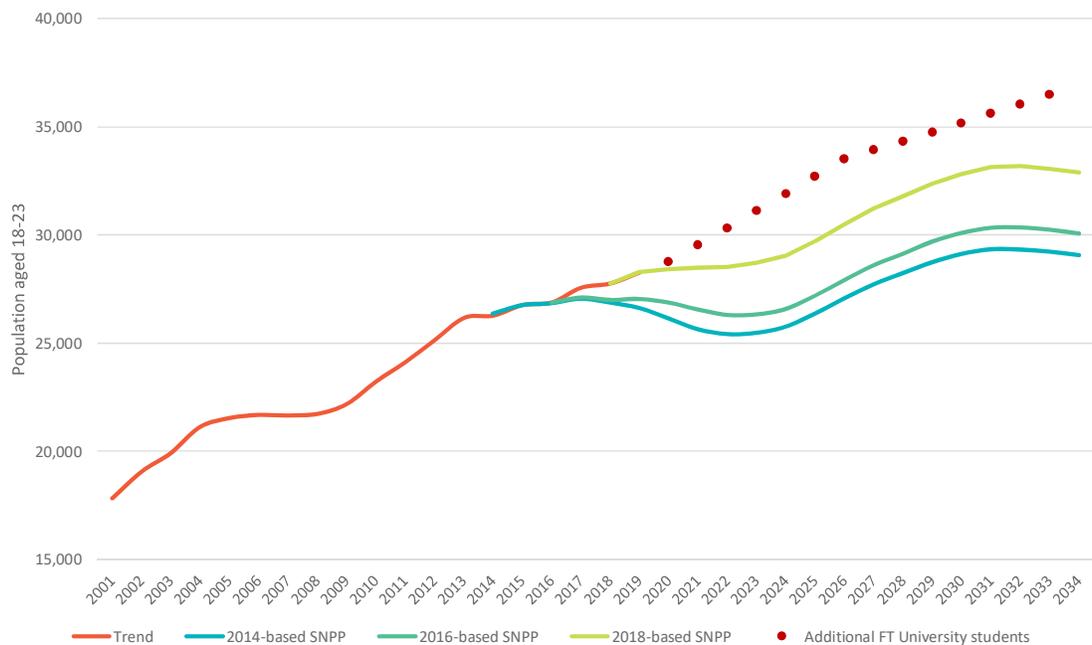
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

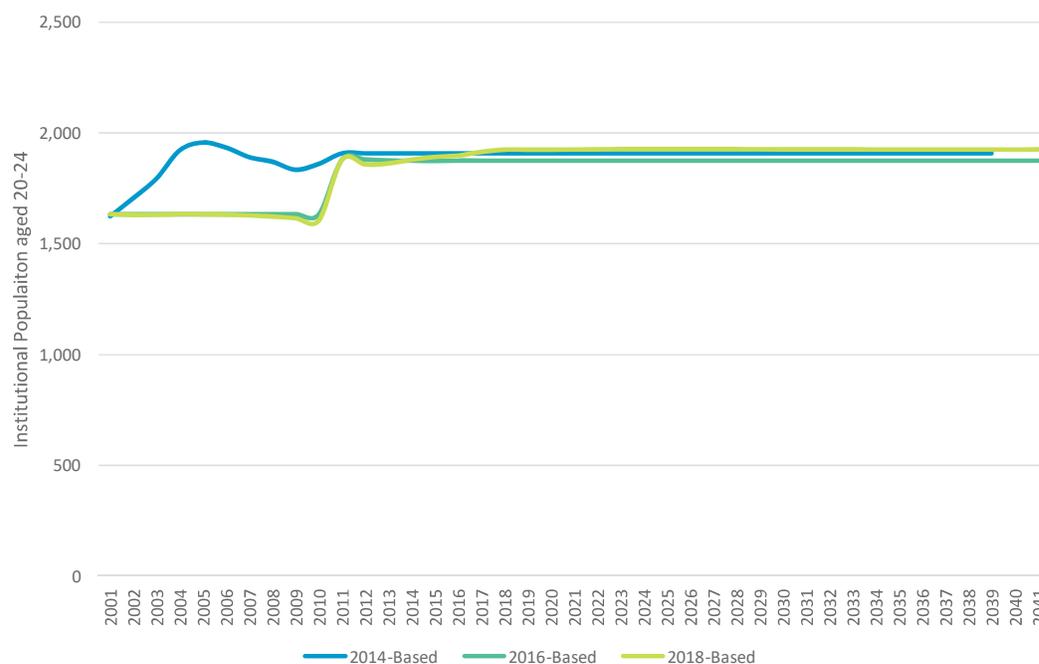
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council's housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

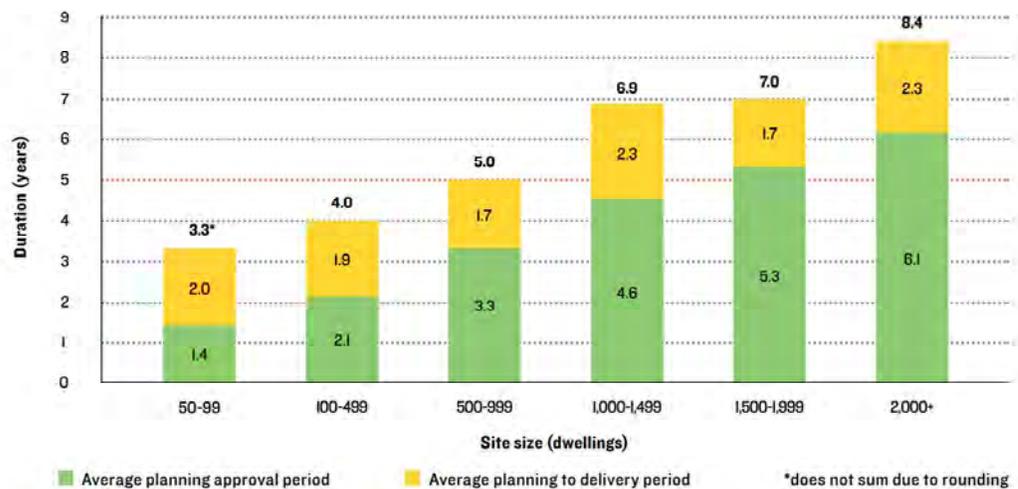
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer's commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA ('SHLAA Assumptions for Evidence Bases'). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council’s approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council’s current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council’s current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council’s approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn’t always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

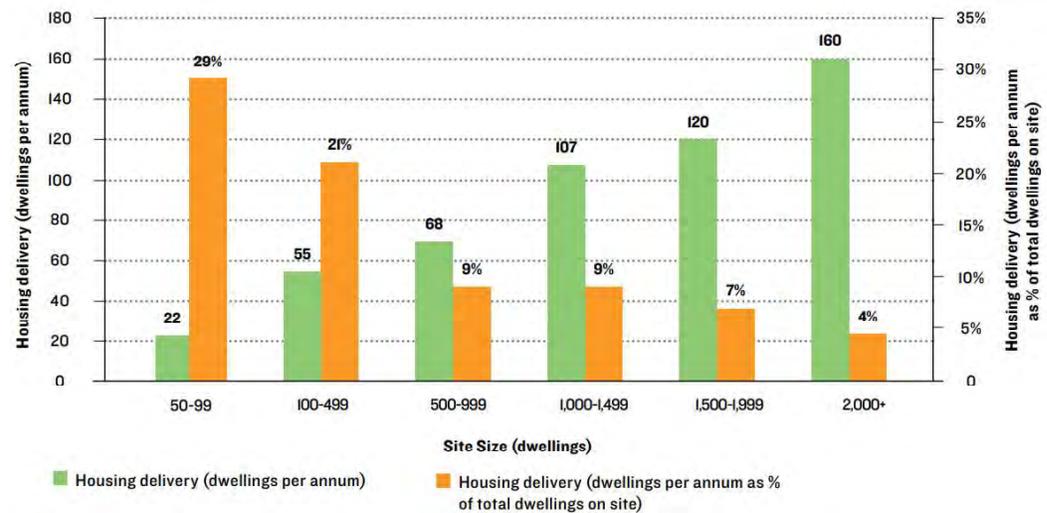
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.

8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.

8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.

8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).

8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.

8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.

8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council's housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City's residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



From: [REDACTED]
Sent: 07 July 2021 12:02
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205941
Attachments: 50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Strategic Housing Land Availability Assessment Update (April 2021) (EX/CYC/56)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan: Proposed Modifications Version Representations on Housing Matters Taylor Wimpey; Persimmon Homes; Bellway Homes July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the housing matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

50642_07_York_Local_Plan_2021_Housing_Evidence_Review_060721.PDF

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

LICHFIELDS

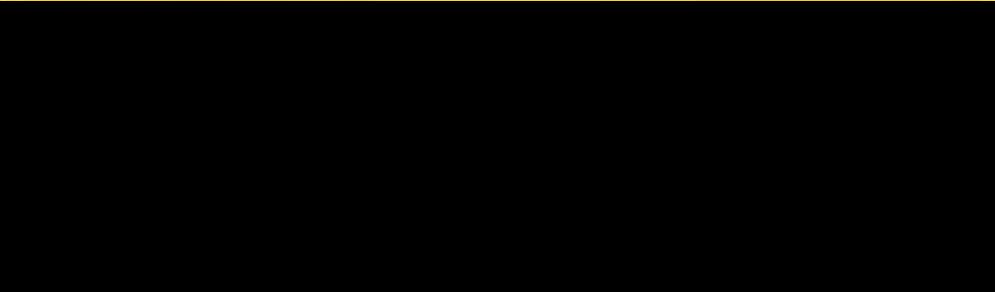


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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

2.7 In particular:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. [§60]

2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].

2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.

2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.

2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.

2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]

2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”*. [page 12]

2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:

- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.

- 2.17 The PPG states that:

“The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹

- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:
- “There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.”* [paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that *“there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.”* [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, *“it should provide some comfort that the latest version of the standard method arrives at a very similar number”*. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.*¹⁵

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

¹⁵ Practice Guidance - ID: 2a-017-20140306

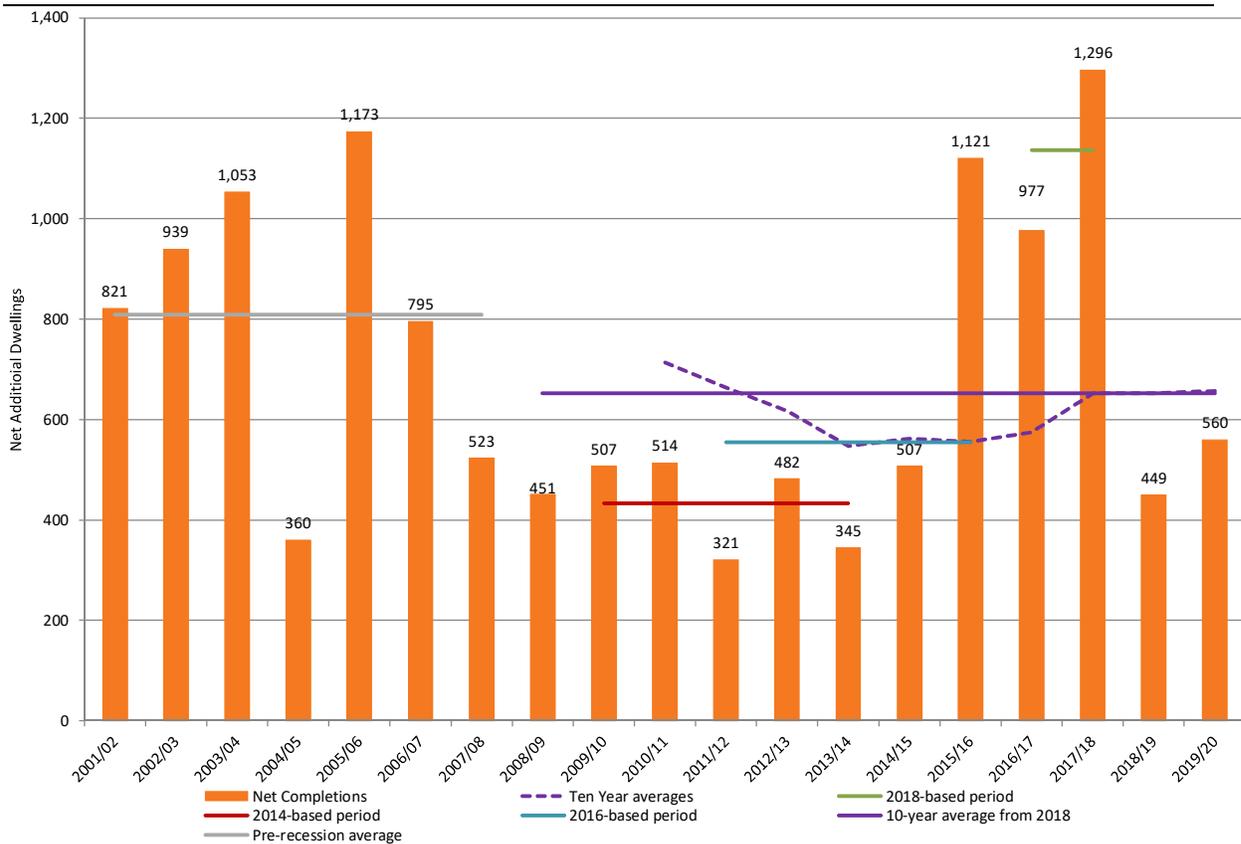
¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.

3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

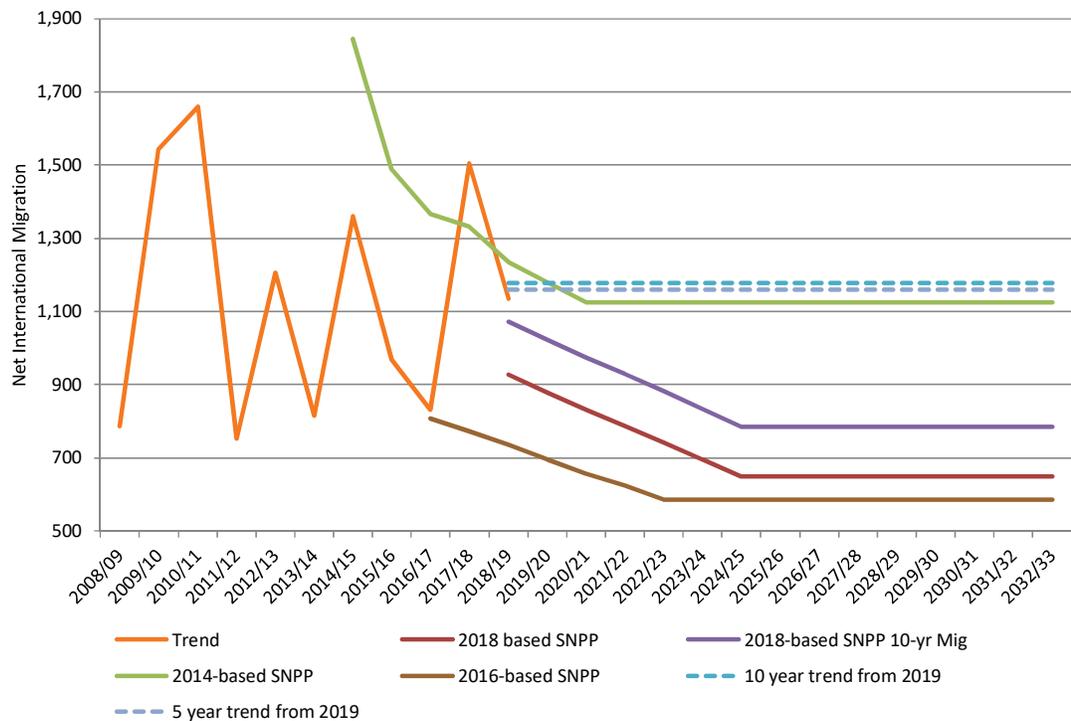
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they “*have not examined the economic need associated with historic employment growth as the accommodation has already been provided to support that growth*”. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn's use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS's 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on '*specific local circumstances*' (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

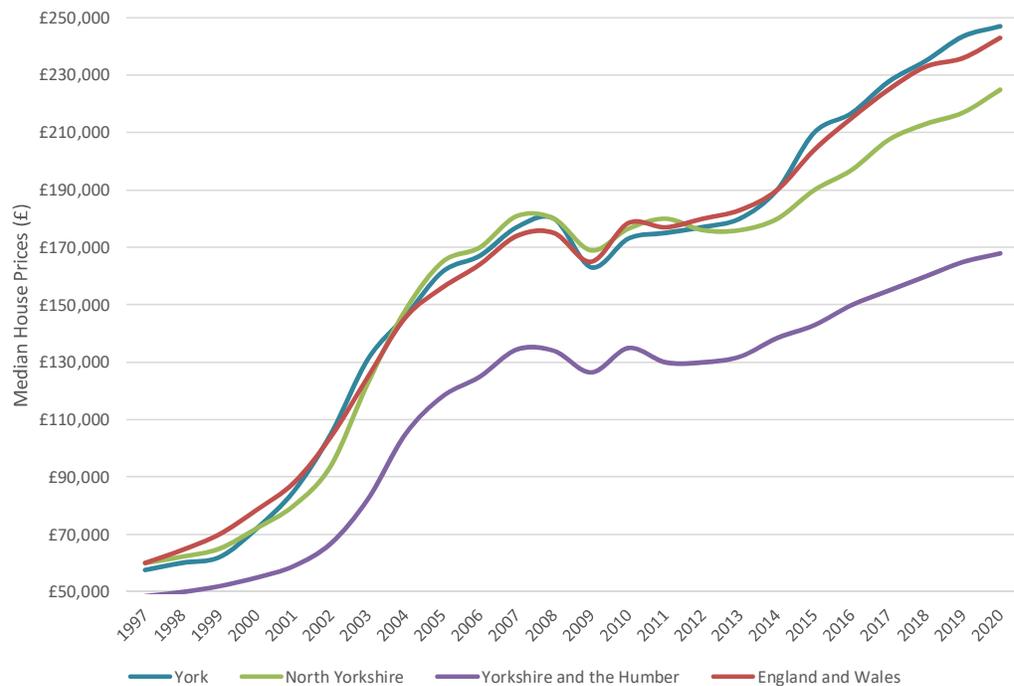
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

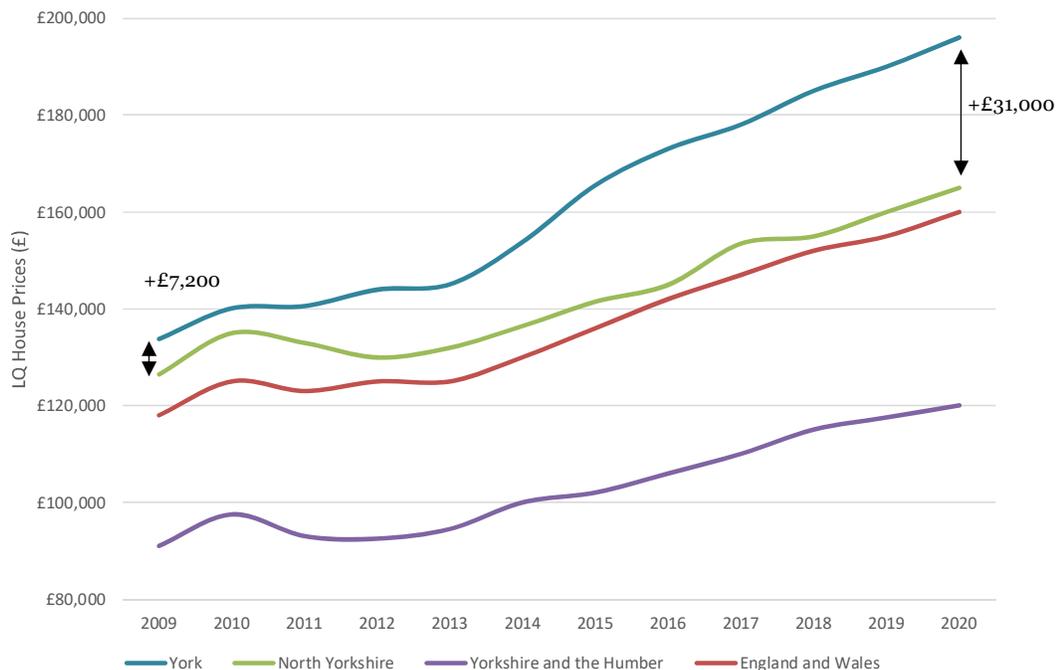
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

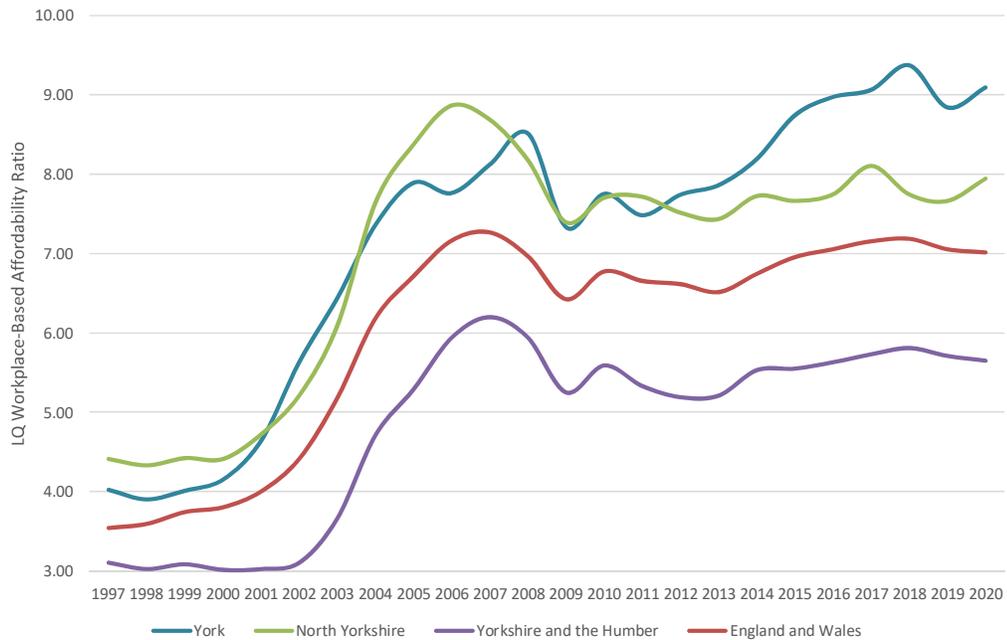
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



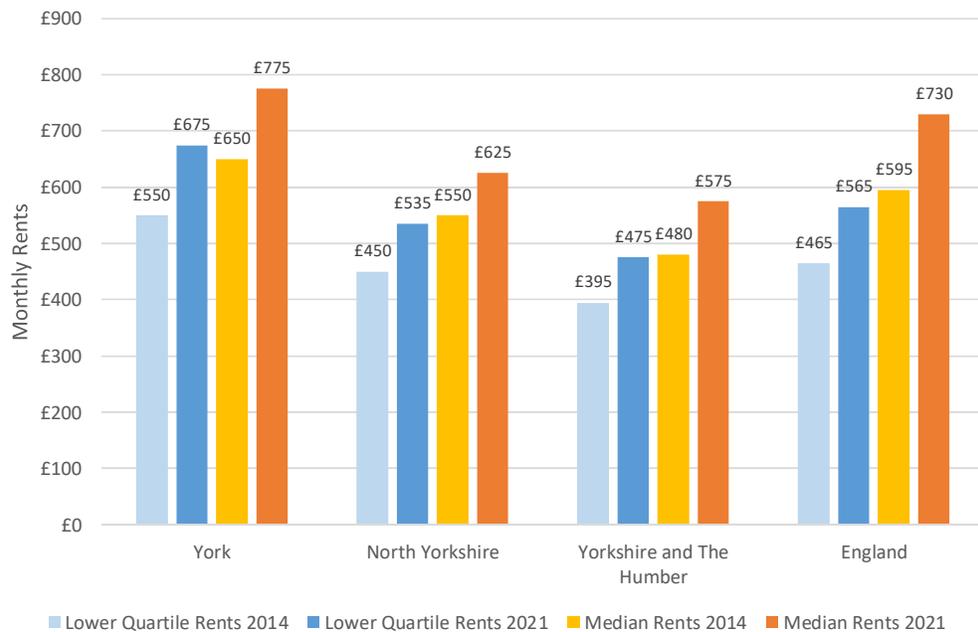
Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

- 6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O'Neill's Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

- 6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.
- 6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.
- 6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”
- 6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.
- 6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.
- 6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).
- 6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

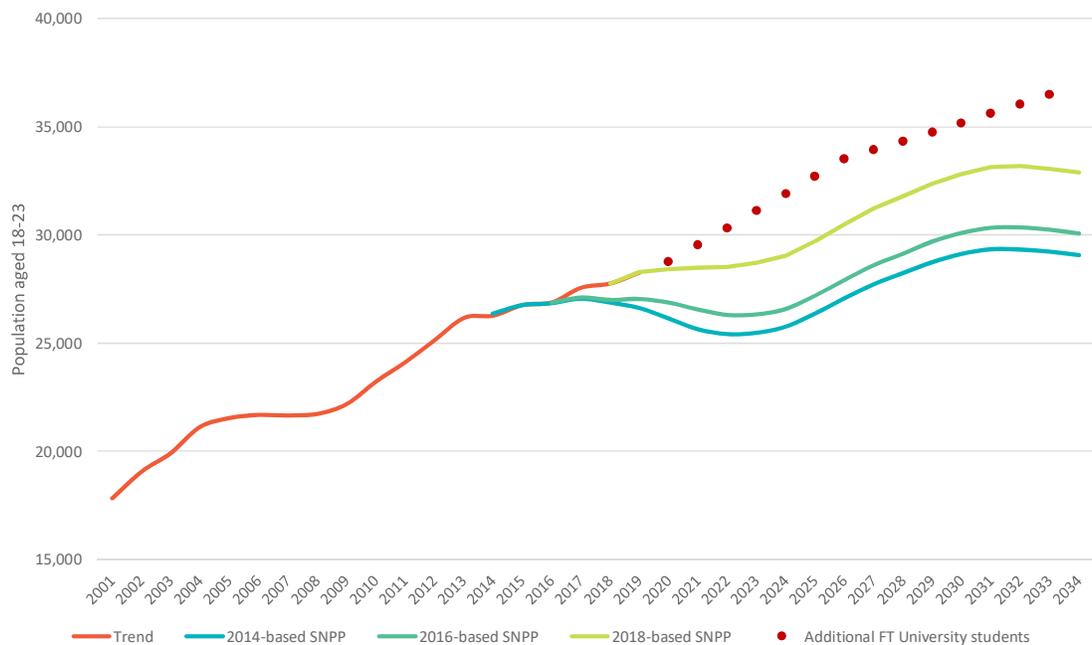
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

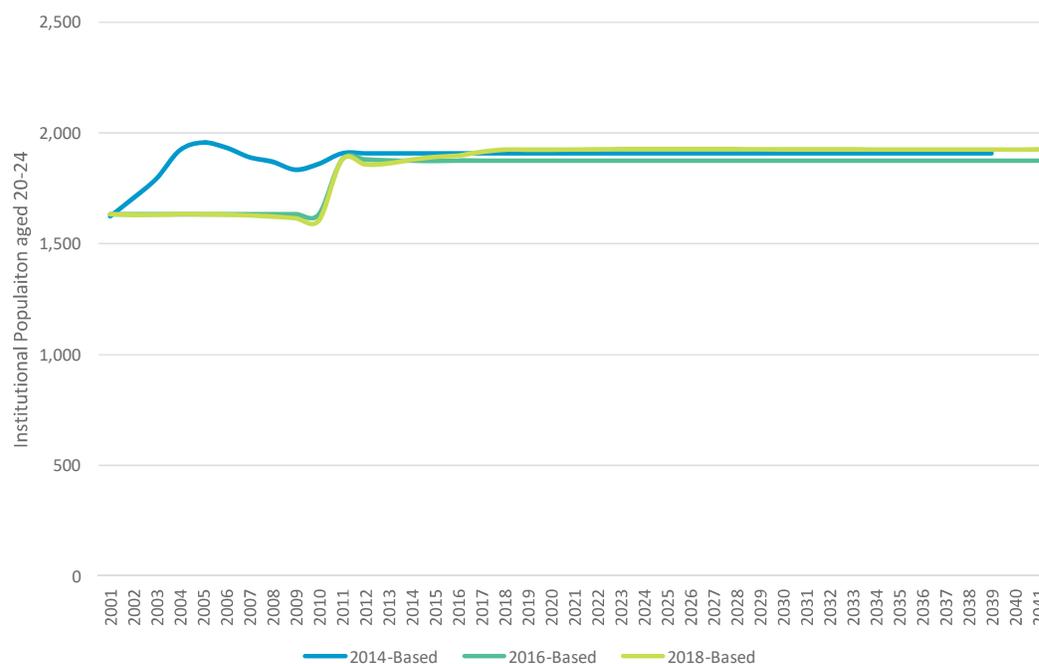
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council's housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

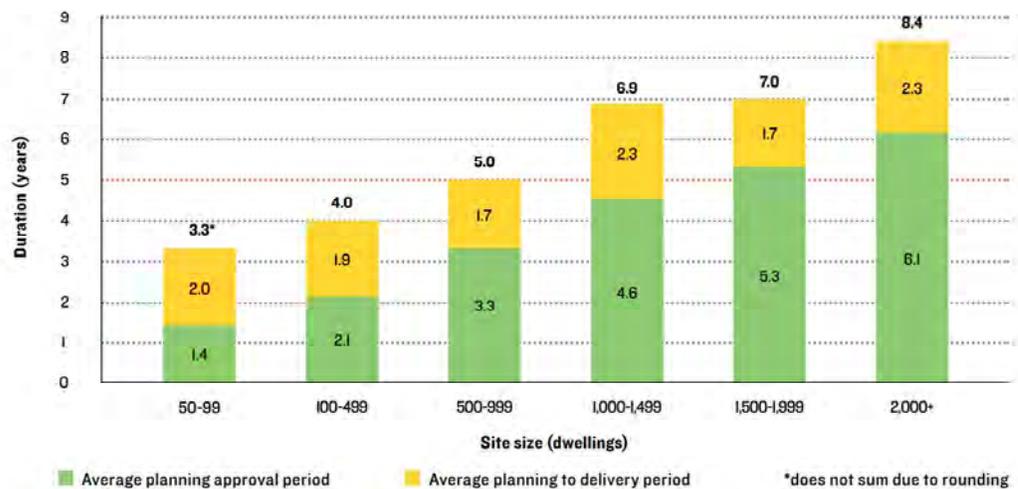
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer's commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA ('SHLAA Assumptions for Evidence Bases'). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council's approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council's current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council's current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council's approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn't always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

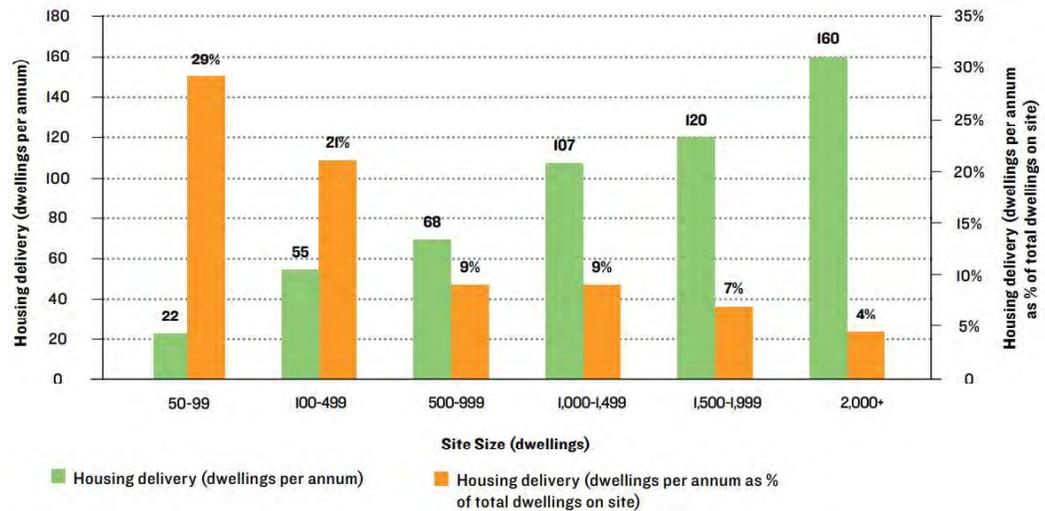
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.

8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.

8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.

8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).

8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.

8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.

8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council's housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City's residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



From: [REDACTED]
Sent: 07 July 2021 12:16
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205957
Attachments: 5073003_Earwick_York_Local_Plan_Reps_July_2021.pdf

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Topic Paper 1 Green Belt Addendum January 2021 Annex 4 Other Developed Areas (EX/CYC/59f)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the policy matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

5073003_Earswick_York_Local_Plan_Reps_July_2021.pdf

**City of York Local Plan New
Proposed Modifications
Consultation 2021
Representations on behalf of
Bellway Homes PLC**

6 July 2021

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1.0 Introduction

1.1 This report has been prepared by Lichfields on behalf of Bellway Homes PLC (hereafter referred to as ‘Bellway’). It forms Bellway’s response to the City of York Local Plan New Proposed Modifications Consultation (June 2021), in respect of Bellway’s land interests East of Strensall Road, Earswick. Representations seeking the allocation of the site for residential development have been submitted by Lichfields to City of York Council at various stages of the emerging Local Plan.

1.2 The Earswick site is identified on the existing ‘Development Control Local Plan (2005)’ Proposals Map as lying within the Green Belt, albeit it is acknowledged in the Examination in Public Inspectors’ letter of 12th June 2020 that this comprises only the ‘general extent’ of Green Belt carried forward from the saved RSS policy. The specific Green Belt boundaries have never been defined and it is possible for the emerging Local Plan to define those boundaries, including identifying sites for development, without needing to demonstrate ‘exceptional circumstances’. Bellway is seeking the allocation of the site in the City of York Local Plan for residential development. At the very least, the site must be identified as safeguarded land, without which the emerging plan is not ‘sound’. A Vision Document, demonstrating the suitability of the site and submitted as part of previous representations is attached at Appendix 1.

1.3 These representations are accompanied by a Housing Technical Report, which has been produced on behalf of a consortium of developers including Bellway (see Appendix 2). The Housing Technical Report provides a review of the September 2020 Housing Needs Update prepared by GL Hearn¹. In particular, two main issues are analysed:

- 1 A review of CYC’s existing evidence on housing needs for market/affordable housing in the City; and,
- 2 An appraisal of the housing trajectory and five-year land supply position which underpins CYC’s Plan.

1.4 It is a statutory requirement that every development plan document must be submitted for independent examination to assess whether it is “sound”, as well as whether other statutory requirements have been satisfied (s.20(5) of the 2004 Act). S19 of the 2004 Act requires that in preparing a development plan document, a local planning authority must have regard to a number of matters including national policies and advice contained in guidance issued by the Secretary of State. Such guidance currently exists in the form of the National Planning Policy Framework [the Framework] and the National Planning Practice Guidance [Practice Guidance].

1.5 The Framework² (February 2019) states that the policies in the previous Framework published in March 2012 will apply for the purpose of examining plans, where those plans were submitted on or before 24 January 2019. The York Local Plan was submitted to the Secretary of State for Housing, Communities and Local Government for examination in May 2018. The policies in the Framework (March 2012) therefore apply in this instance.

1.6 There is no statutory definition of “soundness”. However, the Framework states that to be sound a Local Plan should be:

- 1 **Positively Prepared:** The plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet

¹ EX/CYC/43a Housing Needs Update September 2020

² National Planning Policy Framework (February 2019) Annex 1: Implementation

requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

- 2 **Justified:** The plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.
- 3 **Effective:** The Plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities.
- 4 **Consistent with National Policy:** The Plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

1.7 In addition, the Framework³ states that:

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

For **plan-making** this means that:

- *Local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless*
 - a *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
 - b *specific policies in this Framework indicate development should be restricted.....”*

1.8 The Core Planning Principles are set out in the Framework⁴.

1.9 The requirements of the Framework in respect Local Plans are reinforced in the Practice Guidance⁵ which states that the Framework “sets clear expectations as to how a Local Plan must be developed in order to be justified, effective, consistent with national policy and positively prepared to deliver sustainable development that meets local needs and national priorities”.

Examination in Public Progress

1.10 The City of York Local Plan was submitted for examination three years ago, in May 2018. As a result, the examination is progressing under the transitional arrangements set out at paragraph 214 of the 2019 National Planning Policy Framework – that being that the plan is being examined in accordance with the policies of the 2012 National Planning Policy Framework.

1.11 After some delay, the EiP hearing sessions opened in December 2019 and the inspectors wrote to the Council in June 2020 identifying a number of significant concerns with the Council’s methodology and evidence used to underpin the approach taken to Green Belt.

1.12 The inspectors again wrote to the Council in July 2020 seeking the Council’s opinion on the significance of the publication of the 2018-based household projections. The Council was asked to consider if this represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019.

³ National Planning Policy Framework §14

⁴ National Planning Policy Framework §17

⁵ Practice Guidance - ID: 12-001-20170728

- 1.13 Finally, the inspectors exchanged a number of letters with the Council in December 2020 and January 2021 noting, amongst other things, that due to the passage of time and age of some of the key evidence base documents, there is “*a reduced likelihood of adopting a truly up to date development plan for York*”.

Structure

- 1.14 This report supplements the completed representation form and demonstrates that a number of policies within the Local Plan New Proposed Modifications [LPNPM] are, at present, ‘unsound’ in the context of the tests of soundness established by the Framework.
- 1.15 The report firstly provides background context to the Earswick site to demonstrate why its exclusion from the Green Belt and allocation for residential development is appropriate.
- 1.16 This report then provides detailed representations in relation to the following proposed modifications and updated evidence:
- 1 Modification PM49 – Policy SS1
 - 2 Modification PM50– Policy SS1
 - 3 Modification PM53 – Policy SS1
 - 4 Modification PM54 – Policy SS1
 - 5 Modification PM55 – Policy SS1
 - 6 Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC)
 - 7 Modification PM 71 - New Policy GI2a Justification
 - 8 Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021
- 1.17 Recommendations are set out at the end of each section setting out how the Council needs to address the Modification to make it sound.
- 1.18 Submitted alongside these site specific representations, Lichfields has prepared a report entitled ‘City of York Local Plan Proposed Modifications Version: Representations on Housing Matters’, prepared on behalf of a consortium of Taylor Wimpey, Persimmon Homes and Bellway Homes. This report provides the context for many of the comments in these site specific representations and is directly referenced as appropriate to the case.

2.0 **Background to the Strensall Road, Earswick Site**

Introduction

- 2.1 This representation confirms that the housing requirement set out in the Publication Draft is insufficient to accommodate the economic and population growth of the City and should be increased. These representations seek the allocation of land to the 'East of Strensall Road, Earswick' for housing or alternatively at least be identified as Safeguarded Land. The allocation of this land would ensure that the Plan can be considered sound.
- 2.2 The land was previously designated as Safeguarded Land in earlier iterations of the draft Plan. It is our Client's view that the land to the East of Strensall Road, Earswick represents one of the most appropriate site options on the northern periphery of York which will ensure the Plan allocates sufficient sites to deliver its housing requirement. Additional housing sites are required to ensure the Plan delivers the full objectively assessed housing needs to ensure that the Local Plan is positively prepared, justified, effective and consistent with national planning policy. Identifying safeguarded land to ensure that the Green Belt boundary has permanence beyond the plan period is essential as part of the plan-making process.
- 2.3 Land East of Strensall Road should be allocated for housing or at the very least identified as safeguarded land as the Site is deliverable within the definition of paragraph 47 of the National Planning Policy Framework (NPPF); and represents one of the most appropriate site options to meet the full objectively assessed housing needs of the City.
- 2.4 The site will provide an essential extension to provide for needed future residential growth in the City of York. There is an urgent need to identify additional and significant sources of housing land which can meet the City's quantitative and qualitative housing needs. Given the tightly drawn Green Belt boundary around the urban area, it is considered that there are exceptional circumstances necessary to justify the release of Green Belt land, and Green Belt release should be planned in order that the Council can commence and successfully implement housing delivery immediately upon the adoption of the Local Plan.
- 2.5 A consideration of the site against the NPPF demonstrates that it does not serve any specific role when compared against the five purposes of the Green Belt.

Purpose 1 - To Check the Unrestricted Sprawl of Large Built-Up Areas

- 2.6 The village of Earswick is not a large built-up area and the site does not therefore have a role in restricting the urban sprawl of a large built-up area. The terminology of 'sprawl' suggests disorganised or unplanned expansion, whereas the development of land at east of Strensall Road has been envisaged and considered in previous iterations of the Council's plan-making process and clearly demonstrate that the Council considered that the site should be developed for housing at a future date.
- 2.7 In the context of Green Belt purposes, the site is well contained and has strong robust and defensible boundaries. It does not therefore represent part of a potentially continuous urban sprawl. This is therefore not on its own a reason to discount the site.

Purpose 2 - To Prevent Neighbouring Towns Merging Into One Another

- 2.8 Land east of Strensall Road plays no role in this purpose.

Purpose 3 - To Assist in Safeguarding the Countryside from Encroachment

- 2.9 The site is largely contained by development with a strong landscape boundary to the east, which would be further enhanced as part of any development proposals. It does not therefore form part of the open countryside.

Purpose 4 - To Preserve the Setting and Special Character of Historic Towns

- 2.10 The surrounding area is not of heritage value, the site makes no contribution to this Green Belt purpose. The development of the site itself will not impact upon wider views of the urban area of Earswick, and therefore, this is not on its own a reason to discount this site.

Purpose 5 - To Assist In Urban Regeneration, By Encouraging the Recycling Of Derelict and Other Urban Land

- 2.11 There is a fundamental issue of the overall OAN housing requirement within the Publication Draft being too low and insufficient sites identified to meet the correct OAN. Despite this issue, it is right that brownfield sites are identified within the Publication Draft Local Plan. However, these sites by their nature tend to take longer to be successfully implemented and delivered due to the often substantial preliminary works and associated financial costs required to get the brownfield site 'ready' for development.
- 2.12 The identification of the most appropriate land to be used for development through the process of preparing the York Local Plan should be evidenced and be based upon detailed analysis of the supply of such sites. The Council admits that it does not have a 5-year supply of deliverable housing land and consequently, there is significant pressure to bring forward development sites not just in the short term to meet this shortfall, but throughout the Plan period.
- 2.13 Delivery is a key test of soundness for the Local Plan. It is imperative that the Plan contains an appropriate Policy mechanism to ensure a deliverable supply of housing land, if there is an insufficient level of supply. This would ensure that the Plan aligns with the NPPF requirement at paragraph 21 which is that *"Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances."*
- 2.14 If sites have not been delivered and supply is falling short of the requirement, it is not clear what the Council intend to do with developers and landowners to identify new sites or bring forward suitable sites faster. Additional sites should be allocated to ensure that the Plan seeks to meet its identified housing need in the first instance, as currently drafted it does not do this. Further, to address any shortcomings, an early review mechanism should be included in the Plan. Reserve sites, via the identification of Safeguarded Land should be incorporated as a mechanism to ensure that housing needs are met, should identified sites not come forward as envisaged.

Benefits and information for land East of Strensall Road, Earswick

- 2.15 The land to the 'East of Strensall Road' contains no designated heritage assets, nor are there any in near proximity. There is no suggestion that the site has any archaeological significance and provides no role in the historical influence of the city, so any proposed development would not cause any heritage-based issues.
- 2.16 In regards to questions concerning the ecological and environmental impacts of any proposed development, the development would be in close proximity to the existing development to the West of Strensall Road, so would be in keeping with its surroundings. The surrounding borders to the site are lined with strong ecological barriers such as vegetation, and screening from

Strensall Road by further vegetation would shield the development from all sides, reducing its impact upon the landscape of the area. Vegetation surrounding the site will also be maintained and enhanced so as to ensure ecological sustainability and no loss of visual amenity from any proposed development.

- 2.17 There are a number of amenities in close proximity to the proposed site, including six primary schools (currently functioning under capacity so would easily accommodate growth). There are also two secondary schools around half an hours walking distance from the site. Access to public transport options for such schools to reduce car dependency will be discussed in the upcoming paragraphs.
- 2.18 In terms of commercial amenities close to the site, the nearest retail centre is at the Huntington Parade, approximately 1.3km from the Site. Further retail centres can be found within 4km of the site, and York City Centre is only 6km from the site itself. Leisure amenities, such as pubs and social clubs, along with a doctors surgery, can be found within 2km of the proposed site.
- 2.19 In terms of public transport connections to and from the site, bus stops are located approximately 160m from the potential site accesses. Nearby stops provide services linking the proposed development to the closest secondary schools and also provide wider connections to retail centres and to York city centre. These are within the 400m which is considered the maximum walking distance to a bus stop for a site to be considered 'sustainable'. York rail station is around 6.3km away, and is accessible by bus, providing direct services to Leeds, London and Edinburgh.
- 2.20 The site itself is envisaged to be pedestrian friendly, with connections and walkways connecting all areas of the site to improve walkability and reduce car dependency, whilst also promote the use of bikes and other forms of sustainable transport through designated cycle lanes and links to public transport opportunities.

Deliverability

- 2.21 The Framework⁶ states that for sites to be considered deliverable, they must be suitable, available and achievable. The land East of Strensall Road, Earswick meets all of these requirements:
- 1 **Suitable:** the sites can be accessed from existing access points; and is located within an established residential area, very close to the village centre, and provides the opportunity to increase housing provision within Earswick without impacting upon the wider landscape.
- Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents.
- It is proposed that one point of access is provided initially, supported by an emergency secondary access. The main access is proposed to be taken from the Strensall Road/Earswick Chase roundabout, where an additional arm to the existing three-arm roundabout to the south-west of the site would be incorporated.
- Should two formal accesses be required, a second access would likely be in the form of a ghost island junction. This is considered appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.

Access to schools

⁶ Framework footnote 11, page 12

There are a number of primary schools in proximity to the site which are currently under capacity;

- a Burton Green Primary School;
- b Headlands Primary School;
- c Huntington Primary Academy;
- d Ralph Butterfield Primary School;
- e Skelton Primary School; and
- f Wiggington Primary School

There are also two secondary schools, the Huntington Secondary School and Joseph Rowntree School, within a 30 and 35 minute walk respectively of the site.

