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**STATEMENT IN
RESPONSE TO
INSPECTORS' MATTERS,
ISSUES AND QUESTION
TO THE EXAMINATION OF
THE YORK LOCAL PLAN**

Matter 2 – Housing Need and
Requirements

MARCH 2022

LANGWITH DEVELOPMENT PARTNERSHIP LTD

PARTICIPANT REF 378

Q70385

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1 Introduction

- 1.1 Langwith Development Partnership (LDP)¹ is the principal landholder of the land proposed to be allocated under Policy ST15, which is a strategic allocation (Policy SS13), in the draft City of York Local Plan (“Local Plan”).
- 1.2 Delivering a new sustainable garden village proposed in the south east of the City is a key component of the Local Plan’s spatial strategy for housing delivery. The allocation of a new garden village in this part of the City is based on sound and sustainable planning principles. A new settlement is necessary, sustainable and appropriate in this part of York if the City of York Council (CYC) are to meet their housing needs sustainably. Planning for the delivery of a new settlement in south east York is supported by Homes England².
- 1.3 LDP have made representations to each of the relevant stages of the Local Plan’s preparation (Regulation 18, Regulation 19 and the more recent Modifications to the Regulation 19 Plan)³ and appeared at the Stage 1 Hearing Sessions in December 2019.
- 1.4 LDP have demonstrated throughout the Local Plan process that the Local Plan’s spatial strategy, which is in part based on delivering a new garden village in the south east of the City, is sound in principle.
- 1.5 Whilst this Hearing Statement (and others submitted to this stage of Hearings) is not specifically concerned with the details of the allocation, Matter 2 of the Stage 2 Hearings is of relevance to the strategic allocation of a new garden village in this part of the City.
- 1.6 This Statement deals with the various questions raised under Matter 2 including those under the following sections:
 - 1.6.1 The objectively assess housing need (the ‘OAHN’).
 - 1.6.2 The housing requirement.

¹ Langwith Development Partnership Ltd (LDP) is a joint venture formed by Sandby and the Oakgate/Caddick Group who control all the land required to deliver the new garden village known as Langwith. LDP have joint land holding interests in the south east part of the City, to the north of Elvington (south of the A64). Both parties, have jointly, and individually, been participants in the preparation of the City of York Local Plan (the Local Plan) for over six years.

² Homes England have awarded CYC funding under their Garden Communities Capacity Fund to assist in the formulation of their evidence base to support the delivery of a new garden village in south east York.

³ Representations were submitted by LDP (or companies that constitute LDP), including those (i) in September 2016 to the City of York Local Plan – Preferred Sites Consultation (June 2016), (ii) the later submission of a Site Promotion Document (Quod) in October 2017, followed by (iii) representations (in March 2018) to the City of York Local Plan - Publication Draft (February 2018 ([CD014g](#))), (iv) representations to the York Local Plan Proposed Modifications (June 2019) and associated Background Documents, in July 2019 ([EX/CYC/21b – PMSID378](#)) and (v) the Proposed Modifications and Evidence Base consultation in May 2021 ([EX/CYC/66e – PMSID378i – SID378xvii](#)).

- 1.7 It is LDP's view that given the evidence base of the Local Plan and, notably, the misgivings with that evidence and the foundations of the policy approach to the Plan, that significant modifications to the Plan are necessary. This is explained in LDP's Hearing Statement regarding Matter 1 (see Section 1 of that Statement) where it is respectfully suggested that the Inspectors consider the following modifications:
- 1.7.1 A "broad location for growth" policy for the proposed Garden Village allocation on Land West of Elvington Lane (which would be brought forward under a separate DPD); and
 - 1.7.2 For the Local Plan to expressly recognise, and commit to, an immediate and prompt review and update which will be necessary if the Local Plan is adopted under the transitional arrangements. It is explained in LDP's Statement 2 that in such a case, , a Local Plan based on the 2012 NPPF approach of OAN would be significantly below the outcomes arising from applying the SM of NPPF 2021 and correspondingly insufficient provision for employment land. This is because the evidence base at the Local Plan does not reflect the approach now required under latest Government Policy (in NPPF 2021, and its associated NPPG), which is a material consideration in all current development management decisions.
 - 1.7.3 In the alternative to the approach suggested in 1.8.2 above, the economic evidence should be updated (see LDP's comments in Statements 2 and 3) as part of this Local Plan examination, to better reflect economic circumstances prevailing (and projected) in York with consequent (upward) changes to the housing need target, which are likely to be similar to SM.

