



**EXAMINATION OF THE CITY OF YORK LOCAL PLAN
2017-2033**

PHASE 1 HEARINGS

Matter 2 – The housing strategy

The objectively assessed need for housing

CITY OF YORK COUNCIL STATEMENT

The objectively assessed housing need

2.2 Policy SS1 and Paragraph 3.3 of the Plan say that the objectively assessed housing need ('the OAHN') is 867 dwellings per annum (dpa) in the Plan Area for the plan period to (2017 to 2033) (16 years). However, since the submission of the Plan for examination, the Council has put forward further evidence to indicate that the OAHN is now considered to be 790 dpa in the Plan Area for 2017 to 2033.

a) We understand that this calculation initially was derived from the conclusions of Technical Work carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017) [SD050] which updated the demographic baseline for York based on the July 2016 household projections. However, the revised OAHN is now based on further work undertaken by GL Hearn presented within the City of York – Housing Needs Update (January 2019) [EX/CYC/9]. Is this correct? Is this a robust evidential basis?

Response

- 2.2.1 Yes, the revised OAHN is based on the further work undertaken by GL Hearn in the January 2019 Needs Update. The revised OHN is based on robust evidence. As the PPG suggests, housing needs calculations should be informed by the latest available information (ID 2a-016-20150227). Whilst revised projections do not automatically result in a need to review the evidence “a meaningful change in the housing situation should be considered in this context”. Such was the difference between the 2016-based and 2014-based figures, this was regarded as a meaningful change, which was considered within the City of York Housing Needs Update (January 2019) [EX/CYC/9].
- 2.1.2 The Council has recognised that the Plan was being prepared under transitional arrangements which require consideration of household projections (as opposed to the standard methodology) and considered that it was appropriate to adopt the most recent data when calculating the OAN.
- 2.2.3 This work demonstrated a significant fall in the demographic need, but it was recognised that this population growth would not support forecast economic growth in the City. This required consideration of an economic led housing need.
- 2.2.4 As set out further in answer to question 2.3 this is a robust evidence-based approach.

b) Does the 13,152 total housing figure identified at the year ‘2032/33’ in the SHLAA Figure 6: Detailed Housing Trajectory Updated (790dpa OAHN) [EX/CYC/16] include meeting housing need arising in parts of adjoining districts (e.g. Hambleton, Harrogate, East Riding, Ryedale and Selby) which fall within the York Housing Market Area, as set out in the City of York Strategic Housing Market Assessment 2016 [SD051]?

Response

- 2.2.5 No, York is planning to wholly meet its housing demand of 790 dpa with an additional 32 dpa to take account of historic shortfall in the period 2012 to 2017. The 13,152 total housing figure at the year 2032/33 identified in the SHLAA Figure 6 Detailed Housing Trajectory Updated [EX/CYC/16] is therefore a capacity driven figure.
- 2.2.6 As set out in the SHMA 2016 [SD051] and Duty-to-cooperate [CD020, paras 4.48-4.51], a consistent approach was taken to identifying housing need by consultants GL Hearn who were jointly commissioned by CYC and several neighbouring authorities to develop a Strategic Housing Market Assessment (SHMA) for the area as a whole and individually following separate commissions by Selby District Council (SDC) (completed June 2015) and Harrogate Borough Council (HBC) (completed September 2015). The key conclusion identified that both York and Selby have relationships with each other in a HMA. However, given that SDC had already published their own SHMA and the Selby Core Strategy had been found sound following examination (with the Site Allocations DPD identifying allocations to meet the agreed need), it was deemed appropriate that the York Local Plan sought to meet the residual need for the remaining constituent part of the York and Selby HMA. Through the DTC both Selby and York agreed to meet their own housing needs within their administrative boundaries.
- 2.2.7 Engagement through the duty to cooperate processes by CYC with neighbouring authorities pursuant to delivering York’s housing requirements, did not identify the need for York to meet any unmet need from adjacent authorities. It was agreed that each authority should meet their own housing requirements within their own administrative areas identified through their individual SHMA.
- 2.2.8 The SHMAs for Ryedale and Hambleton were undertaken at the same time as York whereas the Selby SHMA and the Harrogate SHMA were undertaken beforehand. However they were undertaken using the same methodology.