- 2 **Available:** The site is in the ownership of a willing landowner who is looking to release the site for development.
- 3 **Achievable:** The site is capable of coming forward for development in the short term. As a national housebuilder, Bellway Homes encompasses long experience in landowning, development and housebuilding. They have expressed their intention to commence the development of the site immediately upon the adoption of the Local Plan, if not before subject to the grant of planning permission. They confirm that there are no legal or ownership constraints which would preclude the early delivery of development.

2.22 The Technical Report on Housing Issues prepared by Lichfields sets out our concerns in relation to the Council's housing requirement and housing supply. It concludes that the Council is not providing sufficient land to meet the housing needs of the City and further sites should be allocated for housing development as part of the YLP. The LPP is therefore not soundly based and it is requested that the calculation of York's Objective Assessment of Housing Needs [OAHN] is revisited, and that Southfields Road and Princess Road are allocated for residential development in order to help make up for the shortfall in housing land.

3.0 **Modifications PM49, PM50, PM53, PM54 and PM55**

Introduction

3.1 The above modifications relate to the modification to Policy SS1 which sets a need to deliver a minimum annual provision of 790 new dwellings over the plan period 2017 to 2032/33 and post plan period to 2037/38. The annual dwelling requirement has been reduced from the 867 dwellings per annum proposed in the Local Plan Publication Draft.

3.2 A SHLAA Housing Supply and Trajectory Update (April 2021)⁷ has been produced to accompany the modifications, based on the revised annual dwelling requirement put forward by the Council. The soundness of the proposed modification is entirely dependent on the strength of the Council's updated evidence, as discussed below. In a number of cases the evidence remains flawed and out-of-date.

Consideration of Modifications

3.3 Bellway objects to modifications PM49, PM50, PM53, PM54 and PM55 (and associated modifications) as it is considered that the Council's proposed objectively assessed housing need (OAHN) is not based on a robust assessment which is compliant with the Framework. On behalf of Bellway, and a wider consortium of housebuilders, Lichfields has undertaken a review of the work prepared by GL Hearn⁸ on behalf of the Council which concludes there is no need for the Council to move away from their current position of 790 dwelling per annum.

3.4 Lichfields' analysis can be found at Appendix 2. The main conclusions of the review are set out below:

3.5 The Council's approach to identifying an assessed need of 790 dpa in the HNU 2020 is flawed. There are a number of significant deficiencies in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have considered modelling the High International variant produced by ONS, which produces a level of net international migration more in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.
- 2 **Market Signals Adjustment:** GL Hearn's uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given

⁷ EX/CYC/56 Strategic Housing Land Availability Assessment Housing Supply and Trajectory Update April 2021

⁸ EX/CYC/43a Housing Needs Update September 2020

that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.

- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
 - 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be achievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift on the OAHN figure would be appropriate in this instance, resulting in a figure of **920 dpa**.
 - 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields' critique of the projections clearly indicates that they do not adequately reflect the Universities' student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
 - 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
 - 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council's housing completions figures and MHCLGs, if Lichfields' higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**
- 3.6 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.
- 3.7 This process is summarised in Table 3.1.

Table 3.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

- 3.8 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. This concludes that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings.
- 3.9 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgefield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken. Whilst we consider Sedgefield is the correct approach, application of the Liverpool approach makes no material difference and the supply remains well below 5-years, meaning there is a requirement to identify additional sites for development.
- 3.10 It is understood that there are a number of sites which are proposed to be allocated but have yet to have a planning application submitted. In order help ensure a 5YHLS, the Council must demonstrate that there is a realistic prospect that housing will be delivered on site within five years at a defensible annual yield.

Safeguarded Land

- 3.11 Modification PM49 proposed the following modification to Policy SS1:

*“Development during the plan period (2017 - 2032/33) will be consistent with the priorities below. **To ensure Green Belt permanence beyond the plan period, sufficient land is allocated for development to meet a further, minimum, period of 5 years to 2038**”.*

- 3.12 Representations promoting the Earswick site at previous stages of the Local Plan consultation have established a case as to why safeguarded land must be identified in York. Indeed, the Council considered the site to have potential as safeguarded land in earlier iterations of the Plan.
- 3.13 The Framework⁹ is clear that local authorities should consider Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period.
- 3.14 Paragraph 83 of the Framework advises that Green Belts:
“...should be capable of enduring beyond the plan period.”
- 3.15 In this case that would be beyond 2033.
- 3.16 Paragraph 85 goes on to consider various issues when defining Green Belt boundaries, including the allocation of safeguarded land. It states:
“where necessary, identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period” (Lichfields’ emphasis)
- 3.17 There is much debate over the period of time that is relevant for ‘beyond’ and ‘well beyond’ the plan period. However, given the national policy significance of Green Belts and the fact that a plan period is generally in the order of 15 years, it is entirely reasonable to conclude that the Framework is directing policy makers to ensure a Green Belt review is not required for the following Local Plan, meaning it could be in the order of 30 years before Green Belt is considered again.
- 3.18 Whilst we should not speculate on future delays in the plan making process, it is significant to this issue that York has never adopted a Local Plan, largely due to the political pressures of Green Belt. A repeat of this scenario could see another 50+ years passing before another Local Plan is adopted and the Green Belt is properly reviewed.
- 3.19 It is clear from the representations consistently made by ourselves and others to the emerging CoY Local Plan that the proposed allocations are not sufficient for the immediate plan period and certainly do not align with future plan requirements ‘beyond’ or ‘well beyond’ the plan period.
- 3.20 The Council has failed to consider the release of safeguarded land as part of the New Proposed Modifications consultation and in the additional Green Belt work undertaken in the 2021 GB Addendum. With regard to this matter the Addendum states¹⁰:
“As set out in section 10a, many of the strategic allocations have anticipated build out times beyond the plan period and there is headroom identified for both employment and housing development against the identified requirements. This in combination with the oversupply identified to meet a minimum of 5 years beyond the plan period ensures that development can continue within York without the need to alter Green Belt boundaries the end of the plan period and that it can endure for at least 5 years, in accordance with SP12.

⁹ The Framework §§83 and 85

¹⁰ Topic Paper TP1 Approach to defining York’s Green Belt Addendum January 2021 §§10.39 and 10.40

Additionally, the windfall assessment [SD049] identifies increasing trends over both the longer and shorter term for conversions and changes of use completions. In light of relaxed permitted development rights relating to office conversions being made permanent and evidence of substantial numbers of unimplemented consents from this source of housing supply, there is also qualified anticipation that the 169 dpa projected as part of the housing trajectory is conservative”.

- 3.21 There are several failings with this statement and its assumptions. The most significant is that whilst permitted development rights are indeed being made permanent, the permitted conversions typically do not deliver the range of homes needed in York. It also fails to consider that from August 2021, the permitted development right for office conversions reduces to a maximum existing floor space of 1,500 sqm, rather than the currently open ended floorspace. It is likely that this will reduce the number of PD conversions. Finally, the existence of ‘*substantial numbers of unimplemented consents from this source*’ is very different to having certainty on actual delivery of those homes.
- 3.22 The now superseded YLP-PD identified a reserve of safeguarded land to ensure that the Green Belt boundary was capable of enduring beyond the plan period. This approach is entirely consistent with national guidance. Bellway are therefore concerned that the Local Plan no longer designates safeguarded land, provides no justification for this approach, and relies on strategic sites and windfalls delivering beyond the plan period, without sufficient evidence to demonstrate such sites are deliverable.
- 3.23 The identification of safeguarded land is considered essential as the Local Plan will set detailed Green Belt boundaries for the first time and an appropriate and sound strategy is therefore required to enable flexibility beyond the plan period. Bellway consider that safeguarded land is required in the City to provide certainty that the Green Belt can endure beyond the plan period and avoid the need for future review. It would also provide flexibility and allow land to be brought forward quickly without a fundamental review of the whole Local Plan if there was slippage over the plan period and allocated sites were unable to deliver the quantum of development envisaged.
- 3.24 This is particularly important when considering the complex nature of some of the sites that are proposed for allocation in the Local Plan e.g. Land to the West of Elvington Lane (ST15), where deliverability is uncertain due to issues including land ownership, funding and viability.
- 3.25 The Council’s reliance on windfall sites to help meet need beyond the plan period is fundamentally flawed as there is no guarantee that windfall supply will remain at similar levels for such a substantial period of time into the future. For example, the availability of buildings for conversion, such as offices, is finite, and supplies may well have been largely exhausted beyond the plan period.
- 3.26 Bellway therefore considers that the establishment of suitable boundaries for safeguarded sites should have been assessed as part of the further work undertaken in the 2021 GB Addendum and safeguarded sites should have been identified. This is the only way to ensure strong and enduring Green Belt boundaries.

Tests of Soundness

- 3.27 Bellway considers that the above modifications fail to meet the following tests of soundness because:
- 1 There is a compelling case at York to identify and allocate safeguarded land within the Local Plan. Green belt boundaries need to be capable of enduring ‘beyond’ the plan period, and

the potential period between further Local Plan Reviews means that land should be removed from the Green Belt now to meet future needs.

- 2 **It is not Justified:** There is no clear evidence to demonstrate why safeguarded land has not been identified to meet need beyond the plan period.
- 3 The Council's submitted evidence does not robustly demonstrate sufficient housing delivery during the plan period and beyond and there are significant flaws in the Council's assumptions on future windfalls.
- 4 Without the inclusion of safeguarded land as a minimum in this Local Plan, it is clear that the plan is not sound and should not be adopted. However, it is considered that a modification to the plan requiring the inclusion of safeguarded land could make the plan sound without it having to be withdrawn.
- 5 PM49 – the change is well intended but the plan fails to deliver permanence to the Green Belt and deliver sufficient land for housing.
- 6 PM50 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 7 PM53 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 8 PM54 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 9 PM55 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.

Recommended Change

- 3.28 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council must:
- 1 Review the Green belt assessment to identify which parcels of land could be released from the Green Belt to act as allocations and Safeguarded Land.
 - 2 Make policy provision for Safeguarded Land and identify Safeguarded Land on the Local Plan Proposals Map.
- 3.29 Without this change the plan cannot be found sound and should not progress to adoption. Later parts of these representations demonstrate the suitability of the Earswick site either for allocation for housing or safeguarded land.
- 3.30 It is clear from analysis of the Council's evidence base that the approach to identifying an OAHN is not compliant with the Framework. The Council is not planning to deliver a sufficient supply of housing to meet the district's OAHN as identified by Lichfields. Furthermore, there are doubts that the housing trajectory is based on robust delivery assumptions and therefore the Council's ability to deliver a five year housing land supply or meet the housing requirement across the plan period.
- 3.31 The Council should therefore revisit its housing requirement and also seek to identify additional land to meet the housing needs of the district. In order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change. This will ensure compliance with the Framework by significantly boosting the supply of housing.
- 3.32 Overall, it is noted that the OAN presented in the Lichfields report is very similar to the government's Standard Method figure for York. Whilst the Local Plan is continuing under the transitional arrangements of the Framework, allowing it to be tested against the 2012

Framework, a robust case has been made to increase the OAN to this order. It is similarly noted that the Inspectors have repeatedly raised concerns about the age of key pieces of evidence should be Local Plan be adopted in its current form, presenting a risk that the Plan is 'out-of-date' at the point of adoption. Such a scenario would be of no benefit to anybody involved in the process.

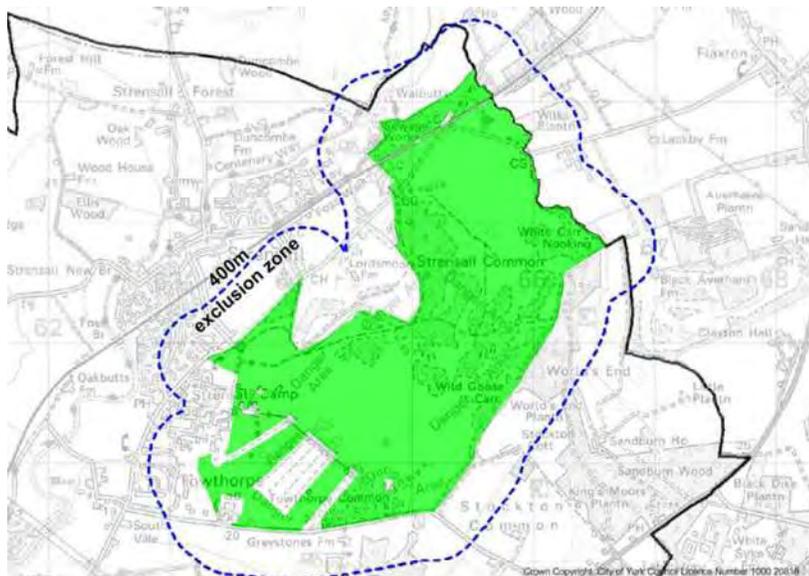
- 3.33 On the basis that a robust argument is made for an increase in OAN and there is a risk of the Local Plan being out-of-date, it is considered that the increased OAN would deliver a plan which is more likely to endure over its full intended plan period. Without this, the Council is effectively 'baking in' a future significant shortage of housing supply and an inevitable need to review Green Belt boundaries when it has to prepare a Local Plan which responds to the government's standard method for OAN.

4.0 **Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC) and PM 71 - New Policy GI2a Justification**

Introduction

- 4.1 Following a challenge from Natural England and at the request of the Inspectors, the latest Habitat Regulations Assessment [HRA] (October 2020) comprises changes to fully assess possible impacts from recreational pressure at the Strensall Common Special Area of Conservation [SAC] and to confirm compliance with case law. Based on the findings of the HRA the Proposed Modifications seek to introduce a new policy to the Local Plan.
- 4.2 New Policy G12a proposes an ‘exclusion zone’ set at a 400m linear distance from the SAC boundary. Part (a) of the policy states that permission will not be granted for development that results in a net increase in residential units within this zone.
- 4.3 Part (b) of the policy identifies a ‘zone of influence’ between 400m and 5.5km linear distance from the SAC boundary. Part (b)(i) requires that where new residential development is proposed within the zone of influence on allocated housing sites, provision of open space must include or secure access to areas of suitable natural greenspace secured by way of mitigation prior to any occupation of new dwellings and secured in perpetuity. Part (b)(ii) states that proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6.
- 4.4 The proposed Exclusion Zone is shown in Figure 4.1.

Figure 4.1 Strensall Common - Proposed Exclusion Zone



Source: City of York Local Plan Composite Modifications Schedule (April 2021)

Consideration of Modification

- 4.5 Bellway considers that the diagram identifying the proposed Exclusion Zone is not sufficiently detailed and of an appropriate scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone and whether the 400m boundary line identified is accurate.
- 4.6 For example, it would appear that the outer boundary of the Exclusion Zone does not include the east of Strensall Road site, although the boundary is rather ambiguous. It is therefore essential that a plan of a sufficient scale is provided so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 4.7 Bellway is also concerned that there is no clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone. The identification of this distance appears to be reliant on other examples in the country and there is no clear explanation as to why it is appropriate in this instance. It is not clear why a shorter distance could not be applied, so that only development which would be in the closest proximity to the Common (and therefore more likely to access it) would be affected.
- 4.8 Bellway also considers that the wording of Part (a) of Policy G12a has not been positively prepared. The need to protect the important wildlife site of Strensall Common SAC is recognised. However, it is considered that the policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage and appropriate mitigation identified. This may include contributions to habitat management; access management and visitor infrastructure; publicity, education and awareness raising; provision of Suitable Alternative Natural Green Space (SANGS) within development sites where they can be accommodated and where they cannot by contributions to off-site alternative green space. This approach would reflect that taken in other authority areas such as Cannock Chase where the Cannock Chase SAC is protected by a similar policy¹¹.
- 4.9 The wording of Part(b)(ii) of the Policy is not considered to be positively prepared or effective, in particular the text which states that “*proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects*” (our emphasis). Bellway does not consider that it would be practical for applicants to consider other plans and projects as this could potentially include a very large number of schemes and there would be no way of applicants to accurately assess or confirm the impacts of these schemes and any proposed mitigation. The policy should be reworded to make clear that the effects of the application site alone would need to be considered.

Tests of Soundness

- 4.10 The above modifications fail to meet the following tests of soundness because:
- 1 **It is not Positively Prepared:** The policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage.
 - 2 **It is not Justified:** No clear justification has been provided for the 400m distance identified for the outer boundary of the Exclusion Zone.

¹¹ Cannock Chase Local Plan (Part 1) 2014 Policy CP13 - Cannock Chase Special Area of Conservation (SAC)

- 3 **It is not Effective:** The diagram identifying the proposed Exclusion Zone is not sufficiently detailed in scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone.

Recommended Change

4.11 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council should:

- 1 Provide a plan of a sufficient scale so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 2 Provide clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone.
- 3 The wording of Part (a) of the policy should be deleted and replaced with the following:

“All proposals for net new residential development within the Exclusion Zone will be required to undertake an Appropriate Assessment to demonstrate (a) that they will not have an adverse effect on the SAC and/or (b) the acceptability of any avoidance and mitigation measures provided. The Council will need to be satisfied that any such development will not lead to further recreational use of the SAC or have any other significant effect on its integrity”.

- 4 The wording of Part(b)(ii) of the Policy should be amended as follows:

“Proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, ~~either alone or in combination with other plans or projects~~. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6”.

5.0 **Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021**

Introduction

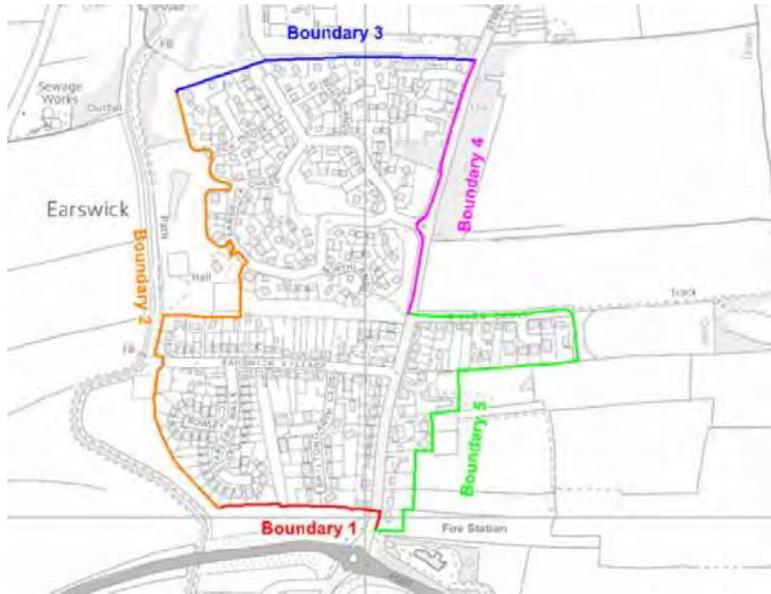
5.1 The Council has published ‘Topic Paper 1: Approach to defining York’s Green Belt Addendum (2021)’ [‘the 2021 GB Addendum’] to support its position on Green Belt boundaries, including those around existing settlements such as Earswick. The 2021 GB Addendum seeks to clarify the methodology and revises the text to represent the methodology developed and applied for setting York’s Green Belt Boundaries. There are no proposed changes to the Green Belt boundary around Earswick as a result of the addendum. It aims to address concerns raised by the Inspectors following the Phase 1 Local Plan Examination Hearings. In addressing these concerns, the document states that it¹²:

- *“Simplifies and clarifies the methodology relied upon to delineate the proposed Green Belt boundaries*
- *Sets the methodology out in four linked sections (5-8)*
- *Ensures that the criteria used for boundary definition have more clearly expressed connections to Green Belt purposes*
- *Removes elements that have caused confusion*
- *Applies the methodology as now clarified with more detail to show how boundaries were justified*
- *Revises the text to explain why, notwithstanding the methodological concerns raised by the Inspectors, the proposed boundaries (with minor proposed amendment) remain sound under the application of the clarified methodology”.*

5.2 The Green Belt boundary proposed in Annex 4 of the 2021 GB Addendum identifies the land east of Strensall Road, Earswick as lying within the Green Belt. The proposed boundary between the Green Belt and the settlement sits along the western boundary of the site (Green Belt boundary 4) and southern boundary of the site (Green Belt boundary 5) (see Figure 5.1 Proposed Green Belt Boundary - Earswick).

¹² Topic Paper TP1 Approach to defining York’s Green Belt Addendum January 2021 §1.4

Figure 5.1 Proposed Green Belt Boundary - Earswick



Source: Topic Paper 1: Approach to defining York's Green Belt Addendum 2021: Annex 4

Consideration of Modification

- 5.3 Having reviewed the Topic Paper Addendum, Bellway maintain a concern with the adopted methodology which does not satisfactorily address the issues raised by the Inspectors in their letter of June 2020. The approach taken to identifying boundaries is flawed as there is a lack of transparency and justification as to how the findings within the document have resulted in the Green Belt boundaries identified.

Methodology

- 5.4 The 2021 GB Addendum seeks to clarify how the methodology has been revised. It states that in order to address the concerns raised by the Inspectors it:

- “(a) proceeds on the basis that, as the Inspectors have found, the approach to defining detailed Green Belt boundaries is broadly in general conformity with the RSS;*
- (b) revises the methodology used to assess how boundary delineation performs against Green Belt purposes by removing those aspects which rely on “shapers” in the Local Plan, in favour of considerations which are explicitly linked to each of those purposes;*
- (c) when considering purpose 4, provides further explanation of how the Heritage Topic Paper [SD103] was taken into account to identify all areas that are considered to be important to the historic character and setting of York;*
- (e) revises the assessment at both a strategic and detailed local level accordingly, whilst continuing to place particular emphasis on purpose 4, as accepted by the Inspectors;*
- (f) confirms how the revised approach followed by the Council accords with both saved policy in the RSS as well as policy in the NPPF relating to the definition of Green Belt boundaries”.*

5.5 With regard to the five Green Belt purposes, the 2021 GB Addendum notes that the Council has simplified and clarified its approach. For **Purpose 2** (to prevent neighbouring towns merging into one another), it notes¹³ that:

“York does not have any other major towns close to the general extent of the Green Belt, so the potential issue of towns merging does not arise ... However, as the Inspectors accepted, the coalescence of smaller settlements and villages may be relevant under Purpose 4, where this issue is considered”.

5.6 With regard to **Purpose 5** (to assist in urban regeneration by encouraging the recycling of derelict and other urban land) it states:

“It is not considered that this purpose of itself assists materially in determining where any individual and detailed part of the boundary should be set”.

5.7 On this basis, the 2021 GB Addendum states that purposes 1, 3 and 4 apply as follows¹⁴:

“The Council has considered all of the Green Belt purposes, and determined that purposes 4, 1 and 3 are appropriate in examining the general extent of the Green Belt and justifying the proposed York Green Belt detailed boundaries, but in accordance with RSS policy (and as accepted by the Inspectors) placed primary emphasis on the fourth NPPF Green Belt purpose (“to preserve the setting and special character of historic towns”), which is recognised as being appropriate in the context of York”.

5.8 It notes¹⁵ that all York Green Belt boundaries have been assessed as to their potential impact on the aspects of the Heritage Topic Paper which relate to openness.

5.9 In terms of defining detailed boundaries, the methodology now includes 5 criteria which link back to the three relevant Green Belt purposes and strategic principles. These criteria and their relevant purposes are:

- 1 Does land need to be kept permanently open in order to aid the perception or understanding of a compact city (Purpose 4)?
- 2 Does the land need to be kept permanently open to contribute to the understanding and significance of a building, landmark or monument (Purpose 4)?
- 3 Does the land need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York (Purpose 4)?
- 4 Does the land function to contain the urban area and protect open land from urban sprawl? (Purpose 1)
- 5 Does the land have the characteristics of countryside and/or connect to land with the characteristics of countryside which needs to be protected from encroachment? (Purpose 3)

5.10 A set of more detailed assessment questions is provided in the 2021 GB Addendum to enable the assessment of boundaries against these criteria.

5.11 Consideration of Earswick and its boundaries against these criteria is set out in Annex 4 of the 2021 GB Addendum. Five individual boundaries are identified around Earswick. The eastern boundaries, which the east of Strensall Road site sits adjacent to, are identified as ‘Boundary 4 and 5’.

¹³ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.7

¹⁴ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.10

¹⁵ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.25

- 5.12 We review the assessment of Earswick and its boundaries against these criteria and the associated detailed assessment questions below.
- 5.13 For the reasons set out below, it is considered that the methodology applied by the Council remains flawed and fails to justify the defined boundaries. We use the Earswick boundary to demonstrate the failings of the Addendum.

Compactness (Criterion 1)

Detailed Assessment Questions

1.1 Does the land need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape?

1.2 Does the land need to be kept permanently open to maintain the scale or identity of a compact district or village?

1.3 Does the land need to be kept permanently open to constrain development from coalescing or by maintaining a connection to open or historic setting?

- 5.14 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.15 It suggests that land around Earswick needs to be kept permanently open to maintain the scale and identity of a compact village and to maintain a connection to the open and historic setting. It notes that allowing the village to grow significantly would take it out of proportion with the settlement pattern of York.
- 5.16 The supporting text recognises the historic growth of the village to the west, with further western expansion likely to cause issues of coalescence with Haxby. The addendum understandably focuses on the boundaries which might cause issues of coalescence but fails to recognise the existence of well defined field boundaries to the east which could contain future development, and the ‘finger’ of development which already extends eastward along Willow Grove and forms the southern boundary of the proposed site.
- 5.17 The village is capable of expansion to the west without any significant impact on the overall compactness of the settlement and does not need to be kept permanently open in order to aid the perception or understanding of a compact city. In fact, the development of the site affords an opportunity to enhance the substantial visual screen at the northern and eastern boundary. It does not therefore need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape.
- 5.18 In this respect the conclusions of this paper seem to contradict the conclusions previously reached by the Council when it identified the site as safeguarded land.
- 5.19 The land does not therefore need to be kept permanently open in order to aid the perception or understanding of a compact city and the east of Strensall Road site is suitable for removal from the Green Belt on this basis.

Landmark Monuments (Criterion 2)

Detailed Assessment Questions

2.1 Does land need to be kept permanently open to understand the original siting or context of a building, landmark or monument.

2.2 Does land need to be kept permanently open to understand the visual dominance, prominence or role of a focal point of the building, landmark or monument?

2.3 Does the land need to be kept permanently open as part of the tranquillity, remoteness or wildness of the asset?

5.20 The 2021 GB Addendum answers ‘No’ to questions 2.1, 2.2 and 2.3.

5.21 The 2021 GB Addendum concludes that the land around Earswick does not need to be kept permanently open for these purposes.

Landscape and Setting (Criterion 3)

Detailed Assessment Questions

3.1 Does the land need to remain permanently open to aid the understanding of the historical relationship of the city to its hinterland, particularly as perceived from open approaches?

3.2 Does the land need to remain permanently open to aid the understanding or significance for the situation of a designated landscape, park or garden?

5.22 The 2021 GB Addendum answers ‘Yes’ to question 3.1 and ‘No’ to question 3.2.

5.23 The assessment against Criterion 3 does not make specific reference to any individual boundary. It simply notes:

“The land needs to be kept permanently open to protect the setting and special character of the wider city landscape and character of York, which includes a clockface of smaller, compact villages, particularly as perceived from open approaches.”

5.24 The commentary used by the Council on this criterion bears little relevance to the purposes of Green Belt set out at paragraph 80 of the Framework, or the considerations for defining boundaries at paragraph 85. Having regard to the characteristic of the existing form of the village (discussed above, particularly with the development of Willow Grove), a well considered development to the east of the village does not need to change any of the above characteristics.

5.25 The east of Strensall Road site does not therefore need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York.

Urban Sprawl (Criterion 4)

Detailed Assessment Questions

4.1 Is land connected to or within proximity to the urban area and therefore relevant for sprawl?

4.2 Does the land have an increased risk of sprawl occurring through the presence of low-density, agricultural or recreational structures such as farms, isolated buildings or small clusters with a strong sense of openness, or the possibility of creating ribbon development?

4.3 Is the land unconstrained by built development or strong boundaries on more than one side, and therefore not contained or enclosed in a way which would prevent sprawl?

- 5.26 The 2021 GB Addendum answers ‘Yes’ to question 4.1, ‘Yes, 3 only’ to question 4.2 and ‘Yes, 3, 4 and 5’ to question 4.3.
- 5.27 It states:
- “Land adjacent to all boundaries is connected to the built up area of the village and unconstrained by built development on more than one side”*
- 5.28 The development of land on the edge of any settlement has the potential to result in sprawl and the usual barometer to assess sprawl is to consider how well contained the parcel is by the urban area and how strong the boundary is to restrict it from sprawl. We consider, as demonstrated by the Vision Document submitted to earlier rounds of consultation on the Local Plan (attached here at Appendix 1), that the eastern side of the settlement is capable of expansion without any significant impact on sprawl given its level of containment.
- 5.29 It is clear from the nature of commentary that the Council’s failure to identify individual land parcels and consider their individual contribution towards Green Belt purposes, as is normally the case for authorities changing or establishing Green Belt boundaries, has resulted in an assessment which lacks clarity and transparency.
- 5.30 The east of Strensall Road site is able to contain the urban area and protect the open land beyond from urban sprawl and is therefore suitable for removal from the Green Belt and inclusion within the settlement boundary of Earswick.

Encroachment (Criterion 5)

Detailed Assessment Questions

5.1 Is the land characterised by an absence of built development or urbanising influences?

5.2 Does the land function as part of the countryside in terms of relationships within it or acceptable uses within it; including those for agriculture, forestry, woodland, equestrian and other uses, small villages, rural business parks or other building clusters?

5.3 Does the land contribute to the character of the countryside through openness, views or accessibility

- 5.31 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.32 The fact that land east of Strensall Road is greenfield, lies on the edge of an existing settlement and is thus open and having the appearance of countryside inevitably means that its development might be said to have an adverse effect in terms of encroachment on the open countryside. The same is equally true of any site located on the edge of any urban area.
- 5.33 When making an assessment of encroachment the normal approach is to consider the presence of a strong physical boundary and the extent of development which does not fall within an appropriate countryside use. With regard to this matter the east of Strensall Road site is contained by development to the west and much of the south, with strong and defensible boundaries to the east and north which can be appropriately landscaped as part of a well designed development. Indeed, development of the site would represent a ‘rounding’ rounding of the village and consequently would not be seen as ‘encroachment’ into the countryside.

Boundary Permanence

- 5.34 The remaining text considers the permanence of the tightly drawn boundary. To some extent, following a tight line around the existing built form of the village, it is inevitable that the boundary is clearly defined. It offers no opportunity for future sustainable growth of the village. However, it does not follow that other boundaries are not equally, and potential better, defined as part of a well planned development.
- 5.35 Further, it is clear that the Council continues to use measures such as relative sustainability (the number of services available within 800m), location of open space and flood risk amongst other things to justify the boundaries. These are the matters on which the Council received clear instruction from the Inspectors to change, yet they remain within the Green Belt evidence. These considerations have no relevance to how the land performs against Green Belt purposes.

Consistency with the Local Plan Strategy

- 5.36 Overall we remain concerned that the assessment is continues to rely on the ‘shapers’ in the Local Plan which the Inspectors previously criticised the Council for using.
- 5.37 A more robust and transparent approach would be to identify individual land parcels, as is common across other Local Plans, and identify their individual contribution to Green Belt purposes. Only then, once individual contributions are clearly understood, should any kind of policy analysis factor in the consideration of which sites should and should not be released from the Green Belt. It is clear that the CoY has continued to confuse these two stages resulting in a flawed evidence base prepared to retro fit the draft Local Plan.
- 5.38 It appears that in reviewing the evidence, the Council has set out to prepare evidence which supports its policy of no Green Belt release, without undertaking a robust assessment of the contribution different sites make to the Green Belt. This is particularly concerning in light of our related representations on proposed modifications to Policy SS1.

Appendix 1 East of Strensall Road, Earswick: Vision Document

The Bellway logo features the word "Bellway" in a bold, black, sans-serif font. A thin, curved orange line arches over the top of the letters "y" and "a".

Bellway

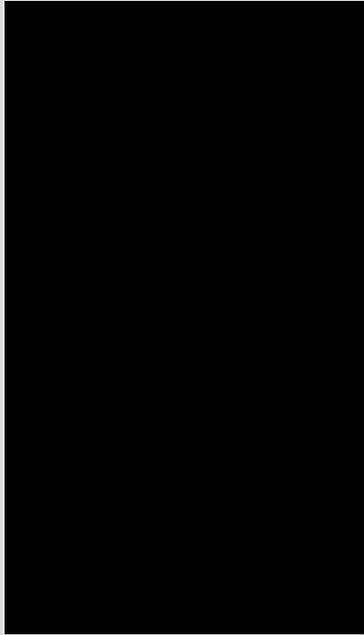
*Building Homes,
Building Value*

A photograph of a row of modern, two-story brick houses. The houses have red brick facades, dark grey window frames, and gabled roofs with dark grey gutters. Each house has a small front garden with a young tree and a black metal fence. The sky is blue with light clouds.

Land east of Strensall Road, Earswick, York

Vision Document

This document has been prepared by:



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1.0 Introduction

Bellway Homes PLC is a major UK residential property developer with its head office based in Newcastle upon Tyne. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. In just over 70 years, Bellway Homes has grown from a small, family-owned firm to one of the most successful house builders in the UK. Today we directly employ more than 2,000 people and have earned an enviable reputation, built on the pillars of quality, service and trust. As the 4th largest housebuilder the Company has built its successful track record and reputation on the principle of providing the homes people aspire to by developing local designs with the help of local people.

This Vision Document has been prepared by Lichfields on behalf of Bellway Homes. It aims to assist York City Council in the preparation of its Local Plan by articulating and illustrating the opportunity provided by land east of Strensall Road, Earswick and in particular the benefits of bringing forward a comprehensive residential development of approximately 350 homes.

The vision is to create a high quality, green neighbourhood which will create a sustainable community and help to meet the housing objectives of the Local Plan. The development will afford residents the opportunity to benefit from new sustainable family homes in a vibrant and inclusive neighbourhood. The development will deliver approximately 350 new homes.



Site context plan

2.0 Site and Surroundings

Earswick is a village which lies between Huntington and Strensall, and is approximately 4 miles north of York. On the York to Strensall road, Earswick is one mile south of Strensall. The site is on the Eastern side of the village, on the northern edge of the A1237 ring road offering easy access to and from York City Centre.

The site is approximately 19ha in size and regular in shape, consisting of a generally square area of land in the western section of the site. It consists of agricultural land. Strensall Road bounds the site to the west and there are a number of houses to the north. The southern and eastern boundaries are marked by hedges and trees with the Willow Grove residential estate adjoining the site at the south-western corner. There is a strip of semi-mature woodland at the western edge of the site which would be retained.

There is already residential development on the eastern side of Strensall Road. Earswick itself is largely defined by a modern suburban development character.

The site is well served by facilities available in Earswick and Huntington, including, inter alia:

- Earswick Village Hall;
- The Minster Veterinary Practice;
- Huntington Post Office;
- Huntington Pharmacy.

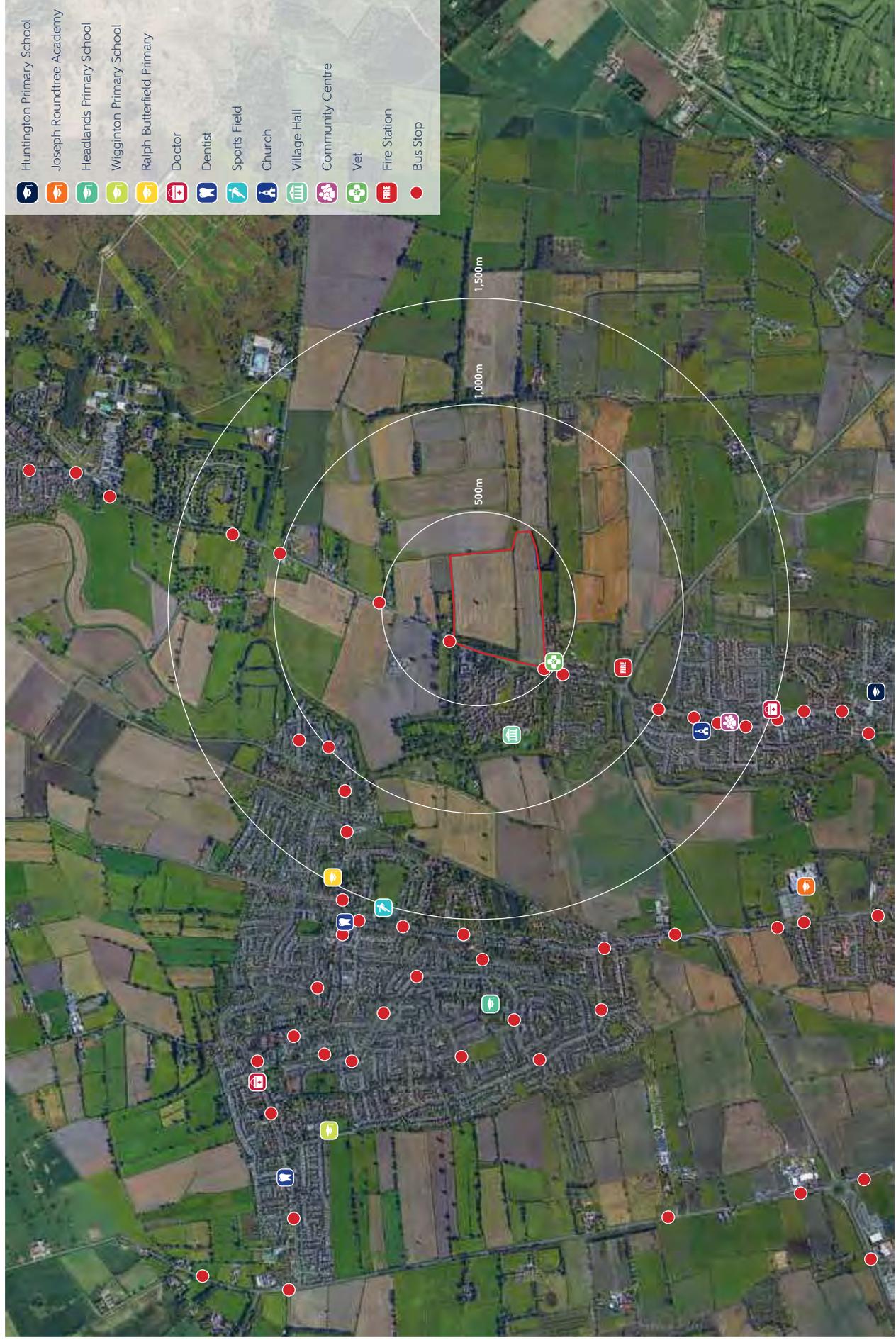
There are a number of primary schools in proximity to the site which are currently under capacity;

- Burton Green Primary School;
- Headlands Primary School;
- Huntington Primary Academy;
- Ralph Butterfield Primary School;
- Skelton Primary School; and
- Wiggington Primary School.

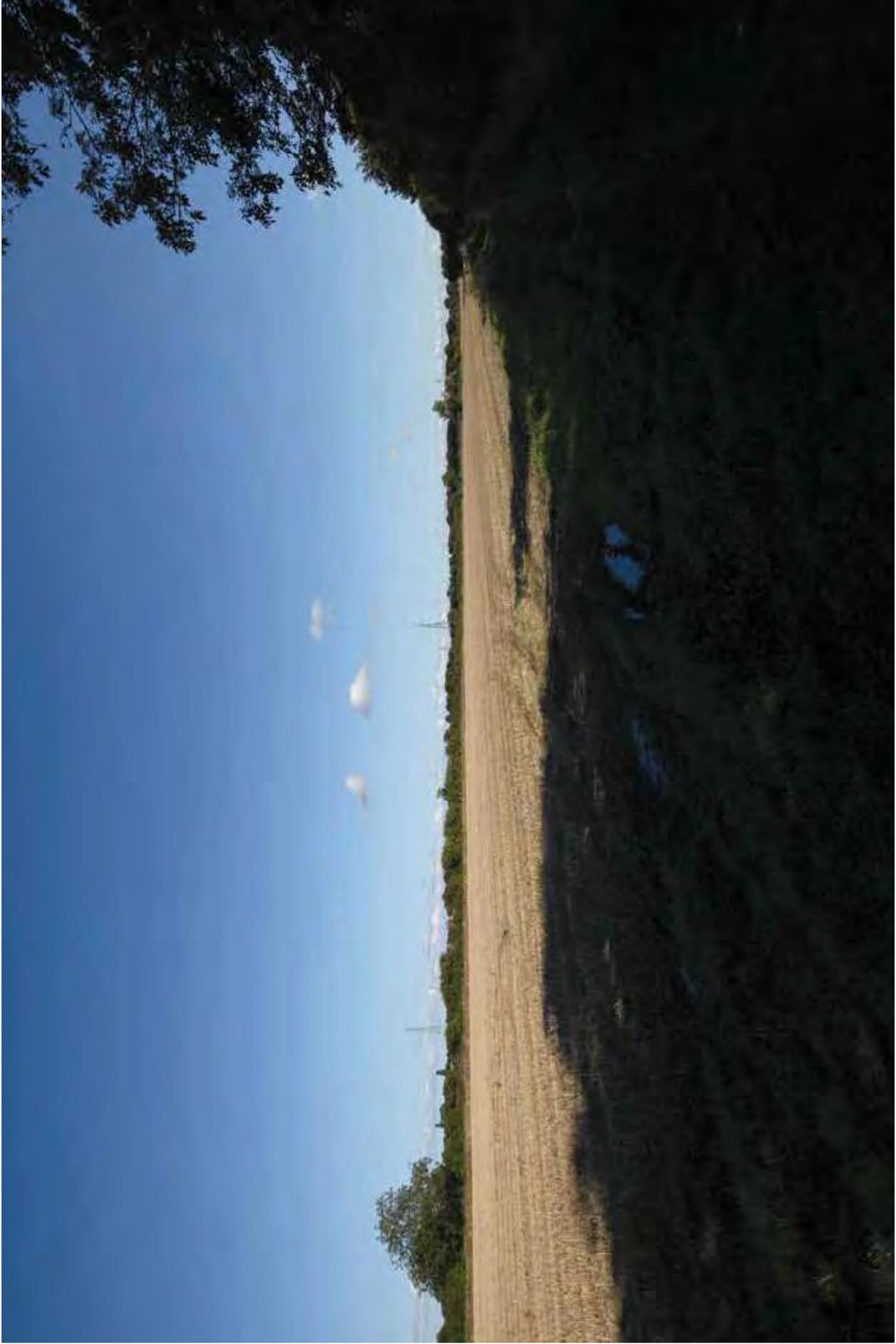
Secondary education facilities are available at Huntington Secondary School, which is also under capacity.

Further facilities include a number of supermarkets and a hospital available in York, 5km to the south. There are a number of bus stops located along Strensall Road offering regular public transport services to Strensall, Acomb and York.

SITE AND SURROUNDINGS



Local services plan



The site



Earswick



Community open space, Earswick



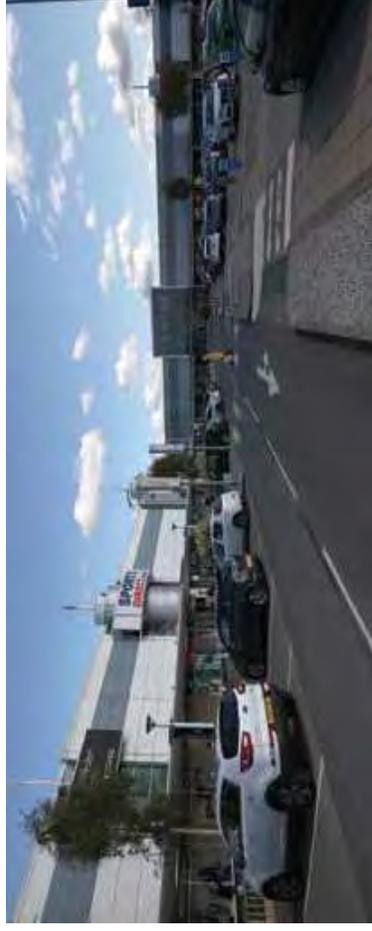
Buses on Strensall Road



Huntington Primary Academy



The Blacksmiths Arms pub in Earswick



Monks Cross Shopping Park

3.0 Policy Context

National Planning Policy

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking”

Paragraph 14, NPPF

At the heart of the NPPF is a presumption in favour of sustainable development. The planning system should contribute to building a strong economy, boost the supply of housing to meet present and future needs, whilst also protecting and enhancing the natural, built and historic environment.

“Local Plans should be aspirational but realistic...crucially, Local Plans should plan positively for the development and infrastructure required in the area.”

Paragraph 154 and 157, NPPF

Guidance in the NPPF emphasises the importance of:

- Significantly increasing the supply of housing;
- Using an evidence base to ensure that Local Plans identify key sites critical to the delivery of the housing strategy
- Delivering a wide choice of high quality homes that people want and need;
- Widening opportunities for home ownership; and
- Creating sustainable communities.

Local Planning Policy

The City of York Local Plan Pre-Publication Draft sets out the vision and spatial strategy that will guide development of York over the plan period which runs from 2017 to 2032/33.

National Planning Policy requires Councils to prepare long term planning policies for their area and through regulations, sets out prescribed processes for doing this.

“...identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period...”

Paragraph 85, NPPF

Work on the City of York Local Plan is currently at Regulation 18 stage - the first stage. To date, as part of this stage the Council has already consulted on Preferred Options in 2013 plus additional consultations as part of the further sites consultation in 2014 and preferred sites consultation in 2016.

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including our Client’s site at east of Strensall Road, Earswick. The Officer Report from the Site Selection Paper Addendum (September 2014) considers that the site is still viable and should still be safeguarded. Furthermore the site was considered to be suitable, deliverable and viable in the 2017 Consultation Statement.

Proposals Map Plan: City of York Local Plan Publication Draft 2014



It was demonstrably clear that the Council considered this land as Safeguarded Land for development at the time of a subsequent Plan review. Its purpose is to help ensure that the Green Belt as defined in the Local Plan endures beyond the Plan period. The land forms part of a much larger site (LPA Ref SF14 – land at Earswick), which was previously designated as Safeguarded Land in the City of York Local Plan Publication Draft 2014.

Bellway Homes considers that the land to the East of Strensall Road, Earswick represents one of the most appropriate site options when considered against reasonable alternatives i.e. a number of the Council's preferred housing allocations in and around the northern outskirts of York. However, it is also considered that in order to ensure that the Local Plan is positively prepared, justified, effective and consistent with national planning policy, the document should identify further housing sites to meet its full OAN and allocate Safeguarded Land to ensure that the Green Belt boundary has permanence beyond the plan period.

