City of York Council
Examination of the City of York Local Plan
2017 – 2033

Phase 1 Hearings
Matter 2

- ## The Housing Strategy:
- ## Need, Requirement & Spatial Distribution

RESPONSE TO SCHEDULE OF MATTERS, ISSUES
AND QUESTIONS FOR THE EXAMINATION

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CONTENTS

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MATTER 2 – THE HOUSING STRATEGY: THE OBJECTIVELY ASSESSED NEED FOR HOUSING, THE HOUSING REQUIREMENT AND THE SPATIAL DISTRIBUTION OF HOUSING

The Housing Market Area (HMA)

2.1 *We understand that the Council considers York to be within an HMA which includes the City of York and the area of Selby District Council, but that the two Councils are identifying housing need within their administrative areas separately.*

a) Is that correct? If so:

b) Is the identification of the HMA formed on a robust evidential basis?

c) What is the justification for assessing housing needs separately?

2.1.1 We will rely on our previous representations if we join the debate on this question at the Examination

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?

2.2.1 The revised OAHN undertaken by GL Hearn that assesses the OAHN as 790dpa is not a robust evidence base.

2.2.2 Section 2 of our representations on the proposed Modifications to the Plan and sections 3 and 4 of our representations on the 2018 Publication Draft plan sets out the reasons why the evidence base is not robust. The reasons can be summarised as:

- The ROAHN, in our view wrongly uses the 2016 based household projections to determine the Demographic baseline (Paragraphs 2.37 to 4.46 of our representations on the Modifications.)
- The Market signals adjustment is too low – it should be at least 20%
- There should be an uplift of at least 10% to help meet affordable housing needs.

2.2.3   We note that others have made similar points to ourselves, in slightly differing ways, but essentially arriving at the same conclusion - that the OANH fails to take account of available evidence and consequently arrives at an incorrect low figure. For example, other representations have suggested there should be an additional allowance made to the calculation of the OAHN to account for anticipated future increases in student numbers. We agree with that suggestion.

2.2.4   In our representations on the 2016 Further Sites Consultation we included an Objective Assessment of Housing Needs prepared by Lichfields. which concluded that the OAHN for the City of York (at that point in time) was in the range of between 1,125 dpa and 1,255 dpa.

2.2.5   We note that Lichfield's have prepared an updated Objective Assessment of Housing Needs (July 2019) for other representors (PM SID 125-1) which concludes that the OAHN should be 1,300. We concur with the finding of the Lichfield's Assessment.

2.2.6   In our representation on the proposed Modifications we have pointed to other assessments of housing need, for example the assessment (October 2017) prepared by Regeneris in support of an application (18/02687/OUTM) for 516 dwellings in Acomb which concluded that the OAN was in the region of 1,150 dwellings per annum (Para 2.49 of our Modifications representations).

2.2.7   For convenience we have adopted the Standard method figure of 1,070 as the minimum figure that should be included as the OAHN figure in the plan (Paras 2.50-

2.51 of our Modifications Representations). However, more up to date evidence suggests 1,300 dpa may be more appropriate and we agree with that conclusion.

2.2.8 We therefore wish to see a change in the Plan to adjust the annual housing requirement figure to 1,300dpa.

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]?

2.2.9 We note that in their various responses in responding to the stages of the Local Plan, neighbouring authorities have indicated that they not made any provision in their local plans to meet housing need arising from York.

2.2.10 Likewise, COYC have indicted in Policy DP1 of the Draft Plan that the proposed housing provision does not account for any need arising from adjoining authorities.

c) 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?

2.2.11 We note that some adjoining authorities, e.g. Hambleton do not object to the revised OAN of 790dpa. Others are somewhat more equivocal, for example Ryedale DC responded on the Modifications to the effect that:

> *…..reiterates its position that the City should meet its own housing needs and has no comments or objection to the proposed modification to the OAN. It will also be vital that the City responds to any future under delivery accordingly.*

2.2.12 Harrogate responded thus:

> *In line with this agreement, Harrogate Borough Council is planning to deliver a step change in housing delivery over that previously planned for in the*

adopted Core Strategy in order to meet in full its objectively assessed need. It is not making provision to deal with undersupply elsewhere. City of York Council will need to satisfy itself that, in light of its refreshed evidence on housing need, the City of York Local Plan will meet the tests of soundness.