- a) **Do the adjoining local planning authorities accept the initial OAHN of 867 dwellings per annum, as Policy SS1 indicates in the submission Local Plan? Do the adjoining local planning authorities accept the revised OAHN of 790 dpa, and if so, are they basing their housing need in the context of that OAHN figure?**

Response

- 2.2.9 Yes, the duty to cooperate statement [CD020] summarises engagement and agreement in relation to York’s OAHN of 867 dpa. There is an agreement amongst the Leeds City Region Authorities and North Yorkshire Authorities that each will plan to meet their own housing needs. The Regulation 22 Consultation Statement [CD013A] summarises the Regulation 19 consultation responses. Notably as part of this process and in recognition of the shared HMA, SDC confirmed through their consultation response that *“Discussions have been ongoing with City of York Council throughout the preparation of the Local Plan. As part of these discussions both Selby and York have agreed to meet their own objectively assessed housing need within their own authority boundaries”*.
- 2.2.10 The Duty-Cooperate Addendum [EX/CYC/22] and Regulation 22 Consultation Statement Addendum EX/CYC/23] summarise responses to the Proposed Modifications Consultation (2019), which included the revised OAN of 790dpa following the production of the Housing Needs Update (2019) [EX/CYC/14A]. Engagement as part of the Duty-to-Cooperate process reiterated neighbouring authorities view that York should meet its own housing need and unanimously agreed through their individual responses with the 790dpa based upon the published revised evidence base.
- 2.2.11 Since Post Modifications Consultation, it is important to note that:
- Harrogate is awaiting the Inspector’s report from their Local Plan examination. This has been delayed by the General Election. However they are currently planning to delivery 16,125 dwellings against a housing need of 13,377 dwellings.
 - Selby DC have made the decision to produce a new Local Plan and has recently updated their SHMA (GL Hearn, Feb 2019). This decision does not change Selby’s position to meet its own need within its own administrative boundary and there will be no need arising from SDC that York will be required to meet.

2.3 What methodological approach has been used to establish the OAHN, and does it follow the advice set out in the Planning Practice Guidance (under the heading ‘Methodology: assessing housing need’)? In particular:

a) The OAHN identified is founded on the 2016-based population projections as its starting point. What is the justification for using these projections? What is the justification for the household formation rates used to ‘convert’ the population projections into household projections? Overall, is the general approach taken here justified and consistent with the Planning Practice Guidance?

2.3.1 Yes, in relation to demographic growth the approach can be justified. As the Local Plan is to be assessed under the transitional arrangements as set out at paragraph 214 of the NPPF (Annex 1). “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.” Therefore the use of the former guidance rather than the standard method is correct.

2.3.2 NPPF Paragraph 158 states that each Local Planning Authority should ensure that the Local Plan is based on adequate, up to date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. The PPG states “Wherever possible, local needs assessments should be informed by the latest available information” (ID 2a-016-20150227). At the time of the last assessment the latest available evidence were the 2016-based SNPP and household projections. These showed that on a national and local level demographic projections had reduced from previous versions. The impact the latest MYE and looking at longer term trends would have on population growth was also examined. This use of the 2016-based projections has recently been tested and found sound in Guildford.

2.3.3 The 2016-based projections also represent ONS’ most up-to-date view on a range of issues including international migration, fertility and mortality rates. The ONS also claim that the methodology employed in this release includes “further methodological improvements including changes to source data is an improvement to previous versions.” This clearly suggests that these are best available projections to use.

2.3.4 Furthermore, if the MHCLG had thought that the 2016-based projections were not fit for purpose they could have stated this within their transitional arrangements which were published after the publication of the 2016-based projections. While the government changed has changed policy to make the out of date 2014 projections the basis for aspirational levels of housing growth, achieved using the standard method, no changes have been made to the transitional provisions in NPPF 2019. The decision to use, for now, the 2014

projections in association with NPPF2019 is a pragmatic one which involves no criticism of the 2016 figure per se and cannot justify ignoring latest information under transitional arrangements.

2.3.5 It is also clear from that had the Council not used the 2016-based projections then it would have come in for some criticism also. For example CPRE in their representation “welcomed the lower figure but thought this was still high in comparison to the current build out rate” [PM SID 160].