2 The Objectively Assessed Housing Need (the ‘OAHN’)

Introduction : At the previous examination hearings, the Council’s position was that, taking account of the 2016 based projections published by the Office for National Statistics (ONS), the need for housing in York over the Plan period was 790 dwellings per annum (dpa) and that, to meet this need and to address a shortfall in delivery of 32 dpa between 2012 and 2016, the housing requirement should be 822 dpa. Since then, the ONS has published its 2018 based projections. In response, the Council has considered whether or not those projections lead to a meaningful change in these figures. The ‘Housing Need Update’ (2020) concludes that economic-led housing need is in the range of 777 to 778 dpa. The Council considers that this does not amount to a meaningful change in the housing situation, such that the need for housing should be regarded as 790 dpa and the Plan’s housing requirement should remain set at 822 dpa (i.e. 13,152 dwellings overall).

Question 2.1: The introduction above sets out our understanding of the Council’s position. Is it correct?

- 2.1 LDP do not comment on the efficacy of the Inspectors statement, other than for it to be noted at this stage that LDP disagree with the approach adopted by CYC and advisors in their assessment of York’s housing need assessment. This matter is addressed below and, in the evidence⁴, submitted by LDP to the consultation on the evidence contained in the Housing Needs Update (Sept 2020) (GL Hearn) (“GLH HNU”).⁵

Question 2.2: In the Housing Need Update (2020) what methodological approach has been used to establish the OAHN and does it follow the advice set out in the Planning Policy Guidance (under the heading ‘Methodology: assessing housing need’)? In particular:

- a) *Has the 2018-based household projection provided the starting point estimate of overall housing need? In this specific regard, has the Council’s approach to identifying the OAHN been consistent with national guidance? If not, what is the justification for that?*
- 2.2 CYC’s letter to the Inspectors of 6 October 2020⁶ discusses this issue. At the time of preparing this Statement, LDP await any clarification of this approach in CYC’s response to Questions 2.1 and 2.2a.

⁴ [EX/CYC/66e.](#)

⁵ [EX/CYC/43a.](#)

⁶ [EX/CYC/43.](#)

2.3 CYC's apparent starting point to identifying OAHN is set out on Pages 5-8 of [EX/CYC/43a](#). GL Hearn explain there are concerns with the methodology of the 2018 SNPP main projection. To counter this GL Hearn, consider the use of two 2018 variant projections, a 10 year migration variant and the Alternative internal migration variant.

2.4 In looking at household projections the same approach is taken by reference to the preferred variants, the highest of these options is the 2018 10 Year Migration variant which gives a starting point (including a vacancy adjustment) of 471 dwellings (2017-33) and 481 dwellings ((2012-37) annually. These are uplifted further for household formation rates in Table 5 of [EX/CYC/43a](#) to 669 (2017-33) and 670 (2012-37) dwellings annually.

2.5 Contrary to the relevant NPPG, [EX/CYC/43a](#) does not, however, set out a clear starting point. Paragraph 2.22 of [EX/CYC/43a](#) states:

"We would, therefore, see the variant migration scenarios as being the more suitable to use for York."

2.6 The main 2018 projection is not used, which LDP consider appropriate. Whilst two variant projections are identified as suitable, no single preferred starting point is identified by GL Hearn. To compound this the second part of para 2.22 states:

"However, this is all largely academic as demographic housing need as the following chapter sets out is lower than the economic led housing need."

2.7 Consequently, no single household projection is taken as an identified starting point using either the preferred variant to which appropriate adjustments for market signals is applied. This approach is not consistent with national guidance and is not justified.

b) What bearing, if any, does the 'standard method' have on this Plan's OAHN or on any other aspect of the Plan's approach to housing?