The City of York Plan is also seeking to set an enduring Green Belt boundary beyond the Plan period. Harrogate Borough Council has previously raised concerns regarding the longevity of the boundary. Again, City of York Council will need to satisfy itself that the approach it is taking will meet the tests of soundness.

2.2.13   We would suggest, therefore, there are some lingering doubts in some neighbouring authorities about the robustness of the revised OAHN figure.

2.2.14   All of the adjoining districts have adopted local plans and are therefore at a more advanced stage than CoYC. However, most, if not all of the Local Plans for adjoining authorities would have been prepared at time when the proposed housing provision for York was higher.

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)   Have market signals been taken into account?

2.3.1   Market signals have been taken into account but the uplift of 15% is inadequate. The GL Hearn Housing Needs Update (Jan 2019) accepts that York has poor and worsening market conditions. The median affordability ratio is 8.62. Notwithstanding the Plan is being examined under the transitional arrangements, If the standard method was being used to calculate the housing need, the uplift would be in the region of 30% of the 2014 based SNHP. An uplift of at least 20% should therefore be applied to account for market signals.

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

2.3.2 The ROAHN indicates it has taken employment tends into account.

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

2.3.3 No. As we have concluded that the OAHN has not be properly calculated and results in figure that will not meet housing needs, the ROAHN figure of 790 would mean that there will not be enough new home for those who need them. See our response to question 2.2.

e) 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?

2.3.4 No. Our response to question 2.6 explains in detail why the OAHN of 790 does not take account of all housing needs in in particular how it significantly underestimates the shortfall in housing delivery before the plan period.

2.3.5 Paragraphs 4.25 – 4.32 of our 2018 representations and paragraphs 2.52 to 2.59 of our Modifications representations address the issue of backlog. Our analysis demonstrates the Council ha significantly underestimated the backlog from 2012. In addition, we have drawn attention to the significant backlog prior to 2012 which has effectively been written off by resetting the Plan start to 2017.

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?

We will rely on our previous representations if we join the debate on this question at the Examination

The housing strategy: the housing requirement

2.5   *Policy SS1 aims to ensure that "a minimum annual provision of 867 new dwellings [are delivered] over the plan period to 2032/33 and post plan period to 2037/38".*

   a) Is this 867 figure an annual average, or is it a commitment to providing at least that number during every year of the plan period and post plan period? Is it intended to be a net figure?

2.5.1   The Housing Delivery Test (HDT) in paragraph 75 of the NPPF (2019), indicates that the provision figure should be treated as a minimum to be delivered in every year of the Plan. There is a small degree of leeway in the HDT as it is calculated by reference to the previous three years completions, but the trigger point of 95% completions below which action must be taken, allows for little deviation and is an indication of the Government's commitment to significantly boost the supply of housing and to achieve 300,000 housing completions by 2025.

   b) For the avoidance of any doubt, what period of time is the plan period?

2.5.2   Guidance in the NPPF (2012) (para 157) is that plans should be drawn up over an appropriate time scale, preferably a 15-year time horizon, take account of longer-term requirements, and be kept up to date. Paragraph 155 of the NPPF (2012) advised that plan can be reviewed in whole or in part to respond flexibly to changing circumstances.

2.5.3   Planning practice guidance confirms that local plans should be be prepared for period of least 15 years *(Paragraph: 064 Reference ID: 61-064-20190315)*

2.5.4   Paragraph i, page i, of the of the Local Plan advises us that the plan period is from 2017 to 2032/33 – *"….with the exception of the Green Belt boundaries which will endure up to 2037/38".* The plan period is therefore 16 years, with an additional 5 years added to

the Plan Period to ensure the Green Belt boundary will not have to be amended at the end of the plan period 2033.