2.3.6 As demonstrated in Table 5 of the Housing Needs Update [EX/CYC/9] the 2016-SNPP project a lower rate of growth as the 2014-based SNPP and a slightly lower rate than that derived from historic trends. While the 2016-based SNPP has potentially under-estimated growth by a small amount (0.2%) there was clearly a larger over-estimation within the 2014-based version (1.1%) This is demonstrated by the table below which shows a far closer alignment between the reality of population growth to 2018 between the 2016-based SNPP and the 2014-based SNPP.

	MYE	2014-Based	2016-Based
2018 Population	209,893	212,100	209,400
Difference		2,207	-493
% Difference		1.1%	-0.2%

2.3.7 Given that the 2016-based SNPP was more closely aligned to estimated population growth to 2018 and took into account the most recent evidence on Migration, Fertility and Live Expectancy the decision to use these projections as a more realistic assessment of future growth is justified.

2.3.8 More recent data from the 2018-based National Population Projections suggest that, at a national level at least, population growth in the 2016-based projections has been over estimated. Over the next 10 years (2019-2029) population growth is projected to be 11% lower than projected in the 2014-based projections (data for England). This equates to over 300,000 persons nationally and while it is not yet possible to say what impact this would have in York it is unlikely to mean a return to levels shown in the higher levels 2014-based projections.

2.3.9 Taking the official population projections forward these were then translated this into a household growth. As 2.16 to 2.29 of the Housing Needs Assessment sets out, it is recognised that there are shortcomings in the 2016-based Household Projections in terms of continuing to suppress household formation rates in younger age groups.

2.3.10 In response to this apparent suppression the demographic growth is based on a part return to historic trends in household formation. This responds to the PPG which states “The household projection based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by undersupply and worsening affordability of housing” (ID 2a-015-20140306). This adjustment, as Table 6 of the SHMA update sets out, results in a housing need is 679 dpa. This represents a 40% uplift in housing need above those based on the 2016-based household projections alone (484 dpa). Therefore, any criticism of the 2016-based household projections and specifically their in-built constraints are nullified as they have not been used to give a final figure based on demographic growth.

b) Have market signals been taken into account?

Response

- 2.3.11 Yes, market signals have been into account albeit they have not been specifically and separately assessed through a discrete numerical contribution to the OAN figure. Market signals and affordable housing need have been approached as a single issue, as an improvement to local affordability (market signals) would have knock on effect on the need for affordable housing (i.e. as the affordability of the market improves more people can afford them). Furthermore, an improvement in the supply of affordable housing would also take some people out of the PRS market and potentially reduce pressure on it.
- 2.3.12 While the Housing Needs Update [EX/CYC/9] recognises a range of affordability issues in the City of York (see Chapter 4) no further adjustment beyond that already made for economic need is made to take account of these signals (the approach to economic need is set out below). This is because the increase as a result of economic growth is so significant that a further increase is not warranted. The PPG states that “The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals” and that the “Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.” This suggests that any other uplifts which have the same effect in increasing need above the start point would also constitute a market signals adjustment. As the economic led need of 790 dpa is 63% above the latest official household projections (484 dpa). It was therefore concluded that no further uplift was required.

2.3.13 This same approach to Market Signals was accepted in Guildford where the inspector noted; File Ref: PINS/Y3615/429/11]:

“The question arises as to whether there should be a further adjustment for affordability on top of the adjustments for jobs growth and students. Guildford’s lower quartile housing affordability ratio stood at 12.76 in 2017, up from 10.9 in the 2015 SHMA. This represents a pressing affordability problem both in absolute terms and as a trend. However, the figure of 562 dpa (including students) amounts to a 79% uplift over the demographic starting point of 313 dpa and is a significant increase above historic housing delivery rates; it can be expected to improve affordability and will boost the supply of housing in accordance with Government policy

2.3.14 The approach can also be considered by comparing the economic-led OAN figure with a putative market uplift figure. In relation to the magnitude of the uplift the guidance is silent other than to the adjustment should be “reasonable” adding that “The more significant the affordability constraints ...the larger the additional supply response should be” [ID 2a-020-20140306]. Typically uplifts range from 10% to 20% and in some extreme cases 30%.