2.8 The starting point of the standard method (SM) (assessed by reference to the 2014 Household projections for 2022-2032 is 806 per annum) and is the basis on which local housing needs assessments identify minimum numbers of homes needed under NPPF 2018,2019 & now of course the 2021. This would be a material consideration in any development management decision.

2.9 As the examination inspector put it in his North Warwick LP report of (20July 2021), the changing circumstances of the then 2018 and 2019 NPPF "*is applied to decision making*" and "*cannot be set aside lightly*" and "*consequently in so far as necessary and proportionate*"⁷. In that case the inspector considered the 2018 household projections to be an outlier for the reason he gave.

⁷ https://www.northwaricks.gov.uk/downloads/file/8766/nwbc_local_plan_inspectors_final_report.

- 2.10 Again, at the recent Windsor and Maidenhead examination, the inspector similarly compared the SM figure with the OAN based figures, although in that case it was ultimately considered the SM figures “*did not represent a change in the housing situation*”⁸. Thus, it is clear that the SM cannot, and should not, be ignored. The current workplace based median affordability ratio (for 2020) is 8.04 (note this is likely to be impacted by changes to the housing market in 2020 and a 3 year rolling average is 8.38).
- 2.11 The latest SM for York is 1,010 dwellings per year.
- 2.12 The CLG published indicative SM figure was 1,026 (based on 2014 household projections 2020-30 and 2019 affordability ratio) and this is the figure GL Hearn refer to in section 4 of [EX/CYC/43a](#).
- 2.13 We note that in [EX/CYC/43a](#) GL Hearn state at paragraph 4.20 (using an SM figure of 1,026) that:
- “It should, however, be reiterated that these should have no bearing on the housing need for York at the Local Plan examination, but it should provide some comfort that the latest version of the SM arrives at a very similar number”.*
- 2.14 We do not agree that the 790 dpa ([EX/CYC/43a](#) Paragraph 5.8), and 1,026 dpa (2017 SM from [EX/CYC/43a](#)) or 1,010 dpa (2020 SM, updated) are very similar numbers; as 1,010 dpa is 28% higher than 790 dpa and across 20 years this difference is 4,400 dwellings.
- 2.15 This difference between the Local Plan’s OAN of 790 dpa and the current SM of 1010 dpa is a “meaningful change” in the context of the 2012 NPPF related practice guidance. That said we recognise that NPPF 2012 refers to OAHN and NPPF 2021 refers to SM. In situations such as York, this is a meaningful difference and leads inevitably to the need for an immediate review and update of the York Local Plan once adopted.
- 2.16 York is unique in the country in terms of its failure to make development plans. The Council’s resourcing of this plan has been an issue since the outset. As a consequence, this examination in 2022 is considering a long overdue local plan and is being assessed under the 2012 transitional arrangements; well beyond a timeframe that would have been reasonably anticipated. Consequently, LDP consider that Pragmatism and realism are required. The 2016 and 2018 household projections bake in the limitations of stunted housing growth & delivery growth already encountered by the population, and for this reason the earlier 2012 and 2014 based projections are to be preferred as they are the most a robust starting point. It is also clear that due to the reliance on outdated 2015 based economic projections, no adequate market signals adjustment is being made in an area with acknowledged affordability issues and a significant difference between the Plan’s OAN and the current Local Housing Need (SM). There is therefore a real risk that the Plan will perpetuate trends in low population growth, and worsening traffic conditions through increasing commuting into jobs in York. Given the extent of these challenges an early review and update of strategic policy to switch housing provision to the SM is necessary, unless updated economic evidence (undertaken in the context of this

⁸ <https://www.rbwm.gov.uk/home/planning-and-building-control/planning-policy/emerging-plans-and-policies/draft-borough-local-plan/examination-local-plan/inspectors-documents>

examination rather than postponed to a plan update) suggest a further uplift is likely to be necessary. Selby is already planning making to meet their SM requirement.

c) Have market signals been taken into account and, if so, what effect have they had on calculating the OAHN?