2.5.5   However, we are already two and a half years into the Plan Period and realistically, we could be well in to a third year before the plan is adopted. This poses a glaring problem for housing delivery.   The trajectory presented in the SHLAA Figure 6: Detailed Housing Trajectory Updated (790dpa OAHN) [EX/CYC/16] assumes that allocated and strategic sites will begin delivering substantial levels of housing from 2020/21. This would have been on the basis that planning applications would have followed on allocated sites upon adoption of the Plan in 2017.

2.5.6   However, the delay in adoption of the plan has delayed submission of planning applications and it is highly improbable that the level of housing completions envisaged from strategic and allocated sites for 1919/20 to 2022/23 will be realised meaning that the housing requirement for the period 2017 – 2032/33 simply cannot be delivered.

2.5.7   Appendix 5 of our representations on the Modifications included our assessment of the likely housing trajectory for local plan sites. However, that trajectory assessed delivery in 5year tranches from the date of adoption of the plan. If our table was reworked in line with the housing trajectory in [EX/ CYC/16] assuming a plan start date of 2017, the completions for the first five years of the plan would be significantly lower.

c)   *Is the "plan period" the period of time for which the Plan and its policies will be in force as part of the development plan? Related to this, is it legitimate, or possible, for a development plan to include policies which purport to dictate or direct development beyond the "plan period", as Policy SS1 appears to?*

2.5.8   We will rely on our previous representations if we join the debate on this matter at the Examination

d)   *At 867 dpa, the housing requirement is higher than the OAHN of 790 dpa. Why?*

2.5.9   We will rely on our previous representations if we join the debate on this matter at the Examination

e) Does setting a housing requirement that is higher than the OAHN undermine the Council's arguments in relation to the justification for releasing land from the Green Belt for housing purposes – that is to say, does it reduce the degree to which "exceptional circumstances" exist, in principle, for amending the Green Belt boundaries for housing delivery purposes?

2.5.10   We deal with the issue of "exceptional circumstances" in our response to questions on the Green Belt matter. In summary, our view is that land is not being 'released' from the Green Belt. Instead, the plan is at the point of identifying what land should not be included in the Green Belt so the sustainable development needs of the City for the plan period and beyond can be met so that a permanent Green Belt can be established.

2.5.11   The full objectively assessed housing need should be planned fo by not including land in the Green Belt that is necessary to meet that need. Exceptional circumstances are not required.

2.6   ***Will the housing requirement ensure that the need for affordable housing will be met?***

2.6.1   No.

2.6.2   Paragraph 1.46 of the Draft Plan states:

> *There is a notable affordable housing need in York.*

2.6.3   Every update of the SHMA and housing needs reports a continued widening of the gap between average house prices and average incomes.

2.6.4   The assessment of market signals does not take into account affordable housing need. National Planning Practice Guidance suggests that an increase in the total housing figure should be considered where it could help deliver the required number of affordable

homes. Recent case law suggests that if this part of the assessment of housing needs is not carried out, the OAHN would not be in compliance with national policy.

2.6.5   This ROAHN has not made any specific allowance or uplift for meeting affordable housing need and in this respect is not compliant with National Policy. A specific uplift should be applied to the demographic baseline figure to account for affordable housing need.

2.6.6   There are several other reasons why it is very likely the plan will fail to deliver anywhere near the affordable housing requirement, let alone the need.

2.6.7   The Strategic Housing Market Assessment has identified a need for 573 affordable dwellings per annum. It is recognised that this level of delivery cannot be achieved. The local plan affordable housing policy, in general terms, sets out a requirement for 30% affordable housing provision on Greenfield sites and 20% on brownfield.

2.6.8   If we take the 20% as the minimum amount of affordable housing that could be delivered in the past two years, on the basis of 790 dwellings per annum, this would equate to **158** affordable dwellings. The optimistic scenario is that 30% affordable is delivered, equating to **237** dwellings.