2.3.15 Paragraph 4.34 of the HNA update of 2019 [EX/CYC/9] suggested that an uplift for market signals of 15% would be appropriate in York and that this would take the estimated OAN up to 557 dpa. A higher uplift of (say) 30% would have derived an OAN of 629 dpa. Both of these figures are significantly lower than the OAN calculated when linked to economic growth.

2.3.16 The economic based OAN of 790 dpa is 63% higher than the ‘starting point’ of 484 dpa (including a vacancy allowance) and therefore a further uplift is not necessary. This same approach to Market Signals was suggested in Guildford where the inspector noted; File Ref: PINS/Y3615/429/11]:

“The question arises as to whether there should be a further adjustment for affordability on top of the adjustments for jobs growth and students. Guildford’s lower quartile housing affordability ratio stood at 12.76 in 2017, up from 10.9 in the 2015 SHMA. This represents a pressing affordability problem both in absolute terms and as a trend. However, the figure of 562 dpa (including students) amounts to a 79% uplift over the demographic starting point of 313 dpa and is a significant increase above historic housing delivery rates; it can be expected to improve affordability and will boost the supply of housing in accordance with Government policy.”

2.3.17 It is also worth reiterating that the use of the part return to trend HFR which take the economic led housing need from 590 dpa, based on 2016-based

rates, to 790 dpa, is also a significant adjustment which will address local affordability issues (Table 7 in the Housing Needs Update [EX/CYC/7]).

c) Have employment trends been taken into account? If so, how, and what conclusions are drawn in this regard?

Response

- 2.3.18 The growth has not been linked specifically to employment trends. The PPG (ID 2a-018-20140306) reads that “Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate”. It is therefore a valid approach to examine economic forecasts alone.
- 2.3.19 Economic forecasts provide a more robust assessment of economic growth than one based purely on past trends. This is because past trends could be influenced by specific growth/closure at one or more locations which may not be extrapolated. Depending on the time period on which these trends are drawn they could also reflect macro trends recessionary trends or trends linked to a boom in the digital economy neither which may not happen again over the plan period.
- 2.3.20 While employment trends have some merit, the quality of these trends depends on the quality of the data which underpins them. Typically employment trends are based on the Business Register and Employment Survey) the quality of which can vary from location to location depending on the quality of the returns. Unfortunately in York the data does seem to be inconsistent.
- 2.3.21 For example there are significant year on year variations which do not bear any resemblance to reality. In the last three years for example employment in York according to BRES has grown by 1,000 jobs but this masks two years of decline (-2000, and -1000) and growth of 5,000 jobs in the middle year (2016-17).
- 2.3.22 The growth year included an additional 1,000 jobs in each of Education and Public Administration and Defence Jobs which seems very unlikely. There has been no new Universities or Secondary schools which would contribute to the former. For the latter MOD statistics show that MOD employment in the same year within York declined by 40 jobs and other public admin jobs are unlikely to have seen growth approaching that level.
- 2.3.23 Statements from both Lichfields and RPS use ONS jobs density data to consider past trends in job growth. This source can suffer from high error margins and notable year on year variations which means caution should be

attached to any conclusions. For York, difficulties can be seen with there being large changes to job number estimates between 2000-01 and 2016-17 (see table below). Because Lichfields and RPS only look at the two extreme data points, they significantly over-estimate a reasonable view about trend-based job changes.

2.3.24 For example, in the 2000-17 period, the ONS data suggests job growth of 16,000 (941 per annum). However, if the period is shifted by just one year at each end (i.e. to look at 2001-16) then the job growth is shown to be just 2,000 (133 per annum). Given this wide variation it is impossible to give these figures great weight.