The Council should therefore reintroduce 'Policy SS3: The Creation of an Enduring Green Belt', as per the City of York Local Plan Publication Draft 2014.

Wider Earswick Site:
 City of York Local Plan Further Sites Consultation, June 2014



City of York Local Plan (2014) Appendix 6 Safeguarded Land Assessment (Site Ref: 810)

4.0 Housing Requirement

City of York Local Plan – Pre-Publication Draft

Policy SS1 (Delivering Sustainable Growth for York) sets out that the Council will deliver a minimum annual provision of 867 new dwellings over the plan period to 2032/33.

The spatial strategy sets out the general spatial principles that will underpin the distribution of future development in York. It considers a range of issues which will influence the spatial strategy and includes a section on York City Centre, York Central, Castle Gateway and the strategic sites (those that are 5ha or more).

The latest population projections (2014 SNPP) project a growth of 7.6% over the 25 year period to 2039, with a population of 34,000 more people anticipated in 2039. This is higher than the growth of 29,000 projected under the 2012 SNPP. This is an annual growth of 1,360 people compared to 1,160 people.

The higher growth is driven by greater levels of net in-migration – particularly levels of international net migration during the first 5 years of the projected period.

The 'York Strategic Housing Market Assessment Update (SHMA 2017) is clear that development should provide both market and affordable housing. In response to both market signals and affordable housing need they advocate a 10% uplift to the OAN. In line with the PPG this was set against the official starting point of 867 dpa. The resultant housing need would therefore be 953 dpa for the 2012-32 period.

This increase in the OAN, whilst still below the figure derived from the new methodology which the Government are currently consulting upon within 'Planning for the Right Homes in the Right Places', indicates that the Council is aware that current population and market trends demonstrate that not enough houses are being built within York. The subsequent designation of the site east of Strensall Road would help alleviate these pressures.

The SHMA has examined housing completions data for York dating back to 2004/05 and set these against the annual housing target from 2004/05 to 2015/16. With the exception of last year, housing delivery in York has failed to meet its target each year since 2007. The overall target for these years was missed by 20%, which equals 2,051 units below the target level.

Green Belt Release

Paragraphs 83 to 85 of the NPPF sets out the national policy position on determining the boundaries of the Green Belt and the role of safeguarded land as a tool to help ensure that Green Belt boundaries endure beyond the Plan period.

Paragraph 83 confirms authorities should consider the Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period. In helping to achieve this degree of permanence paragraph 85 provides further policy on determining boundaries including: where necessary, identify in their plans areas of 'safeguarded land' between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period.

The preferred options draft Local Plan and the subsequent publication draft (September 2014) sought to apply the national and saved regional policies in setting out the extent of the Green Belt and identified a reserve of safeguarded land (including this site) to ensure that the Green Belt boundary is capable of enduring beyond the Plan period. To do this the Plan included policy to identify safeguarded land and protect it from development until such time as a plan review identified the need for the land to be allocated for development.

It is very clear the Green Belt must endure beyond the Plan period and that land not needed for development during the Plan period should be protected as safeguarded land. If no safeguarded land is identified in the emerging Local Plan this would be a significant failure to identify how the longer term needs of the areas could be met, particularly without encroaching into the Green Belt and eroding its boundaries.

The delivery of land East of Strensall Road, Earswick is essential to provide the new homes needed in the City of York. The Council must consider its release from the Green Belt and allocation or safeguarding for longer-term development needs.



5.0 What types of new houses are needed in York?

Strategic Housing Market Assessment Update 2017

The York Strategic Housing Market Assessment Update 2017 (SHMA, 2017) makes clear that future housing development should focus on delivering both market and affordable housing to the area.

The Pre Publication Draft Local Plan 2017

The current draft local plans sets out through its proposed housing policies an aim to achieve a balance across the housing market to reflect the diverse mix of need across the city.

It is the council's aspiration to ensure a mix of types of housing across a development - catering for small families, newly forming households and people looking to downsize as well as specialist housing provision for vulnerable people.

Stock Analysis

The 2016 SHMA indicates that the housing stock within York is very similar to national averages with no comparative concentrations or shortages in any of the specific housing categories.

Our client's site in Earswick offers a viable opportunity to maintain this property balance by providing a mix of properties and allow for considered distribution in line with market demands on site.

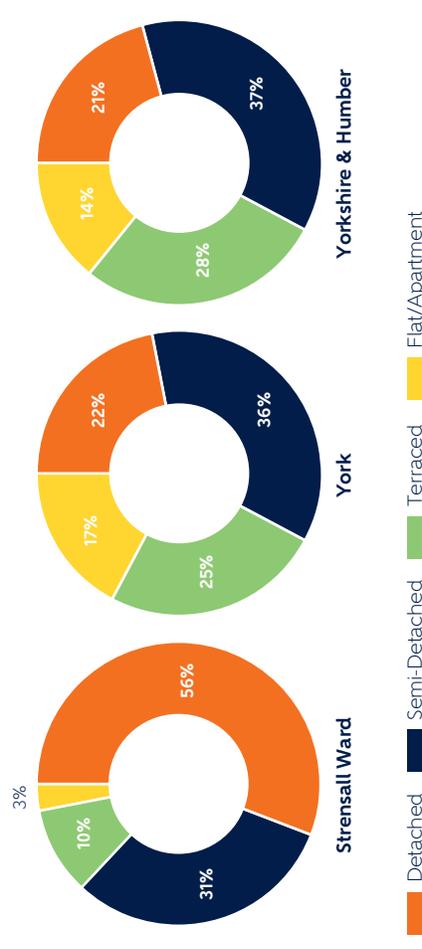


Figure 5.1: Existing Housing Types in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

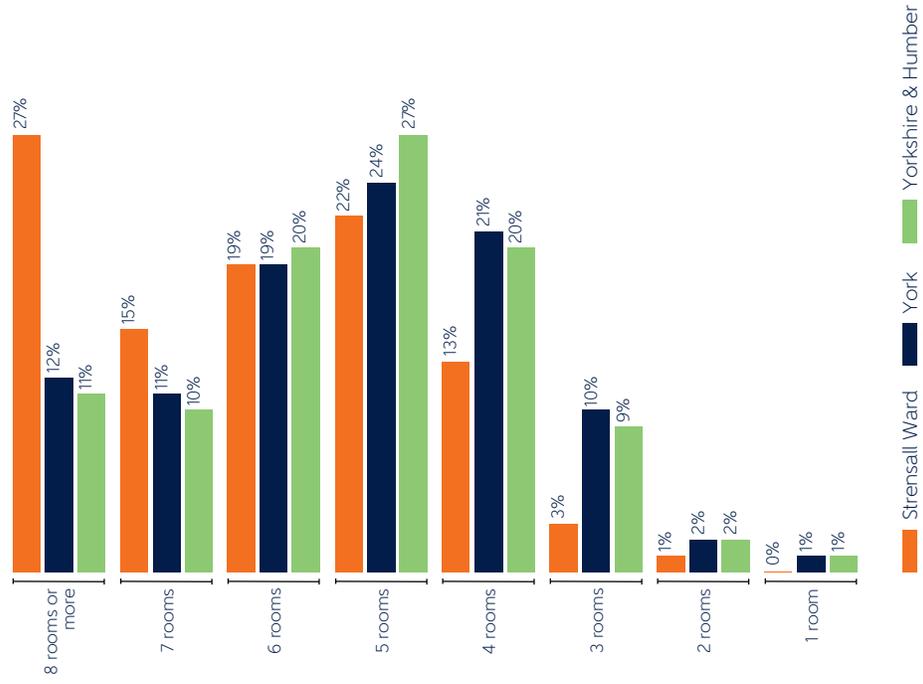


Figure 52: Number of rooms per dwelling in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

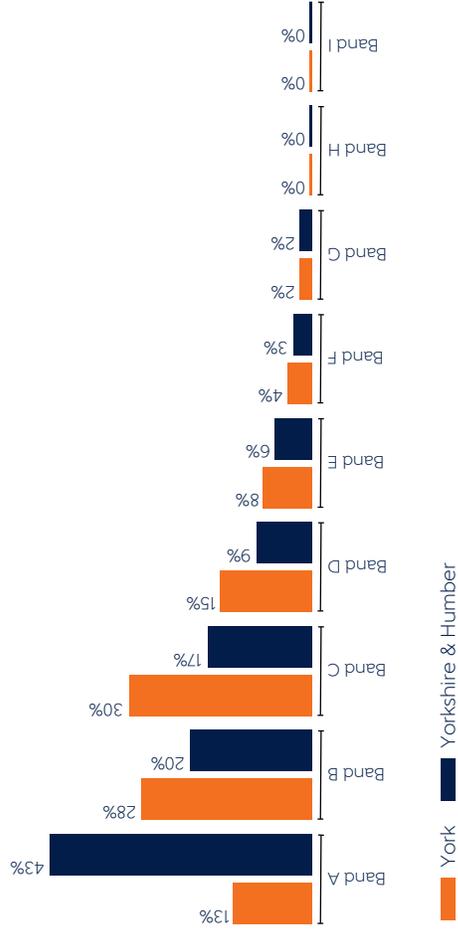


Figure 53: Dwelling Stock by Council Tax Band
Source: VOA (2017), Council Tax: stock of properties

Conclusion

The Draft Plan and supporting SHMA identify an increased housing need across the Local Authority. There is demand for market and affordable housing throughout York, providing a balanced housing market.

6.0 Environmental and Technical Appraisal

Constraints

The site and its surroundings have been considered in relation to potential developmental constraints which will inform the future development of the site.

The map opposite illustrates constraints, none of which represent a significant limit to the capacity of the site.

The site is not subject to any ecological, landscape, archaeological or geotechnical designations.

Green Belt

As documented earlier the site is currently designated Green Belt. The justification for Green Belt removal is considered due to the insufficient supply of non-Green Belt sites representing 'exceptional circumstances' that justify the release of the land in accordance with paragraph 82 of the NPPF.

Opportunity

The proposal provides an opportunity to comprehensively plan the delivery of this site, presenting an opportunity to create a high quality residential neighbourhood which responds to and accommodates the potential constraints. It will also result in numerous social, economic and environmental benefits which are discussed in greater detail at Section 9 of this document.

Landscape

The vegetated nature of the boundaries to the site is such that views are limited for the most part. This means the site would not have an overbearing impact on neighbouring and adjacent properties, and would integrate with and form a logical extension to Earswick.



Existing median and drop kerb potential access into site. Bus stops seen in background.



Flat topography. Large mature Oak notable feature in views. Electricity pylons seen in the distance.



Strenall Road roundabout with Earswick Chase. Potential new access into site, subject to achieving necessary sight lines.



Mature tree line defines southern boundary of the site. Boundary vegetation limits visibility into site, especially in summer



Recreation facilities including Village Hall, playground, tennis courts and football pitches adjoining River Foss. Consider link from site to these facilities.

Key

	Site boundary
	Potential future access
	Bus stops
	Listed building
	Public rights of way
	River Foss
	Green link to River Foss
	Large mature trees
	Hedgerow
	Distinctive views (neighbourhood plain)
	Photo viewpoints

Transport

A site accessibility assessment has already been undertaken by systra. Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents. A full Transport Assessment would be undertaken to understand any potential issues that may arise from the increased traffic on the road network.

Highways Improvements

There are two proposed potential accesses to the site:

1. an additional arm from the Strensall Road / Earswick Chase roundabouts
2. ghost island turn on Strensall Road.

The site access would need to be located on Strensall Road. Strensall Road has a 30mph speed limit until 50m north of the development site, where it becomes national speed limit. The City of York Council Highway Design Guide states that 'Major access roads serve between 100 and 400 dwellings' and that 'Major access roads should preferably have two points of access.' Whilst the guidance states that two accesses are 'preferable', it is proposed that one is provided initially, supported by an emergency secondary access. The highways assessment undertaken on behalf of Bellway Homes has identified a formal second access should this be desirable from a masterplanning perspective or if the local highway authority insists that two public vehicular accesses are provided.

Main Access - Strensall Road / Earswick Chase roundabout

There is an existing three-arm roundabout to the south-west of the site providing access to Earswick Chase from Strensall Road. It is not possible to provide an additional arm at the roundabout designed to standard without providing modifications to the existing roundabout circulatory and approach arms.

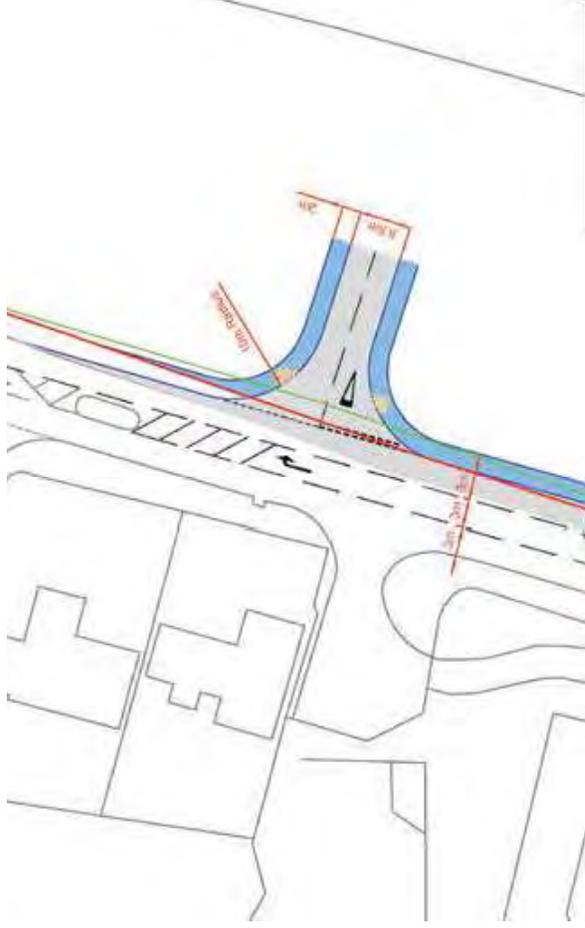
A secondary emergency access is likely to be required to the development if only one formal access is provided. This is anticipated to take the form of a simple priority junction with a lockable bollard and could provide an access point to and from the site for non-motorised users. A possible location for the emergency access could be the location of the existing field access off Strensall Road.

Secondary Access - Strensall Road ghost island junction

Should two formal accesses be required, a second access would likely be in the form of a ghost island junction as a residential development of the Site is likely to provide a minor road flow. To reduce the scale of the engineering works and tree removal, a simple priority junction could be discussed with the local highway authority. This may be appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.



Proposed site access plan



Proposed site access ghost island option

7.0 The Vision

The design principles for the site will provide a vibrant and sustainable extension to the existing community, created through a holistic design approach and carefully considered scheme response.

- The scheme will seek to create a positive relationship with the surrounding residential context through the use of the form and density levels cognisant of surrounding development, with the opportunity to provide a sensitive yet distinctive design response.

The vision will be achieved through the realisation of the following key objectives:

The townscape of the local area has been heavily influenced by a mixture of mid to late 20th century development which can be described as suburban in character. Recent developments have a high proportion of cul-de-sacs generally accessed from winding loop roads. The built form is typically two storey detached dwellings that are of their time set within generous gardens. Building materials vary across the local area, however more recent development have a predominant red brick character. Architectural details include bay windows, above door lintels / canopies, front facing gables.

- The scheme will successfully integrate within the landscape context of the surrounding area through retention and celebration of key existing landscape features including existing hedgerows and tree planting running through and around the perimeter of the proposed site;
- Integration of pedestrian connections through the site, and linkages to the north, south and west will provide a permeable scheme which will improve pedestrian linkages and connections to Earswick;
- Use of landscape to establish a clear hierarchy of interlinked streets, footpaths and cycle routes which can be negotiated with ease;
- Housing layouts to integrate as much of the existing landscape features as possible with some properties to front onto the public open spaces to provide an active edge and allow natural surveillance;
- New housing to have individual identity but take cues from the local vernacular to achieve good integration with surrounding buildings;
- Through successful provision of SUDS areas, the ecological value of the site could be significantly enhanced whilst providing a natural and sustainable solution to surface water drainage. SUDS areas will be located on localised low points;



Masterplan layout

8.0 Benefits



The land to the east of Strensall Road, Earswick constitutes an excellent opportunity for residential development in a sustainable location. Removal of the site from the Green Belt and development for approximately 350 units will provide the following benefits:

Social Benefits

- An opportunity to meet local housing requirements, widening range and choice of:
 - a family housing; and
 - b affordable housing.
- New public open space / children's play area; and
- More spending power in the local area to enhance vitality of local facilities.

Environmental Benefits

- Sustainable pedestrian and cycle routes;
- High quality public realm and landscaping;
- Biodiversity and habitat improvements; and
- Reduce off-site local flood risk.

Economic Benefits

The economic benefits arising from the delivery of approximately 350 new homes at Earswick are likely to include the following:

Construction benefits



£70m
Construction value
(total construction cost)



£9.3m GVA
Economic output
(additional GVA p.a. over the 10 year build period)



65 FTE Jobs
Construction jobs
(permanent full-time equivalent direct jobs created)



100 FTE Jobs
Supply chain jobs
(indirect/induced 'spin-off' jobs created)



Operational and expenditure benefits



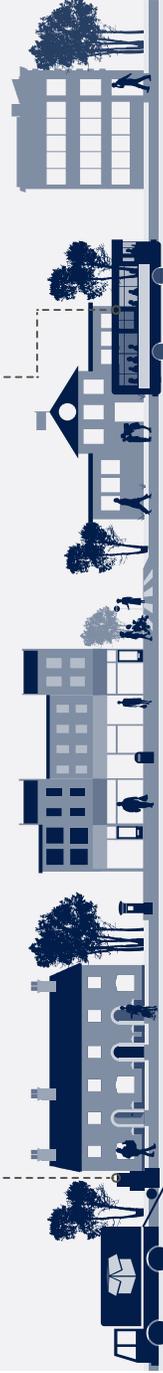
£2.75m
First occupation expenditure
(spending to make a house 'feel like a home')



£8.5m
Resident expenditure
(within local shops and services p.a.)



110 FTE jobs
(from increased expenditure in local area)



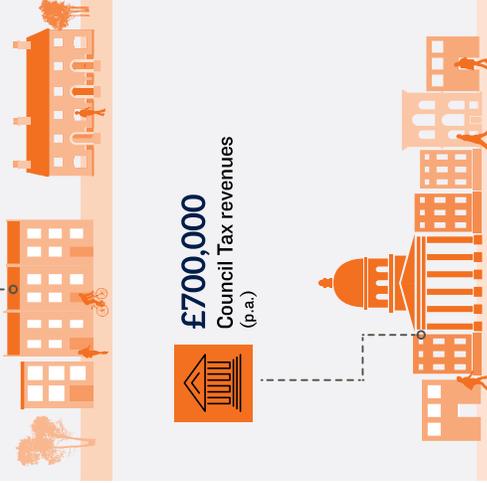
Local Authority revenue benefits



£3.0m
New Homes Bonus payments
(over a 4 year period)



£700,000
Council Tax revenues
(p.a.)



9.0 Next Steps

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including the site at east of Strensall Road, Earswick. It was demonstrably clear that the Council considered it fully appropriate to reserve this land for residential development at the time of a subsequent Plan review.

It is demonstrably clear from this submission that Bellway's land to the East of Strensall Road, Earswick should be identified in the next iteration of the emerging Local Plan to ensure that sufficient sites have been identified so that the housing requirement and development needs for York can be delivered. This justifies the 'exceptional circumstances' that are required to facilitate its removal from the Green Belt.

This Vision Document details how the site can be comprehensively delivered. The site will provide a range of homes in a sustainable location.

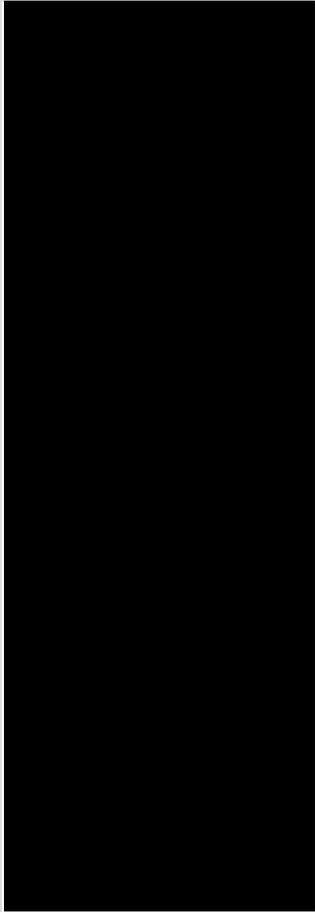
In order that that this is achieved it is considered that the site should be removed from the Green Belt and allocated for a total of 350 houses in the York Local Plan. Bellway Homes looks forward to working alongside the Council, the local community and other stakeholders to progress the proposals for the site and welcomes the opportunity to discuss the proposal further.



LICHTFELDS

Bellway

*Building Homes,
Building Value*



Appendix 2 Housing Technical Report

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

LICHFIELDS

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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

- 2.7 In particular:
- “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”.* [§60]
- 2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].
- 2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.
- 2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.
- 2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.
- 2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]
- 2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”.* [page 12]
- 2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:
- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.
- 2.17 The PPG states that:
- “The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹*
- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:
- “Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”*

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:
- “There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.”* [paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that “*there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.*” [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, “*it should provide some comfort that the latest version of the standard method arrives at a very similar number*”. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that *“We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.”*

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.*¹⁵

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

¹⁵ Practice Guidance - ID: 2a-017-20140306

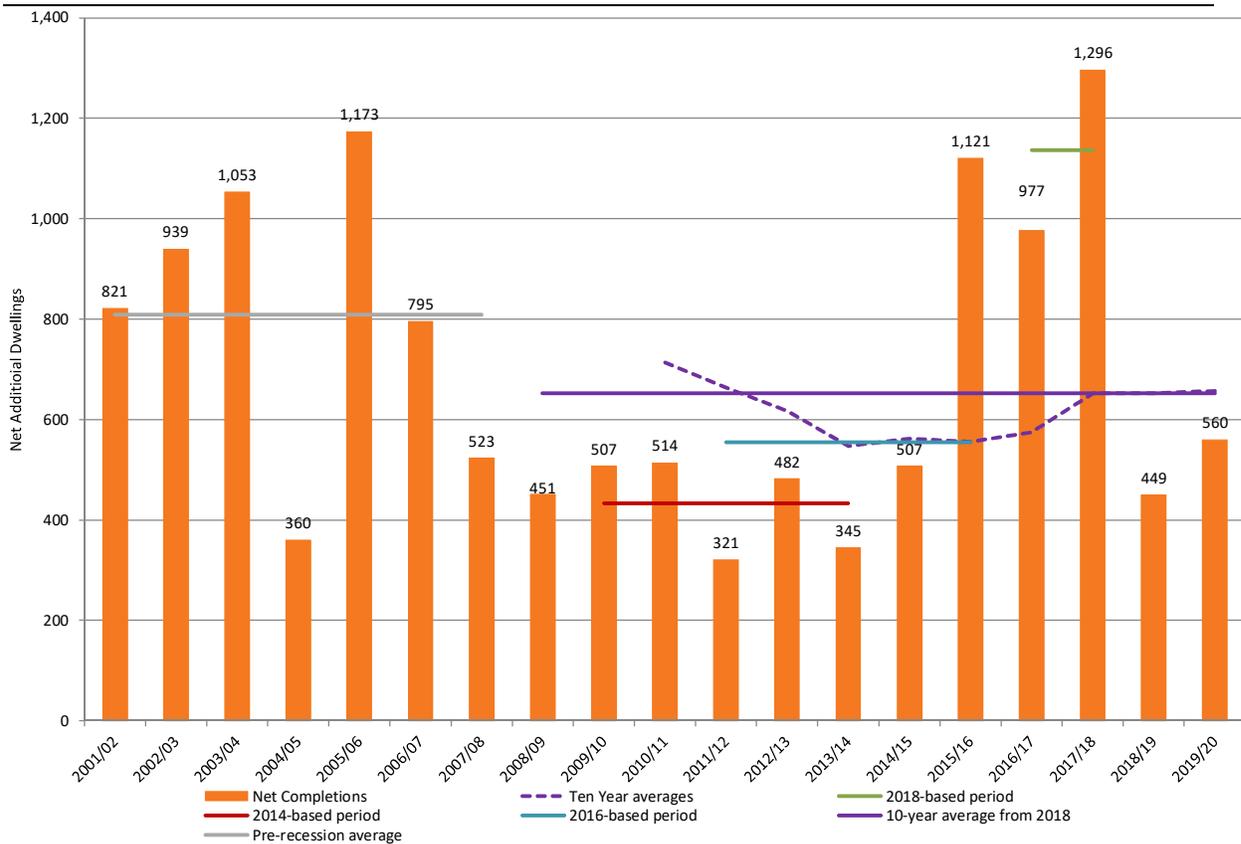
¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.

3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

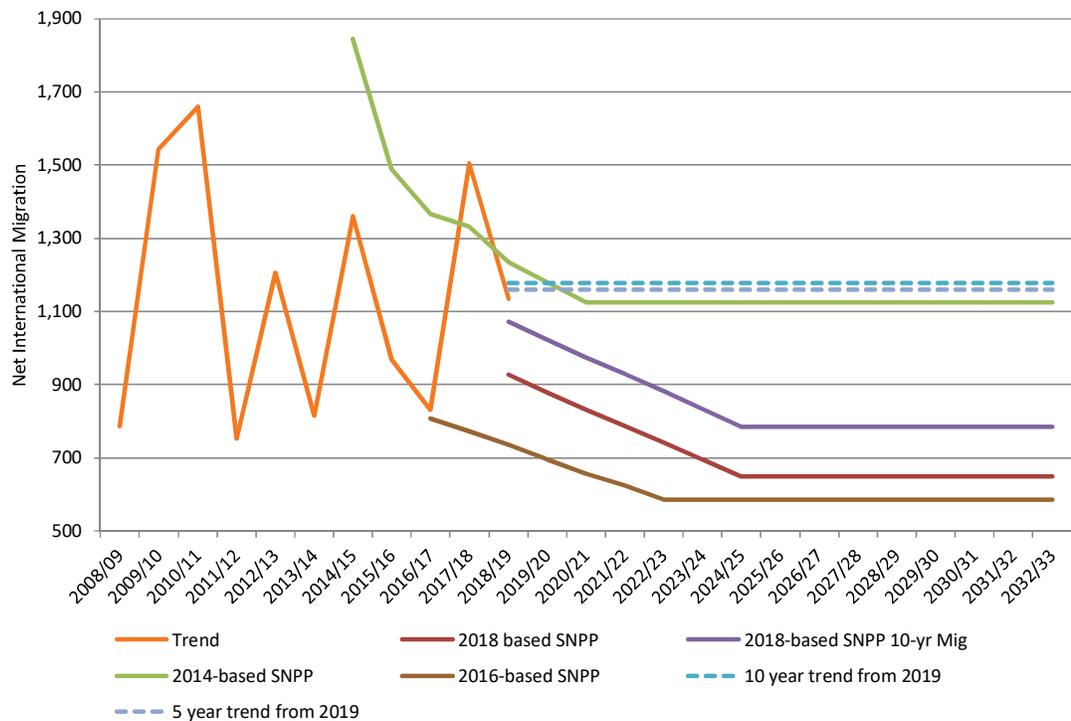
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they *“have not examined the economic need associated with historic employment growth as the accommodation has already been **provided to support that growth**. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-*

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn’s use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS’s 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on ‘*specific local circumstances*’ (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

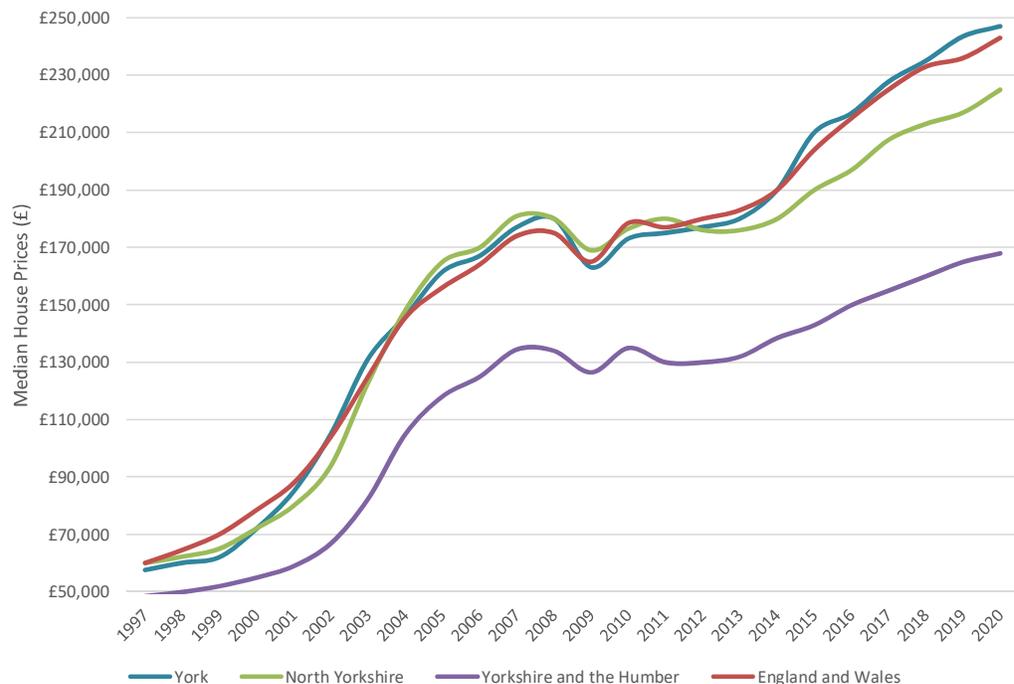
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

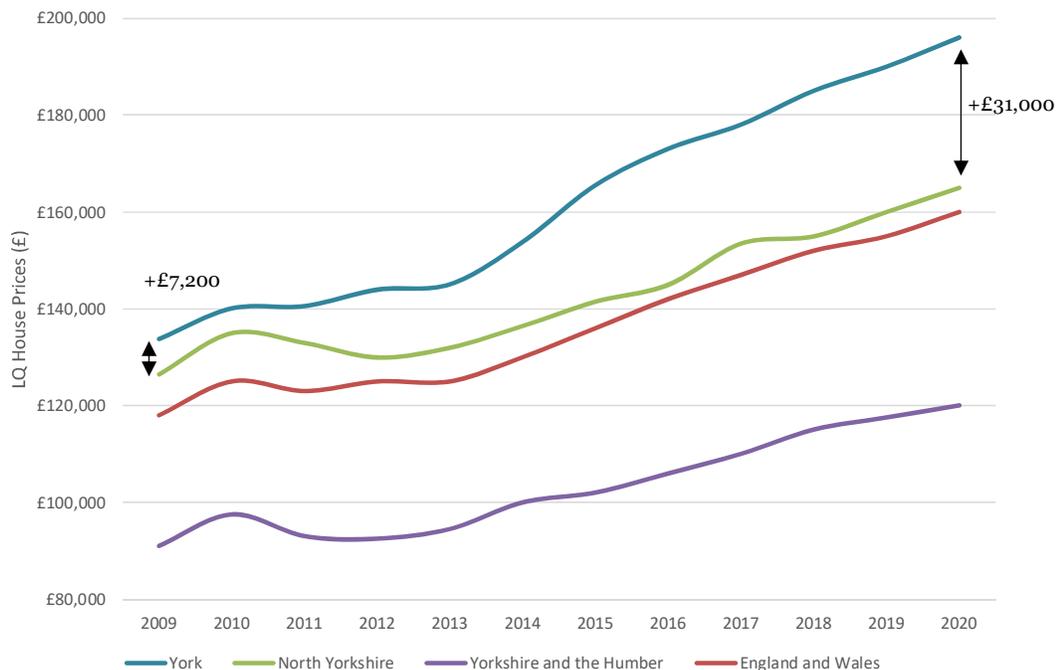
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

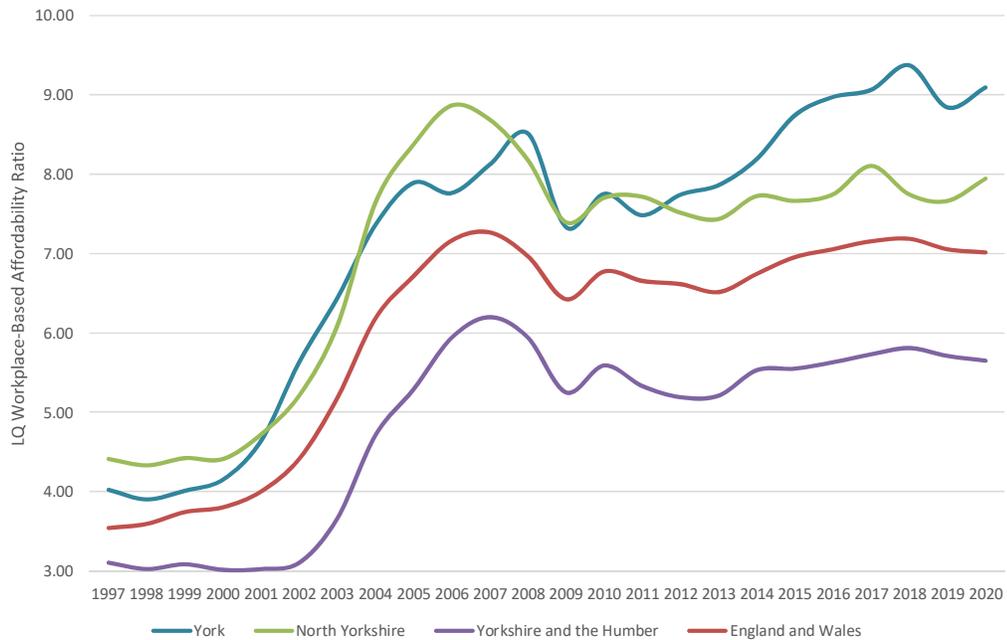
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



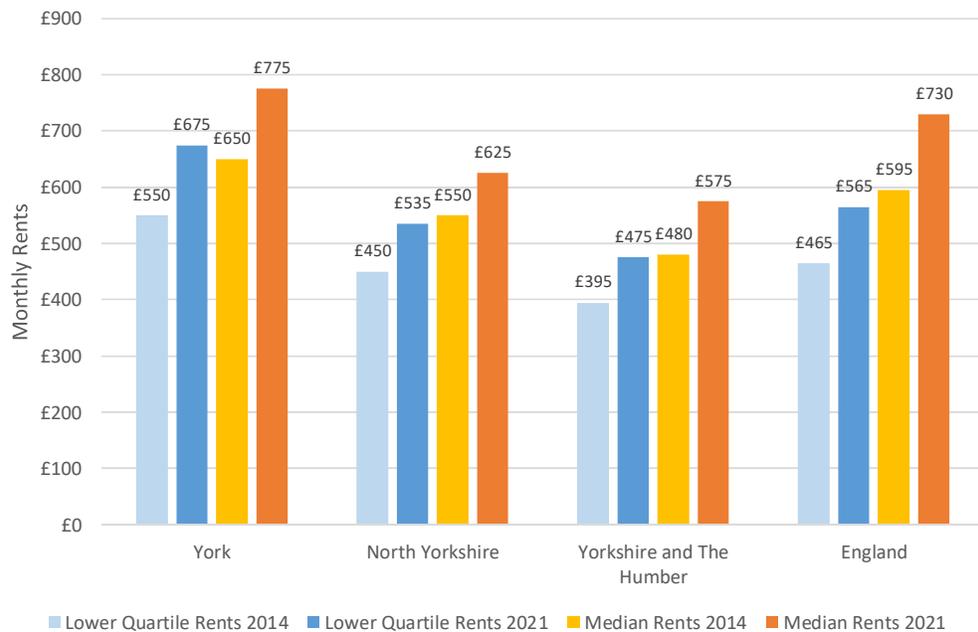
Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York's at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

- 6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

- 6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.
- 6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.
- 6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”
- 6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.
- 6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.
- 6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).
- 6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

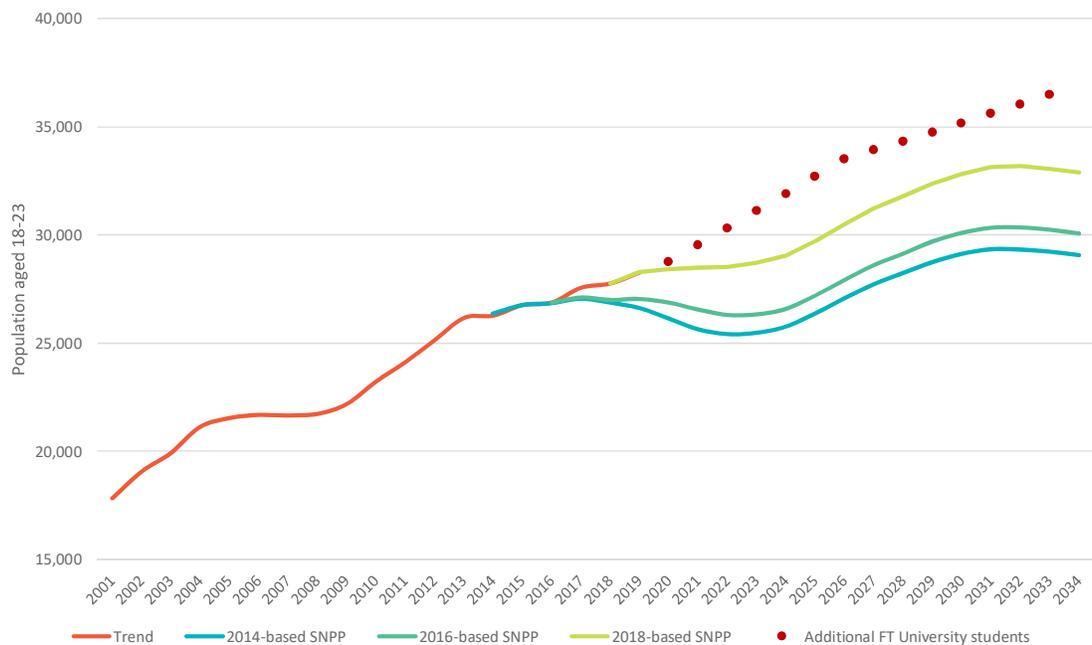
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

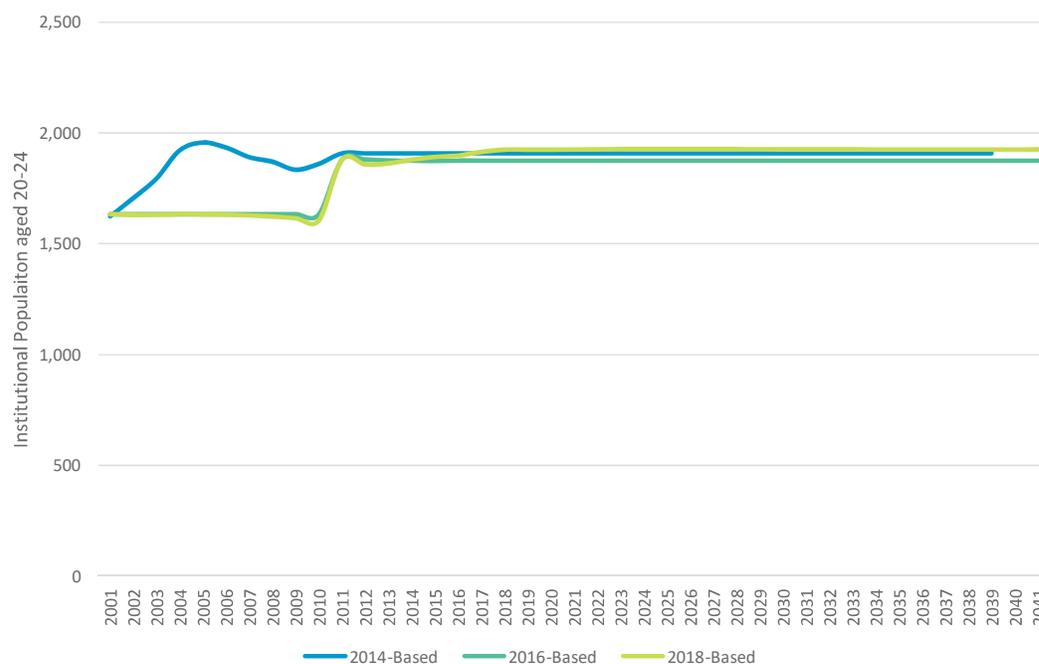
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council’s housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

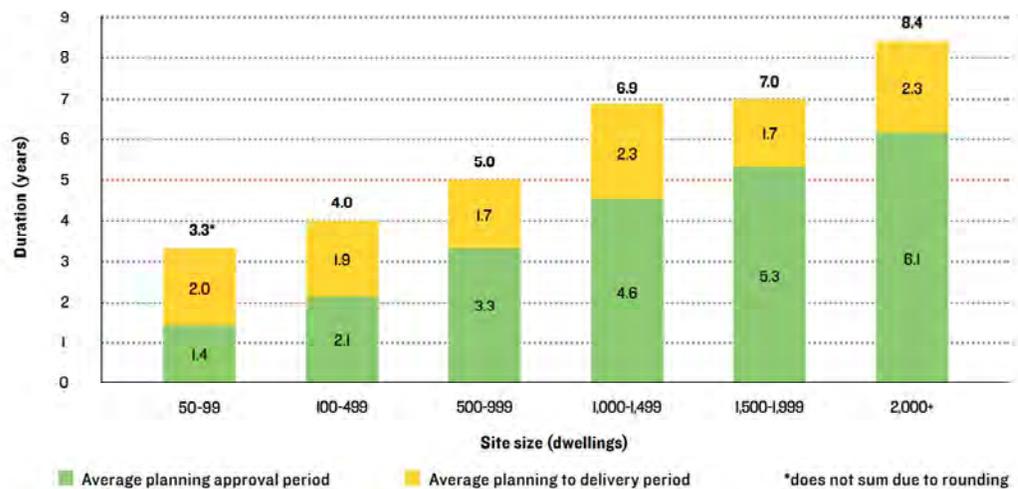
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer’s commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA (‘SHLAA Assumptions for Evidence Bases’). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council’s approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council’s current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council’s current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council’s approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn’t always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

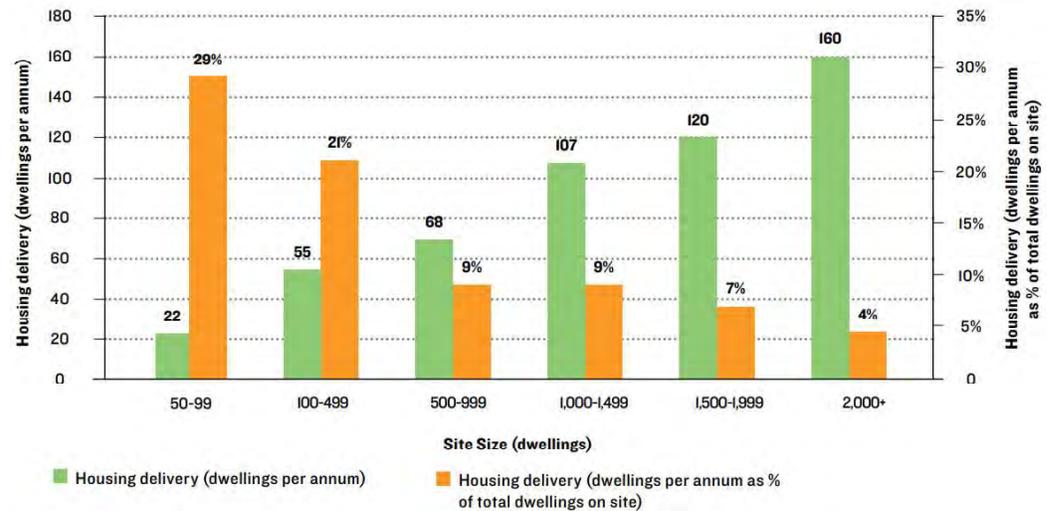
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.

8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.

8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.

8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).

8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.

8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.

8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council's housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City's residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

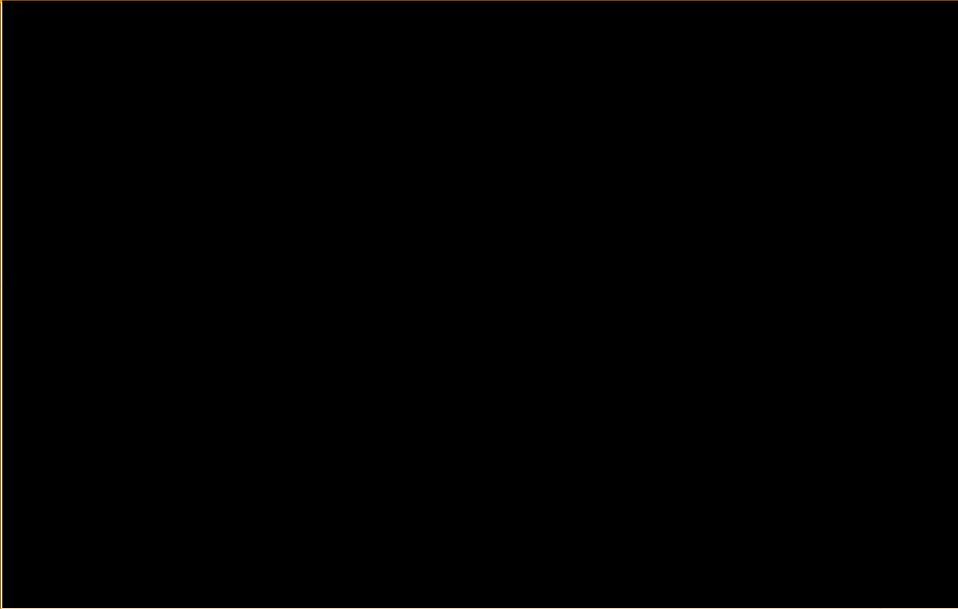
Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available



From: [REDACTED]
Sent: 07 July 2021 12:14
To: localplan@york.gov.uk
Subject: New Local Plan Consultation submission, THIRD PARTY - reference: 205954
Attachments: 5073003_Earwick_York_Local_Plan_Reps_July_2021.pdf

Local Plan consultation May 2021

I confirm that I have read and understood the Local Plan Consultation Privacy Notice, and consent to my information being used as set out in the privacy notice.