2.6.9   Table 1 records the actual delivery of affordable housing for the past 12 years.

Table 1 – Affordable Housing Completions

Year	Social rent units	Low cost home ownership units	Intermediate rent units	Affordable Rent units	Total affordable completions
2007/08	18	33	0	0	51
2008/09	116	35	0	0	151
2009/10	92	60	0	0	152
2010/11	153	55	74	0	282
2011/12	77	44	30	0	151
2012/13	62	48	17	0	127
2013/14	23	22	0	5	50
2014/15	63	25	3	48	139
2015/16	77	32	0	0	109
2016/17	53	16	21	0	90
2017/18	61	13	0	0	74
2018/19	36	24	0	0	60

Source https://www.york.gov.uk/AffordableHousingCompletions

2.6.10 The actual affordable dwellings completed in those two years were 74 for 2017/18 and 60 for 2018/19, considerably less than half of the minimum that might be expected from an annual requirement of 790 dwellings per annum.   In fact, there is only one year since 2007/08 when the provision of affordable housing exceeded the minimum expectation for affordable delivery – assuming an annual requirement of 790 dwellings. If the OAHN was set at a higher level the shortfall would be startling.

2.6.11 Several factors are acting against the delivery of affordable housing.

- Heavy reliance on windfall. In practice windfall sites are generally of a size that do not lead to a requirement for affordable housing.

- Second, as we have highlighted in paragraphs 2.562 to 2.59 of our representations on the Modifications, the Council has included significant amounts of student

housing in its housing completion figures. These student houses are not liable for affordable housing and, to make matters worse, will not qualify for New Homes Bonus.

For example, the housing completion figures for 2017/18 of 1,296 dwellings, in theory should have delivered at least 260 affordable units at 20% or 389 affordable units at 30%. However, the completion figures included 637 student units and therefore the remaining 659 dwellings could only have delivered 132 dwellings at 20% or 198 affordable units at 30%. The actual number of affordable units completed was 74.

- Third, residential units completed by the prior approval (permitted development) route do not attract affordable housing.

- Finally, some schemes will have viability issues and will struggle to deliver affordable housing. A good example of this is the British Sugar site where planning approval was granted on appeal for up to 1,100 dwellings in September 2018. The affordable housing provision is starting from a baseline provision of 3% in the early phases rising above that in subsequent phases - subject to viability testing.

2.7 *Overall, is the housing requirement set out in the plan underpinned by robust evidence and is the Plan sound in this regard?*

2.7.1 For the reasons set out in response to preceding questions and the evidence presented in our 2018 and 2019 representations, the housing requirement is not underpinned by robust evidence and the plan is not sound in this regard.

THE HOUSING STRATEGY: SPATIAL DISTRIBUTION

2.8 *The Plan's development strategy is set out in Policy SS1. This provides five spatial principles to guide the location of development through the plan. In broad terms, is this the most appropriate spatial strategy?*

We will rely on our previous representations if we join the debate on this question at the Examination

2.9   *Policy SS1 says that the location of development will be guided by the five spatial principles. However, the Plan strategy does not quantify the spatial distribution of new housing across the Plan area.*

a)   *What is the overall distribution of new housing proposed through the Plan? Should it be clearer in this regard? Does the Key Diagram provide sufficient illustration of the broad distribution of new housing across the Plan Area?*

We will rely on our previous representations if we join the debate on this question at the Examination

b) *What level of new housing is directed towards the city centre and other parts of the Plan Area?*

We will rely on our previous representations if we join the debate on this question at the Examination

c) *How has this distribution been arrived at and what is the justification for it?*

We will rely on our previous representations if we join the debate on this question at the Examination

d) *Is the distribution consistent with the overall approach set out in Policy SS1?*

We will rely on our previous representations if we join the debate on this question at the Examination

e) *Is the distribution of housing supported by the SA and will it lead to the most sustainable pattern of housing growth?*

We will rely on our previous representations if we join the debate on this question at the Examination

f) Has the Green Belt and/or any other constraints influenced the distribution of housing and, if so, how?

We will rely on our previous representations if we join the debate on this question at the Examination

2.10   Overall, is the spatial distribution of housing justified and is the Plan sound in this regard?

2.10.1 Both the level of housing provision and its distribution have been influenced by the Council's misplaced view that 'exceptional circumstances' are necessary to 'release' land from Green Belt, and on this basis the spatial distribution Plan are unsound. We address this issue in more detail in our response to Matter 3.