Table: Past trend estimates of jobs in York

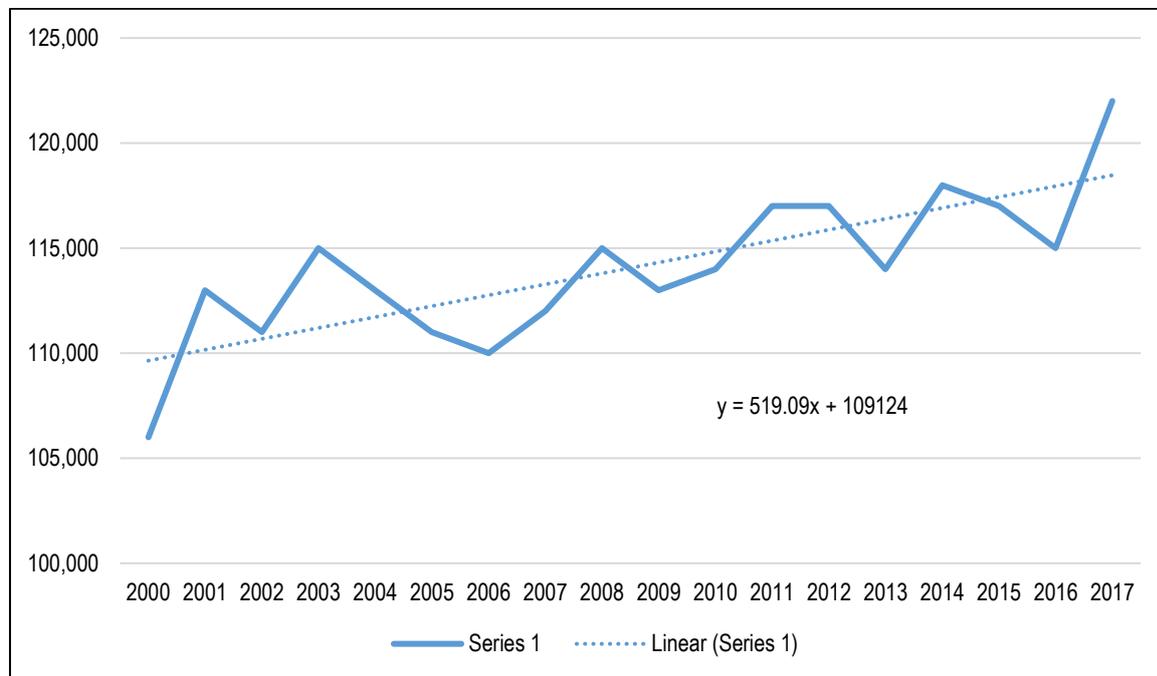
Year	Estimated number of jobs	Change from previous year
2000	106,000	7,000
2001	113,000	-2,000
2002	111,000	4,000
2003	115,000	-2,000
2004	113,000	-2,000
2005	111,000	-1,000
2006	110,000	2,000
2007	112,000	3,000
2008	115,000	-2,000
2009	113,000	1,000
2010	114,000	3,000
2011	117,000	0
2012	117,000	-3,000
2013	114,000	4,000
2014	118,000	-1,000
2015	117,000	-2,000
2016	115,000	7,000
2017	122,000	7,000

Source: ONS Jobs Density

2.3.25 A more appropriate way to use this data is to plot all data points and add a trendline. This is shown in the figure below (along with the equation of the line). This shows that the overall trend for the 2000-17 period is annual job growth of around 520 per annum which is slightly below the figure (of 650 jobs per annum) used to inform the housing needs update. This would point to the

job figure used in that update being broadly reasonable (and certainly not under-stating potential job growth in the City.

Figure : ONS jobs density job estimates and linear trend (2000-17)



Source: ONS Jobs Density

2.3.26 The City of York Housing Needs Update (January 2019) [EX/CYC/9] did not seek to test any new forecasts but rather assessed the housing need associated with the planned economic growth (650 jpa), which itself was based on an Oxford Economics Forecast (May 2015) as outlined in the ELR 2016 [SD064]. These forecasts were adjusted to include an adjustment to increase jobs within knowledge Based Industries with reduction in lower skills growth. Specifically it assumed:

- 20% higher growth than the baseline projection within professional services, financial & insurance, and information & communication
- 10% lower growth than the baseline projection within wholesale & retail trade, accommodation & food services

2.3.27 These forecasts have been subsequently sense tested against forecasts from the Regional Econometrics Model (REM) in the ELR 2017 [SD063]. Whilst the REM model forecast a higher level of job growth, the fundamental difference was that it anticipated greater expansion of social care and health jobs to meet a growing population; whereas the Oxford model anticipates a more consistent size for ‘Public Service’ jobs, with the majority of growth in healthcare offset

by a decline in wider public sector jobs including Local Government and Government departments, and no growth within the education sector. In a sector specific level we there was some concern that the REM data was not accurate at that time whereas the OE figures were considered to be robust and aligned with the Council's Economic Strategy 2016 [SD070].