Can we contact you in the future about similar planning policy matters, including neighbourhood planning and supplementary planning documents?: yes

About your comments

Whose views on the consultation documents do your comments represent?: My comments represent another individual

Third party submission details

Title of person completing form: [REDACTED]

Name of person completing form: [REDACTED]

Contact email: [REDACTED]

Contact telephone: [REDACTED]

Title of the person you are representing:

Name of the person you are representing: [REDACTED]

Address of the person you are representing: [REDACTED]
[REDACTED]

Key Evidence and Supporting Documentation

Which documents do your comments relate to?: Topic Paper 1 Green Belt Addendum January 2021 Annex 1 Evidence Base (EX/CYC/59a)

Your comments: Legal Compliance of the document

Do you consider the document to be legally compliant?: No, I do not consider the document to be legally compliant

Please justify why you consider the document to be legally compliant:

Please justify why you do not consider the document to be legally compliant: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Duty to cooperate

Do you consider the document to comply with the Duty to Cooperate?: No, I do not consider the document to comply with the Duty to Cooperate

Please justify why you consider the document to be in compliance with the Duty to Cooperate:

Please justify why you do not consider the document to be in compliance with the Duty to Cooperate: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Whether the document is 'sound'

Do you consider the document to be 'sound'?: No, I do not consider the document to be sound

Please justify why you consider the document to be sound:

Please justify why you do not consider the document to be sound: Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

Your comments: Necessary changes

I suggest the following changes to make the Local Plan legally compliant or 'sound': Please refer to attached report 'City of York Local Plan New Proposed Modifications Consultation 2021 Representations on behalf of Bellway Homes PLC 6 July 2021' prepared by Lichfields

If you are seeking to change the Local Plan, do you want to participate at the hearings sessions of the Public Examination?: Yes, I wish to participate at hearing sessions

If you do wish to participate at hearing sessions, please state why: To ensure the policy matters are fully tested at the EiP.

Supporting documentation

Please provide any documents which support the comments made as part of this submission:

5073003_Earswick_York_Local_Plan_Reps_July_2021.pdf

**City of York Local Plan New
Proposed Modifications
Consultation 2021
Representations on behalf of
Bellway Homes PLC**

6 July 2021

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1.0 Introduction

1.1 This report has been prepared by Lichfields on behalf of Bellway Homes PLC (hereafter referred to as ‘Bellway’). It forms Bellway’s response to the City of York Local Plan New Proposed Modifications Consultation (June 2021), in respect of Bellway’s land interests East of Strensall Road, Earswick. Representations seeking the allocation of the site for residential development have been submitted by Lichfields to City of York Council at various stages of the emerging Local Plan.

1.2 The Earswick site is identified on the existing ‘Development Control Local Plan (2005)’ Proposals Map as lying within the Green Belt, albeit it is acknowledged in the Examination in Public Inspectors’ letter of 12th June 2020 that this comprises only the ‘general extent’ of Green Belt carried forward from the saved RSS policy. The specific Green Belt boundaries have never been defined and it is possible for the emerging Local Plan to define those boundaries, including identifying sites for development, without needing to demonstrate ‘exceptional circumstances’. Bellway is seeking the allocation of the site in the City of York Local Plan for residential development. At the very least, the site must be identified as safeguarded land, without which the emerging plan is not ‘sound’. A Vision Document, demonstrating the suitability of the site and submitted as part of previous representations is attached at Appendix 1.

1.3 These representations are accompanied by a Housing Technical Report, which has been produced on behalf of a consortium of developers including Bellway (see Appendix 2). The Housing Technical Report provides a review of the September 2020 Housing Needs Update prepared by GL Hearn¹. In particular, two main issues are analysed:

- 1 A review of CYC’s existing evidence on housing needs for market/affordable housing in the City; and,
- 2 An appraisal of the housing trajectory and five-year land supply position which underpins CYC’s Plan.

1.4 It is a statutory requirement that every development plan document must be submitted for independent examination to assess whether it is “sound”, as well as whether other statutory requirements have been satisfied (s.20(5) of the 2004 Act). S19 of the 2004 Act requires that in preparing a development plan document, a local planning authority must have regard to a number of matters including national policies and advice contained in guidance issued by the Secretary of State. Such guidance currently exists in the form of the National Planning Policy Framework [the Framework] and the National Planning Practice Guidance [Practice Guidance].

1.5 The Framework² (February 2019) states that the policies in the previous Framework published in March 2012 will apply for the purpose of examining plans, where those plans were submitted on or before 24 January 2019. The York Local Plan was submitted to the Secretary of State for Housing, Communities and Local Government for examination in May 2018. The policies in the Framework (March 2012) therefore apply in this instance.

1.6 There is no statutory definition of “soundness”. However, the Framework states that to be sound a Local Plan should be:

- 1 **Positively Prepared:** The plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet

¹ EX/CYC/43a Housing Needs Update September 2020

² National Planning Policy Framework (February 2019) Annex 1: Implementation

requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.

- 2 **Justified:** The plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.
- 3 **Effective:** The Plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities.
- 4 **Consistent with National Policy:** The Plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

1.7 In addition, the Framework³ states that:

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

For **plan-making** this means that:

- *Local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless*
 - a *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
 - b *specific policies in this Framework indicate development should be restricted.....”*

1.8 The Core Planning Principles are set out in the Framework⁴.

1.9 The requirements of the Framework in respect Local Plans are reinforced in the Practice Guidance⁵ which states that the Framework “sets clear expectations as to how a Local Plan must be developed in order to be justified, effective, consistent with national policy and positively prepared to deliver sustainable development that meets local needs and national priorities”.

Examination in Public Progress

1.10 The City of York Local Plan was submitted for examination three years ago, in May 2018. As a result, the examination is progressing under the transitional arrangements set out at paragraph 214 of the 2019 National Planning Policy Framework – that being that the plan is being examined in accordance with the policies of the 2012 National Planning Policy Framework.

1.11 After some delay, the EiP hearing sessions opened in December 2019 and the inspectors wrote to the Council in June 2020 identifying a number of significant concerns with the Council’s methodology and evidence used to underpin the approach taken to Green Belt.

1.12 The inspectors again wrote to the Council in July 2020 seeking the Council’s opinion on the significance of the publication of the 2018-based household projections. The Council was asked to consider if this represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019.

³ National Planning Policy Framework §14

⁴ National Planning Policy Framework §17

⁵ Practice Guidance - ID: 12-001-20170728

- 1.13 Finally, the inspectors exchanged a number of letters with the Council in December 2020 and January 2021 noting, amongst other things, that due to the passage of time and age of some of the key evidence base documents, there is “*a reduced likelihood of adopting a truly up to date development plan for York*”.

Structure

- 1.14 This report supplements the completed representation form and demonstrates that a number of policies within the Local Plan New Proposed Modifications [LPNPM] are, at present, ‘unsound’ in the context of the tests of soundness established by the Framework.
- 1.15 The report firstly provides background context to the Earswick site to demonstrate why its exclusion from the Green Belt and allocation for residential development is appropriate.
- 1.16 This report then provides detailed representations in relation to the following proposed modifications and updated evidence:
- 1 Modification PM49 – Policy SS1
 - 2 Modification PM50– Policy SS1
 - 3 Modification PM53 – Policy SS1
 - 4 Modification PM54 – Policy SS1
 - 5 Modification PM55 – Policy SS1
 - 6 Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC)
 - 7 Modification PM 71 - New Policy GI2a Justification
 - 8 Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021
- 1.17 Recommendations are set out at the end of each section setting out how the Council needs to address the Modification to make it sound.
- 1.18 Submitted alongside these site specific representations, Lichfields has prepared a report entitled ‘City of York Local Plan Proposed Modifications Version: Representations on Housing Matters’, prepared on behalf of a consortium of Taylor Wimpey, Persimmon Homes and Bellway Homes. This report provides the context for many of the comments in these site specific representations and is directly referenced as appropriate to the case.

2.0 **Background to the Strensall Road, Earswick Site**

Introduction

- 2.1 This representation confirms that the housing requirement set out in the Publication Draft is insufficient to accommodate the economic and population growth of the City and should be increased. These representations seek the allocation of land to the 'East of Strensall Road, Earswick' for housing or alternatively at least be identified as Safeguarded Land. The allocation of this land would ensure that the Plan can be considered sound.
- 2.2 The land was previously designated as Safeguarded Land in earlier iterations of the draft Plan. It is our Client's view that the land to the East of Strensall Road, Earswick represents one of the most appropriate site options on the northern periphery of York which will ensure the Plan allocates sufficient sites to deliver its housing requirement. Additional housing sites are required to ensure the Plan delivers the full objectively assessed housing needs to ensure that the Local Plan is positively prepared, justified, effective and consistent with national planning policy. Identifying safeguarded land to ensure that the Green Belt boundary has permanence beyond the plan period is essential as part of the plan-making process.
- 2.3 Land East of Strensall Road should be allocated for housing or at the very least identified as safeguarded land as the Site is deliverable within the definition of paragraph 47 of the National Planning Policy Framework (NPPF); and represents one of the most appropriate site options to meet the full objectively assessed housing needs of the City.
- 2.4 The site will provide an essential extension to provide for needed future residential growth in the City of York. There is an urgent need to identify additional and significant sources of housing land which can meet the City's quantitative and qualitative housing needs. Given the tightly drawn Green Belt boundary around the urban area, it is considered that there are exceptional circumstances necessary to justify the release of Green Belt land, and Green Belt release should be planned in order that the Council can commence and successfully implement housing delivery immediately upon the adoption of the Local Plan.
- 2.5 A consideration of the site against the NPPF demonstrates that it does not serve any specific role when compared against the five purposes of the Green Belt.

Purpose 1 - To Check the Unrestricted Sprawl of Large Built-Up Areas

- 2.6 The village of Earswick is not a large built-up area and the site does not therefore have a role in restricting the urban sprawl of a large built-up area. The terminology of 'sprawl' suggests disorganised or unplanned expansion, whereas the development of land at east of Strensall Road has been envisaged and considered in previous iterations of the Council's plan-making process and clearly demonstrate that the Council considered that the site should be developed for housing at a future date.
- 2.7 In the context of Green Belt purposes, the site is well contained and has strong robust and defensible boundaries. It does not therefore represent part of a potentially continuous urban sprawl. This is therefore not on its own a reason to discount the site.

Purpose 2 - To Prevent Neighbouring Towns Merging Into One Another

- 2.8 Land east of Strensall Road plays no role in this purpose.

Purpose 3 - To Assist in Safeguarding the Countryside from Encroachment

- 2.9 The site is largely contained by development with a strong landscape boundary to the east, which would be further enhanced as part of any development proposals. It does not therefore form part of the open countryside.

Purpose 4 - To Preserve the Setting and Special Character of Historic Towns

- 2.10 The surrounding area is not of heritage value, the site makes no contribution to this Green Belt purpose. The development of the site itself will not impact upon wider views of the urban area of Earswick, and therefore, this is not on its own a reason to discount this site.

Purpose 5 - To Assist In Urban Regeneration, By Encouraging the Recycling Of Derelict and Other Urban Land

- 2.11 There is a fundamental issue of the overall OAN housing requirement within the Publication Draft being too low and insufficient sites identified to meet the correct OAN. Despite this issue, it is right that brownfield sites are identified within the Publication Draft Local Plan. However, these sites by their nature tend to take longer to be successfully implemented and delivered due to the often substantial preliminary works and associated financial costs required to get the brownfield site 'ready' for development.
- 2.12 The identification of the most appropriate land to be used for development through the process of preparing the York Local Plan should be evidenced and be based upon detailed analysis of the supply of such sites. The Council admits that it does not have a 5-year supply of deliverable housing land and consequently, there is significant pressure to bring forward development sites not just in the short term to meet this shortfall, but throughout the Plan period.
- 2.13 Delivery is a key test of soundness for the Local Plan. It is imperative that the Plan contains an appropriate Policy mechanism to ensure a deliverable supply of housing land, if there is an insufficient level of supply. This would ensure that the Plan aligns with the NPPF requirement at paragraph 21 which is that "*Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances.*"
- 2.14 If sites have not been delivered and supply is falling short of the requirement, it is not clear what the Council intend to do with developers and landowners to identify new sites or bring forward suitable sites faster. Additional sites should be allocated to ensure that the Plan seeks to meet its identified housing need in the first instance, as currently drafted it does not do this. Further, to address any shortcomings, an early review mechanism should be included in the Plan. Reserve sites, via the identification of Safeguarded Land should be incorporated as a mechanism to ensure that housing needs are met, should identified sites not come forward as envisaged.

Benefits and information for land East of Strensall Road, Earswick

- 2.15 The land to the 'East of Strensall Road' contains no designated heritage assets, nor are there any in near proximity. There is no suggestion that the site has any archaeological significance and provides no role in the historical influence of the city, so any proposed development would not cause any heritage-based issues.
- 2.16 In regards to questions concerning the ecological and environmental impacts of any proposed development, the development would be in close proximity to the existing development to the West of Strensall Road, so would be in keeping with its surroundings. The surrounding borders to the site are lined with strong ecological barriers such as vegetation, and screening from

Strensall Road by further vegetation would shield the development from all sides, reducing its impact upon the landscape of the area. Vegetation surrounding the site will also be maintained and enhanced so as to ensure ecological sustainability and no loss of visual amenity from any proposed development.

- 2.17 There are a number of amenities in close proximity to the proposed site, including six primary schools (currently functioning under capacity so would easily accommodate growth). There are also two secondary schools around half an hours walking distance from the site. Access to public transport options for such schools to reduce car dependency will be discussed in the upcoming paragraphs.
- 2.18 In terms of commercial amenities close to the site, the nearest retail centre is at the Huntington Parade, approximately 1.3km from the Site. Further retail centres can be found within 4km of the site, and York City Centre is only 6km from the site itself. Leisure amenities, such as pubs and social clubs, along with a doctors surgery, can be found within 2km of the proposed site.
- 2.19 In terms of public transport connections to and from the site, bus stops are located approximately 160m from the potential site accesses. Nearby stops provide services linking the proposed development to the closest secondary schools and also provide wider connections to retail centres and to York city centre. These are within the 400m which is considered the maximum walking distance to a bus stop for a site to be considered 'sustainable'. York rail station is around 6.3km away, and is accessible by bus, providing direct services to Leeds, London and Edinburgh.
- 2.20 The site itself is envisaged to be pedestrian friendly, with connections and walkways connecting all areas of the site to improve walkability and reduce car dependency, whilst also promote the use of bikes and other forms of sustainable transport through designated cycle lanes and links to public transport opportunities.

Deliverability

- 2.21 The Framework⁶ states that for sites to be considered deliverable, they must be suitable, available and achievable. The land East of Strensall Road, Earswick meets all of these requirements:
- 1 **Suitable:** the sites can be accessed from existing access points; and is located within an established residential area, very close to the village centre, and provides the opportunity to increase housing provision within Earswick without impacting upon the wider landscape.
- Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents.
- It is proposed that one point of access is provided initially, supported by an emergency secondary access. The main access is proposed to be taken from the Strensall Road/Earswick Chase roundabout, where an additional arm to the existing three-arm roundabout to the south-west of the site would be incorporated.
- Should two formal accesses be required, a second access would likely be in the form of a ghost island junction. This is considered appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.

Access to schools

⁶ Framework footnote 11, page 12

There are a number of primary schools in proximity to the site which are currently under capacity;

- a Burton Green Primary School;
- b Headlands Primary School;
- c Huntington Primary Academy;
- d Ralph Butterfield Primary School;
- e Skelton Primary School; and
- f Wiggington Primary School

There are also two secondary schools, the Huntington Secondary School and Joseph Rowntree School, within a 30 and 35 minute walk respectively of the site.

- 2 **Available:** The site is in the ownership of a willing landowner who is looking to release the site for development.
- 3 **Achievable:** The site is capable of coming forward for development in the short term. As a national housebuilder, Bellway Homes encompasses long experience in landowning, development and housebuilding. They have expressed their intention to commence the development of the site immediately upon the adoption of the Local Plan, if not before subject to the grant of planning permission. They confirm that there are no legal or ownership constraints which would preclude the early delivery of development.

2.22 The Technical Report on Housing Issues prepared by Lichfields sets out our concerns in relation to the Council's housing requirement and housing supply. It concludes that the Council is not providing sufficient land to meet the housing needs of the City and further sites should be allocated for housing development as part of the YLP. The LPP is therefore not soundly based and it is requested that the calculation of York's Objective Assessment of Housing Needs [OAHN] is revisited, and that Southfields Road and Princess Road are allocated for residential development in order to help make up for the shortfall in housing land.

3.0 **Modifications PM49, PM50, PM53, PM54 and PM55**

Introduction

3.1 The above modifications relate to the modification to Policy SS1 which sets a need to deliver a minimum annual provision of 790 new dwellings over the plan period 2017 to 2032/33 and post plan period to 2037/38. The annual dwelling requirement has been reduced from the 867 dwellings per annum proposed in the Local Plan Publication Draft.

3.2 A SHLAA Housing Supply and Trajectory Update (April 2021)⁷ has been produced to accompany the modifications, based on the revised annual dwelling requirement put forward by the Council. The soundness of the proposed modification is entirely dependent on the strength of the Council's updated evidence, as discussed below. In a number of cases the evidence remains flawed and out-of-date.

Consideration of Modifications

3.3 Bellway objects to modifications PM49, PM50, PM53, PM54 and PM55 (and associated modifications) as it is considered that the Council's proposed objectively assessed housing need (OAHN) is not based on a robust assessment which is compliant with the Framework. On behalf of Bellway, and a wider consortium of housebuilders, Lichfields has undertaken a review of the work prepared by GL Hearn⁸ on behalf of the Council which concludes there is no need for the Council to move away from their current position of 790 dwelling per annum.

3.4 Lichfields' analysis can be found at Appendix 2. The main conclusions of the review are set out below:

3.5 The Council's approach to identifying an assessed need of 790 dpa in the HNU 2020 is flawed. There are a number of significant deficiencies in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have considered modelling the High International variant produced by ONS, which produces a level of net international migration more in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.
- 2 **Market Signals Adjustment:** GL Hearn's uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given

⁷ EX/CYC/56 Strategic Housing Land Availability Assessment Housing Supply and Trajectory Update April 2021

⁸ EX/CYC/43a Housing Needs Update September 2020

that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.

- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
 - 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be achievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift on the OAHN figure would be appropriate in this instance, resulting in a figure of **920 dpa**.
 - 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields' critique of the projections clearly indicates that they do not adequately reflect the Universities' student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
 - 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
 - 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council's housing completions figures and MHCLGs, if Lichfields' higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**
- 3.6 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.
- 3.7 This process is summarised in Table 3.1.

Table 3.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

- 3.8 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. This concludes that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings.
- 3.9 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgefield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken. Whilst we consider Sedgefield is the correct approach, application of the Liverpool approach makes no material difference and the supply remains well below 5-years, meaning there is a requirement to identify additional sites for development.
- 3.10 It is understood that there are a number of sites which are proposed to be allocated but have yet to have a planning application submitted. In order help ensure a 5YHLS, the Council must demonstrate that there is a realistic prospect that housing will be delivered on site within five years at a defensible annual yield.

Safeguarded Land

- 3.11 Modification PM49 proposed the following modification to Policy SS1:

*“Development during the plan period (2017 - 2032/33) will be consistent with the priorities below. **To ensure Green Belt permanence beyond the plan period, sufficient land is allocated for development to meet a further, minimum, period of 5 years to 2038**”.*

- 3.12 Representations promoting the Earswick site at previous stages of the Local Plan consultation have established a case as to why safeguarded land must be identified in York. Indeed, the Council considered the site to have potential as safeguarded land in earlier iterations of the Plan.
- 3.13 The Framework⁹ is clear that local authorities should consider Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period.
- 3.14 Paragraph 83 of the Framework advises that Green Belts:
“...should be capable of enduring beyond the plan period.”
- 3.15 In this case that would be beyond 2033.
- 3.16 Paragraph 85 goes on to consider various issues when defining Green Belt boundaries, including the allocation of safeguarded land. It states:
“where necessary, identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period” (Lichfields’ emphasis)
- 3.17 There is much debate over the period of time that is relevant for ‘beyond’ and ‘well beyond’ the plan period. However, given the national policy significance of Green Belts and the fact that a plan period is generally in the order of 15 years, it is entirely reasonable to conclude that the Framework is directing policy makers to ensure a Green Belt review is not required for the following Local Plan, meaning it could be in the order of 30 years before Green Belt is considered again.
- 3.18 Whilst we should not speculate on future delays in the plan making process, it is significant to this issue that York has never adopted a Local Plan, largely due to the political pressures of Green Belt. A repeat of this scenario could see another 50+ years passing before another Local Plan is adopted and the Green Belt is properly reviewed.
- 3.19 It is clear from the representations consistently made by ourselves and others to the emerging CoY Local Plan that the proposed allocations are not sufficient for the immediate plan period and certainly do not align with future plan requirements ‘beyond’ or ‘well beyond’ the plan period.
- 3.20 The Council has failed to consider the release of safeguarded land as part of the New Proposed Modifications consultation and in the additional Green Belt work undertaken in the 2021 GB Addendum. With regard to this matter the Addendum states¹⁰:
“As set out in section 10a, many of the strategic allocations have anticipated build out times beyond the plan period and there is headroom identified for both employment and housing development against the identified requirements. This in combination with the oversupply identified to meet a minimum of 5 years beyond the plan period ensures that development can continue within York without the need to alter Green Belt boundaries the end of the plan period and that it can endure for at least 5 years, in accordance with SP12.

⁹ The Framework §§83 and 85

¹⁰ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §§10.39 and 10.40

Additionally, the windfall assessment [SD049] identifies increasing trends over both the longer and shorter term for conversions and changes of use completions. In light of relaxed permitted development rights relating to office conversions being made permanent and evidence of substantial numbers of unimplemented consents from this source of housing supply, there is also qualified anticipation that the 169 dpa projected as part of the housing trajectory is conservative”.

- 3.21 There are several failings with this statement and its assumptions. The most significant is that whilst permitted development rights are indeed being made permanent, the permitted conversions typically do not deliver the range of homes needed in York. It also fails to consider that from August 2021, the permitted development right for office conversions reduces to a maximum existing floor space of 1,500 sqm, rather than the currently open ended floorspace. It is likely that this will reduce the number of PD conversions. Finally, the existence of ‘*substantial numbers of unimplemented consents from this source*’ is very different to having certainty on actual delivery of those homes.
- 3.22 The now superseded YLP-PD identified a reserve of safeguarded land to ensure that the Green Belt boundary was capable of enduring beyond the plan period. This approach is entirely consistent with national guidance. Bellway are therefore concerned that the Local Plan no longer designates safeguarded land, provides no justification for this approach, and relies on strategic sites and windfalls delivering beyond the plan period, without sufficient evidence to demonstrate such sites are deliverable.
- 3.23 The identification of safeguarded land is considered essential as the Local Plan will set detailed Green Belt boundaries for the first time and an appropriate and sound strategy is therefore required to enable flexibility beyond the plan period. Bellway consider that safeguarded land is required in the City to provide certainty that the Green Belt can endure beyond the plan period and avoid the need for future review. It would also provide flexibility and allow land to be brought forward quickly without a fundamental review of the whole Local Plan if there was slippage over the plan period and allocated sites were unable to deliver the quantum of development envisaged.
- 3.24 This is particularly important when considering the complex nature of some of the sites that are proposed for allocation in the Local Plan e.g. Land to the West of Elvington Lane (ST15), where deliverability is uncertain due to issues including land ownership, funding and viability.
- 3.25 The Council’s reliance on windfall sites to help meet need beyond the plan period is fundamentally flawed as there is no guarantee that windfall supply will remain at similar levels for such a substantial period of time into the future. For example, the availability of buildings for conversion, such as offices, is finite, and supplies may well have been largely exhausted beyond the plan period.
- 3.26 Bellway therefore considers that the establishment of suitable boundaries for safeguarded sites should have been assessed as part of the further work undertaken in the 2021 GB Addendum and safeguarded sites should have been identified. This is the only way to ensure strong and enduring Green Belt boundaries.

Tests of Soundness

- 3.27 Bellway considers that the above modifications fail to meet the following tests of soundness because:
- 1 There is a compelling case at York to identify and allocate safeguarded land within the Local Plan. Green belt boundaries need to be capable of enduring ‘beyond’ the plan period, and

the potential period between further Local Plan Reviews means that land should be removed from the Green Belt now to meet future needs.

- 2 **It is not Justified:** There is no clear evidence to demonstrate why safeguarded land has not been identified to meet need beyond the plan period.
- 3 The Council's submitted evidence does not robustly demonstrate sufficient housing delivery during the plan period and beyond and there are significant flaws in the Council's assumptions on future windfalls.
- 4 Without the inclusion of safeguarded land as a minimum in this Local Plan, it is clear that the plan is not sound and should not be adopted. However, it is considered that a modification to the plan requiring the inclusion of safeguarded land could make the plan sound without it having to be withdrawn.
- 5 PM49 – the change is well intended but the plan fails to deliver permanence to the Green Belt and deliver sufficient land for housing.
- 6 PM50 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 7 PM53 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 8 PM54 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.
- 9 PM55 – for the reasons set out above, the proposed change fails to deliver sufficient housing for the plan period.

Recommended Change

- 3.28 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council must:
- 1 Review the Green belt assessment to identify which parcels of land could be released from the Green Belt to act as allocations and Safeguarded Land.
 - 2 Make policy provision for Safeguarded Land and identify Safeguarded Land on the Local Plan Proposals Map.
- 3.29 Without this change the plan cannot be found sound and should not progress to adoption. Later parts of these representations demonstrate the suitability of the Earswick site either for allocation for housing or safeguarded land.
- 3.30 It is clear from analysis of the Council's evidence base that the approach to identifying an OAHN is not compliant with the Framework. The Council is not planning to deliver a sufficient supply of housing to meet the district's OAHN as identified by Lichfields. Furthermore, there are doubts that the housing trajectory is based on robust delivery assumptions and therefore the Council's ability to deliver a five year housing land supply or meet the housing requirement across the plan period.
- 3.31 The Council should therefore revisit its housing requirement and also seek to identify additional land to meet the housing needs of the district. In order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change. This will ensure compliance with the Framework by significantly boosting the supply of housing.
- 3.32 Overall, it is noted that the OAN presented in the Lichfields report is very similar to the government's Standard Method figure for York. Whilst the Local Plan is continuing under the transitional arrangements of the Framework, allowing it to be tested against the 2012

Framework, a robust case has been made to increase the OAN to this order. It is similarly noted that the Inspectors have repeatedly raised concerns about the age of key pieces of evidence should be Local Plan be adopted in its current form, presenting a risk that the Plan is 'out-of-date' at the point of adoption. Such a scenario would be of no benefit to anybody involved in the process.

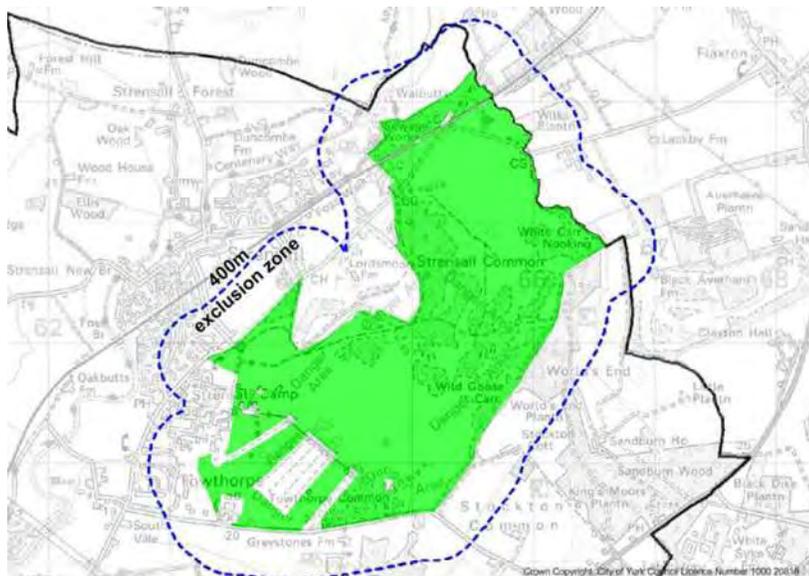
- 3.33 On the basis that a robust argument is made for an increase in OAN and there is a risk of the Local Plan being out-of-date, it is considered that the increased OAN would deliver a plan which is more likely to endure over its full intended plan period. Without this, the Council is effectively 'baking in' a future significant shortage of housing supply and an inevitable need to review Green Belt boundaries when it has to prepare a Local Plan which responds to the government's standard method for OAN.

4.0 **Modification PM70 - New Policy GI2a: Strensall Common Special Area of Conservation (SAC) and PM 71 - New Policy GI2a Justification**

Introduction

- 4.1 Following a challenge from Natural England and at the request of the Inspectors, the latest Habitat Regulations Assessment [HRA] (October 2020) comprises changes to fully assess possible impacts from recreational pressure at the Strensall Common Special Area of Conservation [SAC] and to confirm compliance with case law. Based on the findings of the HRA the Proposed Modifications seek to introduce a new policy to the Local Plan.
- 4.2 New Policy G12a proposes an ‘exclusion zone’ set at a 400m linear distance from the SAC boundary. Part (a) of the policy states that permission will not be granted for development that results in a net increase in residential units within this zone.
- 4.3 Part (b) of the policy identifies a ‘zone of influence’ between 400m and 5.5km linear distance from the SAC boundary. Part (b)(i) requires that where new residential development is proposed within the zone of influence on allocated housing sites, provision of open space must include or secure access to areas of suitable natural greenspace secured by way of mitigation prior to any occupation of new dwellings and secured in perpetuity. Part (b)(ii) states that proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6.
- 4.4 The proposed Exclusion Zone is shown in Figure 4.1.

Figure 4.1 Strensall Common - Proposed Exclusion Zone



Source: City of York Local Plan Composite Modifications Schedule (April 2021)

Consideration of Modification

- 4.5 Bellway considers that the diagram identifying the proposed Exclusion Zone is not sufficiently detailed and of an appropriate scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone and whether the 400m boundary line identified is accurate.
- 4.6 For example, it would appear that the outer boundary of the Exclusion Zone does not include the east of Strensall Road site, although the boundary is rather ambiguous. It is therefore essential that a plan of a sufficient scale is provided so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 4.7 Bellway is also concerned that there is no clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone. The identification of this distance appears to be reliant on other examples in the country and there is no clear explanation as to why it is appropriate in this instance. It is not clear why a shorter distance could not be applied, so that only development which would be in the closest proximity to the Common (and therefore more likely to access it) would be affected.
- 4.8 Bellway also considers that the wording of Part (a) of Policy G12a has not been positively prepared. The need to protect the important wildlife site of Strensall Common SAC is recognised. However, it is considered that the policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage and appropriate mitigation identified. This may include contributions to habitat management; access management and visitor infrastructure; publicity, education and awareness raising; provision of Suitable Alternative Natural Green Space (SANGS) within development sites where they can be accommodated and where they cannot by contributions to off-site alternative green space. This approach would reflect that taken in other authority areas such as Cannock Chase where the Cannock Chase SAC is protected by a similar policy¹¹.
- 4.9 The wording of Part(b)(ii) of the Policy is not considered to be positively prepared or effective, in particular the text which states that “*proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, either alone or in combination with other plans or projects*” (our emphasis). Bellway does not consider that it would be practical for applicants to consider other plans and projects as this could potentially include a very large number of schemes and there would be no way of applicants to accurately assess or confirm the impacts of these schemes and any proposed mitigation. The policy should be reworded to make clear that the effects of the application site alone would need to be considered.

Tests of Soundness

- 4.10 The above modifications fail to meet the following tests of soundness because:
- 1 **It is not Positively Prepared:** The policy as currently worded is overly prescriptive and does not provide the opportunity for residential development to come forward where it may be acceptable. It should make sufficient provision so that sites can be assessed on an individual basis at the planning application stage.
 - 2 **It is not Justified:** No clear justification has been provided for the 400m distance identified for the outer boundary of the Exclusion Zone.

¹¹ Cannock Chase Local Plan (Part 1) 2014 Policy CP13 - Cannock Chase Special Area of Conservation (SAC)

- 3 **It is not Effective:** The diagram identifying the proposed Exclusion Zone is not sufficiently detailed in scale to identify the precise boundaries that the Zone covers. It is not therefore possible to accurately ascertain which land is affected by the Exclusion Zone.

Recommended Change

4.11 In order to address the conflicts identified above and ensure that the Local Plan is sound, it is considered that City of York Council should:

- 1 Provide a plan of a sufficient scale so that the boundaries of the Exclusion Zone can be clearly identified against existing land features and boundaries.
- 2 Provide clear justification for the 400m distance identified for the outer boundary of the Exclusion Zone.
- 3 The wording of Part (a) of the policy should be deleted and replaced with the following:

“All proposals for net new residential development within the Exclusion Zone will be required to undertake an Appropriate Assessment to demonstrate (a) that they will not have an adverse effect on the SAC and/or (b) the acceptability of any avoidance and mitigation measures provided. The Council will need to be satisfied that any such development will not lead to further recreational use of the SAC or have any other significant effect on its integrity”.

- 4 The wording of Part(b)(ii) of the Policy should be amended as follows:

“Proposals for other housing development which are not within plan allocations will not be permitted unless it can be demonstrated that they will have no adverse effects on the integrity of the SAC, ~~either alone or in combination with other plans or projects~~. Any necessary mitigation measures may be sought through planning contributions and must be secured prior to the occupation of any new dwellings and secured in perpetuity. Open space provision must also satisfy policy GI6”.

5.0 **Topic Paper 1: Approach to defining York’s Green Belt Addendum 2021**

Introduction

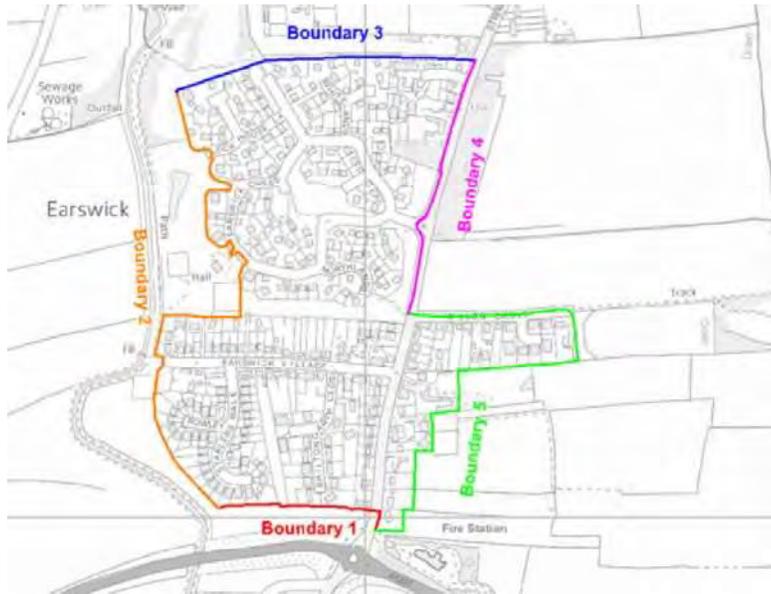
5.1 The Council has published ‘Topic Paper 1: Approach to defining York’s Green Belt Addendum (2021)’ [‘the 2021 GB Addendum’] to support its position on Green Belt boundaries, including those around existing settlements such as Earswick. The 2021 GB Addendum seeks to clarify the methodology and revises the text to represent the methodology developed and applied for setting York’s Green Belt Boundaries. There are no proposed changes to the Green Belt boundary around Earswick as a result of the addendum. It aims to address concerns raised by the Inspectors following the Phase 1 Local Plan Examination Hearings. In addressing these concerns, the document states that it¹²:

- *“Simplifies and clarifies the methodology relied upon to delineate the proposed Green Belt boundaries*
- *Sets the methodology out in four linked sections (5-8)*
- *Ensures that the criteria used for boundary definition have more clearly expressed connections to Green Belt purposes*
- *Removes elements that have caused confusion*
- *Applies the methodology as now clarified with more detail to show how boundaries were justified*
- *Revises the text to explain why, notwithstanding the methodological concerns raised by the Inspectors, the proposed boundaries (with minor proposed amendment) remain sound under the application of the clarified methodology”.*

5.2 The Green Belt boundary proposed in Annex 4 of the 2021 GB Addendum identifies the land east of Strensall Road, Earswick as lying within the Green Belt. The proposed boundary between the Green Belt and the settlement sits along the western boundary of the site (Green Belt boundary 4) and southern boundary of the site (Green Belt boundary 5) (see Figure 5.1 Proposed Green Belt Boundary - Earswick).

¹² Topic Paper TP1 Approach to defining York’s Green Belt Addendum January 2021 §1.4

Figure 5.1 Proposed Green Belt Boundary - Earswick



Source: Topic Paper 1: Approach to defining York's Green Belt Addendum 2021: Annex 4

Consideration of Modification

- 5.3 Having reviewed the Topic Paper Addendum, Bellway maintain a concern with the adopted methodology which does not satisfactorily address the issues raised by the Inspectors in their letter of June 2020. The approach taken to identifying boundaries is flawed as there is a lack of transparency and justification as to how the findings within the document have resulted in the Green Belt boundaries identified.

Methodology

- 5.4 The 2021 GB Addendum seeks to clarify how the methodology has been revised. It states that in order to address the concerns raised by the Inspectors it:

- “(a) proceeds on the basis that, as the Inspectors have found, the approach to defining detailed Green Belt boundaries is broadly in general conformity with the RSS;*
- (b) revises the methodology used to assess how boundary delineation performs against Green Belt purposes by removing those aspects which rely on “shapers” in the Local Plan, in favour of considerations which are explicitly linked to each of those purposes;*
- (c) when considering purpose 4, provides further explanation of how the Heritage Topic Paper [SD103] was taken into account to identify all areas that are considered to be important to the historic character and setting of York;*
- (e) revises the assessment at both a strategic and detailed local level accordingly, whilst continuing to place particular emphasis on purpose 4, as accepted by the Inspectors;*
- (f) confirms how the revised approach followed by the Council accords with both saved policy in the RSS as well as policy in the NPPF relating to the definition of Green Belt boundaries”.*

5.5 With regard to the five Green Belt purposes, the 2021 GB Addendum notes that the Council has simplified and clarified its approach. For **Purpose 2** (to prevent neighbouring towns merging into one another), it notes¹³ that:

“York does not have any other major towns close to the general extent of the Green Belt, so the potential issue of towns merging does not arise ... However, as the Inspectors accepted, the coalescence of smaller settlements and villages may be relevant under Purpose 4, where this issue is considered”.

5.6 With regard to **Purpose 5** (to assist in urban regeneration by encouraging the recycling of derelict and other urban land) it states:

“It is not considered that this purpose of itself assists materially in determining where any individual and detailed part of the boundary should be set”.

5.7 On this basis, the 2021 GB Addendum states that purposes 1, 3 and 4 apply as follows¹⁴:

“The Council has considered all of the Green Belt purposes, and determined that purposes 4, 1 and 3 are appropriate in examining the general extent of the Green Belt and justifying the proposed York Green Belt detailed boundaries, but in accordance with RSS policy (and as accepted by the Inspectors) placed primary emphasis on the fourth NPPF Green Belt purpose (“to preserve the setting and special character of historic towns”), which is recognised as being appropriate in the context of York”.

5.8 It notes¹⁵ that all York Green Belt boundaries have been assessed as to their potential impact on the aspects of the Heritage Topic Paper which relate to openness.

5.9 In terms of defining detailed boundaries, the methodology now includes 5 criteria which link back to the three relevant Green Belt purposes and strategic principles. These criteria and their relevant purposes are:

- 1 Does land need to be kept permanently open in order to aid the perception or understanding of a compact city (Purpose 4)?
- 2 Does the land need to be kept permanently open to contribute to the understanding and significance of a building, landmark or monument (Purpose 4)?
- 3 Does the land need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York (Purpose 4)?
- 4 Does the land function to contain the urban area and protect open land from urban sprawl? (Purpose 1)
- 5 Does the land have the characteristics of countryside and/or connect to land with the characteristics of countryside which needs to be protected from encroachment? (Purpose 3)

5.10 A set of more detailed assessment questions is provided in the 2021 GB Addendum to enable the assessment of boundaries against these criteria.

5.11 Consideration of Earswick and its boundaries against these criteria is set out in Annex 4 of the 2021 GB Addendum. Five individual boundaries are identified around Earswick. The eastern boundaries, which the east of Strensall Road site sits adjacent to, are identified as ‘Boundary 4 and 5’.

¹³ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.7

¹⁴ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.10

¹⁵ Topic Paper TP1 Approach to defining York's Green Belt Addendum January 2021 §5.25

- 5.12 We review the assessment of Earswick and its boundaries against these criteria and the associated detailed assessment questions below.
- 5.13 For the reasons set out below, it is considered that the methodology applied by the Council remains flawed and fails to justify the defined boundaries. We use the Earswick boundary to demonstrate the failings of the Addendum.

Compactness (Criterion 1)

Detailed Assessment Questions

1.1 Does the land need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape?

1.2 Does the land need to be kept permanently open to maintain the scale or identity of a compact district or village?

1.3 Does the land need to be kept permanently open to constrain development from coalescing or by maintaining a connection to open or historic setting?

- 5.14 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.15 It suggests that land around Earswick needs to be kept permanently open to maintain the scale and identity of a compact village and to maintain a connection to the open and historic setting. It notes that allowing the village to grow significantly would take it out of proportion with the settlement pattern of York.
- 5.16 The supporting text recognises the historic growth of the village to the west, with further western expansion likely to cause issues of coalescence with Haxby. The addendum understandably focuses on the boundaries which might cause issues of coalescence but fails to recognise the existence of well defined field boundaries to the east which could contain future development, and the ‘finger’ of development which already extends eastward along Willow Grove and forms the southern boundary of the proposed site.
- 5.17 The village is capable of expansion to the west without any significant impact on the overall compactness of the settlement and does not need to be kept permanently open in order to aid the perception or understanding of a compact city. In fact, the development of the site affords an opportunity to enhance the substantial visual screen at the northern and eastern boundary. It does not therefore need to be kept permanently open as part of a wider view of a dense compact city or village in an open or rural landscape.
- 5.18 In this respect the conclusions of this paper seem to contradict the conclusions previously reached by the Council when it identified the site as safeguarded land.
- 5.19 The land does not therefore need to be kept permanently open in order to aid the perception or understanding of a compact city and the east of Strensall Road site is suitable for removal from the Green Belt on this basis.

Landmark Monuments (Criterion 2)

Detailed Assessment Questions

2.1 Does land need to be kept permanently open to understand the original siting or context of a building, landmark or monument.

2.2 Does land need to be kept permanently open to understand the visual dominance, prominence or role of a focal point of the building, landmark or monument?

2.3 Does the land need to be kept permanently open as part of the tranquillity, remoteness or wildness of the asset?

5.20 The 2021 GB Addendum answers ‘No’ to questions 2.1, 2.2 and 2.3.

5.21 The 2021 GB Addendum concludes that the land around Earswick does not need to be kept permanently open for these purposes.

Landscape and Setting (Criterion 3)

Detailed Assessment Questions

3.1 Does the land need to remain permanently open to aid the understanding of the historical relationship of the city to its hinterland, particularly as perceived from open approaches?

3.2 Does the land need to remain permanently open to aid the understanding or significance for the situation of a designated landscape, park or garden?

5.22 The 2021 GB Addendum answers ‘Yes’ to question 3.1 and ‘No’ to question 3.2.

5.23 The assessment against Criterion 3 does not make specific reference to any individual boundary. It simply notes:

“The land needs to be kept permanently open to protect the setting and special character of the wider city landscape and character of York, which includes a clockface of smaller, compact villages, particularly as perceived from open approaches.”

5.24 The commentary used by the Council on this criterion bears little relevance to the purposes of Green Belt set out at paragraph 80 of the Framework, or the considerations for defining boundaries at paragraph 85. Having regard to the characteristic of the existing form of the village (discussed above, particularly with the development of Willow Grove), a well considered development to the east of the village does not need to change any of the above characteristics.

5.25 The east of Strensall Road site does not therefore need to be kept permanently open as part of the wider landscape associated with the historic character and setting of York.

Urban Sprawl (Criterion 4)

Detailed Assessment Questions

4.1 Is land connected to or within proximity to the urban area and therefore relevant for sprawl?

4.2 Does the land have an increased risk of sprawl occurring through the presence of low-density, agricultural or recreational structures such as farms, isolated buildings or small clusters with a strong sense of openness, or the possibility of creating ribbon development?

4.3 Is the land unconstrained by built development or strong boundaries on more than one side, and therefore not contained or enclosed in a way which would prevent sprawl?

- 5.26 The 2021 GB Addendum answers ‘Yes’ to question 4.1, ‘Yes, 3 only’ to question 4.2 and ‘Yes, 3, 4 and 5’ to question 4.3.
- 5.27 It states:
- “Land adjacent to all boundaries is connected to the built up area of the village and unconstrained by built development on more than one side”*
- 5.28 The development of land on the edge of any settlement has the potential to result in sprawl and the usual barometer to assess sprawl is to consider how well contained the parcel is by the urban area and how strong the boundary is to restrict it from sprawl. We consider, as demonstrated by the Vision Document submitted to earlier rounds of consultation on the Local Plan (attached here at Appendix 1), that the eastern side of the settlement is capable of expansion without any significant impact on sprawl given its level of containment.
- 5.29 It is clear from the nature of commentary that the Council’s failure to identify individual land parcels and consider their individual contribution towards Green Belt purposes, as is normally the case for authorities changing or establishing Green Belt boundaries, has resulted in an assessment which lacks clarity and transparency.
- 5.30 The east of Strensall Road site is able to contain the urban area and protect the open land beyond from urban sprawl and is therefore suitable for removal from the Green Belt and inclusion within the settlement boundary of Earswick.

Encroachment (Criterion 5)

Detailed Assessment Questions

5.1 Is the land characterised by an absence of built development or urbanising influences?

5.2 Does the land function as part of the countryside in terms of relationships within it or acceptable uses within it; including those for agriculture, forestry, woodland, equestrian and other uses, small villages, rural business parks or other building clusters?