- 2.17 No market signals have been taken into account in [EX/CYC/43a](#). Moreover, in the context of the 2018 projections and demographic changes in York for 2018-20.
- 2.18 [EX/CYC/43a](#) does not apply market signals and makes a somewhat misleading comparison between the economic led need of 790 and what is labelled as the starting point of 302 dpa⁹.
- 2.19 To follow the 2012 NPPF guidance, a relevant market signals uplift should be applied to the adjusted starting point of 670¹⁰. At 20% (which reflects the severity and worsening of local trends, and the ways that this is impacting on population outflows) this would lead to a demographic OAN of 804.
- 2.20 This is marginally higher than the 790 dpa carried forward by [EX/CYC/43a](#) from [EX/CYC/9](#).
- 2.21 There is a strong case for a 20% adjustment, which is explained in Section 2 of York Housing Need Update 2021 by Understanding Data¹¹.
- 2.22 [EX/CYC/43a](#) does not discuss the market signal latest trends, or the severity of the problem. Earlier evidence did however recognise the scale of the challenge. Furthermore, the latest CYC¹² Plan states:
- “Currently, York’s housing market is characterised by high demand and low supply, which pushes up house prices and rents above the regional average, creating a challenging environment for York residents.”*
- 2.23 [EX/CYC/9](#) acknowledged at paragraph 4.29 that “housing affordability is a worsening issue in York” and in paragraph 5.10 it accepted the need to apply a 15% uplift.
- 2.24 The latest housing need report ([EX/CYC/43a](#) Housing need update) does not to discuss the latest market signals trends, or the worsening severity of the problem.
- 2.25 The initial (i.e., preferred options) stage of the Local Plan and supporting evidence were consulted on in 2013. From 2013-20 the affordability rate for the purchase of dwellings based on median income has increased by 23% compared to 10% across Yorkshire and Humber and 16% for England. Recent data confirms the approach outlined in Understanding Data’s analysis¹³:

⁹ Paragraph 5.7 of [EX/CYC/43a](#) and Table 3.

¹⁰ Table 5 of [EX/CYC/43a](#).

¹¹ [EX/CYC/66e](#).

¹² <https://www.york.gov.uk/downloads/file/2132/council-plan-2019-to-2023>.

¹³ [EX/CYC/66e](#).

- The lower quartile affordability ratio in York for the same period has increased by 16% compared to 8% for Yorkshire & Humber and 9% for England.
- Private rented lower quartile prices have increased from 2014-21 in York by 26%, compared to 19% in Yorkshire and Humber and 23% in England.
- The York dividend¹⁴ compared to the regional average is £2,076 pa for a 1 bed, rising to £4,932 pa for a 4 or more bed rental. This amounts to rents in York being from 35% (1 bed) to 42% (4 bed or more) higher in York.
- The lower quartile average house price in York in 2020 was 196,000, 22.5% higher than the England LQ average and 63% (and £76,000) higher than the Yorkshire and Humber average.
- In York from 2013 and 2020 the percentage of sales under £150,000 fell by 21.5%. This amounted to 756 less sales at this level. Sales between £150,000 and £200,000 fell by a further 9.1%.
- Sales of properties priced between £200,000 and £400,000 increased between 2013 and 2020 by 23.9%.

2.26 The issues around the housing crisis nationally and in York are not new and have been well rehearsed, and earlier versions of the Local Plan highlighted the significant pressures facing the City. It is only the more recent Local Plan evidence that, in essence, down plays the seriousness of the issue by not addressing it.

d) How have employment trends been taken into account in determining the OAHN? How robust are the assumptions that have been made regarding those trends and what impact have they had on the final OAHN?

2.27 Employment figures for 2020¹⁵ show interruptions due to Covid restrictions and impacts. LDP consider it reasonable to use pre covid levels of growth to assess the older 650 job figure that the Plan and its recent evidence relies on.

2.28 The number of new employees from 2015 to 2019 increased by 5,000, or 1,250 averaged across the four year period of 2015-19. Employment increased by 4,000 or 1,000 across the period. The Total Jobs measure shows jobs growth of:

- 947 jobs per annum for 2000-19
- 1,100 jobs per annum for 2009-19
- 1,200 jobs per annum for 2014-19.