- 2.3.28 However for the sectors that impact land allocation through the Employment Land Review, ('primarily' B1A and B2/B8 related sectors) the REM figures were slightly lower than the Oxford Economics forecast, therefore there would be sufficient headroom in the original projections and land allocations to be able to meet the identified growth in in the newer forecasts.
- 2.3.29 It was therefore concluded that for housing need purposes a growth of 650 jobs per annum remained realistic. The Council has also commissioned OE to undertake an update of their assessment of economic growth for the City. These new projections show from 2019-2031 period average jobs growth in the City would be at 610 per annum. However, there are inherent uncertainties within such forecasts but this 6.5% difference or 40 jobs per annum would not constitute a material change and would therefore support the Council's plans to delivery 650 jobs per annum.

d) Does the OAHN provide enough new homes to cater for those taking up the new jobs expected over the plan period?

Response

- 2.3.30 Yes, the OAN is driven by forecast economic growth in the City. In translating 650 jobs per annum into housing need a number of assumptions were needed. As set out in the housing needs update [EX/CYC/9] firstly, it was assumed that unemployment remains constant (paragraph 3.5) as this reflects the high levels of employment in the City.
- 2.3.31 It was also assumed that the number of people who have more than one job does not increase above long-term trends (3.3%) (see paragraph 3.6 of the housing needs update [EX/CYC/9]).
- 2.3.32 Commuting ratios from 2011 levels have been maintained i.e. assuming that York remains a destination for net in-commuting (Table 7 of housing needs update [EX/CYC/9]). This remains the most robust assessment of commuting patterns and divergence from it should be done so through the duty to cooperate as otherwise neighbouring authorities would be planning for too much or too little housing.
- 2.3.33 The key assumption relates to economic activity rates. These assumptions have been drawn from the Office of Budget Responsibility (OBR) assumptions. These assume an increase in those aged 60 to 69 in employment linked directly to the change in pensionable age and more

females in the workforce (See Figure 7 of the Housing Need Assessment, January 2019) [EX/CYC/9].

- 2.3.34 These rates have been applied to the modelling to understand the resident workforce required and the total population associated with it. The demographic projections alone do not provide enough of an increase in resident workforce to service the anticipated jobs growth using these economic activity rates. In this circumstance the model then increases in migration (both international and internal) and decreases out-migration (both international and internal) by the same amount until the required increase in resident employment is matches that in the forecast.
- 2.3.35 The final step is to translate this increase in population into households and dwellings. The concluded need of 790 dpa included use of part return to trend Household Representative Rate (HRRs) to transpose the population figures into households. This reflects the recognised issue with household suppression both historically and within the household projections (See Figure 7 of the Housing Need Assessment, January 2019) [EX/CYC/9]). The final adjustment from households to dwellings is to include a 3% vacancy allowance, the results of which is shown below.
- 2.3.36 The OAN therefore is specifically calculated to provide enough new homes to cater for those taking up the new jobs expected over the plan period.

e) Overall, has the OAHN figure been arrived at on the basis of a robust methodology?

Response

- 2.3.37 Yes, the OAN has been derived at through a robust assessment of housing need, which as per the PPG examines demographic need using household projections (ID 2a-015-20140306), economic growth (ID 2a-018-20140306), market signals (ID 2a-019-20140306) and affordable housing need (ID 2a-029-20140306). This is set out in the Housing Needs Update Paper [EX/CYC/9].
- 2.3.38 As the Local Plan is to be assessed under the transitional arrangements as set out at paragraph 214 of the NPPF (Annex 1). “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.” Therefore the use of the former PPG rather than the standard method is correct.
- 2.3.39 It is also worthwhile noting that Paragraph 14 of the PPG (ID 2a-014-20140306) states that “Establishing future need for housing is not an exact science. No single approach will provide a definitive answer.”

2.3.40 In summary the approach to OAN which has been accepted by a number of different inspectors has been to assess three different numbers and take the highest of these as the OAN. The three numbers are 1) Demographic need based on the latest household projections with HFR adjustment and potentially adjustments to migration; 2) Market signals adjustment to the demographic starting point; 3) Economic Led housing need. By choosing the highest of these numbers you are effectively addressing the need for the other two.