5.3 Does the land contribute to the character of the countryside through openness, views or accessibility

- 5.31 The 2021 GB Addendum answers ‘Yes’ to all of the above questions.
- 5.32 The fact that land east of Strensall Road is greenfield, lies on the edge of an existing settlement and is thus open and having the appearance of countryside inevitably means that its development might be said to have an adverse effect in terms of encroachment on the open countryside. The same is equally true of any site located on the edge of any urban area.
- 5.33 When making an assessment of encroachment the normal approach is to consider the presence of a strong physical boundary and the extent of development which does not fall within an appropriate countryside use. With regard to this matter the east of Strensall Road site is contained by development to the west and much of the south, with strong and defensible boundaries to the east and north which can be appropriately landscaped as part of a well designed development. Indeed, development of the site would represent a ‘rounding’ rounding of the village and consequently would not be seen as ‘encroachment’ into the countryside.

Boundary Permanence

- 5.34 The remaining text considers the permanence of the tightly drawn boundary. To some extent, following a tight line around the existing built form of the village, it is inevitable that the boundary is clearly defined. It offers no opportunity for future sustainable growth of the village. However, it does not follow that other boundaries are not equally, and potential better, defined as part of a well planned development.
- 5.35 Further, it is clear that the Council continues to use measures such as relative sustainability (the number of services available within 800m), location of open space and flood risk amongst other things to justify the boundaries. These are the matters on which the Council received clear instruction from the Inspectors to change, yet they remain within the Green Belt evidence. These considerations have no relevance to how the land performs against Green Belt purposes.

Consistency with the Local Plan Strategy

- 5.36 Overall we remain concerned that the assessment is continues to rely on the ‘shapers’ in the Local Plan which the Inspectors previously criticised the Council for using.
- 5.37 A more robust and transparent approach would be to identify individual land parcels, as is common across other Local Plans, and identify their individual contribution to Green Belt purposes. Only then, once individual contributions are clearly understood, should any kind of policy analysis factor in the consideration of which sites should and should not be released from the Green Belt. It is clear that the CoY has continued to confuse these two stages resulting in a flawed evidence base prepared to retro fit the draft Local Plan.
- 5.38 It appears that in reviewing the evidence, the Council has set out to prepare evidence which supports its policy of no Green Belt release, without undertaking a robust assessment of the contribution different sites make to the Green Belt. This is particularly concerning in light of our related representations on proposed modifications to Policy SS1.

Appendix 1 East of Strensall Road, Earswick: Vision Document

The Bellway logo features the word "Bellway" in a bold, black, sans-serif font. A thin, curved orange line arches over the top of the letters "y" and "a".

Bellway

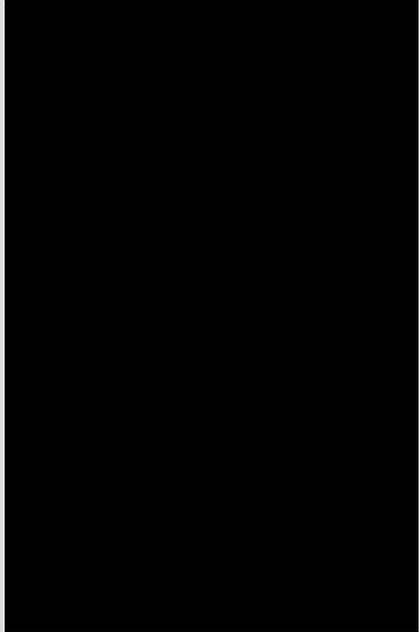
*Building Homes,
Building Value*

A photograph of a row of modern, two-story brick houses. The houses have red brick facades, dark grey window frames, and gabled roofs with dark grey gutters. Each house has a small front garden with a black metal fence and a brick pillar topped with a white light fixture. The sky is blue with light clouds.

Land east of Strensall Road, Earswick, York

Vision Document

This document has been prepared by:



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1.0 Introduction

Bellway Homes PLC is a major UK residential property developer with its head office based in Newcastle upon Tyne. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. In just over 70 years, Bellway Homes has grown from a small, family-owned firm to one of the most successful house builders in the UK. Today we directly employ more than 2,000 people and have earned an enviable reputation, built on the pillars of quality, service and trust. As the 4th largest housebuilder the Company has built its successful track record and reputation on the principle of providing the homes people aspire to by developing local designs with the help of local people.

This Vision Document has been prepared by Lichfields on behalf of Bellway Homes. It aims to assist York City Council in the preparation of its Local Plan by articulating and illustrating the opportunity provided by land east of Strensall Road, Earswick and in particular the benefits of bringing forward a comprehensive residential development of approximately 350 homes.

The vision is to create a high quality, green neighbourhood which will create a sustainable community and help to meet the housing objectives of the Local Plan. The development will afford residents the opportunity to benefit from new sustainable family homes in a vibrant and inclusive neighbourhood. The development will deliver approximately 350 new homes.



Site context plan

2.0 Site and Surroundings

Earswick is a village which lies between Huntington and Strensall, and is approximately 4 miles north of York. On the York to Strensall road, Earswick is one mile south of Strensall. The site is on the Eastern side of the village, on the northern edge of the A1237 ring road offering easy access to and from York City Centre.

The site is approximately 19ha in size and regular in shape, consisting of a generally square area of land in the western section of the site. It consists of agricultural land. Strensall Road bounds the site to the west and there are a number of houses to the north. The southern and eastern boundaries are marked by hedges and trees with the Willow Grove residential estate adjoining the site at the south-western corner. There is a strip of semi-mature woodland at the western edge of the site which would be retained.

There is already residential development on the eastern side of Strensall Road. Earswick itself is largely defined by a modern suburban development character.

The site is well served by facilities available in Earswick and Huntington, including, inter alia:

- Earswick Village Hall;
- The Minster Veterinary Practice;
- Huntington Post Office;
- Huntington Pharmacy.

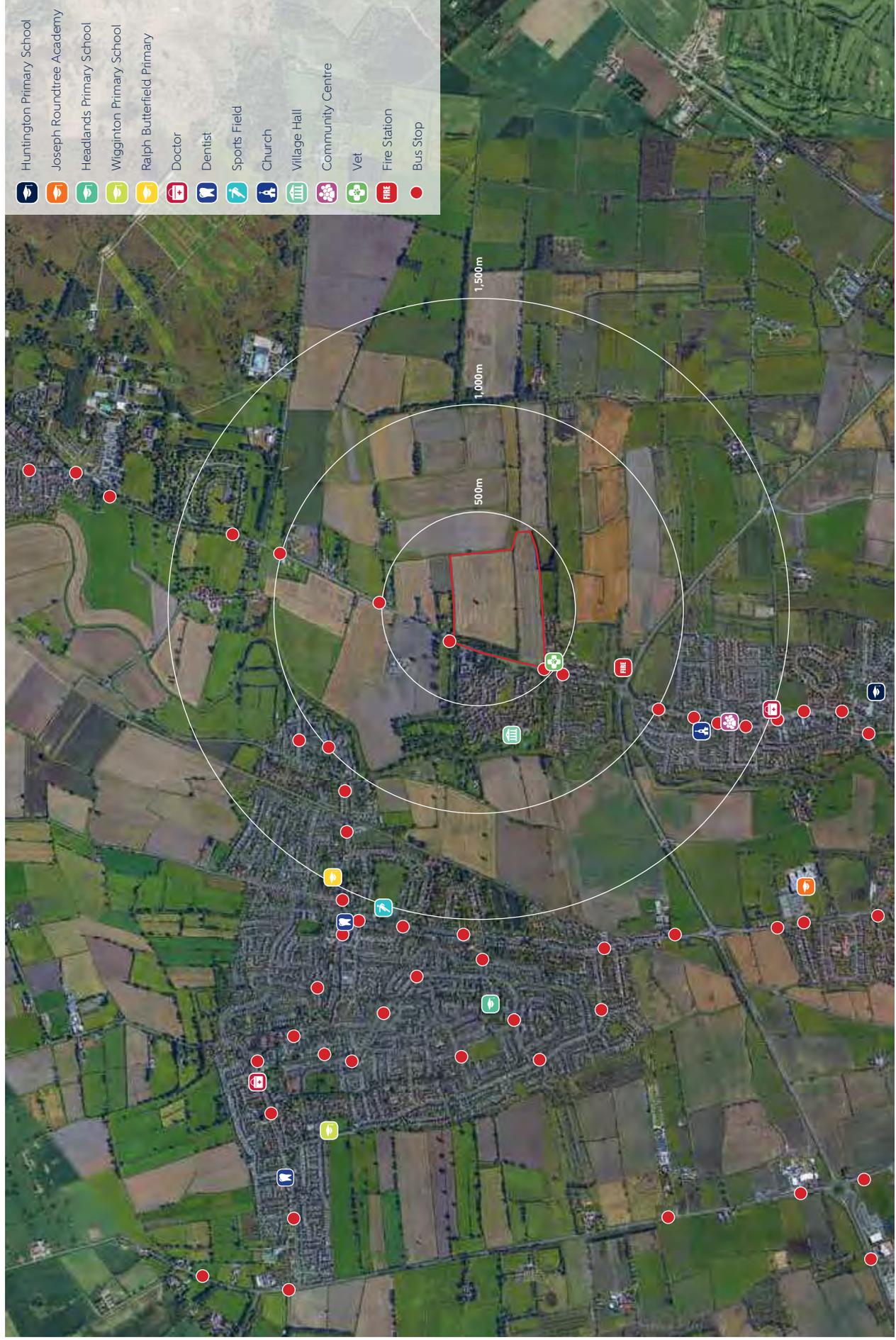
There are a number of primary schools in proximity to the site which are currently under capacity;

- Burton Green Primary School;
- Headlands Primary School;
- Huntington Primary Academy;
- Ralph Butterfield Primary School;
- Skelton Primary School; and
- Wiggington Primary School.

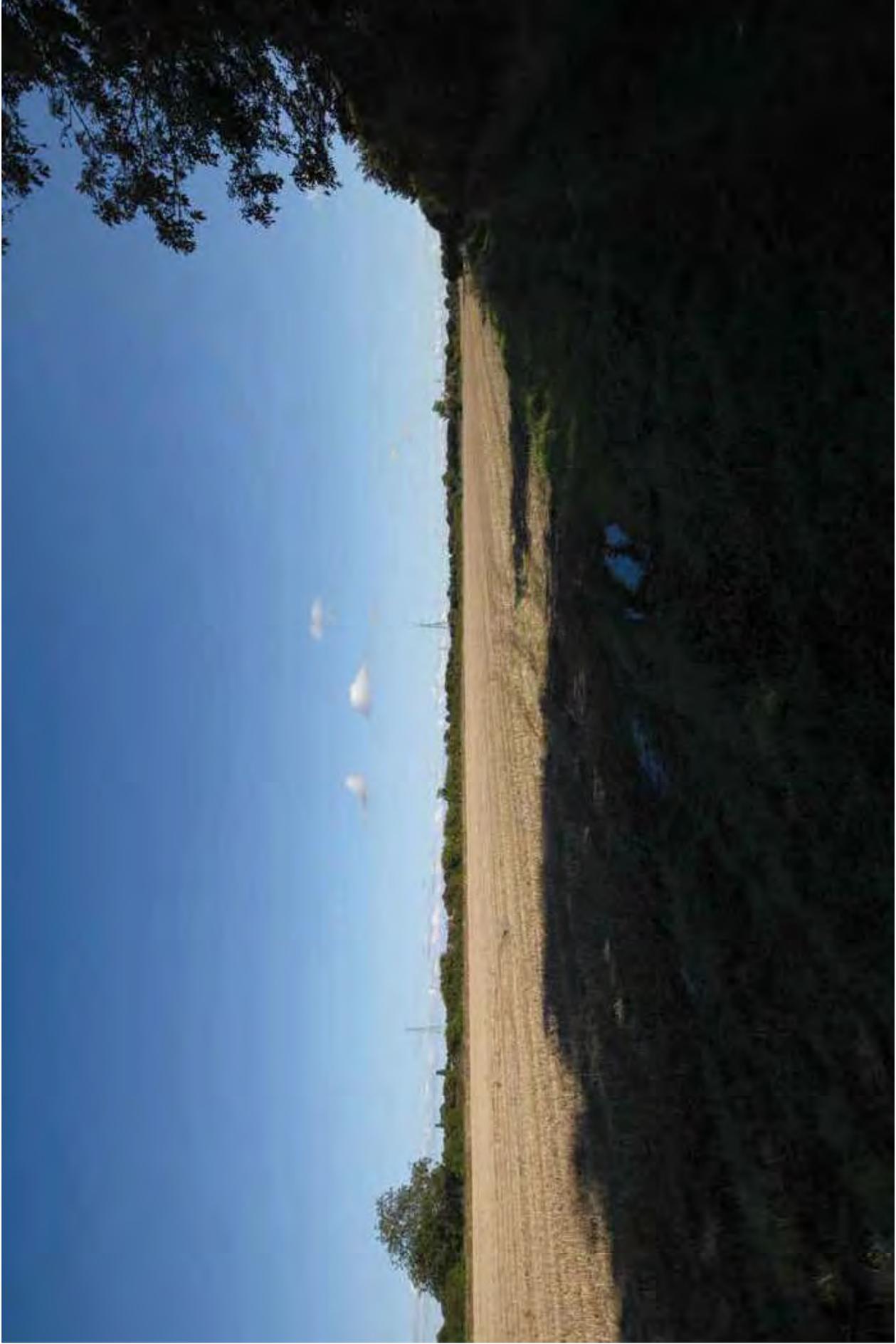
Secondary education facilities are available at Huntington Secondary School, which is also under capacity.

Further facilities include a number of supermarkets and a hospital available in York, 5km to the south. There are a number of bus stops located along Strensall Road offering regular public transport services to Strensall, Acomb and York.

SITE AND SURROUNDINGS



Local services plan



The site



Earswick



Community open space, Earswick



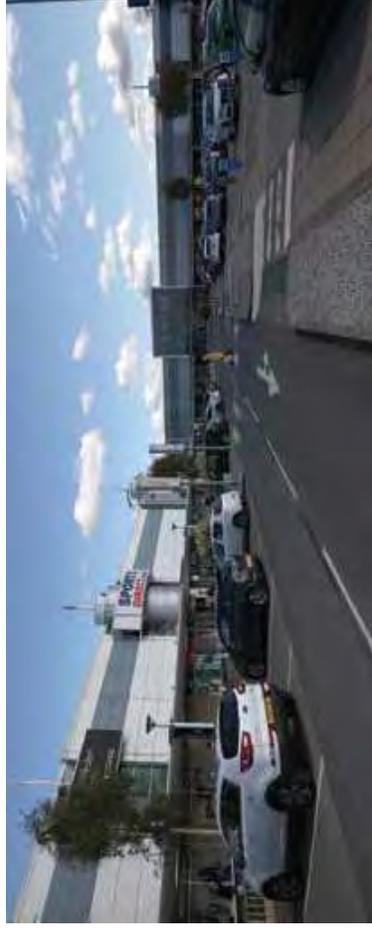
Buses on Strensall Road



Huntington Primary Academy



The Blacksmiths Arms pub in Earswick



Monks Cross Shopping Park

3.0 Policy Context

National Planning Policy

“At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking”

Paragraph 14, NPPF

At the heart of the NPPF is a presumption in favour of sustainable development. The planning system should contribute to building a strong economy, boost the supply of housing to meet present and future needs, whilst also protecting and enhancing the natural, built and historic environment.

“Local Plans should be aspirational but realistic...crucially, Local Plans should plan positively for the development and infrastructure required in the area.”

Paragraph 154 and 157, NPPF

Guidance in the NPPF emphasises the importance of:

- Significantly increasing the supply of housing;
- Using an evidence base to ensure that Local Plans identify key sites critical to the delivery of the housing strategy
- Delivering a wide choice of high quality homes that people want and need;
- Widening opportunities for home ownership; and
- Creating sustainable communities.

Local Planning Policy

The City of York Local Plan Pre-Publication Draft sets out the vision and spatial strategy that will guide development of York over the plan period which runs from 2017 to 2032/33.

National Planning Policy requires Councils to prepare long term planning policies for their area and through regulations, sets out prescribed processes for doing this.

“...identify in their plans areas of ‘safeguarded land’ between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period...”

Paragraph 85, NPPF

Work on the City of York Local Plan is currently at Regulation 18 stage - the first stage. To date, as part of this stage the Council has already consulted on Preferred Options in 2013 plus additional consultations as part of the further sites consultation in 2014 and preferred sites consultation in 2016.

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including our Client’s site at east of Strensall Road, Earswick. The Officer Report from the Site Selection Paper Addendum (September 2014) considers that the site is still viable and should still be safeguarded. Furthermore the site was considered to be suitable, deliverable and viable in the 2017 Consultation Statement.

4.0 Housing Requirement

City of York Local Plan – Pre-Publication Draft

Policy SS1 (Delivering Sustainable Growth for York) sets out that the Council will deliver a minimum annual provision of 867 new dwellings over the plan period to 2032/33.

The spatial strategy sets out the general spatial principles that will underpin the distribution of future development in York. It considers a range of issues which will influence the spatial strategy and includes a section on York City Centre, York Central, Castle Gateway and the strategic sites (those that are 5ha or more).

The latest population projections (2014 SNPP) project a growth of 7.6% over the 25 year period to 2039, with a population of 34,000 more people anticipated in 2039. This is higher than the growth of 29,000 projected under the 2012 SNPP. This is an annual growth of 1,360 people compared to 1,160 people.

The higher growth is driven by greater levels of net in-migration – particularly levels of international net migration during the first 5 years of the projected period.

The 'York Strategic Housing Market Assessment Update (SHMA 2017) is clear that development should provide both market and affordable housing. In response to both market signals and affordable housing need they advocate a 10% uplift to the OAN. In line with the PPG this was set against the official starting point of 867 dpa. The resultant housing need would therefore be 953 dpa for the 2012-32 period.

This increase in the OAN, whilst still below the figure derived from the new methodology which the Government are currently consulting upon within 'Planning for the Right Homes in the Right Places', indicates that the Council is aware that current population and market trends demonstrate that not enough houses are being built within York. The subsequent designation of the site east of Strensall Road would help alleviate these pressures.

The SHMA has examined housing completions data for York dating back to 2004/05 and set these against the annual housing target from 2004/05 to 2015/16. With the exception of last year, housing delivery in York has failed to meet its target each year since 2007. The overall target for these years was missed by 20%, which equals 2,051 units below the target level.

Green Belt Release

Paragraphs 83 to 85 of the NPPF sets out the national policy position on determining the boundaries of the Green Belt and the role of safeguarded land as a tool to help ensure that Green Belt boundaries endure beyond the Plan period.

Paragraph 83 confirms authorities should consider the Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period. In helping to achieve this degree of permanence paragraph 85 provides further policy on determining boundaries including: where necessary, identify in their plans areas of 'safeguarded land' between the urban area and the Green Belt, in order to meet longer-term development needs stretching well beyond the plan period.

The preferred options draft Local Plan and the subsequent publication draft (September 2014) sought to apply the national and saved regional policies in setting out the extent of the Green Belt and identified a reserve of safeguarded land (including this site) to ensure that the Green Belt boundary is capable of enduring beyond the Plan period. To do this the Plan included policy to identify safeguarded land and protect it from development until such time as a plan review identified the need for the land to be allocated for development.

It is very clear the Green Belt must endure beyond the Plan period and that land not needed for development during the Plan period should be protected as safeguarded land. If no safeguarded land is identified in the emerging Local Plan this would be a significant failure to identify how the longer term needs of the areas could be met, particularly without encroaching into the Green Belt and eroding its boundaries.

The delivery of land East of Strensall Road, Earswick is essential to provide the new homes needed in the City of York. The Council must consider its release from the Green Belt and allocation or safeguarding for longer-term development needs.



5.0 What types of new houses are needed in York?

Strategic Housing Market Assessment Update 2017

The York Strategic Housing Market Assessment Update 2017 (SHMA, 2017) makes clear that future housing development should focus on delivering both market and affordable housing to the area.

The Pre Publication Draft Local Plan 2017

The current draft local plans sets out through its proposed housing policies an aim to achieve a balance across the housing market to reflect the diverse mix of need across the city.

It is the council's aspiration to ensure a mix of types of housing across a development - catering for small families, newly forming households and people looking to downsize as well as specialist housing provision for vulnerable people.

Stock Analysis

The 2016 SHMA indicates that the housing stock within York is very similar to national averages with no comparative concentrations or shortages in any of the specific housing categories.

Our client's site in Earswick offers a viable opportunity to maintain this property balance by providing a mix of properties and allow for considered distribution in line with market demands on site.

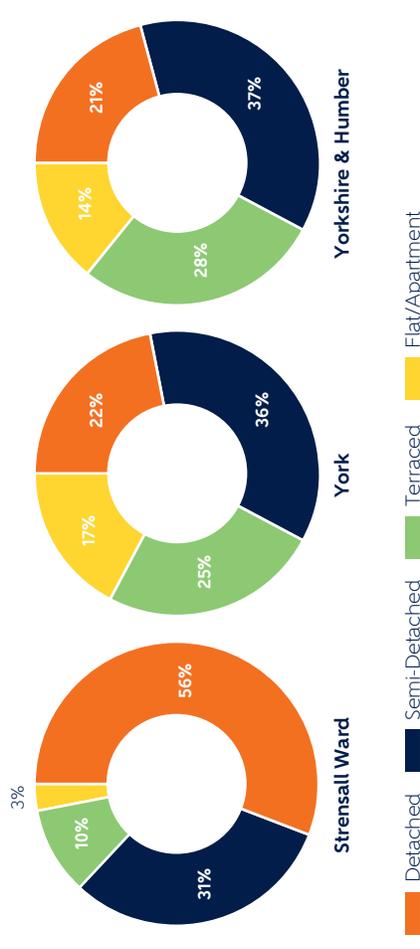


Figure 5.1: Existing Housing Types in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

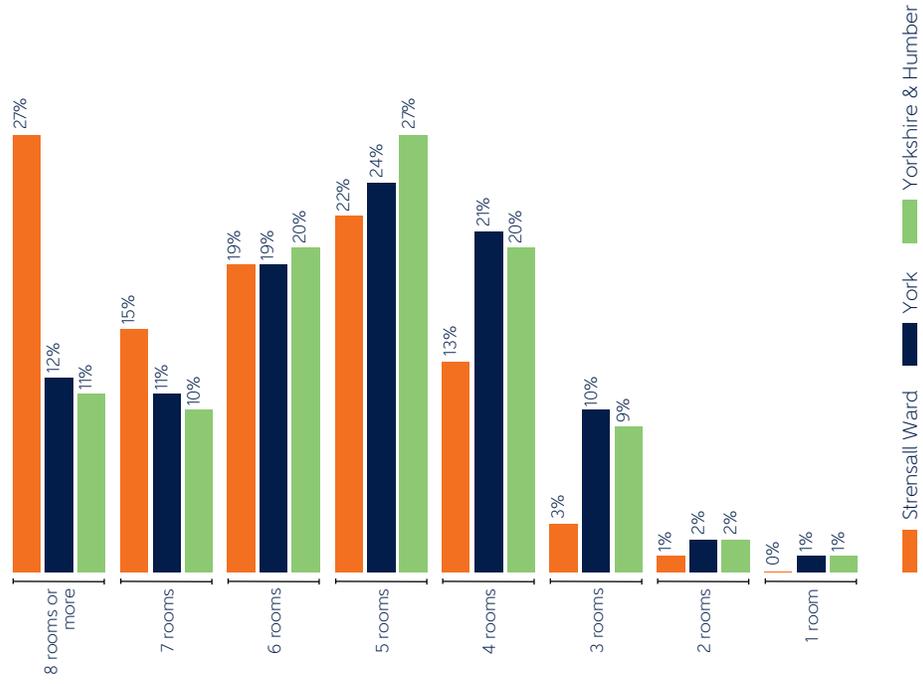


Figure 52: Number of rooms per dwelling in Strensall Ward, York and Yorkshire & Humber
Source: NOMIS, Census 2011

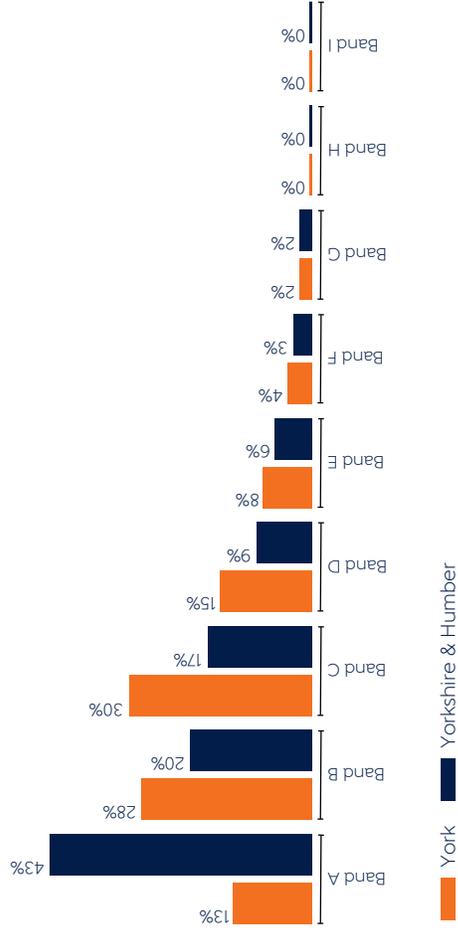


Figure 53: Dwelling Stock by Council Tax Band
Source: VOA (2017), Council Tax: stock of properties

Conclusion

The Draft Plan and supporting SHMA identify an increased housing need across the Local Authority. There is demand for market and affordable housing throughout York, providing a balanced housing market.

6.0 Environmental and Technical Appraisal

Constraints

The site and its surroundings have been considered in relation to potential developmental constraints which will inform the future development of the site.

The map opposite illustrates constraints, none of which represent a significant limit to the capacity of the site.

The site is not subject to any ecological, landscape, archaeological or geotechnical designations.

Green Belt

As documented earlier the site is currently designated Green Belt. The justification for Green Belt removal is considered due to the insufficient supply of non-Green Belt sites representing 'exceptional circumstances' that justify the release of the land in accordance with paragraph 82 of the NPPF.

Opportunity

The proposal provides an opportunity to comprehensively plan the delivery of this site, presenting an opportunity to create a high quality residential neighbourhood which responds to and accommodates the potential constraints. It will also result in numerous social, economic and environmental benefits which are discussed in greater detail at Section 9 of this document.

Landscape

The vegetated nature of the boundaries to the site is such that views are limited for the most part. This means the site would not have an overbearing impact on neighbouring and adjacent properties, and would integrate with and form a logical extension to Earswick.



Existing median and drop kerb potential access into site. Bus stops seen in background.



Flat topography. Large mature Oak notable feature in views. Electricity pylons seen in the distance.



Strenall Road roundabout with Earswick Chase. Potential new access into site, subject to achieving necessary sight lines.



Mature tree line defines southern boundary of the site. Boundary vegetation limits visibility into site, especially in summer



Recreation facilities including Village Hall, playground, tennis courts and football pitches adjoining River Foss. Consider link from site to these facilities.

Key

	Site boundary
	Potential future access
	Bus stops
	Listed building
	Public rights of way
	River Foss
	Green link to River Foss
	Large mature trees
	Hedgerow
	Distinctive views (neighbourhood plain)
	Photo viewpoints

Transport

A site accessibility assessment has already been undertaken by systra. Access does not pose a constraint to the delivery of the site. The site can deliver a substantial improvement in the existing conditions and significant new infrastructure to benefit existing and new residents. A full Transport Assessment would be undertaken to understand any potential issues that may arise from the increased traffic on the road network.

Highways Improvements

There are two proposed potential accesses to the site:

1. an additional arm from the Strensall Road / Earswick Chase roundabouts
2. ghost island turn on Strensall Road.

The site access would need to be located on Strensall Road. Strensall Road has a 30mph speed limit until 50m north of the development site, where it becomes national speed limit. The City of York Council Highway Design Guide states that 'Major access roads serve between 100 and 400 dwellings' and that 'Major access roads should preferably have two points of access.' Whilst the guidance states that two accesses are 'preferable', it is proposed that one is provided initially, supported by an emergency secondary access. The highways assessment undertaken on behalf of Bellway Homes has identified a formal second access should this be desirable from a masterplanning perspective or if the local highway authority insists that two public vehicular accesses are provided.

Main Access - Strensall Road / Earswick Chase roundabout

There is an existing three-arm roundabout to the south-west of the site providing access to Earswick Chase from Strensall Road. It is not possible to provide an additional arm at the roundabout designed to standard without providing modifications to the existing roundabout circulatory and approach arms.

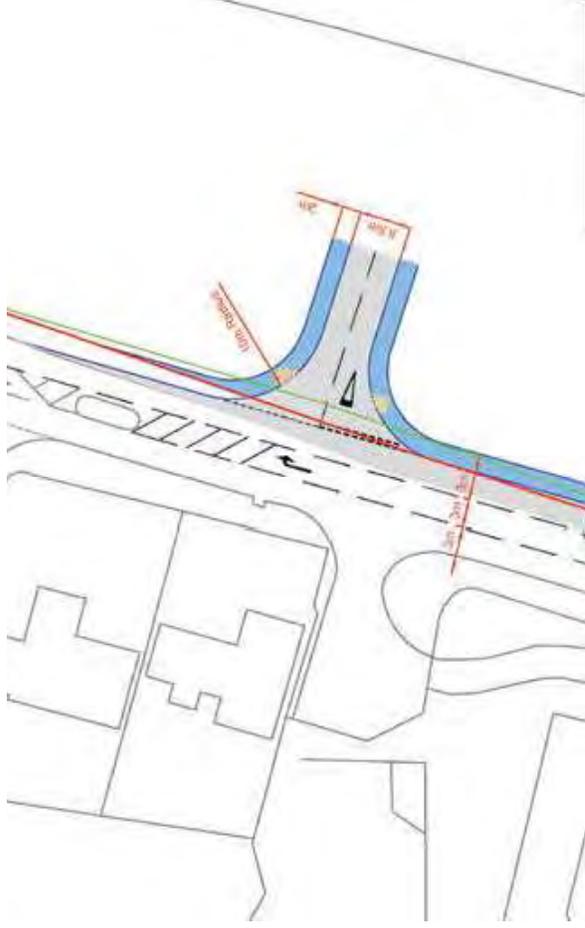
A secondary emergency access is likely to be required to the development if only one formal access is provided. This is anticipated to take the form of a simple priority junction with a lockable bollard and could provide an access point to and from the site for non-motorised users. A possible location for the emergency access could be the location of the existing field access off Strensall Road.

Secondary Access - Strensall Road ghost island junction

Should two formal accesses be required, a second access would likely be in the form of a ghost island junction as a residential development of the Site is likely to provide a minor road flow. To reduce the scale of the engineering works and tree removal, a simple priority junction could be discussed with the local highway authority. This may be appropriate for the secondary access to the development, with the roundabout to the south of the site likely to attract the majority of the traffic heading to and from York and the A1237 ring road.



Proposed site access plan



Proposed site access ghost island option

7.0 The Vision

The design principles for the site will provide a vibrant and sustainable extension to the existing community, created through a holistic design approach and carefully considered scheme response.

- The scheme will seek to create a positive relationship with the surrounding residential context through the use of the form and density levels cognisant of surrounding development, with the opportunity to provide a sensitive yet distinctive design response.

The vision will be achieved through the realisation of the following key objectives:

- The scheme will successfully integrate within the landscape context of the surrounding area through retention and celebration of key existing landscape features including existing hedgerows and tree planting running through and around the perimeter of the proposed site;
- Integration of pedestrian connections through the site, and linkages to the north, south and west will provide a permeable scheme which will improve pedestrian linkages and connections to Earswick;
- Use of landscape to establish a clear hierarchy of interlinked streets, footpaths and cycle routes which can be negotiated with ease;
- Housing layouts to integrate as much of the existing landscape features as possible with some properties to front onto the public open spaces to provide an active edge and allow natural surveillance;
- New housing to have individual identity but take cues from the local vernacular to achieve good integration with surrounding buildings;
- Through successful provision of SUDS areas, the ecological value of the site could be significantly enhanced whilst providing a natural and sustainable solution to surface water drainage. SUDS areas will be located on localised low points;

The townscape of the local area has been heavily influenced by a mixture of mid to late 20th century development which can be described as suburban in character. Recent developments have a high proportion of cul-de-sacs generally accessed from winding loop roads. The built form is typically two storey detached dwellings that are of their time set within generous gardens. Building materials vary across the local area, however more recent development have a predominant red brick character. Architectural details include bay windows, above door lintels / canopies, front facing gables.



Masterplan layout

8.0 Benefits



The land to the east of Strensall Road, Earswick constitutes an excellent opportunity for residential development in a sustainable location. Removal of the site from the Green Belt and development for approximately 350 units will provide the following benefits:

Social Benefits

- An opportunity to meet local housing requirements, widening range and choice of:
 - a family housing; and
 - b affordable housing.
- New public open space / children's play area; and
- More spending power in the local area to enhance vitality of local facilities.

Environmental Benefits

- Sustainable pedestrian and cycle routes;
- High quality public realm and landscaping;
- Biodiversity and habitat improvements; and
- Reduce off-site local flood risk.

Economic Benefits

The economic benefits arising from the delivery of approximately 350 new homes at Earswick are likely to include the following:

Construction benefits



£70m
Construction value
(total construction cost)



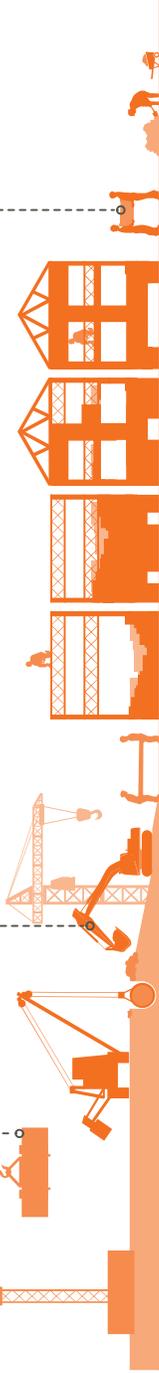
£9.3m GVA
Economic output
(additional GVA p.a. over the 10 year build period)



65 FTE Jobs
Construction jobs
(permanent full-time equivalent direct jobs created)



100 FTE Jobs
Supply chain jobs
(indirect/induced 'spin-off' jobs created)



Operational and expenditure benefits



£2.75m
First occupation expenditure
(spending to make a house 'feel like a home')



£8.5m
Resident expenditure
(within local shops and services p.a.)



110 FTE jobs
(from increased expenditure in local area)



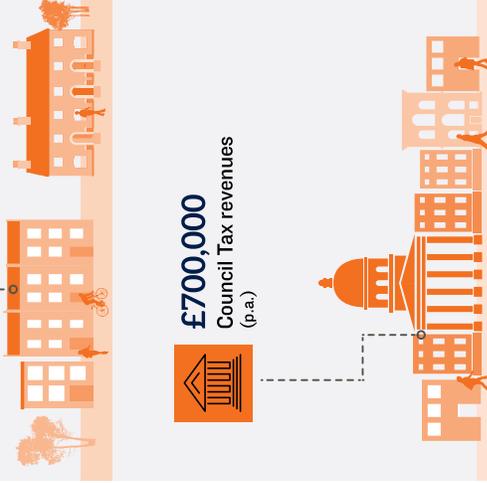
Local Authority revenue benefits



£3.0m
New Homes Bonus payments
(over a 4 year period)



£700,000
Council Tax revenues
(p.a.)



9.0 Next Steps

The preferred options consultation draft of the Local Plan and the subsequent publication draft that was issued by the City of York Council in September 2014 included a policy and allocations of safeguarded land – including the site at east of Stensall Road, Earswick. It was demonstrably clear that the Council considered it fully appropriate to reserve this land for residential development at the time of a subsequent Plan review.

It is demonstrably clear from this submission that Bellway's land to the East of Stensall Road, Earswick should be identified in the next iteration of the emerging Local Plan to ensure that sufficient sites have been identified so that the housing requirement and development needs for York can be delivered. This justifies the 'exceptional circumstances' that are required to facilitate its removal from the Green Belt.

This Vision Document details how the site can be comprehensively delivered. The site will provide a range of homes in a sustainable location.

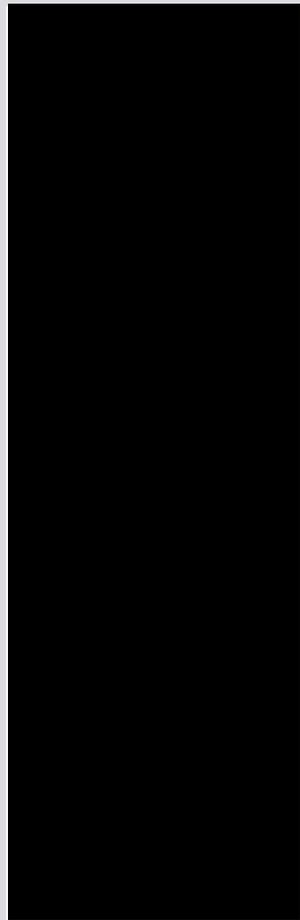
In order that that this is achieved it is considered that the site should be removed from the Green Belt and allocated for a total of 350 houses in the York Local Plan. Bellway Homes looks forward to working alongside the Council, the local community and other stakeholders to progress the proposals for the site and welcomes the opportunity to discuss the proposal further.



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Bellway

*Building Homes,
Building Value*



Appendix 2 Housing Technical Report

City of York Local Plan

Proposed Modifications Version

Representations on Housing Matters

Taylor Wimpey; Persimmon Homes; Bellway Homes

July 2021

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Representations on Housing Matters

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1.0 Introduction

- 1.1 This statement is prepared on behalf of three different and separate participants who have jointly instructed Lichfields to represent them on matters of housing need and supply. The participants are Taylor Wimpey, Persimmon Homes and Bellway Homes. Each has their own distinct interests in the City and have submitted separate responses on other matters, but present the following shared position on housing need.
- 1.2 The assessment of York’s housing need in this statement forms part of the above participant’s response to the City of York Council’s [CYC] latest consultation on the Key Evidence and Supporting Documentation that was published since the York Local Plan Hearing Sessions.
- 1.3 In particular, this representation analyses CYC’s updated evidence on housing needs that establishes the scale of need and demand for market/affordable housing in the City. In this regard, we comment on the following recently-published consultation documents:
- EX/CYC/32: CYC Annual Housing Monitoring and MHCLG Housing Flow Reconciliation Return 2019
 - EX/CYC/36: Affordable Housing Note Final February 2020
 - EX/CYC/38: Joint Position Statement between CYC and Selby District Council Housing Market Area April 2020
 - EX/CYC/43a: Housing Needs Update September 2020
 - EX/CYC/56: SHLAA Update April 2021
 - EX/CYC/58: Composite Modifications Schedule April 2021

City of York Council’s Local Plan Proposed Modifications (April 2021)

- 1.4 A review of the Objectively Assessed Housing Need [OAHN] was undertaken on behalf of CYC by GL Hearn in September 2020 (*The Housing Needs Update report*), which supersedes the previous SHMA Update (2017) and a further Housing Needs Update in January 2019. This new report advised that in light of the latest set of 2018-based Sub-National Household Projections [SNHP] in March 2020, York’s housing need would fall to just 302 dwellings per annum [dpa] between 2012 and 2032. However, due to concerns over the methodology employed in both the population and household projections, GL Hearn recommended that greater weight be given to the use of longer-term trends and economic-led housing needs, resulting in a requirement for 779 dpa. The consultants concluded that as there was no material change since the last assessment in January 2019, there was no need for the Council to move away from its OAN of 790 dpa.
- 1.5 On the basis of this evidence, the Council considered that under the transitional arrangements of the 2012 NPPF and the requirements of the National Planning Practice Guidance [the Practice Guidance] in relation to the assessment of housing need, it was justified in making minor modifications to its submitted Plan as a result of the updated OAN. It included an annualised shortfall of 32 dpa (unmet need between 2012/13 and 2016/17), bringing the housing requirement to 822 dpa.
- 1.6 These modifications include an update to Policy SS1, to clarify that the Council’s housing requirement, inclusive of shortfall should be amended to a ‘*minimum average annual net provision of 822 dwellings over the plan period to 2032/33*’.

1.7 Furthermore, paragraph 3.3 of the accompanying explanation to Policy SS1 is now (again) revised to state that:

*“Technical work has been carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017). This work has updated the demographic baseline for York based on the July 2016 household projections. ~~to 867 790 per annum.~~ Following consideration of the outcomes of this work, the Council aims to **address an objectively assessed housing need of 790 homes per annum. This produces a housing requirement amounting to** ~~meet an objectively assessed housing need of 867 790 new dwellings per annum for the plan period to 2032/33~~ **a minimum average annual net provision of 822 dwellings over the plan period to 2032/33, including an allowance for any a shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.**”*

1.8 Our review concludes that on the basis of the approach taken to reaching the 790 dpa housing requirement identified within the City of York Housing Needs Update (September 2020) (“the 2020 HNU”), this housing requirement fails to meet the full OAHN, which is significantly higher than the Council has estimated.

1.9 Furthermore, we consider that the Plan would fail to make appropriate provision for sufficient housing to sustainably deliver, in a timely manner, housing in line with the City’s full OAHN, with further site allocations required within this Plan in order to ensure an overall strategy that is deliverable and sufficiently flexible to respond to change.

Report Structure

1.10 The report is structured into the following sections:

- **Section 2.0** –sets out the housing policy context at a national and local level;
- **Section 3.0** – reviews the robustness of the Council’s evidence on housing need within the City, and whether the Council is meeting its OAHN;
- **Section 4.0** – reviews market signals;
- **Section 5.0** – analyses affordable housing needs;
- **Section 6.0** – considers the integration of student housing needs;
- **Section 7.0** – reviews the Council’s approach to factoring in backlog;
- **Section 8.0** - critiques the assumptions which underpin the Council’s currently claimed housing land supply and reviews the 5YHLS; and,
- **Section 9.0** - provides a summary and conclusion on the City of York’s housing need and supply.

2.0 **Housing Need**

Introduction

- 2.1 This section sets out the requirements of the Framework and the Practice Guidance in objectively assessing housing needs. This is in the context that the Council’s Local Plan was submitted during the transitional arrangements for the 2019 National Planning Policy Framework [NPPF]. That said, the standard method for calculating housing need set out in the NPPF (and set out in more detail in the revised 2019 Practice Guidance and again in December 2020), provides relevant context for the direction of change the Government has moved towards, and the unwavering emphasis of seeking to substantially boost the supply of housing to attain an overall national target of 300,000 dwellings per year.
- 2.2 This will provide the benchmark against which the 2020 HNU will be reviewed, to ensure the necessary requirements are met. In addition, relevant High Court judgments have been referenced to set out the requirements of an OAHN calculation in a legal context.

National Planning Policy Framework

- 2.3 The 2012 NPPF outlines that local planning authorities [LPAs] should positively seek opportunities to meet the development needs of their area (paragraph 14). It adds that, in order to “*boost significantly*” the supply of housing, they should “*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the framework...*” (paragraph 47)
- 2.4 The NPPF (paragraph 159) specifies the evidence required to objectively define housing needs within an area, setting out that LPAs should:
- “Prepare a Strategic Housing Market Assessment to assess their full housing needs... identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
- *Meets household and population projections, taking account of migration and demographic change;*
 - *Addresses the needs for all types of housing, including affordable housing...; and*
 - *Caters for housing demand and the scale of housing supply necessary to meet this demand.”*

2019 NPPF

- 2.5 The Revised Framework was published in February 2018. It has an unequivocal emphasis on housing, with the introduction to the 2018 consultation proposals clarifying that the country needs radical, lasting reform that will allow more homes to be built, with the intention of reaching 300,000 net additional homes a year.
- 2.6 The 2019 NPPF states that to support the Government’s objective of “*significantly boosting the supply of homes*”, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay [§59].

- 2.7 In particular:
- “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”. [§60]*
- 2.8 The revision also makes clear that when identifying the housing need, policies should also break the need down by size, type and tenure of homes required for different groups in the community (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes) [§61].
- 2.9 Paragraphs 67 - 76 also set out how Councils should identify and maintain a five-year supply of housing against their housing requirement.
- 2.10 In terms of the weight that can be attached to this key policy document, it is accepted that paragraph 214 to Annex 1 of the NPPF states that the policies in the previous Framework will apply for the purposes of examining plans, where those plans were submitted on or before the 24th January 2019.
- 2.11 However, the 2019 NPPF remains a useful indicator of the direction of travel, not least with the approach to be taken to defining housing need, which has already been the subject of an earlier consultation (*‘Planning for the right homes in the right places’*, September 2017), to which MHCLG published a summary of consultation responses and its view on the way forward in March 2018.
- 2.12 Furthermore, the *Planning White Paper: Planning for the Future*, published on 6th August 2020, proposes some very significant changes to the planning system and has a clear focus on accelerating housing delivery. It acknowledges that *“Assessments of housing need, viability and environmental impacts are too complex and opaque: Land supply decisions are based on projections of household and business ‘need’ typically over 15- or 20-year periods. These figures are highly contested and do not provide a clear basis for the scale of development to be planned for.”* [page 11]
- 2.13 As a result, the White Paper acknowledges that the current system simply does not lead to enough homes being built, especially in those places where the need for new homes is the highest. *“Adopted Local Plans, where they are in place, provide for 187,000 homes per year across England – not just significantly below our ambition for 300,000 new homes annually, but also lower than the number of homes delivered last year (over 241,000).7 The result of long-term and persisting undersupply is that housing is becoming increasingly expensive”*. [page 12]
- 2.14 The White Paper therefore aims to address housing affordability pressures, support economic growth and the renewal of our towns and cities, and foster a more competitive housing market. To ensure more land is available for the homes and development people and communities need, and to support renewal of town and city centres, the White Paper proposes the following:
- *“A new nationally-determined, binding housing requirement that local planning authorities would have to deliver through their Local Plans. This would be focused*

on areas where affordability pressure is highest to stop land supply being a barrier to enough homes being built. We propose that this would factor in land constraints, including the Green Belt, and would be consistent with our aspirations of creating a housing market that is capable of delivering 300,000 homes annually, and one million homes over this Parliament.” [page 19]

Planning Practice Guidance

- 2.15 The Planning Practice Guidance [PPG] contains a section providing guidance on housing and economic development needs assessments. It identifies that whilst there is no one methodological approach, an OAHN should fulfil the following criteria:
- be proportionate and not consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur (ID: 2a-003);
 - be based on facts and unbiased evidence. Constraints should not be applied to the overall assessment of need (ID: 2a-004);
 - utilise household projections published by the Department for Communities and Local Government as the starting point estimate of overall housing need (ID: 2a-015);
 - consider sensitivity testing, specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates (ID: 2a-017); and
 - take account of employment trends (ID: 2a-018), appropriate market signals including market indicators of the balance between the demand for and supply of dwellings (ID: 2a-019) and affordable housing needs (ID: 2a-029).