2.29 Understanding Data's Report ¹⁶ demonstrates that the impacts of York Central alone could see an increase in the level of annual jobs likely to be created within York of between 1,100 and 1,400; this is also explained in LDP's response to Question 3.1 of Matter 3.

¹⁴ This is the difference in monthly rent between York UA and Yorkshire and Humber region converted to an annual figure.

¹⁵ Total Jobs measure from the Jobs Density dataset published on Nomisweb.

¹⁶ [EX/CYC/66e](#).

2.30 It is also noted that there is no update to the York Economic Strategy which would provide a clearer view of CYC's economic ambitions and the impacts that it sees arising from developments like York Central.

2.31 LDP's critique of the last Economic Outlook (December 2019) produced in support of the Local Plan¹⁷ is set out in paragraphs 77 and 78 of [EX/CYC/66e](#). The key points being:

- The report does not read across and does not inform the [EX/CYC/43a](#) Housing need update GL Hearn in substance.
- The report takes different views on population and the economy to those in previous and current GL Hearn housing need work. These are not reconciled by either report.
- The report appears to set out results that do not match recent and current actual employment growth in the area even though this higher employment growth is acknowledged.
- The report references York Central – but does not specify the employment (or economic benefits) expected from this key investment. The only reference is to the construction boost.
- The report has two outputs, the UK wide Oxford Economics November 2019 results, which sets out an expectation of 450 jobs per annum (compared to the previous 2015 Oxford work which led to the GL Hearn 650 jobs figure), and a reprofiled sector scenario with 510 jobs per annum between 2017-38.

2.32 There are other contextual changes which are relevant, such as the different funding and strategy under the Levelling Up Agenda which did not exist in York in 2015. LDP's response to Question 3.1b sets out some of the changing local context to employment changes.

2.33 It is also worth noting that the current guidance on employment needs in the NPPF 2021 is quite different to the 2012 NPPF with a shift to supporting logistics and supporting productivity and innovation. The policy of NPPF 2021 is underpinned by the Government's Industrial Strategy (2017) and the more recent Government's Building Back Better (March 2021) policy¹⁸, which sets out a vision to drive productivity improvements across the UK.

2.34 Recent employment creation trends which LDP estimate to be at least 1,000 per annum) are not addressed by the Plan or its evidence. The assumptions that the Plan is based on (650 jobs) date from 2015 Oxford Economic (SD064 and SD064)¹⁹ and do not capture the aspiration or known investments and projects within York, and the Levelling Up agenda or Industrial Strategy of the Government.

¹⁷ [EX/CYC/29](#).

¹⁸ [Building Back Better \(March 2021\)](#).

¹⁹ We set out the origin of the 650 jobs figure around Paragraphs 3.25-3.34 of the 2019 Understanding Housing Needs in York part representations to the York Local Plan Proposed Modifications (June 2019).

e) *Does the economic-led OAHN assessment now still reflect an appropriate OAHN to be addressed and delivered through the Plan during the Plan period?*

2.35 This is, in a large part, covered above, but the housing evidence sets out 650 jobs growth per annum, and CYC's latest economic position 450-510 jobs ([EX/CYC/29](#)). LDP consider the Plan's jobs target does not match current levels of employment which have averaged 1,100 per year for 2009-19 jobs. The consequence of not planning for this level of jobs in York is likely to be a significant increase in commuting into York, a point accepted in [EX/CYC/29](#).

2.36 While [EX/CYC/43a](#) has basic modelling this is not at the level of detail that would normally accompany comparisons between demographic and jobs led scenarios of growth to establish whether sufficient workforce will be provided by proposed dwelling totals. Furthermore, [EX/CYC/43a](#) does not consider the likely impacts on surrounding areas of increased commuting to York.

2.37 The economic led OAHN based on 650 and is derived from work carried out in 2015 evidence (SD063 & SD064). [EX/CYC/43a](#) states at para 3.2:

"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](#)]."