2.3.41 Few Local Plans have been examined under the transitional arrangements, however one such Local Plan, Guildford, used a similar approach to that in York. In Guildford the Local Plan Inspector in his report (File Ref: PINS/Y3615/429/11) stated:

“On 20 February 2019 the Government updated the Planning Practice Guidance (PPG) to advise the use of 2014-based household projections when using the standard method for calculating local housing need. All participants to the examination were fully aware of the consultation that led to this revision, and the issues in respect of the 2014 and 2016-based household projections were comprehensively discussed at the hearings. However, as a transitional plan being examined against the 2012 NPPF, the housing requirement in the Guildford Borough Local Plan is not derived from the standard method. Moreover, the plan’s housing requirement in MM2 is based on a methodology that makes a range of significant adjustments to allow for factors such as household formation rates, jobs-related growth and other local issues which are discussed in more detail below. As such, the Council’s latest housing figure in MM2 is an up to date assessment of housing need based on several inputs, in accordance with the policy framework appropriate for transitional plans. In consequence it does not conflict with the letter or the spirit of the revised NPPF.”

f) Does the revised OAHN figure (790 dpa) take account of all housing needs, including the need for affordable housing and any need that may be the consequence of any shortfall in housing delivery before the plan period?

Response

2.3.42 The OAHN takes appropriate account of housing needs.

2.3.43 The 2016 SHMA [SD051] considered the issue of affordable housing need (Section 6), along with market signals evidence (Section 8). Market signals and affordable housing were also considered in the SMHA Update 2017 [SD050] and reviewed in the Housing Needs Update 2019 [EX/CYC/9] (Section 4). As set out earlier market signals are linked to affordable housing need. The Housing Needs Update 2019 (Section 4) identified that a modest

uplift to the demographic-based need figure to improve delivery of affordable housing may be considered, but concluded that this need not be done in a mechanical way whereby the affordable housing need on its own drives the OAN. It also referred to the case of Kings Lynn and West Norfolk Council v. SSCLG and Elm Park Holdings (see too paragraphs 6.89 to 6.93 of the 2016 SHMA [SD051]) which confirmed that neither the Framework nor the PPG suggest that affordable housing needs must be met in full when determining OAN.

2.3.44 These judgements removed the need for a mechanical uplift to housing need as a result of affordable housing need. Part of the reason for this is that the affordable housing need includes some households who are in unsuitable accommodation (e.g. overcrowded) who if their needs are met who release their home for another in need. This would not result in a need for a net additional household.

2.3.45 Furthermore, if such an uplift was applied in York then the OAN would be unrealistically high, having regard to the conclusion that an OAN figure of 790 dpa was appropriate based on economic-led needs which were substantially higher than the figure based on demographic projections. This issue was considered by the inspector at the Examination of the Mid Sussex District Plan where he concluded that (File Ref: PINS/D3830/429/5) *"This would be well in excess of the realistic range derived through household projections and affordability analysis, and of housing provision past and present, so it would be unlikely to be met in full. Nonetheless, it was clear that the plan should try to meet as much as was realistically possible."* (paragraph 17) and *"Evidence indicated that it [a 20% market signals uplift] would counter worsening affordability and would accommodate much of the affordable housing need"* (paragraph 19).

2.3.46 The combination of decisions where it was accepted that a market signals uplifts addresses affordable housing (Mid Sussex) and that economic uplifts address market signals (Guildford) suggest the approach in York which provides a substantial economic uplift is sound.

2.4 Policy SS1 aims to ensure that around 650 new jobs are provided annually. Does either the OAHN identified or the housing requirement set out in Policy SS1 cater for the homes needed to meet this level of economic growth? What is the relationship between the number of new jobs anticipated and the OAHN and/or the housing requirement?

Response

- 2.4.1 Yes, there is a direct link between the OAN of 790 dpa and the jobs growth of 650 per annum. The calculation linking the two takes into account a range of factors including the number of people who will have more than one job (double jobbing), economic activity rates and how these might change, the places where people who work in York live and vice versa (commuting patterns).
- 2.4.2 Further information on this calculation is provided in the answer to 2.3 d) above.
-