2019/2020 Planning Practice Guidance

- 2.16 Following on from the revisions to the Framework, on 13th September 2018 MHCLG published its revised PPG on Housing and economic land availability assessment covering changes to the 5YHLS approach, whilst on 20th March 2019 MHCLG updated its Housing and economic needs assessment to factor in the calculation of Local Housing Need via the standard methodology. This was again updated in December 2020 that scrapped earlier proposals and reverted back to the method it introduced in 2018, but with a modification to top up the number in the 20 largest cities and urban areas by 35%, reflecting Government objectives to, inter alia, drive housing into existing urban areas and encourage brownfield development.

- 2.17 The PPG states that:

“The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.”¹

- 2.18 If an authority uses a different method for calculating housing need the PPG sets out how this should be tested at examination:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

¹ 2a-002-20190220

“Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”²

- 2.19 Although the Government's stated ambition remains to deliver 300,000 new homes per annum across England by the mid-2020s, as of April 2021 the figure only equates to 288,716 and relies on the delivery of 85,542 homes in Greater London alone, which will not happen given that the current London Plan requirement is 52,287 dpa, whilst average delivery rates over the past 3 years have totalled just 36,686. This means that for the nationwide target to be met, other districts across England will need to go above and beyond their SM2 target.
- 2.20 Applying this revised approach to the standard methodology would result in a LHN figure of **1,013 dpa** for the City of York. This represents the minimum number of homes needed per year as set out in paragraph 60 of the revised Framework (February 2019).
- 2.21 This is calculated using the 2014-based household projections for 2019-2029, which equates to household growth of 809 per annum (8,089 over the 10-year period), plus a market signals uplift of 25.25%. This latter figure has been generated as follows, based on the most recent (April 2021) affordability ratio data for the City of York:
- Median local workplace-based affordability ratio (2019) = 8.04
 - deduct 4 = 4.04
 - divide by 4 = 1.01
 - multiply by 0.25 = 0.2525 (25.25%).
- 2.22 No cap is applied as York has no existing Local Plan figure to apply it to.

Relevant Caselaw

- 2.23 There have been several key legal judgments which provide clarity on interpreting the NPPF and PPG in terms of how to address the issue of affordable housing need in the context of arriving at a concluded figure for OAHN:
- 1 ‘Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370’ referred to as “Satnam”;
 - 2 ‘Kings Lynn and West Norfolk Borough Council v Secretary of State for Communities and Local Government [2015] EWHC 2464’ referred to as “Kings Lynn”;
 - 3 ‘Barker Mill Estates Trustees v Test Valley BC & Secretary of State for Communities and Local Government [2016] EWHC 3028 (Admin)’ referred to as “Barker Mill”;
and
 - 4 ‘Jelson Ltd. v Secretary of State for Communities and Local Government, Hinckley and Bosworth Borough Council [2018] EWCA Civ 24’ referred to as “Hinckley and Bosworth”.
- 2.24 Our previous 2019 representations explored the implications of these 4 judgements on York’s housing need in depth and we do not repeat them again here.

² 2a-015-20190220[CD/021]

Housing Need Local Policy Context

- 2.25 Before setting out a critique of CYC’s housing OAHN evidence base, it is important to recognise once more that the Council has never had an adopted Local Plan for the City (under the 1971 Act, the 1990 Act or the 2004 Act) and progress on the current Local Plan has been, it is not unfair to say, glacial. This is demonstrated by the fact that the Council is still relying on the outdated OAHN approach to calculate its housing requirement, rather than the Government’s standard methodology for calculating Local Housing Need for planning purposes, which was first consulted on in 2017, then adopted in 2018, three years ago.
- 2.26 This Standard Method is intended to shift time, resources and debate at examination away from the ‘numbers’ question and towards the ‘how’ and ‘where’ of building new homes. The fact that we are seemingly endlessly debating technical housing need issues at York’s EiP many years after the Plan’s original submission to PINS is a clear vindication of the Government’s move towards a standardized approach.
- 2.27 The development plan for York comprises two policies³ and the Key Diagram of the partially revoked Yorkshire and Humber Regional Strategy (2008) [YHRS]. There is no adopted Local Plan for York that forms part of the development plan. Instead, there is a long history of failed attempts to produce an adopted Local Plan and a fluctuating housing need figure. The Council published the following ‘further work’ on the Local Plan relating to housing needs after a Full Council resolution to halt the Publication Draft Local Plan in 2014:
- 1 In December 2014, the LPWG considered a report on ‘*Housing Requirements in York*’ which was based on two background documents produced by Arup⁴. The report set out four different housing requirement figures that were considered sound against the evidence base and three options for progressing the work on housing requirements. The LPWG members agreed a housing requirement figure of **926 dpa**⁵;
 - 2 In September 2015 the LPWG considered an update on the ‘*Objective Assessment of Housing Need*’ [OAHN] report produced by Arup⁶ and a report on ‘*Economic Growth*’⁷. The Arup report concluded that the housing ‘requirement’ should be in the **range of 817 dwellings per annum [dpa] to 854 dpa** between 2012 and 2031. The LPWG’s recommendations were that the Executive Committee note the Arup OAHN report and endorse further work, including an evaluation of any spatial and delivery implications, on two scenarios for economic growth that would be reported back to the LPWG in due course;
 - 3 In Autumn 2015 the Council commissioned GL Hearn jointly with Ryedale, Hambleton and the North York Moors National Park Authority to undertake a Strategic Housing Market assessment [SHMA]⁸. This study aimed to provide a clear understanding of housing needs in the City of York area. The SHMA was published as part of a suite of documents for the LPWG meeting on 27th June 2016. It concluded that the OAHN for the City of York was in the order of **841 dpa**.

³ Both relating to Green Belt, requiring its inner boundaries to be defined in a plan and confirming that the general extent is about 6 miles out from the City centre

⁴ Assessment of the Evidence on Housing Requirements in York (Arup, May 2013) & Housing Requirements in York: Evidence on Housing Requirements in York: 2014 Update (Arup, September 2014)

⁵ Local Plan Working Group 17 December 2014 - Minutes

⁶ Evidence on Housing Requirements in York: 2015 Update – Arup (August 2015)

⁷ York Economic Forecasts – Oxford Economics (May 2015)

⁸ GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment

- 4 On the 25th May 2016 ONS published a new set of (2014-based) sub national population projections [SNPP]. These projections were published too late in the SHMA process to be incorporated into the main document. However, in June 2016 GL Hearn produced an Addendum⁹ to the main SHMA report which briefly reviewed key aspects of the projections and concluded that the latest (higher) SNPP suggested a need for some 898 dpa between 2012 and 2032. However due to concerns over the historic growth within the student population, the Addendum settled on a wider OAHN range of 706 dpa – 898 dpa, and therefore the Council considered that it did not need to move away from the previous **841 dpa** figure.
- 5 DCLG published updated 2014-based sub-national household projections [SNHP] in July 2016. GL Hearn was asked by City of York Council to update the SHMA to take account of these new figures and to assess the representations received through the Preferred Sites Consultation [PSC] relating to OAN. The GL Hearn SHMA Addendum Update (May 2017) subsequently updated the demographic starting point for York based on these latest household projections. The 2014-based SNHP increases the demographic starting point from 783 dpa (in the 2016 SHMA) to 867 dpa. In their Update, GL Hearn then applied a 10% uplift to the 867 dpa starting point to account for market signals and affordable housing need and identifies a resultant housing need of **953 dpa**. However, a cover sheet to GL Hearn’s Update, entitled ‘Introduction and Context to objective Assessment of Housing Need’ was inserted at the front of this document by the Council. This states that 867 dpa is the relevant baseline demographic figure for the 15-year period of the plan (2032/33). The Council rejected the 953 dpa figure on the basis that GL Hearn’s conclusions stating:

“...Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

As a result of this approach, the February 2018 City of York Publication Draft stated in Policy SS1: Delivering Sustainable Growth for York, the intention to:

*“Deliver a minimum annual provision of **867 new dwellings** over the plan period to 2032/33 and post plan period to 2037/38.”*

The supporting text to this policy makes no mention of the 953 dpa OAHN figure, but instead claims that 867 dpa is “*an objectively assessed housing need*” [§3.3].

- 6 The Council then revised the OAHN down even further in light of GL Hearn’s January 2019 HNA, which modelled the (then) latest 2016-based SNHP. The HNU concluded that the 2016-based SNPP provide a more robust assessment of population growth for York than their predecessor, which is “*ratified by more recent population estimates*” [5.2]. Uplifting the 2016-based SNPP to meet an economic growth of 650 jobs per annum and adjusting household formation rates equates to a need for **790 dpa**, which GL Hearn considers to be the OAHN on the grounds that this “*would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs*”. [§5.11]
- 7 The Council is now inviting comments on the 2020 HNU, again produced by GL Hearn, and which models the implications of the latest 2018-based SNPP and equivalent SNHP. The HNU concludes that the housing need in the City has not

⁹GL Hearn (June 2016): City of York Council Strategic Housing Market Assessment - Addendum

changed materially since the last assessment in January 2019. *“The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data.”* [para 5.8]

- 2.28 Lichfields has submitted representations on behalf of housebuilders to the various stages of the York Local Plan formulation as and when the OAHN has been updated over the past 5 years. Our most recent representation, made on behalf of a consortium of housebuilders in 2019, concluded that the OAHN should be increased to a figure in the region of 1,300 dpa plus the housing backlog from 2012-2017.
- 2.29 The remainder of this section provides an overview of the findings of the latest 2020 HNU.

Overview of the City of York’s HNU

- 2.30 The stated purpose of GL Hearn’s Housing Needs Update [HNU] is to review the housing need in York taking into account of the latest demographic information. In particular, it reviews the impact of the 2018-based SNPP, equivalent 2018-based SNHP, and the 2019 Mid-Year Estimates. The analysis models housing need over the period from 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out for the City, GL Hearn has also have provided figures for the 2012 to 2037 period.
- 2.31 The HNU does not review the latest evidence on market signals within the City. Nor does it revisit the affordable housing need for the City, the mix of housing required, or the needs for specific groups. It is therefore limited in its scope.
- 2.32 The report [Table 1] finds that over the 2017-33 period, the 2018-based SNPP projects an increase in York’s population of around 7,432 people (+3.6%). This is very significantly lower than the 2014-based SNPP (24,229), which represents a difference of nearly 16,800 residents. The latest projections are also 6,120 lower than the equivalent 2016-based SNPP figures.
- 2.33 GL Hearn consider that this is consistent with what is projected nationally as a result of lower fertility rates, reduced international migration and a more negative approach to life expectancy improvements.
- 2.34 GL Hearn rightly reviews the implications of a number of variants produced by ONS to the 2018-based SNPP on the grounds that the principal projection only draws on internal migration trends over 2 years from 2016 to 2018 *“which can distort the outputs of a projection if those years are particularly high or low.”* [paragraph 2.4]
- 2.35 The analysis therefore reports a range of demographic scenarios, including the 10-year Migrant Variant (which draws trends over the 2008 to 2018 period) and an Alternative Migration Variant (which draws on migration trends over 5 years not 2). Over the Local Plan period, the principal variant would see a 3.6% growth in the population, whereas the 10-year migration variant and alternative internal migration variant see growth of 5.9% and 4.6% respectively.
- 2.36 GL Hearn then examines the household formation rates that underpin the latest round of 2018-based household projections. They highlight the fact that concerns have been raised regarding their robustness:

“There are significant concerns around the HRRs, which it is argued lock-in recessionary trends during the 2001 to 2011 period from which they were drawn.” [paragraph 2.14]

- 2.37 By focussing on shorter term trends ONS has effectively ‘locked in’ deteriorations in affordability and subsequently household formation rates particularly within younger age groups during that time.
- 2.38 The analysis finds that by applying part return-to-trend headship rates, the level of housing need increases to between 501 dpa to 669 dpa (incorporating a 3% allowance for vacancy/second homes) depending on the variant modelled – significantly higher than the 302-471 dpa derived in the HNU for the main demographic-based projections.

Table 2.1 Projected Household Growth 2017-33 - Range of demographic based scenarios

	2018-based SNHP HRR		Part Return to Trend HRR	
	Change in households	dpa	Change in households	dpa
Principal	4,687	302	7,784	501
10-Year Migration	7,314	471	10,399	669
Alternative Internal	5,955	383	9,285	598

Source: GL Hearn (September 2020): *City of York Housing Need Update*, Tables 4 and 5

- 2.39 GL Hearn notes that the 669 dpa does not equate to a meaningful difference from the 679 dpa based on the PRT HRRs in the previous 2019 HNU, and therefore the variant migration scenario is seen as the more suitable to use for York.
- 2.40 However, moving on, the report goes on to suggest that this is largely academic as demographic housing need is lower than the economic-led housing need.
- 2.41 GL Hearn models a series of economic growth forecasts, settling on 650 jobs per annum as this is considered to align with the ELR Update and the Oxford Economics model published in December 2019. Using the OBR economic activity rates and keeping unemployment rates, double jobbing and commuting ratios constant, this equates to a need for 766 dpa based on the part return to trend HRRs (2017-33), rising to **788 dpa** if York were to take a greater share of its workforce’s accommodation (a 1:1 commuting ratio).
- 2.42 The HNU concludes that *“there is a clear need to increase housing delivery in York to support the City’s economic potential. The scenarios we have run show this need to be in a fairly narrow range of 766 to 788 dpa. This is broadly comparable to the 790 dpa identified in the Housing Needs Update of January 2019.”* [paragraph 3.11]
- 2.43 The HNU then provides an overview of the standard method for assessing housing need. GL Hearn notes that at the time of writing it equates to 1,206 dpa, falling to just 763 dpa if the Government’s August 2020 Consultation changes were implemented. They conclude that whilst these should have no bearing on the housing need for York at the Local Plan examination, *“it should provide some comfort that the latest version of the standard method arrives at a very similar number”*. [paragraph 4.20]
- 2.44 This last point re: 763 dpa is now irrelevant given that the Government has abandoned the August 2020 Consultation changes. The SM2 remains at 1,013 dpa.
- 2.45 The HNU concludes that whilst the 2018-based SNHP demonstrates clear downward pressure on demographic trends for York, there are significant concerns about the methodology (particularly concerning the use of just 2 years of internal migration trends and household formation rates which lock in recessionary trends). As such GL Hearn

advocates the use of the variant population projection and bespoke household formation rates. The resultant 670 dpa is still lower than the economic growth projection of 779 dpa over the Plan period:

*“We have not updated market signals for the City however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited. For example, for the Plan period, the economic-led need of 779 dpa is 157% higher than the demographic starting point of 302 dpa. To conclude, the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for 790 dpa and the economic-led need within this report is as high as 788 dpa. **There is, therefore, no need for the Council to move away from their current position based on this new data.**”*

[paragraphs 5.7-5.8]

3.0 Critique of the SHMA Update

Introduction

- 3.1 The Companies represented by Lichfields have serious concerns and wish to raise objections to the way in which the Council has chosen to identify an OAHN of 790 dpa (reducing this down from the already unsatisfactory 867 dpa) and the subsequent identification of this need (plus 32 dpa backlog) as the housing requirement in the Policy SS1 of the Modified LPP.
- 3.2 This section provides a critique of GL Hearn’s 2020 City of York Housing Needs Update [HNU].

Starting Point and Demographic-led Needs

Population Change

- 3.3 The Practice Guidance¹⁰ sets out that in assessing demographic-led housing needs, the latest CLG Household Projections form the overall starting point for the estimate of housing need, but these may require adjustments to reflect future changes and local demographic factors which are not captured within the projections, given projections are trend based. In addition, it states that account should also be taken of ONS’ latest Mid-Year Estimates [MYEs]¹¹.
- 3.4 This previous guidance has of course been amended in the revised Practice Guidance, published in December 2020, which now formalises the standard methodology to calculate Local Housing Need. This is founded on the previous 2014-based SNHP rather than the more recent 2018-based equivalents as they “provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”¹².
- 3.5 GL Hearn accepted in paragraph 2.18 of its 2019 HNU that the 2016-based projections do not have the ability to meet the Government’s housing target of 300,000 homes per annum. It is not mentioned in the 2020 Update, but given that the 2018-based household projections are even lower for York, then this 2019 comment is even more relevant today.
- 3.6 On 6 August 2020, the Government published its proposed ‘Changes to the current planning system’. The consultation paper set out four policy proposals to improve the effectiveness of the current system, which included changing the standard method for assessing local housing need, to plan for the delivery of 300,000 new homes a year and plan for more homes in the right places. The Government provided a detailed response to this consultation on 1st April 2021¹³:

“In Changes to the current planning system, the government set out the importance of building the homes our communities need and putting in place measures to support our housing market to deliver 300,000 homes a year by mid-2020s. We set out that our proposed changes to the standard method were based on overarching principles as

¹⁰ Practice Guidance - ID 2a-015-20140306

¹¹ Practice Guidance - ID 2a-017-20140306

¹² Practice Guidance - ID: 2a-005-20190220

¹³ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

stated in paragraph 17 of the consultation. These were ensuring that the new standard method delivers a number nationally that is consistent with the commitment to plan for the delivery of 300,000 new homes a year, a focus on achieving a more appropriate distribution of homes, and on targeting more homes into areas where there are affordability challenges. We remain committed to these principles.”

- 3.7 In the Government’s response, it clarified that the 2018-based projections are not a justification for lower housing need:

“We will continue to use the 2014-based household projections. The government has carefully considered whether to use the 2018-based household projections and has concluded that, due to the substantial change in the distribution of housing need that would arise as a result, in the interests of stability for local planning and for local communities, it will continue to expect only the use of the 2014-based projections.”

- 3.8 It goes on to state that “*We will continue to specify that the most recent affordability ratios should be used ensuring relevant market signals continue to play a role.*”

- 3.9 **We acknowledge that the City of York Local Plan was submitted to the Secretary of State for Examination before 26th January 2019 and therefore should be examined under the transitional arrangements (i.e. the 2012 NPPF and 2014 Practice Guidance). For this reason, the LHN calculated by the standard method would not apply. We do stress however that it is totally unacceptable that the City of York has dragged out its Local Plan process for such an extended period of time that it is still able to rely on the OAHN approach despite the standard method having been enshrined in planning policy 3 years ago (in July 2018).**

- 3.10 Furthermore, we accept that in accordance with the 2014 version of the Practice Guidance, GL Hearn is correct to at least model the 2018-based SNPP/SNHP; that does not necessarily mean it is right to use the much lower projections to directly inform the OAHN without making reasonable adjustments, particularly in light of the Government’s clearly stated objective to build more homes consistent with the 300,000 target by the mid-2020s, not to use potentially flawed projections to provide even fewer homes:

“Population changes are only one aspect of the driver for housing supply. Rising incomes, changing social preferences and factors such as real interest rates and credit availability contribute to demand for housing. In summary, the Government’s judgment is that these factors combine to indicate that there is no need to change its aspirations for increasing housing supply. This is consistent with the argument in the housing White Paper that the ambition of delivering more homes should be about both keeping pace with population growth and looking to address worsening affordability through tackling the previous undersupply of homes.”¹⁴

- 3.11 We therefore agree with GL Hearn that the 2018-based SNHP/SNPP should be sensitivity tested, based on alternative assumptions around underlying demographic projections, based on established sources of robust evidence:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to

¹⁴ MHCLG (October 2018): *Technical consultation on updates to national planning policy and guidance*, paragraph 12

their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office for National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence. Issues will vary across areas but include:

- *migration levels that may be affected by changes in employment growth or a one off event such as a large employer moving in or out of an area or a large housing development such as an urban extension in the last 5 years*
- *demographic structure that may be affected by local circumstances or policies e.g. expansion in education or facilities for older people.*¹⁵

3.12 This is explored in more detail below.

The use of longer-term trends

3.13 The PPG is clear that household projections are the starting point for overall housing need and that these are nationally consistent and statistically robust¹⁶. It goes on to state that plan-makers may consider sensitivity testing based on local circumstances, but that this must be based on established sources of robust evidence¹⁷. Some of circumstances it cites includes migration levels which are affected by changes in employment, such as a large employer moving to the area or urban extension, or where demographic structures are affected by policies related to specific groups, e.g. expansion in education facilities or facilities for older people.

3.14 The use of short-term trends means recent changes in growth are picked up more quickly, although if recent trends are not representative of the longer term ‘norm’ they may over or under estimate future need (hence ID 2a-017). Whilst longer term periods can allow unusual trends to be ironed out, they may fail to pick up recent changes and therefore may also over or under-estimate future need. Despite these advantages and disadvantages, it is set out within Government guidance that the official projections – i.e. short-term trends – should provide the starting point for housing needs assessment.

3.15 The question therefore is whether, in York, there are any “*specific local circumstances*” (e.g. movement of major employers, higher education expansion, etc, as cited in ID 2a-017) in recent years which mean that it is not appropriate to use the official 2018-based SNPP and that a longer-term trend is more appropriate.

3.16 We can ascertain whether there have been any unusual or one-off circumstances in the City of York specifically which warrant the use of long-term trends over short term trends by looking at historic completions and migration data (an exercise only partially undertaken in the HNU).

Housing completions

3.17 Figure 1 show completions in the City of York back to 2001/02, along with the 10-year averages. It shows that in the 7 years up to the recession (2007/08), average completions were 809 per annum. Since then completions have been rapidly falling, with the average declining to just 652 dpa for the 10 years to 2017/18.

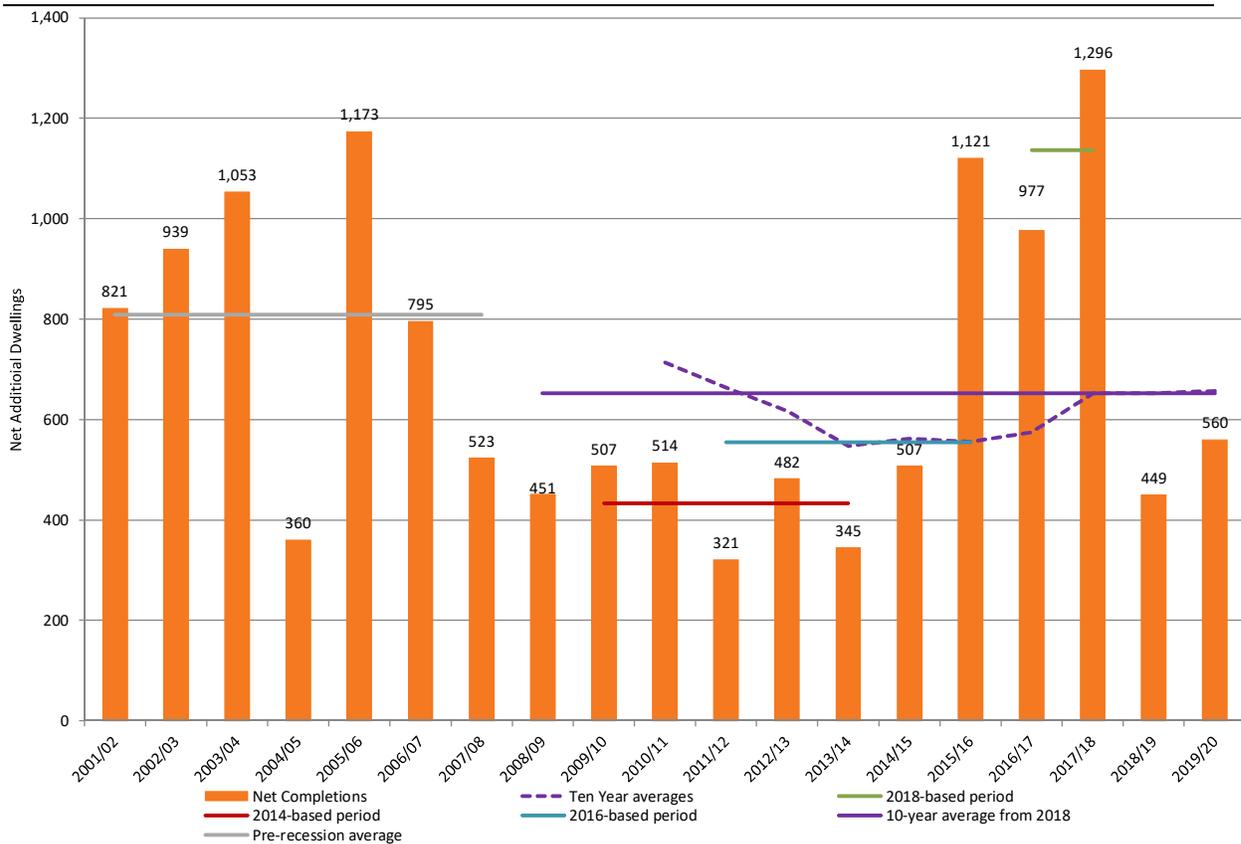
¹⁵ Practice Guidance - ID: 2a-017-20140306

¹⁶ Practice Guidance - ID: 2a-015-20190220

¹⁷ Practice Guidance - ID: 2a-017-20190220

- 3.18 In the base period for the 2016-based projections, completions were lower, at 555 dpa. The 2014-based projections are even lower, at 434 dpa. However, the most recent 2018-based projections draw upon a 2-year period where average completions were higher than any of the comparator time periods, of 1,137 dpa, picking up the steady increase in housebuilding in York that rose to 1,296 dwellings in 2017/18. This suggests that housebuilding is recovering to levels that were consistently seen in the boom years prior to the recession, the drop in the past two years notwithstanding.
- 3.19 Whilst the link between housing completions and population growth is complex, it is surprising that the 2018-based SNPP is based on a time period when the level of housebuilding is at a very high level, when strong levels of net inward migration might have reasonably been expected. We note that for 2016/17, the LT122 MHCLG figure for dwelling completions was just 378, not 977 as reported by CoY and there are very significant discrepancies between the Council’s figures and those that were reported to MHCLG (and which originally informed the Housing Delivery Test’s figures). The Council now suggests that it has delivered 5,177 dwellings over the plan period to date (2012/13-2019/20), whereas their returns to MHCLG suggested that this was only 3,255, a huge discrepancy of 1,922 dwellings.

Figure 1 Historic completions in the City of York - 2001/02 to 2019/20



Source: EX_CYC_HFR vs. AMR 2021 / MHCLG Table 122: Net Additional Dwellings by Local Authority District

- 3.20 It would be helpful for the Council to outline why these figures are so out of line (for example in 2016/17 it informed MHCLG that it had delivered 378 net additional dwellings, whereas it is now suggesting that 977 were actually delivered – a difference of

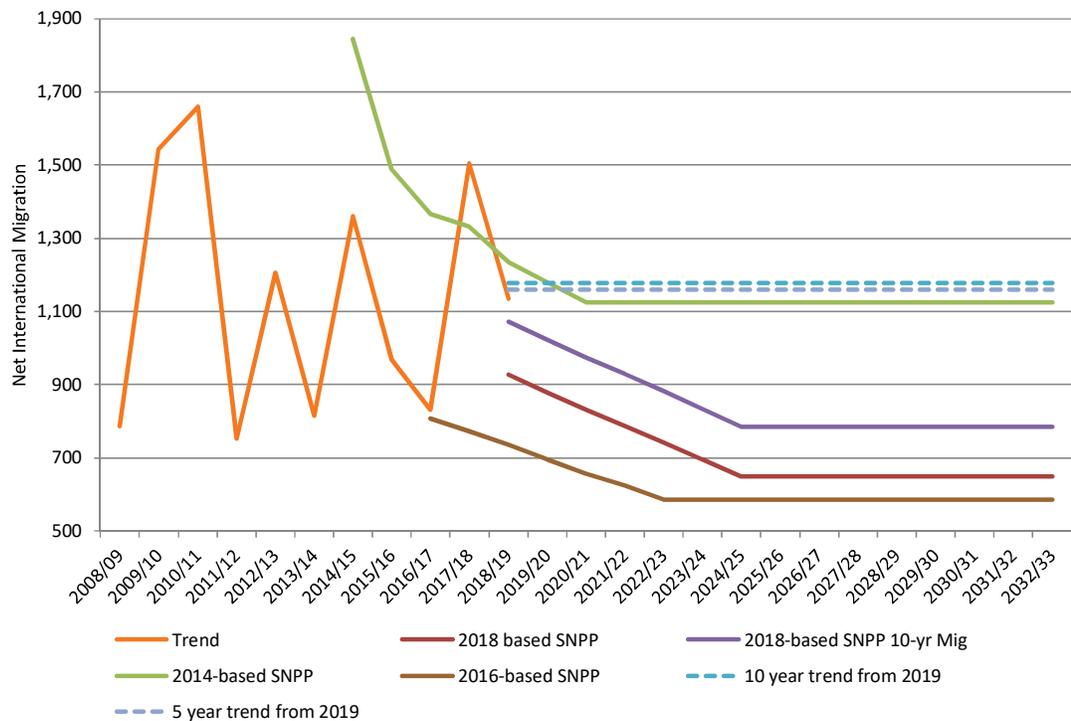
599 units), particularly as this has informed the 32 dpa under supply uplift (which would rise to 153 da if the LT122 MHCLG figures were used).

International Migration

3.21 Another way to consider whether the City of York has seen any ‘unusual’ or one-off events which mean longer term trends are more appropriate is to look at migration. Figure 2 shows historic levels of net international migration to the City of York. It is similar to GL Hearn’s Figure 4 in the 2019 HNU (they chose not to replicate this in their 2020 Update), but it includes more up-to-date data relating to the 2019 Mid-Year Population Estimates and the latest 2018-based SNPP.

3.22 Overall the international migration figures suggest net migration rose after the recession, at a time when housebuilding was falling. However, since that time, net migration has fluctuated between c.750 and 1,660 annually.

Figure 2 Historic Net International migration to the City of York, 2008/09 to 2018/19 and Future Projections



Source: ONS

3.23 The 2018-based SNPP net international migration figures look anomalous compared to past trends. From 2022/23 onwards, the principal projection is adjusted down to just 649 annually, a figure that is far lower than any net international migration figure for the past 18 years with the exception of 2005/06. In contrast, the 10-year trend equates to 1,177 annually (almost double the 2018-based SNPP), whilst the 5-year trend is almost as high, at 1,160. As can be seen in the Figure, the 2014-based SNPP net international migration figure sits just below these trends, at 1,125.

3.24 Importantly, GL Hearn argues that greater weight should be attached to the 10-year Migrant Variant as these “are arguably more robust from a methodological point of view than the principal projection as they use longer term trends”, and indeed they have used this to inform their preferred OAHN scenario. However, we can see from the Figure that

the scenario is clearly not based on 10 year international migration trends, as with a net rate of just 786 this sits well below the actual 10 year trends (*note: the 10 year trend for net international migration to 2018, rather than 2019 is also much higher, at 1,143 per annum*).

3.25 The 2019 HNU argued (in paragraph 2.11) that there is a close alignment between the 2016-based SNPP and the recorded MYE for 2016/17, which is correct; however, for 2018/19 the 2016-based SNPP recorded a net international migration figure of just 736, when 1,134 were actually recorded in the 2019 MYE. It is worth noting that GL Hearn stays silent on this point in the 2020 HNU – presumably because it is quite clear that the 2019 net international migration figure for the principal 2018-based SNPP, at 878, is considerably lower than the 1,134 actually observed for that year.

3.26 In terms of what may be causing this discrepancy, it is worth noting that the emerging Local Plan recognises that York has a large proportion of higher education students which is set to continue following the expansion of the University of York and as other establishments continue to provide modern education facilities to accommodate growing student numbers [paragraph 1.48]. In particular, York St John University has experienced rapid student growth in recent years:

“The University currently has 6,500 students (FTEs) and employs 750 staff. The increase in student numbers of the last 10 years is circa 93% and it is anticipated that the total will increase to 8,000 by 2018.” [1.60]

3.27 It is possible that a significant proportion of these students have come from abroad, helping to boost the projections, and that this is forecast to continue for the foreseeable future once the economy recovers from the Pandemic/Brexit fallout.

Economic Growth

3.28 The 2020 HNU modelled only one economic growth scenario, the REM projections for December 2019, which relates to net job growth of 650 per annum 2019-2033. The modelling undertaken by GL Hearn translates this job growth into a housing need of 766 dpa, rising to 779 dpa when a 1:1 Commuting Ratio is applied. This is considered by GL Hearn to be the Council’s new OAHN, although as this is broadly comparable to the 790 dpa identified in the 2019 HNU it was considered that there was no need for the Council to move away from their current position based on this new data.

3.29 There are some clear omissions with GL Hearn’s approach:

- 1 There is a **clear discrepancy regarding the modelling period**. The job growth figure used in the ELR relates to 2014-2031 (+11,050 jobs, §3.4 of the HNU), whereas GL Hearn has projected this forward over a completely different time period, 2019-33/37 (Table 8 of the HNU).
- 2 It is **unclear how GL Hearn has modelled job growth in the years 2017-2019**. Reference to NOMIS’s Job Density information suggests that the City’s workforce grew by 2,000 over that 1-year period at a rate of 1,000 annually. GL Hearn’s modelling does not appear to have factored this strong growth into its assessment.
- 3 GL Hearn states that they “*have not examined the economic need associated with historic employment growth as the accommodation has already been provided to support that growth*”. We have therefore focussed on the economic-led need required to support 650 jobs per annum for the period 2019-33 and 2019-

37 with the interim period to 2019 taken from published in MYE” [sic, paragraph 3.5]. GL Hearn’s justification for not examining the economic need associated with historic employment growth is therefore because “*the accommodation has already been provided to support that growth*”. However, that is not the case, hence the fact that the Council is factoring in a backlog of 32 dpa into its housing requirement to reflect historic under-supply.

- 4 The HNU has **not analysed past economic growth trends**. York has been very successful in boosting economic growth, with job growth of 16,000 between 2000 and 2017¹⁸, equivalent to a Compound Average Growth Rate [CAGR] of 0.83%. This is significantly higher than the 0.53% equivalent to 650 jobs per annum 2017-37. In our previous representations, Lichfields modelled this past trend job growth figure in our Technical Appendix and generated a need for up to **1,062 dpa** – close to the standard method LHN figure of 1,1,013 dpa.

3.30 The Council’s housing and employment land evidence is therefore inconsistent and misaligned due in part to confusion over the timescales.

Housing Market Areas

3.31 The Council’s Housing Market Area [HMA] evidence is founded on the June 2016 City of York SHMA produced by GL Hearn. The report concludes that:

“While we propose a HMA which links to Selby and York we are not considering housing need across the HMA”. [§2.106]

3.32 We support the principle of the City of York meeting its own housing needs (in full) within its own boundaries. However, if the Council is suggesting that it forms part of a joint HMA with Selby, then a joint SHMA should have been prepared¹⁹.

3.33 *The Joint Position Statement between the City of York and Selby District Council in relation to the Housing Market Area, April 2020 [EX_CYC_38]* seeks to head this criticism off by stating that “*any links between York and Selby only extend to part of the Selby area and that this is considered to support the approach taken by the Councils through the Duty to Co-operate to meet their own objectively assessed housing needs within their own administrative areas*”, and that “*it is not practical to seek to align the preparation of the two Plans and to consider housing needs jointly across the HMA.*” [page 1]

3.34 However, for all intents and purposes, Selby and York share the same Housing Market Area. This is why the two Councils have prepared joint SHMAs in the past. They are also part of the same Travel to Work Area [TTWA], as set out in the ONS’s 2015 TTWA analysis (incorporating 2011 Census data). Whilst we do not object to the Councils meeting their own needs in full within their own areas, despite both Councils appointing GL Hearn to undertake SHMAs in recent years then at the very least, we would at least expect that GL Hearn would have used consistent data sources and methodologies. This has not happened.

3.35 As a result, we now have a situation whereby GL Hearn produced the City of York – Housing Needs Update in 2020. They also produced a SHMA Update on behalf of Selby District Council in February 2019. Presumably the company had virtually identical datasets available to them, yet chose to apply completely different approaches (*please*

¹⁸ NOMIS Jobs Density data

¹⁹MHCLG (March 2012): National Planning Policy Framework, §159

refer to our previous representations for an assessment of the differences between the 2019 York HNA and the 2019 Selby SHMA Update).

- 3-36 The Joint Position Statement now clarifies that whilst the City of York continues to use the NPPF 2012 OAHN approach to identify its housing needs, Selby will be using the standard method to identify its housing requirement. **Conveniently, this results in a ‘drive to the bottom’ for both parties, with York pursuing an OAHN figure of 790 dpa rather than an SM2 figure of 1,013 dpa, whilst Selby uses the SM2 figure of 342 dpa rather than its previous OAHN of 410 dpa!**
- 3-37 There are therefore numerous disparities in the approaches taken to determine the scale of housing need for York and Selby. It is Lichfields’ view that CoYC should seek to meet its housing needs in full within its own boundaries. Nevertheless, if CoYC does consider that Selby forms part of a wider HMA with York then it should have a consistent evidence base, which it does not. The fact that Selby’s Core Strategy is out of date and the Standard Method is in play highlights the inconsistency even more.

Implications of revising the Plan Requirement

- 3-38 We also raise the issue which could arise should the Council choose to revise down its requirement as a result of the new projections, namely that in light of the Standard Method producing a figure of around 1,013 dpa, this would reduce the longevity of the plan and trigger an early review (as per the PPG, ID 61-043). Therefore, reducing the plan requirement now in light of the 2018-based household projections would create an even greater gap between the current plan requirement and the requirement under the Standard Method, **further undermining the longevity of the plan** and credibility of the plan-led system which is a Core Principle of the NPPF (2012).

Changes to housing evidence during Local Plan examination processes – examples from elsewhere

- 3-39 On 9th July 2020 the Inspectors of the York Local Plan Examination wrote to the Council stating that the ONS recently published their 2018-based household projections (2018-2028) on 29th June 2020. *“On the face of it, from our understanding of these latest ONS projections, there is a reduction in the household projections for York, particularly between the 2014-based and 2018-based projections. As such, it appears that the latest available information leads to a different starting point for the calculation of the OAHN for York. In order for us to determine whether or not the Plan’s housing requirements are soundly based, we will need to consider whether or not the publication of the 2018-based household projections represents a meaningful change in the housing situation from that which existed when the OAHN was assessed and determined for the submitted Plan, subsequently updated through the Housing Needs Update and at the time of the relevant hearing sessions in December 2019.”*
- 3-40 The Council was therefore invited to address this question, with evidence-based reasons, on whether or not they consider that the publication of the 2018-based household projections represents a ‘meaningful change’ in the housing situation from that which existed at the time of the Plan’s submission, the subsequent re-assessment of the OAHN in the Housing Needs Update (January 2019) and the relevant hearings in December 2019. *“Furthermore, if it is considered that there has been a ‘meaningful change’, could the Council set out what the implications are for the housing requirement figures in the*

submitted City of York Local Plan and those subsequently submitted as a result of the Housing Needs Update (January 2019)."

- 3.41 The ongoing publication of new data (with population and household projections being published on a two-yearly cycle, until recently on alternate years) has often led to delay where publication has caught up with plan preparation or plan examinations. This has been the case despite the PPG highlighting that a balance needs to be struck between ensuring plans are based on up-to-date evidence whilst, at the same time, ensuring assessments are not rendered out-of-date every time new projections are published. In this context, the PPG discusses how “*a meaningful change in the housing situation should be considered...*” (PPG 2014 ID 2a-016) but this needs to be balanced with the NPPF’s core planning principle that planning should be “*genuinely plan-led*” (NPPF 17) which can, by definition, only be achieved by having a plan in place.
- 3.42 The York Local Plan examination will soon enter its fourth year having been submitted in 2017 and this is the Council’s first new plan ever (i.e. it has yet to adopt a plan which post-dates the introduction of an NPPF). There is clearly a balance to be struck between further delays to the adoption of the plan on the basis of debates around OAHN and getting the plan in place. Arguably, continued delays to the adoption of the plan would seek to undermine the NPPF’s core planning principle that the system should be genuinely plan-led.
- 3.43 In this context, there are numerous examples where the publication of new projections (i.e. where more recent projections indicate a lower starting point/lower demographic change than previous assessments) through the examination process has not led to a revision in the OAN, including Wycombe²⁰, Broxbourne²¹, Braintree²².
- 3.44 From these examples there are two commonalities when Inspectors have considered the impact of new, lower projections published during the examination process on OAHN:
- 1 Even where there are apparently substantial reductions in the household projections (to a degree of 40% in two of these examples) there is a recognition that such projections are just the starting point and only one of many elements which influence the OAN, and thus a reduction in the starting point does not automatically justify a reduction on the overall OAHN (for example, a market signals uplift cannot simply be reapplied to this new starting point to derive an updated OAHN, as is being suggested in Welwyn Hatfield). There are other factors, such as affordable housing need, which should be part of the assessment leading to a concluded OAHN; and
 - 2 In all three examples the Inspectors seek to balance the need for up-to-date evidence with the need for the planning system to be genuinely ‘plan-led’ by enabling timely adoption of the plan by minimising delay. In the case of Wycombe and Broxbourne the updated evidence represented just one set of projections (from 2014-based in each of their submitted plans to 2016-based projections being published during the examination) and in both cases the Inspectors discussed the need to minimise delays and ensure timely adoption of the respective plans. In the case of the North Essex Plan (which saw three sets of projections put in front the examination; 2014-based, 2016-based and 2018-based, as is the case in Welwyn Hatfield) the Inspector placed an even greater emphasis on the need for timely plan adoption, noting that the examination had already been ongoing for over three years.

²⁰ See Wycombe Local Plan Inspector’s Report July 2019 [here](#)

²¹ See Broxbourne Local Plan Inspector’s Report April 2020 [here](#)

²² See the North Essex Authorities’ Shared Strategic Section 1 Plan Inspector’s Report December 2020 [here](#)

- 3.45 The above examples further demonstrate that using the 2018-based SNPP as a justification to reduce the housing target would not be in accordance with the NPPF or PPG, and there has been clear precedent for rejecting this approach by other Inspectors.

Summary

- 3.46 We welcome GL Hearn's use of the 10-year migration trend and the modelling of the alternative internal migration scenario. The ONS's 2018-based SNPP now assumes lower fertility rates, lesser improvements in life expectancy (i.e. higher death rates) and lower net international migration across the country (with past trends migration confined to just 2 years of data), and York is no exception. The latter input does, however, appear excessive given past trends.
- 3.47 However, given the issues raised above regarding the extremely low levels of international migration underpinning even this variant scenario compared to past trends we do question why GL Hearn chose not to model the High International variant produced by ONS alongside the other variants. This suggests that over the 2018-2033 period, net international migration could contribute 16,645 new residents to the local area (net), compared to 12,794 based on the 10-year migration trend and just 10,705 based on the principal 2018-based SNPP. The longer-term net international migration figure of 1,144 residents under this scenario is also much more readily comparable with the 10-year trend (to 2019) of 1,177.
- 3.48 It is considered that at the very least there should be a sensitivity testing for long term migration trends in the HNU for York based on '*specific local circumstances*' (as per PPG ID 2a-017). In this respect, the HNU does not fulfil the requirements set out in ID 2a-017 regarding sensitivity testing of the official projections.
- 3.49 We are also concerned that there are flaws with the approach followed by GL Hearn regarding the alignment with economic growth, not least the discrepancies over the time period and the missing data for 2017-2019 (a period of very strong economic growth).
- 3.50 Furthermore, as we have repeatedly raised in our previous representations, the Council accepts that both York and Selby share a Housing Market Area. It therefore makes no sense for the two districts to follow completely different approaches to identifying their housing needs, choosing to follow conflicting methods that result in the lowest possible housing target for each area.

4.0 Market Signals

4.1 The Framework sets out the central land-use planning principles that should underpin both plan-making and decision-taking. It outlines twelve core principles of planning that should be taken account of, including the role of market signals in effectively informing planning decisions:

“Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” [§17]

4.2 The Practice Guidance²³ requires that the housing need figure as derived by the household projections be adjusted to take into account market signals. It indicates that comparisons should be made against the national average, the housing market area and other similar areas, in terms of both absolute levels and rates of change. Worsening trends in any market signal would justify an uplift on the demographic-led needs. In addition, the Practice Guidance²⁴ highlights the need to look at longer term trends and the potentially volatility in some indicators.

4.3 The Practice Guidance also sets out that:

“...plan-makers should not attempt to estimate the precise impact of an increase...rather they should increase planning supply by an amount that, on reasonable assumptions...could be expected to improve affordability...”²⁵.

4.4 This clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.

4.5 As set out in detail above, GL Hearn has rather unusually, decided not to update market signals for the City; *“however given the extent of the economic need and the uplift this entails from the demographic starting point a further uplift would not be merited”*.

4.6 This is not necessarily the case – GL Hearn has concluded that the demographic starting point should be adjusted due to issues with the principal 2018-based SNPP, and that they see *“the variant migrations scenarios as being the more suitable to use for York”*. [paragraph 2.22] The adjustment, from 465 dpa to 669 dpa (2017-2033) is not to address affordability issues; it is to address *“issues with the projections using internal migration trends over just 2 years and household formation rates which lock in recessionary trends”* [paragraph 5.2].

4.7 As is clearly stated in the original PPG on the subject, the purpose of the market signals adjustment is to *“increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability.”²⁶*

4.8 **It would therefore be illogical to apply this to the principal SNPP projection, given that GL Hearn accepts that this is not a robust trajectory of future population growth. Only by applying the market signals uplift to the realistic**

²³ Practice Guidance - ID 2a-019-20140306

²⁴ Practice Guidance - ID 2a-020-20140306

²⁵ ibid

²⁶ Paragraph: 020 Reference ID: 2a-020-20140306

demographic starting point (at the very least, the 10-year migration figure of 669 dpa) can we hope to boost supply to the extent that it starts to improve affordability in the City.

- 4.9 The most recent market signals analysis undertaken by GL Hearn was in its 2019 Housing Needs Update (Section 4.0). In that report, the HNU noted that:
- Lower quartile house prices in York exceed that of England by £30,000 despite having a similar overall median house price;
 - The gap of median house price growth between York and North Yorkshire has widened from 10 years ago. Since 2008 the rate of change for York has been 1.25, similar to the national growth of 1.3;
 - Median rental values in York are £745, £70 higher than the rest of England and £220 higher than Yorkshire and the Humber region [4.13]. LQ rental price growth has increased by 14% over the past 5 years, compared to 11% nationally;
 - York has a median affordability ratio of 8.62 and a 5-year rate of change equal to 1.88, compared to 5.90 for Yorkshire and the Humber (0.55 change) and 7.91 (1.14 change) for England [Table 12];
- 4.10 As a consequence of these poor (and worsening) housing market signals, GL Hearn concluded that:
- “The affordability statistics and the market signals reveal that as a whole, York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated”* [4.19].
- 4.11 **On the basis of these signals, GL Hearn applied an uplift of 15%.** This is higher than the 10% previously recommended in the September 2017 SHMA Update. *“Such an uplift applied to the demographic starting point (484 dpa) would arrive at an OAN of 557 dpa...This is some way short of both the adjusted demographic growth and the economic growth. Therefore, the OAN should remain as 790 dpa in order to achieve both improvements to household formation and meet economic growth. This equates to an increase of 63% from the start point.”* [4.34-4.35]
- 4.12 In our previous representations²⁷, Lichfields concluded that based on a detailed review of similar market signals, **an uplift of 20% was suitable.** Nothing that GL Hearn has presented causes us to change our opinion, and indeed they have failed to provide any updated response despite the fact that house prices nationwide are increasing at record levels.