2.38 As set out in answer to Question 2.2d) above, the most recent economic evidence that CYC has submitted to this examination ([EX/CYC/29](#)) suggests jobs growth of between 450 and 510. These figures again bear no resemblance to what has and is being achieved. The implications of these differences are not addressed in [EX/CYC/43a](#). [EX/CYC/43a](#) sets out at para 5.8:

"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."

2.39 The housing need is materially worse with population growth slowing but affordability worsening. The political agenda has shifted even more fully to a SM. Covid and Brexit have exacerbated an agenda around levelling up and growth. The latest economic evidence ([EX/CYC/9](#)) undermines the GL Hearn reports reliance on 650 jobs, by setting out a range of employment provision of between 450 and 510 jobs, but with actual growth being significantly greater.

2.40 The circumstances that influence housing need, have changed significantly, and all coalesce to suggest that the OAN should be much higher than 790 dpa suggested in [EX/CYC/43a](#).

f) *Overall, has the OAHN figure been arrived at on the basis of a robust methodology and is it justified?*

2.41 "No" for the reasons already identified above.

Question 2.3: Has there been a meaningful change in the housing situation in York since the Plan was submitted and, if so, how should this be addressed in the Plan?

2.42 Yes, the housing situation is worsening. LDP highlight that much of the core evidence that CYC relies on to address its understanding of the housing situation relies on work that dates to 2015.

2.43 What is as concerning is that post submission evidence prepared for and relied on by CYC ([EX/CYC/43a](#)) does not fully address the current severity of the challenge facing the local housing market.

2.44 The key changes that impact on the housing situation in York are:

- clear signs of additional pressure on rents and house prices.
- 26% of housing completions since 2013 have been net change of use or conversions.
- the level of Housing Completions has fallen – the 3 year average for 2015-18 was 1131, for 2018-21 this was only 544. Much of this is for student accommodation.
- the clear slowing down of the population growth is strongly linked to increasingly unaffordability and lack of availability of suitable housing.
- employment growth appears to have remained strong, an increasing challenge for York is retaining the working age population – the share of those aged 16-64 has fallen since 2013.
- An increasing level of self-catering holiday accommodation across York that will place further pressure on housing availability and affordability.

2.45 LDP respectfully suggest there has been a meaningful change in housing need for the reasons outlined, and that providing for 822 dpa does not reflect the true housing need, either if the NPPF 2012 OAN approach is adopted or the more recent NPPF 2021 SM.

2.46 Set out below in Table 1 a summary of the various relevant OAN / SM figures.

	Current OAN	Plan Target	OAN with Market Signals	Standard Method (current)
Dwellings per annum	790 (EX/CYC/9)	822	804	1010
Note:	Not updated in EX/CYC/43a		20% uplift applied to 2018 based 10 year migration scenario Would need to be compared against a realistic jobs-led target (650 jobs not credible)	Set out as 1,026 in EX/CYC/43a

3 The Housing Requirement

Question 2.4: Is the shortfall figure (for 2012-2017) of 32 dpa which is incorporated into the 822 dpa housing requirement still a robust and justified figure?

3.1 This is a matter for CYC to answer, and LDP reserve the right to respond.

Question 2.5: Does the 822 dpa housing requirement take into account any backlog or under delivery of housing in previous years? If so, how?

3.2 This is a matter for CYC to answer, and LDP reserve the right to respond.

Question 2.6: Overall, is the housing requirement figure now proposed underpinned by robust evidence and adequately justified?

3.3 For the reasons outlined above, the evidence supporting the housing provision in the Local Plan is not robust, and underestimates the true housing need even if the OAN approach of NPPF 2012 is adopted, on the basis that:

- The starting point used for the OAN is not appropriate.
- The uplift for market signals used in [EX/CYC/43a](#) is not appropriate, and should be 20%, and should be applied to the starting point.
- The jobs growth being planned for the assessment is a significant underestimate of the actual level of growth achieved, and likely to continue.

3.4 Therefore, the housing need underpinning the Local Plan should be modified via a Main Modification. Furthermore, if the methodology was correctly applied, with the above inputs, the housing need would be similar to that produced by the SM (NPPF 2021).



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