Past Under Delivery of Housing

- 4.13 To take a clear example, which is not even examined in GL Hearn’s 2019 assessment of market signals, the PPG is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Table 4.1 sets the Council’s various housing targets/presumed OAHN against the actual net housing completions. With the exception of 3 years between 2015/16 and 2017/18, housing delivery in York has missed the target each year since 2006/07. Overall delivery targets for these 16 years was missed by c.15% which equals to 1,899 units below the target level. Over the plan period from 2012/13, GL Hearn noted in its previous May 2017 SHMA Addendum [§3.14] that under-delivery may have led to household formation (particularly of younger households) being constrained and states that this point is picked up in the

²⁷Lichfields (March 2018): *Housing Issues Technical Report* / Lichfields (2019): *Housing Need Evidence Review*

report which uses a demographic projection-based analysis to establish the level of housing need moving forward.

Table 4.1 Rate of net housing delivery in York against possible policy benchmarks, 2004/05-2019/20

Year	Net Housing Completions	Council's OAHN	
		'Need'*	+/-
2004/05	360	640	-280
2005/06	1,173	640	533
2006/07	795	640	155
2007/08	523	640	-117
2008/09	451	850	-399
2009/10	507	850	-343
2010/11	514	850	-336
2011/12	321	850	-529
2012/13	482	790	-308
2013/14	345	790	-445
2014/15	507	790	-283
2015/16	1,121	790	331
2016/17	977	790	187
2017/18	1,296	790	506
2018/19	449	790	-341
2019/20	560	790	-230
Total	10,381	12,280	-1,899

Source: EX_CYC_HFR vs. AMR 2021

*RSS assumed average 640 dpa 2005/05-2007/08; 850 dpa 2008/09 -2011/12

4.14 The 2017 SHMA Update [§3.15] considers that this past under-delivery is not a discrete part of the analysis but is one of the various market signals which indicate a need to increase provision from that determined in a baseline demographic projection. It notes that this market signal will require upward adjustment through consideration of migration and household formation rates rather than just a blanket increase based on the level of 'shortfall'.

4.15 **It is clear from the Council's own evidence that the City has consistently under-delivered housing for 11 of the past 16 years. Furthermore, the Council's already low housing delivery figures have been artificially boosted by the inclusion of student accommodation in the completions figures.**

House Prices

The PPG²⁸ identifies that longer-term changes in house prices may indicate an imbalance between the demand for and supply of housing. We have reviewed the ONS's latest House Price Statistics for Small Areas (HPSSAs) release (2021), which reports the count and median price of all dwellings sold and registered in a given year. They are calculated using open data from the Land Registry, a source of comprehensive record level administrative data on property transactions. The latest median house prices in York, alongside North Yorkshire, Yorkshire and the Humber and England & Wales as of 2020 are presented in Table 4.2.

²⁸ 2a-019-20140306

Table 4.2 Median Dwelling price, York and comparator areas (2020)

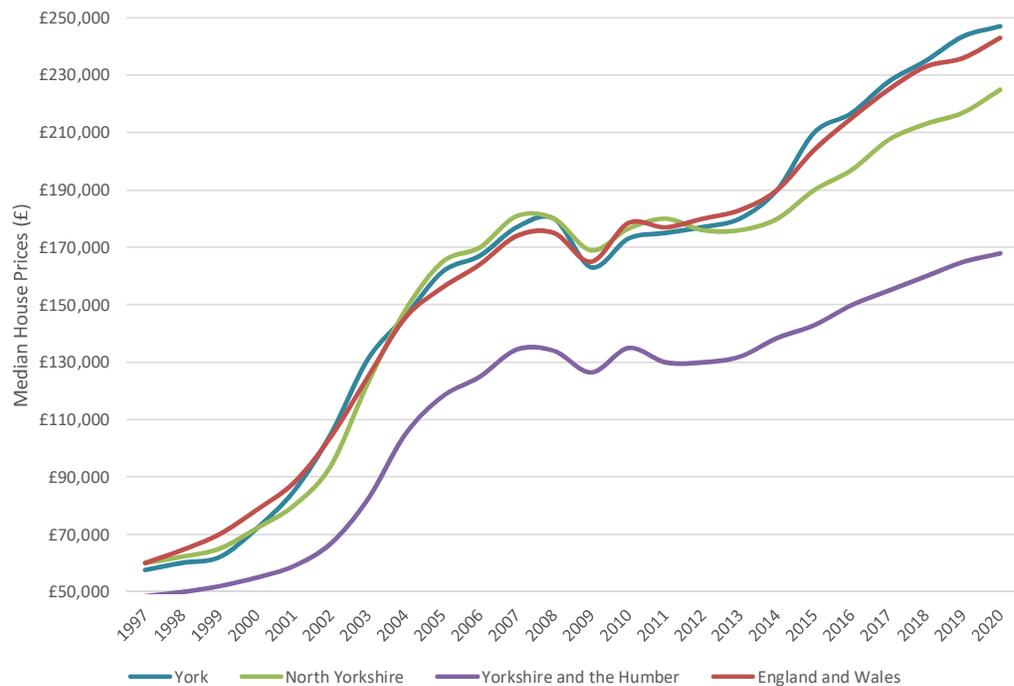
	Median Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£247,000	+£189,500 (+330%)	+£19,275 (+8.5%)
North Yorkshire	£225,000	+£165,000 (+275%)	+£17,500 (+8.4%)
Yorkshire and The Humber	£168,000	+£119,500 (+246%)	+£13,000 (+8.4%)
England & Wales	£243,000	+£183,050 (+305%)	+£18,000 (+8.0%)

Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.16 These median prices illustrate higher prices in York compared to national rates, with average house prices around £4,000 than England and Wales as a whole; £22,000 higher than in the surrounding sub-region, but a massive £79,000 higher than the Yorkshire region as a whole. Over the long term, the rate of growth has been considerably higher than all the comparator areas, at almost £190,000 since 1997 or 330%. Even over the past 3 years, the rate of growth has continued to accelerate, with an increase of £19,275, or 8.5%, since 2017 – higher in proportionate and absolute terms than the comparator areas.

4.17 The longitudinal analysis illustrated in Figure 4.1 is particularly revealing. This indicates that the City of York’s median house prices generally mirrored the rate of growth of North Yorkshire up until 2012, at which point the economic recovery following the 2008/09 recession saw York’s house prices accelerate at a much faster rate. It has in recent years almost exactly followed the England and Wales average rate and in fact has started to exceed it, which is very concerning given that is (to an extent) skewed by the extremely high house prices in London and the Greater South East.

Figure 4.1 Median House Prices



Source: ONS (2021): Median house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.18

As set out in the Practice Guidance, higher house prices and long term, sustained increases can indicate an imbalance between the demand for housing and its supply. The fact that York’s median house prices have effectively more than tripled in 23 years, from £57,500 in 1999 to £247,000 in 2020, and have risen at a much faster rate than comparable national and sub-regional figures, which suggests that the local market is experiencing considerable levels of stress.

Lower Quartile House Prices

Arguably of even greater concern is the data regarding Lower Quartile house prices in the City of York. These are presented in Table 4.2 for the same comparator areas and indicate that LQ prices have increased from just £46,500 in 1997 to a concerning £196,000 by 2020 – an increase of almost £150,000, far in excess of the comparator areas and a level of growth 75% higher than the regional growth.

Table 4.3 Lower Quartile Dwelling price, York and comparator areas (2020)

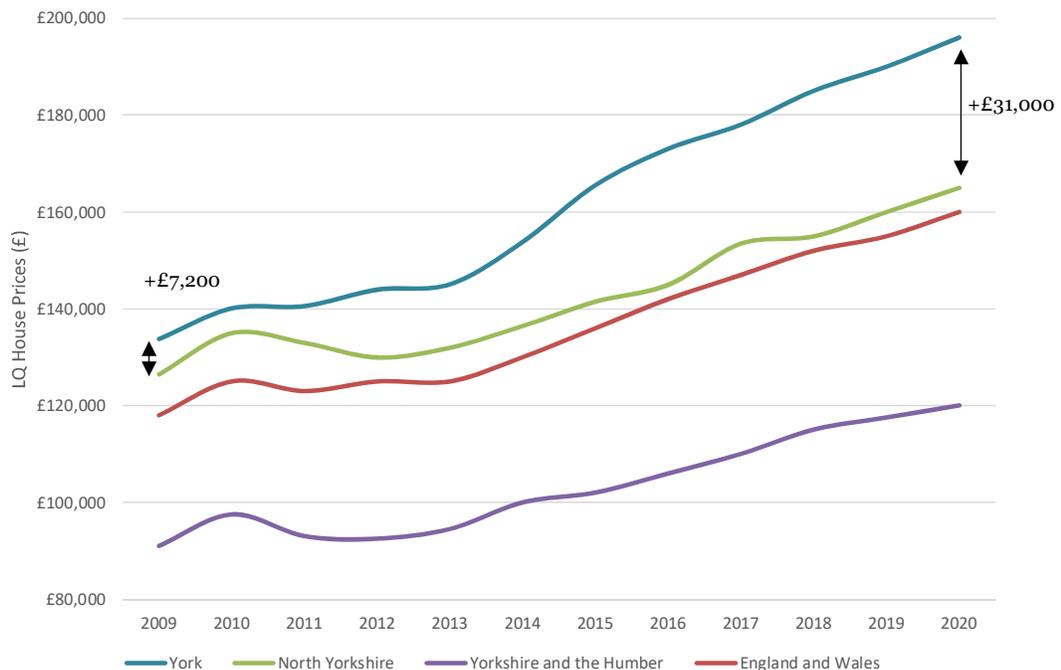
	LQ Dwelling Price 2020	Long Term House Price Growth 1997-2020	Short Term House Price Growth 2017-2020
York	£196,000	+£149,500 (+322%)	+£18,000 (+10.1%)
North Yorkshire	£165,000	+£119,000 (+259%)	+£11,500 (+7.5%)
Yorkshire and The Humber	£120,000	+£85,000 (+243%)	+£10,000 (+9.1%)
England & Wales	£160,000	+£117,500 (+276%)	+£13,000 (+8.8%)

Source: ONS (2021): Lower Quartile house price by country and region, England and Wales, year ending September 1997 to year ending September 2020 (£)

4.19

To put this into context, the current LQ price in York of £196,000 was equal to the City’s median house price only five years ago (in 2015). By way of comparison, North Yorkshire’s current LQ house price of £165,000 last equated to the median house price ten years before in 2005.

Figure 4.2 Lower Quartile House Prices



Source: ONS (2021): Median house price, year ending September 1997 to year ending September 2020 (£)

4.20 This suggests that the gap between LQ and median house prices is narrowing in York at a very fast rate, making housing increasingly unaffordable for those on low incomes, a trend vividly illustrated in Figure 4.2.

Affordability

4.21 The CLG’s former SHMA Practice Guidance defines affordability as a ‘*measure of whether housing may be afforded by certain groups of households*’²⁹. A household can be considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Where possible, allowance should be made for access to capital that could be used towards the cost of home ownership [page 42].

4.22 The Practice Guidance concludes that assessing affordability involves comparing costs against a household’s ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile [LQ] earnings³⁰. Given that the median Affordability Ratio [AR] is used to inform the Government’s standard methodology for calculating Local Housing Need, we have also included this indicator in Table 4.4 below.

4.23 It indicates that the City of York has a very high Median AR of 8.04, which is significantly above the regional and national averages, although just below the comparable figure for North Yorkshire. The rate of change has also been worryingly high, at 4.33 points, or 117%, since 1997 – a rate of change equal to the national level. More recently, the rate of change has actually fallen slightly, although this is a trend that has been observed across the country. Furthermore, this is not due to house prices declining – as we have demonstrated above, they have continued to accelerate in York –rather that workplace wages have actually increased at a faster rate (the City’s median wages increased by 16.2% between 2017 and 2020 to £30,725, well above the rate of change observed both nationally and regionally at 9.2%).

Table 4.4 Workplace-based Affordability Ratios, York and comparator areas (2020)

	Median Affordability Ratio			Lower Quartile Affordability Ratio		
	2020	Rate of Change 1997-2020	Rate of Change 2017-2020	2020	Rate of Change 1997-2020	Rate of Change 2017-2020
York	8.04	+4.33 (+117%)	-0.57 (-6.6%)	9.09	+5.07 (+126%)	+0.03 (+0.3%)
North Yorkshire	8.11	+3.91 (+93%)	-0.10 (-1.2%)	7.94	+3.53 (+80%)	-0.16 (-2.0%)
Yorkshire and The Humber	5.84	+2.72 (+87%)	-0.05 (-0.8%)	5.65	+2.55 (+82%)	-0.08 (-1.4%)
England & Wales	7.69	+4.14 (+117%)	-0.08 (-1.0%)	7.01	+3.47 (+98%)	-0.14 (-2.0%)

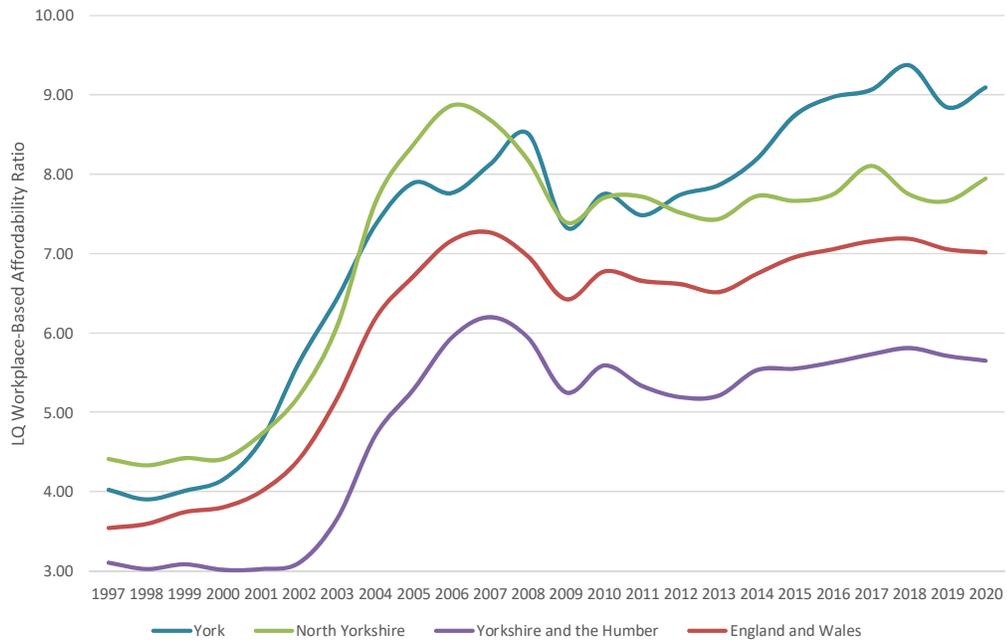
Source: ONS (2021): Ratio of median / Lower Quartile house price to median /Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020

4.24 The situation is even worse when we analyse the City of York’s Lower Quartile Affordability Ratio. Figure 4.3 illustrates that although the ratio fell substantially from a peak of 8.51 in 2008 following the financial crash and subsequent economic downturn, it has steadily increased since 2009 at a much faster rate than any of the comparator areas and is now 9.09 – significantly above the national level of 7.01 and particularly the regional rate of 5.65.

²⁹ Annex G

³⁰ 019 Reference ID: 2a-019-20140306

Figure 4.3 Ratio of Lower Quartile house price to Lower Quartile earnings



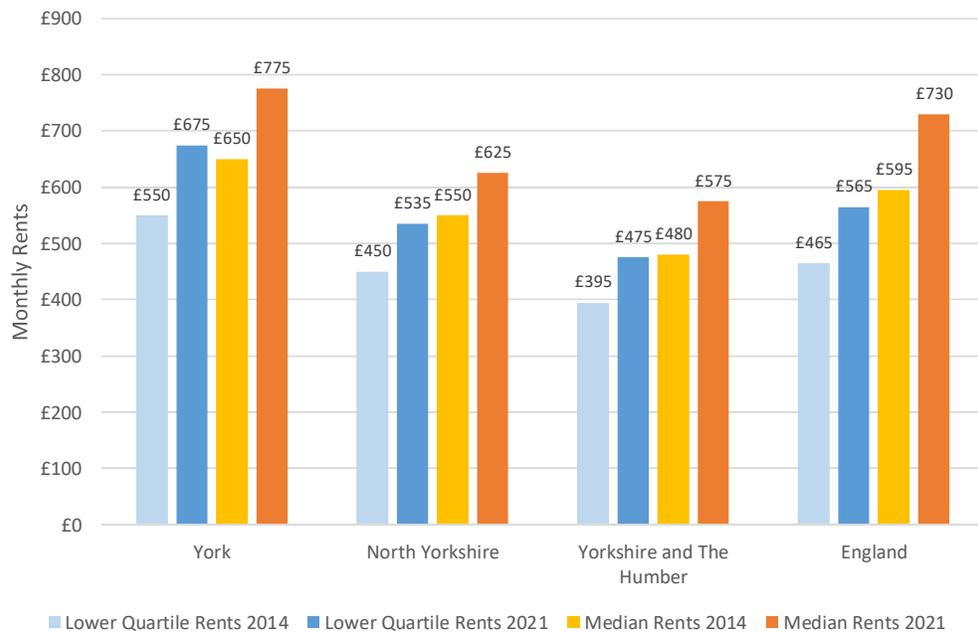
Source: ONS (20210: Ratio of Lower Quartile house price to Lower Quartile gross annual (where available) workplace-based earnings by country and region, England and Wales, 1997 to 2020)

4.25 The affordability ratio highlights a constraint on people being able to access housing in York, with house price increases and rental costs outstripping increases in earnings at a rate well above the national level.

Rents

4.26 On a similar basis, high and increasing private sector rents in an area can be a further signal of stress in the housing market. As can be seen in Figure 4.4, Median rents in York are as high as £775 per month, well above the national level (£730) and over a third higher than the regional rate. The rate of growth of median rents over the past 7 years or so has also been very high in York, at 23% compared to 19% for North Yorkshire; 20% for Yorkshire and the Humber; and 21.5% nationally. As for LQ rents, these are even more concerning, with York’s at £675 per calendar month compared to £565 nationally.

Figure 4.4 Monthly Rents



Source: VOA Private Rental Market Statistics 2021

What scale of uplift should be applied?

- 4.27 The PPG sets out a clear two-stepped process to addressing market signals within the calculation of OAHN:
- 1 Firstly, it is necessary to determine **whether** a market signals uplift is necessary. This is set out in PPG ID2a-019 within the first sub-paragraph as follows:

“Appropriate comparisons of indicators should be made... A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.”
 - 2 Secondly, when a market signals uplift is required, it is necessary to identify at **what scale** that should be set, with guidance given that it should be set at a level that could be expected to improve affordability. This is set out in PPG ID2a-019 within the second and third sub-paragraphs as follows:

“In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable... they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”
- 4.28 The principle of a market signals uplift in York (i.e. Stage 1) has not been disputed by the Council’s housing consultants in the past (even though they have chosen not to re-enter the debate in their latest 2020 HNU). However, the scale of the uplift is disputed, principally because there is no sound basis to conclude that the uplift can be reasonably expected to improve affordability, and the HNU provides no evidence that it will do so. In addition, as previously noted, because the 2019 HNU applied its market signals uplift to a flawed demographic-led assessment of need, any figure flowing from this is in itself also flawed.

- 4.29 The market indicators show that there are significant imbalances between the demand for and supply of housing in the City of York. This analysis indicates pressure on the housing market, which will not be addressed by providing only for the level of growth produced by the continuation of demographic trends. A response is clearly required through an adjustment to the demographic-based scenarios, in line with the recommendations set out in the Practice Guidance.
- 4.30 By way of setting the initial context, the 2019 HNU recommends a 15% uplift to the demographic starting point of 484 dpa, which results in an OAHN of 557 dpa. However, GL Hearn notes that this is some way short of the economic led need of 790 dpa, which is the housing requirement now identified in the Proposed Modifications to the City of York Local Plan. The 2020 HNU has not revisited the debate.
- 4.31 It is noted that although the Local Plan is being examined under the transitional arrangements for the NPPF, the standard method identifies that York would have an **affordability uplift equal to 25% to the 2014-based SNHP**. This is because the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in 2020. This is significantly higher than the equivalent affordability ratio for England and Wales, at 7.69 for 2020.

Apportionment of national needs

- 4.32 The City of York is relatively worse in respect of affordability than the national equivalent. As set out above, as of 2020 the City of York has an LQ Affordability Ratio of 9.09, compared to the national rate of 7.15. All other things being equal, to improve affordability across the country, the City of York and its HMA peers would need to make a proportionately greater uplift than those where affordability issues are less acute. This exercise has been undertaken on the basis that Government has a frequently stated aim to bring housebuilding to a level of 300,000 per year by the mid-2020s. This national total equates to an uplift of 79,000 on the 2014-based household projections (which suggest a need for c. 221,000 homes per annum 2017-33, including a 3% vacancy allowance); an uplift of 131,000 dpa on the 2016-based SNHP and an uplift of 135,000 dpa on the 2018-based SNHP.
- 4.33 It is possible to consider how this required uplift should be shared between 320+ LPAs across the country in order to seek to hold the affordability ratio (at least at a national level) constant. Two alternative scenarios for market signals uplifts across the country have been modelled, as follows:
- 1 Each district with an affordability ratio above the national ratio makes a market signals uplift in proportion to its difference with the national figure;
 - 2 Every district (whether above or below the national ratio) makes a market signals uplift in proportion to its difference with the lowest affordability ratio, in Copeland at 2.4 (weighted 50%), and its projected household growth (weighted 50%).
- 4.34 The results for the City of York under these methods is shown in Table 4.5. The uplift has been based on a demographic baseline of 462 dpa, based on the 2016 projections plus a 3% vacancy rate, falling to just 302 dpa using the 2018-based SNHP. To meet a national figure of 300,000 per annum the scale of uplift would need to be 33% at least, although taking into account the City of York's relative size this could be as high as 48%.

Table 4.5 Outcomes for the City of York- Apportionment of National Needs

	National total of 300,000 2016-based SNHP			National total of 300,000 2018-based SNHP		
	Share of 131,000 uplift	Dwellings	Uplift (from 669 dpa)	Share of 135,500 uplift	Dwellings	Uplift (from 669 dpa)
Method 1	0.22%	293	44%	0.22%	303	45%
Method 2	0.24%	321	48%	0.16%	222	33%

Source: Lichfields based on ONS/MHCLG

- 4.35 The analysis clearly shows that an uplift well in excess of the 15% put forward in the 2019 HNU would be needed to reasonable expect an improvement in affordability in the City of York, and for the City to be contributing to the need nationally for new homes, taking into account affordability and its size. It is notable that using a 300,000 per annum total, the uplift for York identified in the Government’s standardised methodology – at 25% - falls below the very lower end of the range (33%-48%) identified through this exercise.

Summary

- 4.36 In light of the above analysis, there is a case to be made that at the very least, the market signals uplift for the City of York should be a minimum of 25%. Even taking GL Hearn’s adjusted baseline of 670 dpa based on the latest projections, this would equate to 838 dpa. Our modelling suggests that an uplift even greater than this may be needed to improve affordability and achieve the Government’s long held aspiration for 300,000 dpa; however in light of stock growth elsewhere and the outcomes of the Standard Methodology, a minimum of **25%** is considered appropriate.
- 4.37 This clearly underlines the failure of the HNU to adequately meet the PPG requirement to set its uplift at a level that is related to the problems of affordability or that could be expected to improve affordability; indeed, the HNU fails to approach this question at all.
- 4.38 **When applied to the Council’s adjusted demographic starting point of 669 dpa, this results in a need for 836 dpa.**

5.0 Affordable Housing Needs

5.1 In line with the 2012 Framework³¹, LPAs should:

“...use their evidence based to ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing...”

“...prepare a SHMA which...addresses the need for all types of housing, including affordable.”

5.2 The Practice Guidance³² sets out a staged approach to identifying affordable housing needs, and states that affordable housing need should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments...an increase in the total housing figures included in the plan should be considered where it could help deliver the required number of affordable homes.”

5.3 Two High Court Judgements go to the heart of addressing affordable housing within the identification of OAHN. ‘Satnam’ establishes that affordable housing needs are a component part of OAHN, indicating that the ‘proper exercise’ is to identify the full affordable housing needs and then ensure that this is considered in the context of its likely delivery as a proportion of mixed market/affordable housing development. ‘Kings Lynn’ builds on ‘Satnam’, identifying that affordable housing needs “*should have an important influence increasing the derived OAHN since they are significant factors in providing for housing needs within an area.*” [§36]. This is clear that affordable housing needs are a substantive and highly material driver of any conclusion on full OAHN.

5.4 The 2020 HNU does not review affordable housing need (indeed it is not even mentioned anywhere in the document). It is, however, discussed in the City of York Council’s *Affordable Housing Note* [EX_CYC_36] (February 2020). This report acknowledges that the most recent assessment of affordable housing need for the City remains the 2016 SHMA, which identified a net affordable housing need of **573 homes per annum or 12,033 dwellings over the 2012-2033 period**. This suggests a worsening situation when compared with the previous figure of 486 affordable homes per annum needed in the previous 2011 SHMA, produced by GVA.

5.5 Lichfields has not analysed in detail the figures forming the assessment of affordable housing needs, due in part to limitations on access to the underlying data; instead, Lichfields has focused on how this need has informed the OAHN conclusion. CoY Council summarises the approach as follows:

“The Housing Needs Update (2019) [EX/CYC/14a] considers this affordable housing need as part of the updated assessment of Objectively Assessed Housing need (OAN). GL Hearn conclude that an uplift to the demographic need figure to improve delivery of affordable housing may be justified. Key judgements including Kings Lynn v Elm Park Holdings (2015) were examined. In paragraph 35 of the judgement Justice Dove says ‘the Framework makes clear that these needs (affordable housing needs) should be addressed in determining the full OAN, but neither the Framework or the PPG suggest that they have to be met in full when determining the full OAN’. The judgement is clear that an assessment of affordable housing need should be carried out but that the level of affordable housing need does not have to meet in full in the assessment of OAN. This is a

³¹ Framework - Paragraphs 47 and 159

³² Practice Guidance - ID: 2a-022-20140306 to 2a-029-20140306

similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that ‘National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites’.

It was concluded that it may be necessary, based on affordable need evidence, to consider an adjustment to enhance delivery of affordable homes but that this does not need to be done in a mechanical way whereby the affordable need on its own drives the OAN.” [paragraphs 41 to 42]

- 5.6 The Affordable Housing Note then goes on to state that *“the updated market signals show that affordability is a worsening issue in York and therefore in accordance with the PPG an uplift to the demographic projections is appropriate and considering the evidence, GL Hearn proposes a 15% uplift. When applied to the demographic starting point (484 dpa) this 15% uplift would result in an OAN of 557 dpa which is some way short of both the adjusted demographic growth (679) the economic led need (790). GL Hearn conclude that the OAN should remain at 790 to achieve both improvements to household formation and economic growth which represents a 63% uplift on the demographic starting point.” [paragraph 43]*
- 5.7 **In taking this approach, GL Hearn is effectively conflating the uplift resulting from affordable housing need with uplift resulting from market signals analysis. These are two separate steps in the Practice Guidance and should not be combined in this manner.**
- 5.8 In contrast, the 2019 HNU reiterates the 573 dpa need and accepts that *“a modest uplift to the demographic based need figure to improve delivery of affordable housing in the City may be justified.” [paragraph 4.20].*
- 5.9 However, the HNU then reviews a number of High Court judgements and other Inspector’s reports, notably that for the Cornwall Local Plan, and concludes that *“the expectation is that it may be necessary, based on the affordable needs evidence to consider an adjustment to enhance the delivery of affordable housing, but that this does not need to be done in a ‘mechanical way’ hereby the affordable need on its own drives the OAN”.* [paragraph 4.28]
- 5.10 The HNU does not proceed to test the scale of uplift that might be appropriate to help meet this very high level of affordable housing need, merely stating in the conclusions that the employment-led 790 dpa *“would be sufficient to respond to market signals, including affordability adjustments, as well as making a significant contribution to affordable housing needs”.*
- 5.11 A similar error is (silently) perpetuated in the 2020 HNU, where it is assumed that an economically-driven figure of 790 addresses the demographic need, worsening market signals and affordable housing requirements. That is clearly not the case.
- 5.12 The Affordable Housing Note suggests that as many as 3,539 affordable units could be delivered from all sources to 2032/33, at a rate of 221 dpa (Table 10). The Paper states that *“the Plan seeks to provide around 38.6% of the affordable housing need requirement. Whilst the Plan will not deliver the full affordable housing need it does seek to provide a significant uplift to the provision of affordable homes secured through the application of policy H10 and the provision of rural exceptions sites through the application of policy GB4.” [paragraph 44]*
- 5.13 The provision of the net affordable housing need identified is likely to be unrealistic given past dwelling completions in City of York. As set out in Table 12 of the Affordable

Housing Note, less than 10% (461 homes) of all completions (4,695 homes) during this period were affordable.

5.14 So the Council is clear that as a best case scenario, only 39% of the affordable housing need will be delivered in the Plan period, and no upward adjustment has been considered as required by the PPG. Even at a delivery rate of 30% of overall housing, the City of York would need to deliver **1,910 dpa** to address its affordable housing needs in full.

5.15 Taking into account affordable need within the calculation of OAHN does not necessarily involve a mechanistic uplift, or an indication that such identified needs must be met in full. It has to be a scenario which, on a reasonable basis, could be expected to occur. This is set out in the Kings Lynn judgment which concluded:

“...This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. That is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being developed.” [§35]

This is also consistent with the Practice Guidance³³ which sets out the assessment of *need* “does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.”

5.16 However, in line with the High Court Judgments, this still needs to be an uplift of consequence, insofar as it can reasonably be expected to occur. This will inevitably need to involve judgement, based on relevant evidence, as to the extent to which any scale of uplift could be reasonably expected to occur.

5.17 For example, it is interesting to note that in the Cornwall Local Plan example that GL Hearn quotes from, the Inspector ultimately concluded that an uplift to the OAHN was justified, and this should be equal to an additional 1,500 dwellings over the course of the Plan period³⁴.

5.18 The HNU ultimately does not use the identified acute affordable housing needs in a way in which it has “an important influence in increasing the derived F[ull] OAN” as per the Kings Lynn judgment.

5.19 The Local Plan Expert Group [LPEG], in its Report to the Secretary of State for Communities and Local Government in March 2016, recommended various changes to the Practice Guidance with the remit of considering how local plan-making could be made more efficient and effective. Although very limited, if any, weight can be given to the LPEG approach given that it is not policy or endorsed by Government, it is at least helpful in seeking to understand what an appropriate response might be to define the influence of market signals and affordable housing needs. LPEG recommended changes to the preparation of SHMAs and determination of OAHN.

5.20 With regard to affordable housing need in the preparation of SHMAs and determination of OAHN it proposed that where the total number of homes that would be necessary to meet affordable housing need is greater than the adjusted demographic-led OAHN, then this figure should be uplifted by a further 10%. The 10% uplift was intended to provide a streamline approach that removes judgement and debate from the process of setting OAHN (as opposed to what might be the most accurate under current Practice Guidance).

³³ Practice Guidance - ID:2a-003-20140306

³⁴ Planning Inspectorate (23rd September 2016): Inspector’s Report on the Examination into the Cornwall Local Plan Strategic Policies, paragraph 52

5.21

Given the significant affordable housing need identified in City of York, Lichfields considers that this 10% uplift would be appropriate in this instance and should be applied to the OAHN.

6.0 Integration of Student Housing Needs

6.1 It is important to note that the household projections upon which York’s OAHN is based relate to C3 uses only, and not C2. Specifically, and of particular relevance to the City of York, CLG’s household projections do not include an allowance for students who might be expected to reside in Halls of Residence (termed, along with people living in nursing homes, military barracks and prisons, as the ‘Communal establishment population’).

6.2 As summarised by CLG in its *Methodology used to produce the 2018-based household projections for England: 2018-based Report* (June 2020), the household projections are based on the projected household population rather than the total population. The difference between the two is the population in communal establishments [CE], also termed the ‘institutional’ population. This population comprises all people not living in private households and specifically excludes students living in halls of residence:

“The CE population is then subtracted from the total usual resident population in the MYEs and SNPPs, by quinary age group and sex, to leave the private household population, split by age and sex in the years required for the household projections.”
[page 5]

6.3 This is important for the City of York, because it means that if the household projections are used as the basis for calculating the OAHN (which GL Hearn’s methodology does), it specifically excludes a substantial proportion of specialised student accommodation needs.

6.4 In this regard, it is worth noting that in March 2017 GL Hearn published an addendum to the West Surrey SHMA for Guildford Borough Council³⁵. In that document, GL Hearn recommended an adjustment of an extra 23 dpa be added to the OAHN of 539 dpa based on an analysis of future student numbers and accommodation need in the Borough.

6.5 According to the GL Hearn’s Guildford analysis, there are three things necessary to consider when determining whether there is a need to adjust the objectively assessed housing need to take account of student growth:

- How the student population at University of Surrey is expected to change over the plan period;
- What growth in typical student age groups is expected within the population projections, on the basis that the CLG Household Projections model is not assuming growth in numbers in institutions;
- The number/ proportion of students which can be expected to require housing within Guildford, and of these what proportion might be expected to be accommodated in halls of residence rather than the wider housing stock.

6.6 This was accepted in the Inspector’s Report dated 27th March 2019, resulting in a new OAHN of 562 dpa. The Inspector concluded that:

“From the figure of 539 dpa resulting from the assessment of jobs-led economic growth, the Council have made a further adjustment of 23 dpa for the growth of the student population based on analysis carried out in the SHMA addendum. Taking the University of Surrey’s known aspirations for growth, it is estimated that the number of full-time Guildford-based students at the University will increase by 3,800 between 2015-34, resulting in additional migration to Guildford. Assuming

³⁵ GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

that 45% would be accommodated in the wider housing market, and on the basis of an average 4 students per household, the SHMA Addendum calculates that this would equate to growth of 23 additional dwellings per annum. It has been argued that the 18 to 23 age group in the most recent population projections and mid-year estimates includes students; but this cannot be assumed to be the case, and by its nature Guildford is likely to be attractive to young people whether or not they are students. It is a sound step to add this allowance for students when considering the overall housing requirement, to ensure that there is not a significant incursion of students into the housing market which would diminish the supply available to others needing housing in the area.”

- 6.7 Given that York has a disproportionately high student population following the ongoing success of the University of York, York St John University, Askham Bryan College of Agriculture and Horticulture and the landmark campus development of York College, it is surprising that GL Hearn did not follow a similar exercise to the one they undertook for Guildford Borough Council.
- 6.8 Using data and assumptions gathered from the University of York, York St John’s University and the City of York Council’s own analysis (*Housing Requirements in York*, produced on its behalf by Arup in 2015) we can make a broad assessment of the housing needs of students in the City of York.
- 6.9 Table 6.1 presents the past six years of student headcount data for the University of York and York St John University. Over this period the total student headcount grew by 15% overall. However, whilst the University of York [UoY] grew its student population by 18%, York St John’s University [YSJ] grew at a much slower rate of 7%.
- 6.10 Both universities experienced an expansion in full-time students, although YSJ lost half of its part time students. The University of York gained 2,861 full-time students (+19%) but gained just 93 part-time students (+5%), whilst York St John’s University gained 974 full-time students (+18%) but lost half of its part-time students (-52%).

Table 6.1 Recent trends in University student headcounts in York 2014/15-2019/20

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	% Change
The University of York	16,835	17,150	17,899	18,824	19,469	19,789	+17.5%
Full-time	14,920	15,210	16,283	17,221	17,604	17,781	+19.2%
Part-time	1,915	1,940	1,616	1,603	1,865	2,008	+4.9%
York St John University	6,555	5,975	5,941	6,249	6,618	7,000	+6.8%
Full-time	5,495	5,180	5,355	5,728	6,165	6,469	+17.7%
Part-time	1,060	795	586	521	453	531	-49.9%
Total Students	23,390	23,125	23,840	25,073	26,087	26,789	+14.5%
Total Full Time	20,415	20,390	21,638	22,949	23,769	24,250	+18.8%
Total Part Time	2,975	2,735	2,202	2,124	2,318	2,539	-14.7%

Source: HESA HE student enrolments by HE provider 2014/15 to 2019/20

- 6.11 For the purposes of this analysis, only full-time students are considered to be part of the additional student population in York living in C2 housing, as part-time students are more likely to be residents already living in York or commuting into the City.

- 6.12 The City of York Council’s 2015 *Housing Requirements Study* assumed (in Appendix B)³⁶ that, following consultation with both Universities, 5% of all UoY students live at home or commute into York, whilst 20% of all YSJ students do the same. The 20% figure for YSJ has been reiterated in the University’s 2026 strategy, where it is stated that the University aspires to **grow to 10,000 students by 2026**, with 8,000 of those being “on campus”³⁷. This would be an increase of **3,000** students on the current figure of 7,000. A Refresh to the Strategy in 2021 following the Pandemic retains this target of “*diverse growth to at least 10,000 students*” by 2026³⁸.
- 6.13 By way of an alternative, a review of HESA data suggests that in 2019/20 (and prior to the Covid-19 Pandemic), 4.5% of UoY students lived at home with their parents/guardians, compared to 15% for YSJ, which is broadly in line with the figures mentioned above.
- 6.14 Applying these 5%/20% assumptions to the 2019/20 total full-time student figure of 24,250 generates a student baseline figure of **22,067** students requiring accommodation within the City (i.e. 95% of UoY’s 17,781 FT students, plus 80% of YSJU’s 6,649 FT students).

Expected Growth in Student Numbers

- 6.15 In a representation submitted to the draft York Local Plan examination in December 2019³⁹, the University of York’s planning agents (O’Neill Associates) set out potential growth scenarios for the university up to 2038. They are an update on those submitted in Appendix 4 of the Regulation 19 Representations April 2018:
- “The statistics cover a range of growth scenarios for student numbers, and growth in academic and non-academic staff follows this increase in students. The range of growth considered is from 0.5% to 4%. Because of the lengthy local plan period to 2033 and on to 2038, Government policy on Higher Education, students’ preferences and changing patterns of oversea recruitment will have an impact on this growth rate that cannot be accurately predicted. Suffice to say that the average growth rate in student numbers over the last 10 years has been around 4% per annum, to the higher end of the range considered.”* [paragraph 1.2]
- 6.16 The Paper concludes that it is unlikely that the Council’s employment forecasts for growth, and hence employment and financial impact on the local economy, reflect the recent growth rates in student numbers at the University of York.
- 6.17 The Paper revisits the assumptions made in the University’s 2018 Representations. It states that since March 2018 the University has grown steadily. Student numbers were at 17,200 [FTE] when writing the 2018 report and have grown to 18,100 [FTE] for the academic year 2018/19. This means that average growth in student numbers over the last ten years has been at about **4% per annum** [paragraph 14].
- 6.18 The University of York’s built estate is continuing to expand as further space is required. A further £250m of investment is being made in the Campus over the next three years. This includes in Science & Medical facilities, and a new Management School facility on Campus West; and two more Residential Colleges (1,480 beds in all), an Energy Centre, a new Nursery and the RPIF funded Robotics building on Campus East [paragraph 15].

³⁶ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

³⁷ York St John University (2019): *2026 Strategy: Make the Possible Happen*, page 26

³⁸ York St John University Strategy 2026 Refresh (2021)

³⁹ O’Neill’s Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*

- 6.19 The Paper revisits the 6 growth scenarios in the previous 2018 representations and updates it to reflect the fact that 2018 student numbers were at 18,112 an increase of about 900 students from the 2017 figure used in the 2018 modelling:

Table 2 - Summary of 2019 Update to Modelling.

Scenario	Sc 1	Sc 2	Sc 3	Sc 4	Sc 5	Sc 6
Growth Rate to 2038	0.50%	1.00%	1.25%	1.50%	2.00%	4.00%
Student Nos (FTE) at 2038	20,012	22,100	23,220	24,394	26,913	39,686
Extra Students (FTE) vs 2017	2,799	4,887	6,007	7,181	9,700	22,473
% of 26ha of ST27 needed*	40%	85%	100%+	115%+	150%+	420%+

Source: O'Neill's Associates Submission to York Local Plan (December 2019): *University of York Growth Rates, Phase 1 Hearings*, page 4

- 6.20 Of the six growth scenarios, the University confirms that “*Scenario 1 and 2’s low level of growth is highly unlikely*” [paragraph 18]. The University’s 2018 representations concluded that Scenario 3 or 4 was the minimum likely scenario for prudent long-term growth planning at this stage of the Local Plan; and that Scenario 5 and 6 were foreseeable given the University’s reputation and the fact that these are less than (Scenario 5) or equal (Scenario 6) to the actual growth over the last decade. The update notes that average growth in student numbers over the last ten years has been at about 4% per annum.
- 6.21 It therefore does not seem unreasonable to assume that the University’s growth rate is likely to range from between 1.25% and 4% per annum over the period to 2038.
- 6.22 Scenario 3, which assumed 1.25% student growth p.a. to 2038, and Scenario 4, which assumed 1.5% growth p.a. to 2038 were considered by O’Neill Associates to be “*the minimum prudent scenarios for planning purposes at this stage of the Local Plan*”. Scenario 5, which assumed 2% growth p.a., was also considered to be “*a realistic possibility given it is at a rate equal to half the growth the University has achieved over the last 10 years.*”
- 6.23 The growth scenarios modelled by O’Neill Associates were based on full-time-equivalent [FTE] students and was modelled forward from 2018/19 data. Given that growth in FTE students in recent years has been 4%, **we have assumed the higher Scenario 5 growth rate of 2% p.a. over the full Plan period to 2033 is justified for use in this analysis.** With a 2018/19 figure of 17,604 FT students in 2018/19, we have therefore applied a growth rate of 2% per annum to 2033. This equates to a growth of **6,719 students** on the 2016/17 FT student figure of 16,283.
- 6.24 As set out above, the YSJU 2026 Strategy document (2019) sets out that the University’s ambition is to grow to 10,000 students by 2026, a growth of 3,000 students from 7,000 in 2018/19 over a six-year period. Using the average proportion of full-time students at the University from the past six years of HESA data (totalling 90% of all students), this suggests it would be reasonable to work on the basis that 9,000 full-time students will be attending YSJ by 2026, an increase of **3,000 full-time students over the next 6 years**, or 500 students per year until 2025/26.
- 6.25 After 2025/26 we have no data regarding YSJU’s growth plans, so for the purposes of this analysis we have fixed the full-time student number at 9,000 for the remainder of the plan period to 2033 (i.e. zero growth post 2026).
- 6.26 Based on the above assumptions, the expected growth in full-time students over the 16-year Local Plan period 2016/17 – 2032/33 equates to **6,719** for the UoY and **3,645** for

York St John (these figures include three years’ growth already documented in Table 6.1 above, of 2,612 students between 2016/17 and 2019/20). This totals **10,364** additional FT students based at the two Universities over the 16-year plan period 2016/17 – 2032/33.

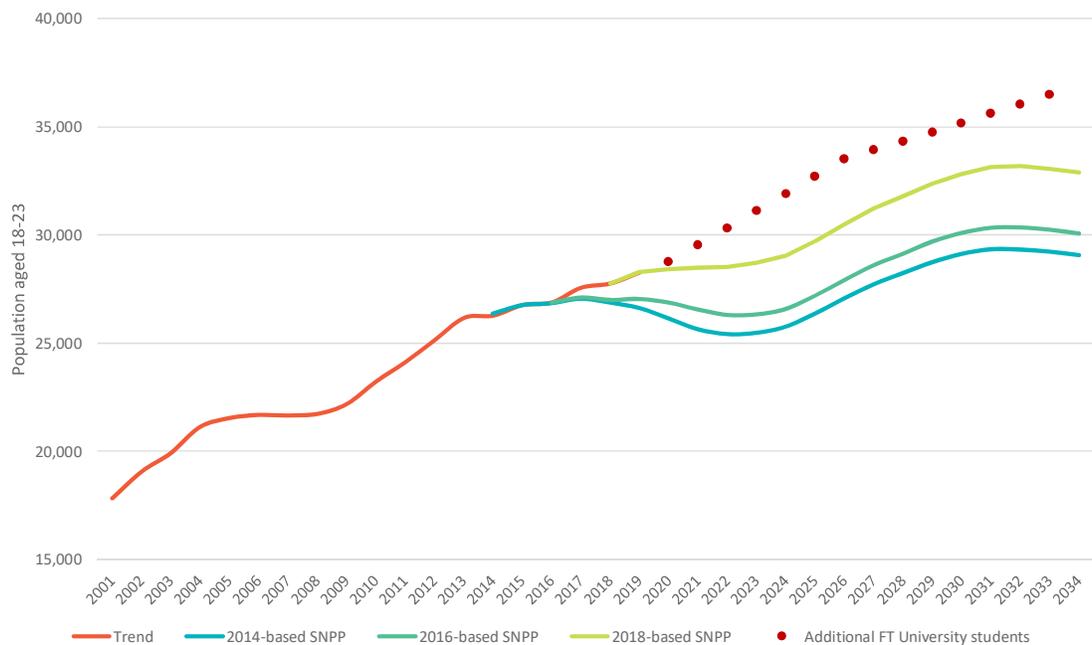
6.27 Applying the previous assumptions relating to students living at home or commuting to this generates an additional **9,299** full-time students living in York (i.e. 95% of UoY’s 6,719 FT students and 80% of YSJ’s 3,645 FT students).

Student Growth within the Demographic Projections

6.28 It is reasonable to assume that the 18-23 age cohort will represent the core student age group, particularly for under graduates. This was also the approach GL Hearn followed in its Guildford SHMA Update. Figure 5 illustrates that using either the 2014-based SNPP, the 2016-based SNPP, there is limited growth within this age cohort, particularly over the short to medium term, with growth principally occurring from 2025 onwards. There is stronger long-term growth projected in the 2018-based SNPP, but only after 2024 with growth flatlining before then.

6.29 Over the 16-year plan period 2016/17 to 2032/33, the projected growth of this age cohort is 5,507 residents (+20%) according to the 2018-based SNPP; by 3,118 residents (+12%) according to the 2016-based SNPP, or 2,149 (8%) using the 2014-based equivalents. In contrast, the number of full-time students attending the two Universities in York is expected to rise by 10,364 over the same time period, of whom 9,299 are expected to live in the City, an increase of **52.1% on the 2016/17 figure of 21,638 FT students** attending the two York Universities. This represents a rate of growth significantly higher than that of the age cohort in any of the projections.

Figure 5 Past and Projected Population Growth in York for residents aged 18-23



Source: ONS Mid-Year Population Estimates 2019/2014-based SNPP/2016-based SNPP

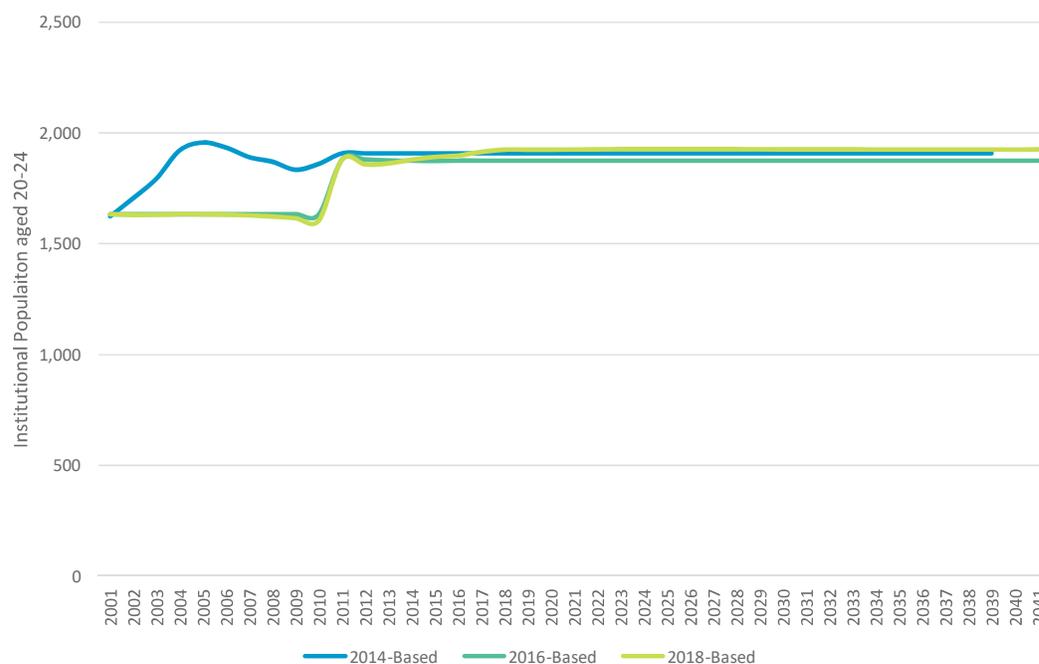
6.30 The Figure above includes growth in new student residents and also existing residents who are not in Higher Education. In an attempt to separate out the anticipated growth in

students alone in the projections, Figure 6 presents the growth of residents aged 20-24⁴⁰ living in communal establishments in the City of York up to 2039/41. Communal establishments include institutional accommodation such as residential care homes, army barracks, correctional facilities and (of particular relevancy for younger age groups) purpose-built student accommodation (i.e. halls of residence). It is therefore highly likely that most of the population aged 20-24 living in communal establishments can be considered to be students living in purpose-built C2 student accommodation.

6.31 The data indicates that post 2017, the number of residents aged 20-24 living in communal establishments is anticipated to stay constant, at 1,909 residents in the 2014-based SNHP, 1,874 in the 2016-based SNHP and around 1,925 in the 2018-based SNHP. There is therefore no change in the size of this cohort built into either set of projections over the plan period, and so growth in the numbers of students living in purpose-built accommodation clearly play no part in the ONS’s anticipated population growth for York residents shown in Figure 5.

6.32 From this, it could also be reasonably inferred that the ONS projections have not factored in the strong growth in student numbers at the 2 Universities into their projections, whether they are likely to be living in C2 student accommodation or renting in the private market. Furthermore, the projections suggest a lack of growth in the short-term, whilst growth effects later in the plan period are likely to be largely accounted for by a cohort effect rather than an increase in student migration.

Figure 6 Communal establishment population in York, aged 18-23, 2001-2035



Source: CLG 2014-based SNHP / ONS 2016-based SNHP / ONS 2018-based SNHP

6.33 Based on this analysis it is reasonable to assume that the rise in the student population would result in additional housing need over and above the need as determined by the 2018-based SNPP in isolation.

⁴⁰ The ONS / CLG data is grouped together in 5-year age cohorts including 20-24 and not 18-23 year olds; however, it is reasonable to assume that the trends exhibited for this slightly older age group represents a reasonable proxy for student growth

Additional Student Accommodation Needs

- 6.34 In GL Hearn’s 2017 Guildford analysis, 45% of new students were expected to be living in the private rental sector [PRS], based upon the University of West Surrey’s aspiration to house 50%-60% of its students within student accommodation.
- 6.35 Appendix B in The City of York Council’s 2015 *Housing Requirements Study*⁴¹ includes an analysis of the proportion of both universities’ students that are living in the PRS between 2010/11 and 2017/18. Over this period the average proportion of students living in the PRS was 56.6% of the total. This figure includes the assumptions relating to students living at home or commuting, and so must be applied to the total additional number of FT students, not just those living in York.
- 6.36 Applying this assumption to the combined university full-time student growth figure of 10,364 generates an estimated **5,866** additional full-time students likely to be living in the wider housing stock in York over the 16-year plan period, or **367** additional students per year.
- 6.37 On the basis of an average of 4 students per household (an assumption that was also used by GL Hearn in 2017⁴²), this equates to around **1,466** dwellings over the 16-year plan period; an average of **92 dpa** over the plan period 2016/17 - 2032/33.

Table 6.2 Additional student population requiring PRS dwellings in York 2016/17-2032/33

Measure	Total
Additional FT students	10,364
Additional FT students living in York	9,299
Additional FT students living in PRS in York	5,866
Additional dwellings needed	1,466
Additional dwellings needed p.a.	92

Source: Lichfields analysis

Conclusion

- 6.38 Based on this analysis, it cannot be assumed that the growth in the 18-23 age cohort in the latest population projections includes growth in student numbers, and therefore that there is adequate provision for new student housing within the OAHN. Following this, **it is our recommendation that an additional 92 dpa be factored into the City of York’s OAHN.**

⁴¹ Arup (2015): Evidence on Housing Requirements in York: 2015 update, Appendix B

⁴² GL Hearn (2017): West Surrey Strategic Housing market assessment: Guildford Addendum Report 2017

7.0 Factoring in the Backlog

- 7.1 The Explanation to Policy SS1 of the Proposed Modifications to the City of York Local Plan states that “*Following consideration of the outcomes of this work, the Council aims to meet an objectively assessed housing need of 790 new dwellings per annum for the plan period to 2032/33, including any shortfall in housing provision against this need from the period 2012 to 2017, and for the post plan period to 2037/38.*” [paragraph 3.3]
- 7.2 According to PM21a of that document, *the Update to Table 52: Housing Trajectory to 2033 to reflect the revised OAN of 790 dpa*, this shortfall to housing provision equates to 32 dwellings annually between 2017/18 to 2032/33, or 512 dwellings in total over the 16-year Plan period.
- 7.3 Based on the Council’s *Full Year Housing Monitoring Update for Monitoring Year 2018/19* Table 6, this appears to be based on a net dwelling gain of 3,432 dwellings between 2012/13 and 2016/17, against a requirement of 3,950 (790 x 5); therefore a 518 shortfall, or 32 annually.
- 7.4 The Companies have serious concerns regarding the accuracy of this calculation. It appears that the CoYC have included a very substantial amount of C2 student accommodation in these figures, thus reducing the amount of shortfall they include in the annual housing target.
- 7.5 The Housing Monitoring reports produced by the Council seek to legitimise this approach by referring to the PPG, which states that:
- “All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market...*
- To establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of students living in student only households, using the published census data. This should be applied to both communal establishments and to multi bedroom self-contained student flats. Studio flats in mixed developments designed for students, graduates or young professionals should be counted as individual completions. A studio flat is a one-room apartment with kitchen facilities and a separate bathroom that full functions as an independent dwelling”⁴³*
- 7.6 Setting to one side the fact that the household projections which GL Hearn has used to underpin its demographic modelling do not take full account of the needs of students, we are concerned that the Council’s approach is over-emphasising the contribution this source of accommodation is making to housing delivery.
- 7.7 For example, MHCLG publishes Table LT122 annually for every district in the country, which provides a robust and consistent indication of net additional dwellings. This is based on Housing Flows Reconciliation data that have been submitted by CoYC to MHCLG annually.

⁴³ ID-3-042-20180913

Table 7.1 Rate of net housing delivery in York, 2012/13-2019/20

Year	MHCLG Net Housing Completions (LT122)	Housing Delivery Test	Council's Local Plan Estimate	
			Net Dwelling Gain	+/-
2012/13	88	n/a	482	-394
2013/14	69	n/a	345	-276
2014/15	284	n/a	507	-223
2015/16	691	691	1,121	-430
2016/17	378	378	977	-599
2017/18	1,296	1,331	1,296	0
2018/19	449	451	449	0
2019/20	560	627	560	0
Total	3,815	-	5,737	-1,922

Sources: MHCLG LT122 (2021), Housing Delivery Test Results 2020 / EX_CYC_32_CYC_HFR v AMR Table 1

*Difference from HDT figure

7.8 To take an example for the year 2015/16, the Council has included an additional 579 units relating to two 'Off campus privately managed student accommodation sites'. The CoYC's Housing Monitoring Update for that year indicates that this includes 579 units on 2 developments, the Yorkshire Evening Press 76-86 Walmgate, for 361 units; and the Former Citroen Garage, 32 Lawrence Street.

7.9 Reference to the latter development (planning application reference 13/01916/FULM) indicates that not all of these units are self-contained under the MHCLG's definition:

*"The new managed student accommodation will create 58 student flats (5 and 6 person flats with communal kitchen/living/dining facilities) and 303 self-contained 'studio' flats along with a management suite (office, common rooms etc.), laundry and other ancillary facilities."*⁴⁴

7.10 Therefore, as a best case, this site should be contributing a maximum of 315 units (58/5 + 303), not 361 units – a difference of 46 units.

7.11 Similarly, the other student development included for 2015/16 on the former Citroen Garage (15/012440/FULM), also includes shared and self-contained flats:

*"The rooms therefore take a variety of forms self-contained or with shared facilities according to circumstances, to respect the heritage constraints and make the most of the accommodation."*⁴⁵

7.12 There are also other inconsistencies with the MHCLG's data; so, for example in the CoYC's 2016/17 Housing Land Monitoring Report Update, Table 3 indicates that 977 housing completions were delivered net, compared to just 378 recorded by MHCLG – a **difference of 599 units**. Yet only a proportion of this difference can be explained by the C2 student accommodation, as only 152 units are attributed to this source in Table 3, compared to 571 units from residential use class C3 approvals, plus 252 from relaxed Permitted Development Rights. It is unclear why the MHCLG's figures are so different to the Council's, given that they are both supposed to have been provided by CoYC Officers. The only explanation given by the Council⁴⁶ is that "Gaps were evident in the data as not all site completions were recorded due to time lags in receiving information from sites covered by private inspection or no receipt of any details at all."

⁴⁴ Design and Access Statement for Walmgate Student Castle Development, ref: 13/01916/FULM, paragraph 8.02

⁴⁵ Design and Access Statement for St Lawrence WMC, ref: 15/02440/FULM, paragraph 6.2.2

⁴⁶ EX_CYC_32_CYC_HFR v AMR

- 7.13 Essentially, if the MHCLG figures had been used, then instead of a 518 under supply to be made up over the remainder of the plan period from 2017 (32 dpa added onto the 790 dpa OAHN), the shortfall would be 2,440 dwellings, or 153 dpa over 16 years – a very significant uplift to the OHAN (to 943 dpa).

8.0 **Analysis of the Forward Supply of Housing**

Introduction

- 8.1 Since the Local Plan Proposed Modifications consultation in June 2019 the Council has released a Strategic Housing Land Availability Assessment [SHLAA] Housing Supply and Trajectory Update (April 2021). The 2021 SHLAA Update contains a housing trajectory which sets out the anticipated delivery rates of draft allocations. It also reviews the evidence provided in the 2018 SHLAA supporting the assumptions for strategic allocations in relation to build out rates and implementation taking into consideration the current timescale of the Local Plan examination.
- 8.2 This section critiques the assumptions which underpin the currently claimed housing land supply. It also reiterates points made on behalf of our clients on other components of the Council's housing land supply, which have been carried forward since the previous version of the SHLAA. It is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

Delivery Assumptions

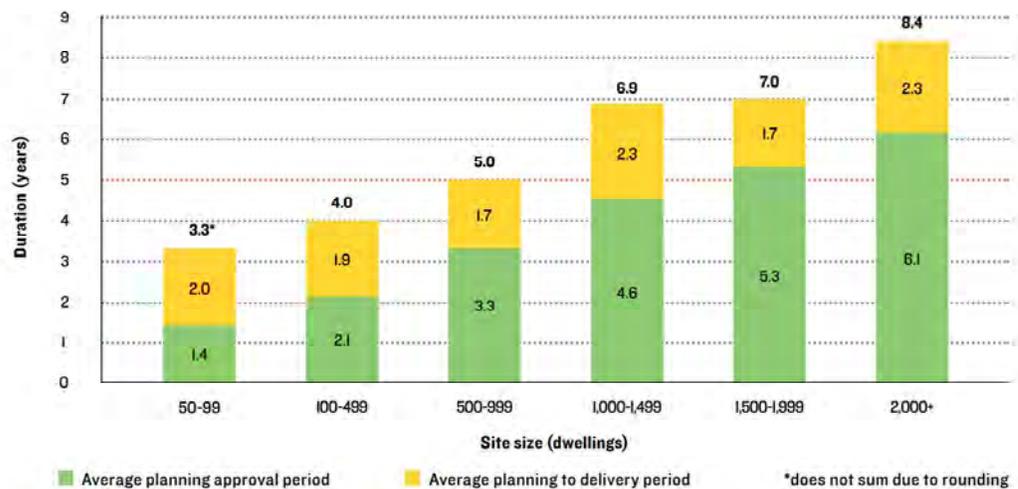
Lead-in Times

- 8.3 The timescales for a site coming forward are dependent on a number of factors such as a developer's commitment to the site and the cost, complexity and timing of infrastructure. Whilst housebuilders aim to proceed with development on sites as quickly as possible, lead-in times should not underestimate inherent delays in the planning process (e.g. the approval of reserved matters and discharge of planning conditions) as well as the time taken to implement development (e.g. complete land purchase, prepare detailed designs for infrastructure, mobilise statutory utilities and commence development).
- 8.4 The standard lead-in times should only be applied to sites where developers are actively pursuing development on a site and preparing the necessary planning application. The standard lead-in time should not be applied universally and a degree of pragmatism and realism should be applied. Sites where developers have shown limited commitment, for example, should be identified as being delivered later in a trajectory.
- 8.5 In addition, another fundamental element in calculating appropriate lead-in times relates to the size and scale of a site. As a generality, smaller sites commence delivery before larger sites. Larger sites often have more complex issues that need to be addressed and require significantly greater infrastructure, which must be delivered in advance of the completion of housing units. In some cases, the lead-in time on brownfield sites can be greater given the time required for decommissioning services, demolition, dealing with ground contamination etc.
- 8.6 The 2018 SHLAA sets out the lead-in times which have been applied by the Council in respect of their housing trajectory. The lead-in times are based upon evidence contained within Annex 5 of the 2018 SHLAA ('SHLAA Assumptions for Evidence Bases'). The Council states that smaller – medium sites are more likely to come forward within 12

months, larger and ‘exceptionally’ large sites are more likely to be 12-18 months at a minimum.

- 8.7 The Council undertook a Housing Implementation Survey in 2015 to help draw together information regarding lead-in times. Our review of these lead-in times suggest that the overall conclusions do not reflect the full extent of the process from submitting a planning application to first completions on site. The lead-in times appear to be ambitious and do not provide a robust set of assumption to base the housing trajectory on.
- 8.8 The 2021 SHLAA Update states that draft allocations without consent have been given estimated delivery assumptions based on the latest consultation responses and/or estimated lead-in times and build-out rates based on the Housing Implementation Study.
- 8.9 Lichfields has undertaken extensive research on lead-in times on a national level with the publication of ‘Start to Finish’ and its subsequent 2020 Update⁴⁷, which contains robust evidence on typical lead-in times and build-rates. These findings are quoted elsewhere within Lichfields’ research such as Stock and Flow⁴⁸ which the Council itself refers to in Annex 5 of the 2018 SHLAA. Whilst the Council has referenced this research it is unclear if the findings have been considered when formulating lead-in times. Whilst it is acknowledged by the Council that larger sites can have longer lead-in times it is unclear if any allowances have been made for large sites included within the housing trajectory.
- 8.10 It is considered that as a starting point the Council should consider the average lead-in times set out within ‘Start to Finish’ which are provided below:

Figure 8.1 Average Lead in Times



Source: Lichfields Analysis, Figure 4 of 'Start to Finish' (February 2020)

- 8.11 Lichfields has also provided commentary on lead-in times previously within previous Housing Issues Technical Papers (March 2018 and July 2019). This builds upon the findings of *Start to Finish* to provide more localised commentary. Like *Start to Finish*, an approach was taken to consider lead in times from the submission of the first planning application to the first completion on site. Table 8.1 provides a summary of these findings.

⁴⁷ Nathaniel Lichfield & Partners (February 2020): *Start to Finish: What factors affect the build-out rates of large scale housing sites? Second Edition*

⁴⁸ Nathaniel Lichfield & Partners (January 2017): *Stock and Flow: Planning Permissions and Housing Outputs*

Table 8.1 Lead in Times

Stage of Planning	0-250 units	250-500 units	500+ units
Full Planning Permission	1 year	1.5 years	2 years
Outline Planning Permission	1.5 years	2 years	2.5 years
Application Pending Determination	2.5 years	3 years	3.5 years
No Planning Application	3 years	3.5 years	4 years

Source: Lichfields

- 8.12 Both *Start to Finish* and the assumptions set out within the *Housing Issues Technical Paper* demonstrate that the Council’s approach to lead-in times is not robust. There are examples within the trajectory which we consider demonstrate that the Council’s current assumptions are ambitious. This includes the proposed lead-in times for proposed allocations ST14 and ST15.
- 8.13 For example, ST14 (Land west of Wigginton Road) has a proposed capacity of 1,348 dwellings and currently there is no application being determined by the Council. The 2021 SHLAA Update (Figure 3) suggests first completions on the site in 2022/23. Assuming an outline application is submitted in 2021 and following *Start to Finish*, it would be expected that first completions would be in 2027 (6.9 years).
- 8.14 Similarly, ST15 (land west of Evington Lane) is a proposed new settlement with a capacity of 3,330 dwellings within the emerging plan. The 2021 SHLAA Update suggests first completions on the site in 2023/24 but indicates that no application has been submitted to date. There would be significant upfront infrastructure requirements before any housing completions took place. If an outline application is submitted in 2021, and following *Start to Finish*, it would be expected that first completions would be in 2029 (8.4 years).
- 8.15 It is considered that the position set out above should be adopted when considering lead-in times. The Council’s current approach does not provide a realistic or robust position when considering likely lead-in times. The Council should provide clear justification if there is a departure to these timescales.

Delivery Rates

- 8.16 Whilst housebuilders aim to deliver development on site as quickly as possible, in a similar fashion to the lead-in times outlined above, the annual delivery rate on sites will depend on a number of factors including overall site capacity.
- 8.17 Within the 2018 SHLAA the Council has taken the approach to apply a build out rate to site allocations of 35 dwellings per outlet, per annum. This is applied in multiples as the number of outlets are likely to increase. For larger schemes the Council envisage that there could be up to four outlets after the initial infrastructure phase has been completed. This standard build-out rate has been carried forward in the 2021 SHLAA Update Trajectory (Figure 3) on sites where alternative build-out rates from site promoters have not been used.
- 8.18 It is considered that the Council’s approach is a reasonable starting point. However, research undertaken by Lichfields demonstrates that build rate assumptions are more complex. Whilst it is acknowledged that larger sites can support more outlets, this isn’t always the case and will be influenced by the size, form and housing mix of the development. Overall market absorption rates mean the number of outlets is unlikely to be a fixed multiplier in terms of number of homes delivered.

8.19 Lichfields has provided commentary on delivery rates previously with the Housing Issues Technical Papers (March 2018 and July 2019). In our experience, sites with a capacity of less than 250 units are built out by one housebuilder using one outlet. As such, a reasonable average annual delivery rate in York is 40 dpa for sites with a capacity of less than 250 units. However, on sites of less than 100 units we have assumed a lower delivery rate of 25 dpa as these sites will generally be delivered by smaller housebuilders.

8.20 Generally, in York, on sites with a capacity of between 250 units and 500 units, there is often a second developer (or national housebuilders use a second outlet) delivering units simultaneously. As such, annual delivery rates increase but not proportionately to the number of housebuilders or delivery outlets. In our experience in the current market, sites with 2 outlets deliver approximately 65 dpa.

8.21 Finally, on large-scale sites with a capacity of more than 500 units, there are often up to three housebuilders or outlets operating simultaneously. As before, this does not increase delivery proportionately, but it can be expected that three outlets operating simultaneously on a large scale would deliver approximately 90 dpa.

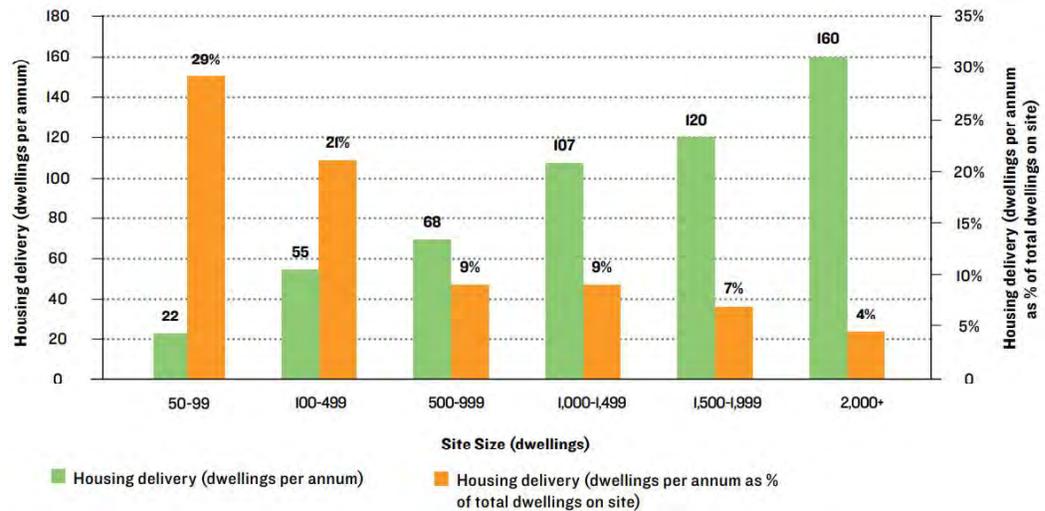
Table 8.2 Annual Delivery Rates

	0-100 units	100-250 units	250-500 units	500+ units
Annual Delivery	25 dpa	40 dpa	65 dpa	90 dpa

Source: Lichfields

8.22 Furthermore, *Start to Finish* analyses build rates based on national research. Whilst the findings shown in Figure 8.2 are average figures, it demonstrates that large sites do not necessarily deliver more homes on an exponential basis.

Figure 8.2 Housing Delivery Rates



Source: Lichfields analysis, Start to Finish

8.23 Lichfields considers that it would be appropriate to apply the delivery rates identified above. The quantum of delivery of units on a site can be affected by a significant number of factors including local market conditions, general economic conditions, proximity to competing site, housing market area, type and quality of unit and the size of the development. There will be a number of sites in York that will experience higher annual delivery rather than the averages outlined above but there will also be a number of who

deliver below the average also. It is therefore important not to adopt an average delivery rate which may only be achieved by a small minority of the strategic sites.

Density Assumptions

- 8.24 The 2021 SHLAA Update does not confirm what density assumptions have been used to calculate the capacity of allocated sites. However, we would reiterate our previous concerns with the assumptions identified in the 2018 SHLAA (page 22) which sets out the density assumptions for each residential archetype.
- 8.25 It is considered that the proposed densities are overly ambitious and will not be achieved on average on sites throughout York. For example, from our experience, it is not anticipated an average density of 50dph on sites of 1ha+ with a gross to net ratio of 95% can be achieved. Meeting open space requirements alone will preclude this ratio. There will be a very limited number of examples where this density has been achieved but a more appropriate and conservative figure should be pursued in the absence of firm details from a developer. The gross to net ratio at most should be 85%, although this can reduce to less than 60% for larger developments with significant infrastructure requirements.
- 8.26 Secondly, it is considered that a density of 40dph on suburban sites is highly aspirational and is unlikely to be achieved across a significant number of sites. This density is characterised by housing for the smaller households and thus not suitable for family accommodation. Our housebuilder clients and local intelligence has reaffirmed our concerns with the proposed average densities. Unless there is specific evidence to the contrary the default density on suburban sites should be 35 dph.
- 8.27 Assumptions on development densities in the absence of specific developer information should err on the side of caution and we consider that the details in the 2018 SHLAA are at variance with this principle.

Components of the Housing Supply

Allocations

- 8.28 The Framework (2012) stresses the intention of the Government to significantly boost the supply of housing. As a consequence, the focus of national policy is to ensure the delivery of housing and in that context. The Framework advises that Local Planning Authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land (paragraph 47).
- 8.29 The definition of deliverability as set out within the NPPF states that to be considered deliverable:

“sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires,

unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans. ” [Footnote 11]

8.30 The Planning Practice Guidance (PPG) sets out further guidance in respect of what constitutes a deliverable site.

8.31 It states:

“Deliverable sites for housing could include those that are allocated for housing in the development plan and sites with planning permission (outline or full that have not been implemented) unless there is clear evidence that schemes will not be implemented within 5 years.

However, planning permission or allocation in a development plan is not a prerequisite for a site being deliverable in terms of the 5-year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. If there are no significant constraints (e.g. infrastructure) to overcome such as infrastructure sites not allocated within a development plan or without planning permission can be considered capable of being delivered within a 5-year timeframe.

The size of sites will also be an important factor in identifying whether a housing site is deliverable within the first 5 years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust 5-year housing supply”.

8.32 When assessing a 5-year supply position, it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community’s need for housing.

8.33 The Council should adopt a more cautious approach when seeking to include strategic allocations within the five-year supply. It is considered that a number of the proposed allocations do not have a realistic prospect of delivering housing within the next five years when applying more robust assumptions in terms of lead-in and build rates.

Sites with Planning Permission

8.34 It is now a standard approach that sites with planning permission should be included in the supply (unless there is a good reason to exclude them) whereas sites without planning permission should be excluded (unless there is a good reason to include them). This interpretation is entirely logical as the absence of a planning permission is a clear impediment to development, which is contrary to the test that land should be available now.

Non-Implementation Rate

8.35 In the 2021 SHLAA Update, the Council apply a 10% non-implementation rate to extant planning permissions and site allocations identified for housing development. The evidence which underpins the Council’s justification is set out within Annex 5 to the 2018 SHLAA. The addition of the non-implementation is welcomed and is in line with approaches taken elsewhere when reviewing housing delivery.

8.36 Figure 3 of the 2021 SHLAA Update provides a detailed housing trajectory table which applies this 10% non-implementation rate. We consider that this table should also be included in the Local Plan as it sets out in detail how the Council’s housing supply has been derived.

Windfalls

8.37 The Council’s position on windfall allowance is based upon the Windfall Update Technical Paper (2020) which can be found at Annex 4 of the 2021 SHLAA Update. The Council claims that 182dpa will be delivered on windfall sites from Year 3 of the trajectory (2023/24) and provides justification for their windfall allowance within the Windfall Update Technical Paper.

8.38 The Framework⁴⁹ sets out the local planning authorities may make allowance for windfall sites in the 5-year supply if they have compelling evidence that they will provide a reliable source of supply. Furthermore, any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends.

8.39 Lichfields accept that windfalls should be included in the overall housing delivery trajectory but only consider that they are appropriate **outwith the first 5-year period**. The inclusion of a significant windfall figure in earlier years increases the likelihood of artificially inflating the housing delivery figures in year 3. It does not account for any potential delays to the build-out of sites with extant consent. As such, the windfall allowance should be amended to only make an allowance from Year 6 (2025/26) onwards.

8.40 The Council considers that an annual windfall of 182 dpa is appropriate to take account of potential delivery on sites of <0.2ha and completions on change of use and conversion sites. This is based on completion data from the last 10 years (2010/11 to 2019/20) and comprises the sum of the mean average figures for these two categories of windfall development (43 dpa and 139 dpa).

8.41 However, the figure of 182 dwellings has only been achieved four times over the past 10 years. In addition, there has been a steady decline of windfall completions for these two categories since a peak in 2016/17. This is during a period when the application of a very tight inner Green Belt boundary has precluded urban edge development at a time of ever-increasing housing demand. In such circumstances it would have been an ideal period for windfall development to increase; but it did not. There is therefore no justification for such a high allowance.

8.42 In relation to the delivery on sites of <0.2ha, Lichfields considers that the proposed windfall allowance is too high because tightly defined settlement boundaries in York and surrounding settlements means there is a finite supply of sites which can come forward. This supply has been curtailed over recent years by the change in definition of previously developed land (June 2010) to remove garden sites. The average of 43 dwellings has only been achieved four times over the past 10 years and is skewed by an unusually high figure in 2018/19 of 103 dwellings. If this anomaly is excluded the average figure is 36 dpa.

8.43 In relation to the delivery from conversions, the average completion figure since 2014 is largely dependent on the changes to permitted development rights introduced in 2013. As a consequence, it is considered that after an initial surge the conversion rate will revert back to the long-term average. It is likely that the optimum conversion sites will be completed in the short term and the less sustainable and attractive office developments in

⁴⁹ NPPF (2012) §48

York will not be converted. This trend can already be seen in the figures in Table 2 of the Windfall Update Technical Paper where conversions have dropped significantly since a peak in 2016/17. As such the average conversion rate from 2010/11 to 2014/15 of 68 dpa should be used.

- 8.44 Based on the above assessment it is considered that the proposed windfall allowance should be **reduced from 182 dpa to 104 dpa** which represents a far more realistic windfall allowance over the plan period. The incorporation of this figure would ensure that the Council’s trajectory is not artificially inflated, can be realistically achieved and would only be incorporated into the delivery trajectory at Year 6 (2025/26) to ensure no double counting.
- 8.45 It is considered that the Council’s information does not adequately justify a windfall allowance of 182dpa and does not provide sufficient certainty that this figure will be achieved over the plan period.
- 8.46 Therefore, in this instance we consider that it is not appropriate that the City of York includes a windfall allowance within the first 5 years of the plan period.

Under Supply

- 8.47 The PPG⁵⁰ states that the level of deficit or shortfall should be added to the plan requirements for the next five- year period where possible (Sedgefield approach). If LPAs are minded to deal with the shortfall over a longer period (Liverpool method) the Practice Guidance advises that Local Authorities work with neighbouring authorities under the duty to cooperate.
- 8.48 The 2021 SHLAA Update states that the Council has adopted the ‘Liverpool’ method when dealing with past under delivery. Whilst the Council state there are ‘local circumstances’ which warrant a longer-term approach, it is not clear where the justification is which warrants the Liverpool method being adopted. It is considered that further information should be provided by the Council which justifies a departure from addressing the shortfall within the next five- year period.
- 8.49 In line with both the 2014 and latest 2019 iterations of the PPG, Lichfields considers that the Council should deal with backlog in full against planned requirements within the first 5 years of the plan period (i.e. the ‘Sedgefield’ approach to backlog).
- 8.50 Table 8 of the 2021 SHLAA Update provides historic housing completions for the period 2012/13 to 2019/20). The 2021 SHLAA Update states that the inherited shortfall from the period between 2012/13 – 2019/20 is 479 dwellings (37 dpa). However, in relation to this shortfall it states⁵¹:

“In considering shortfall, there is a negligible difference between the previous and latest outcomes of an additional 5 dwellings per annum. Over the remaining 13 years of the Plan, this constitutes an additional 65 dwellings.

As a result the Council consider that the proposed housing requirement of 822 dpa (790 dpa +32) should continue to be the housing requirement for York over the plan period (2017-2033). As the updated trajectory takes into consideration the completions 2017-2020, the 65 dwelling undersupply forms part of the remaining housing need to be delivered against which the supply is seeking to deliver. It is therefore considered that this will be addressed over the plan period”.

⁵⁰ Paragraph: 035 Reference 3-035-20140306

⁵¹ Strategic Housing Land Availability Assessment: Housing Supply and Trajectory Update April 2021 §§ 6.15-6.16

- 8.51 The Council has therefore applied an undersupply of 416 dwellings (32 dpa x 13 years).
- 8.52 Table 4.1 of this report shows past delivery against the Council’s possible policy benchmarks for the period 2004/05 – 2019/20. It demonstrates that the inherited shortfall could be significantly higher than current accounted for by the Council. This will have an impact on the Council’s five- year supply calculation, with the potential requirement for more sites to be identified to meet the undersupply and the housing requirement moving forward.

Application of the Buffer

- 8.53 As shown elsewhere in this report, the Council has a record of persistent under-delivery in recent years. The Council also confirms that there is a history of under-delivery within the 2021 SHLAA Update. In line with paragraph 47 of the NPPF (2012) the Council should apply a 20% buffer to provide a realistic prospect of achieving the planned supply. This is supported by the 2020 Housing Delivery Test results, which also indicate that a 20% buffer should be applied for the City of York.
- 8.54 In respect of applying the buffer, it should be applied to both the forward requirement and the under-supply. This approach accords with the Framework, which suggests that the buffer should be added to the total requirement which would, inevitably, include any under delivery from earlier years. In this regard, the purpose of the buffer is to increase the supply of land; it does not change the number of houses required to be built within that period. Put simply, the buffer is not, and it does not become, part of the requirement; it is purely a given excess of land over the land supply necessary to permit the identified need for housing to be delivered.

Calculating Housing Land Supply

- 8.55 The 2018 SHLAA included a five-year housing land supply calculation (in Table 6 of the document). An updated calculation to reflect the latest requirement and supply position has not been provided in the 2021 SHLAA Update. However, we set out below our understanding of the Council’s housing land supply calculation for the five-year period using data available in the 2021 SHLAA Update, including Figure 3 of that document.
- 8.56 The calculation in Table 8.3 is for illustrative purposes only and is based on the Council’s own completion figures without any amendments. We have utilised the Council’s OAHN assumption of 790 dpa and assumptions on inherited shortfall (479 dwellings over 13 years) and applied the Liverpool method from the 2021 SHLAA Update as well as the Council’s projected completions.

Table 8.3 Five year housing land supply calculation - based on figures within 2021 SHLAA Update

Five year housing land supply calculation		Dwelling Number
A	Annual housing target across the Plan period	790
B	Cumulative target (2020/21-2024/25)	3,950
C	Inherited shortfall (2020/21 - 2024/25) (Liverpool method)	184
D	20% buffer	827
E	Five- year requirement (B+C+D)	4,961
F	Total estimated completions (2020/21 -2024/25) (with windfalls and 10% non-implementation)	5,671
G	Supply of deliverable housing capacity	5.72 years

8.57 Table 8.4 sets out the Council’s 5YHLS for the period 2020/21 – 2024/25 utilising the Council’s OAHN assumption of 790 dpa but utilises the ‘Sedgefield’ approach of addressing the full backlog of 479 dwellings in the first 5 years. The windfall allowance has also been excluded for the reasons set out within this report. Again, a 20% buffer has been applied (which the 2021 SHLAA Update accepts is appropriate) and again the calculation uses the Council’s projected completions from the 2021 SHLAA Update. As a comparison, we have included a secondary column based on Lichfields’ estimated OAHN from the analysis elsewhere in this report, plus the additional backlog that would arise.

Table 8.4 Five-year housing land supply calculation - Lichfields OAHN

5-year housing land supply calculation		Council’s OAHN	Lichfields’ OAHN
A	Annual housing target across the Plan period	790 dpa	1,010 dpa
B	Cumulative target (2020/21-2024/25)	3,950	5,050
C	Inherited shortfall (2020/21 - 2024/25) (Sedgefield method)	479	2,239
D	20% buffer	886	1,458
E	Five- year requirement (B+C+D)	5,315	8,747
F	Total estimated completions (2020/21 - 2024/25) (with 10% non-implementation included and windfalls excluded)	5,307	5,307
G	Supply of deliverable housing capacity	5.00 years	3.03 years

Source: Lichfields analysis

8.58 Table 8.4 clearly shows that the Council can only demonstrate a very marginal 5YHLS when the ‘Sedgefield’ approach is applied and windfalls are excluded from the calculation. In addition, we note that this calculation does not factor in our comments on other matters in this document which would significantly reduce the Council’s supply.

8.59 For the reasons identified, we consider that the Council’s OAHN is too low and should be increased. When the OAHN is increased to a reasonable level of 1,010 dpa (virtually identical to the Government’s standard methodology figure for the Borough, which is 1,013 dpa), the Council’s 5YHLS position falls to an abject 3.0 years.

8.60 We also have concerns with the Councils approach to calculating historic completions, which may be depressing the backlog figure. The calculations above also use the Council’s evidence base in terms of projected completions from the 2021 SHLAA Update. If our comments on lead-in times and delivery rates were applied to the delivery from these sites, the supply from them would be significantly lower.

8.61 Taking these factors into consideration, we consider that the Council’s housing supply is likely to be insufficient to demonstrate a 5YHLS. An uplift in supply is required in order to meet the housing requirement.

8.62 The only way to address this shortfall is the identification of further land which is capable of delivering dwellings over the next five years of the plan period. However, the Council could easily rectify this situation by proposing main modifications to identify additional allocated sites in the Local Plan.

8.63 Lichfields reserves the right to interrogate the Council’s supply in more detail prior to the Examination should this information be provided.

Conclusion

- 8.64 Lichfields has undertaken an analysis of the 2021 SHLAA Update and Proposed Modifications to the Local Plan which sets out the assumptions used to calculate the Council's housing land supply.
- 8.65 The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. Lichfields has concerns that the way in which the Council has calculated historic housing completions, shown within Table 8 of the 2021 SHLAA Update is flawed and is inflated through the inclusion of privately managed off-campus student accommodation that do not meet the varied housing needs of the City's residents. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.
- 8.66 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved.
- 8.67 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.
- 8.68 Lichfields reserves the right to update the above evidence as and when further information becomes available.

9.0 **Conclusions on the City of York’s Housing Need / Supply**

Introduction

9.1 In practice, applying the 2012 NPPF requires a number of key steps to be followed in order to arrive at a robustly evidenced housing target:

- The starting point for Local Plans is to meet the full objectively assessed development needs of an area, as far as consistent with the policies set out in the Framework as a whole [§6, §47 & §156].
- An objective assessment of housing need must be a level of housing delivery which meets the needs associated with population and household growth, addresses the need for all types of housing including affordable and caters for housing demand [§159].
- Every effort should be made to meet objectively assessed needs for housing and other development, and there should be positive response to wider opportunities for growth. Market signals, including affordability should be taken into account when setting a clear strategy for allocating suitable and sufficient land for development [§17].
- In choosing a housing requirement which would not meet objectively assessed development needs, it must be evidenced that the adverse impacts of meeting needs would significantly and demonstrably outweigh the benefits, when assessed against the policies within the Framework as a whole; unless specific policies indicate development should be restricted [§14].
- Where an authority is unable to meet its objectively assessed development needs or it is not the most appropriate strategy to do so, e.g. due lack of physical capacity or harm arising through other policies, it must be demonstrated under the statutory duty-to-cooperate that the unmet need is to be met in another local authority area in order to fully meet development requirements across housing market areas [§179 & §182 bullet point 1].

9.2 It is against these requirements of the Framework which the City of York’s housing need must be identified.

Revised Housing Requirement

9.3 There are a number of significant deficiencies in the Councils approach to identifying an assessed need of 790 dpa in the HNU which means that it is not soundly based. The scale of objectively assessed need is a judgement and the different scenarios and outcomes set out within this report provide alternative levels of housing growth for the City of York. Lichfields considers these to be as follows:

- 1 **Demographic Baseline:** The 2018-based household projections indicate a net household growth of just 302 dpa between 2017 and 2033 (including a suitable allowance for vacant/second homes). Quite rightly, GL Hearn then models alternative migration variants, including the 10-year trend scenario, which it then takes forward as its preferred scenario. Whilst this is generally appropriate, we consider that GL Hearn should also have concerned modelling the High International variant produced by ONS, which produces a level of net international migration more

in keeping with longer term trends. It is likely that this would have increased the demographic baseline figure. We do agree with GL Hearn, however, that it is appropriate in this instance to apply accelerated headship rates to the younger age cohorts, which takes the demographic starting point to 669 dpa.

- 2 **Market Signals Adjustment:** GL Hearn’s uplift is assumed to be 15% based on their earlier reports for CoYC, although this has not been revisited in their 2020 HNU. However, for the reasons set out in Section 4.0, Lichfields considers that a greater uplift of at least 25%, and probably higher, would be more appropriate in this instance given that the current SM2 uplift is 25%. This should be applied to the revised demographic starting point of 669 dpa and not the 302 dpa 2018-based SNPP, which would be entirely illogical given that GL Hearn themselves admit that the principle 2018-based projection is less robust for York. Even setting to one side the issue of whether the High International Variant projection should be used, this would indicate a need for **836 dpa**.
- 3 **Employment growth alignment:** The demographic-based projections would support a reasonable level of employment growth at levels above that forecast by the ELR Scenario 2 (which has informed the Local Plan) and past trends. As such, and notwithstanding our concerns regarding how GL Hearn has modelled the employment growth needs for the City, on the face of it no upward adjustment is required to the demographic-based housing need figure of 803 dpa to ensure that the needs of the local economy can be met;
- 4 **Affordable Housing Need:** The scale of affordable housing needs, when considered as a proportion of market housing delivery, implies higher levels of need well above 836 dpa. It is considered that to meet affordable housing needs in full (573 dpa), the OAHN range would need to be adjusted to 1,910 dpa @30% of overall delivery. It is, however, recognised that this level of delivery is unlikely to be unachievable for York. Given the significant affordable housing need identified in City of York Lichfields considers that a further 10% uplift would be appropriate in this instance and should be applied to the OAHN, resulting in a figure of **920 dpa**.
- 5 **Student Housing Needs:** household projections explicitly exclude the housing needs of students living in communal establishments. Furthermore, Lichfields’ critique of the projections clearly indicates that they do not adequately reflect the Universities’ student growth targets. It is calculated that meeting these growth needs would equate to around 1,466 dwellings over the 16-year Plan period, at an average of 92 dpa on top of the 920 dpa set out above (i.e. 1,012 dpa).
- 6 Rounded, this equates to an **OAHN of 1,010 dpa** between 2017 and 2033 for the City of York.
- 7 **Shortfall of housing delivery 2012-2017:** The Council is also making provision for past under-delivery between 2012 and 2017. Lichfields has serious concerns about how the CoYC have calculated past housing delivery. Setting to one side the very unusual and substantial discrepancies between the Council’s housing completions figures and MHCLGs, if Lichfields’ higher OAHN of 1,010 dpa is applied, this would result in a figure of **1,618, or 101 dpa** over the 16 year plan period, to be factored on top. **This would result in a Local Plan requirement of 1,111 dpa, which is not dissimilar to the 1,013 dpa figure that they would have been using with the current standard methodology.**

9.4 This allows for the improvement of negatively performing market signals through the provision of additional supply, as well as helping to meet affordable housing needs and supporting economic growth. Using this figure (of 1,010 dpa plus the unmet need 2012-

2017) would ensure compliance with the Framework by significantly boosting the supply of housing. It would also reflect the Framework, which seeks to ensure the planning system does everything it can to support sustainable development.

9.5 This process is summarised in Table 9.1.

Table 9.1 Approach to OAHN for the City of York 2017-2033

	Dwellings per annum (2017-2033)
Demographic Starting Point (2018-based SNHP)	302 dpa
Adjustments to Demographic-led Needs	669 dpa
Uplift for Market Signals	836 dpa (+25%)
Employment Led Needs	766 dpa – 779 dpa
Affordable Housing Needs	1,910 dpa*
10% Uplift to demographic led needs for Affordable Housing? (rounded)	920 dpa
Uplift to address Student Housing Needs	92 dpa
Adjusted OAHN (Rounded)	1,010 dpa
Inherited Shortfall (2012-2017) annualised over the Plan period	32 dpa – 101 dpa
Annual Target (inclusive of shortfall)	1,042 dpa – 1,111 dpa

*Based on an affordable housing net annual need of 573 dpa at a delivery rate of 30%

Revised Housing Land Supply

9.6 Lichfields has undertaken an analysis of the City of York’s updated SHLAA (2021) which sets out the assumptions used to calculate the Council’s housing land supply. We consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions. The Council states that the inherited shortfall from the period between 2012 – 2020 is 479 dwellings, based on an OAHN of 790 dwellings. We also consider that some of the suggested delivery rates on proposed allocations are unrealistic and not based on robust assumptions.

9.7 The evidence provided by the Council is not sufficient to demonstrate that the housing requirement over the first 5 years of the Plan will be achieved. When a more realistic OAHN of 1,010 dpa is factored into the calculation, as well as reasonable adjustments relating to windfalls and the Sedgfield approach to backlog, it is clear that the Council cannot demonstrate a 5YHLS. This could fall to as low as 3 years even before a detailed interrogation of the deliverability of sites is undertaken.

9.8 It is understood that there are a number of sites which are proposed to be allocated but have yet to have an application submitted. In order help ensure a 5YHLS, the Council should demonstrate that there is a realistic prospect that housing will be delivered on site within five years.

9.9 Lichfields reserves the right to update the above evidence as and when further information becomes available

