

# HEARING STATEMENT ON BEHALF OF DEFENCE INFRASTRUCTURE ORGANISATION (PM SID 345)

City of York Local Plan Examination

Phase 3 Matter 1 Statement: Affordable Housing

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## REPORT

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**Prepared by:****RPS**

Darren Oakley BA (Hons) MA MRTPI  
Principal Planner - Planning

**Prepared for:****Defence Infrastructure Organisation**

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# 1 MATTER 1: AFFORDABLE HOUSING

## 1.1 What is the affordable housing need?

1.1.1 As stated in previous submissions made by DIO, the affordable housing need in City of York is 573 dwellings per annum (dpa) over the plan period, based on the latest figures set out in the Council's evidence base [SD051]. Also, as previously argued, DIO considers this to be a minimum need given the affordability issues facing household seeking to access housing in the private rented sector.

## 1.2 Does the provision for affordable housing in the Plan properly and pragmatically reflect that need?

1.2.1 No.

1.2.2 National policy<sup>1</sup> makes clear that in order to significantly boost the supply of housing, Plans should meet the full objectively assessed needs for market and affordable housing as far as this is consistent with the policies in the Framework (NPPF 2012) including key sites critical to the delivery of the housing strategy.

1.2.3 DIO has previously argued in its submissions to this examination that based on the Council's own projections, the expected forward supply of affordable housing from all known sources of supply (totalling 3,539 affordable dwellings ) would not even be sufficient to address the shortfall in affordable delivery at end of March 2021 (see further responses under question 3 below on this matter. This is because the forward supply of 3,539 affordable units expected by the Council (based on its latest projections in the Affordable Housing Note 2020) will only tackle past under-delivery to 2021 (c. 3,630 dwellings) and therefore no headroom to address future affordable housing needs. This, in itself, highlights a very serious problem regarding the ability of the CYCLP to properly plan for the scale of affordable housing needed in York in a timely manner based on its own evidence of need.

1.2.4 DIO's position regarding future affordable housing supply is currently based on the assumption that the expected number of affordable units would be built out by 2032/33, as stated in the Council's Affordable Housing Note February 2020 [EX/CYC/36, Table10]. When looking purely at future need and supply, the Council suggests in the note that this will deliver 38.6% of the total affordable need up to 2032/33 [EX/CYC/36, para 44].

1.2.5 The need for more concerted action is further evident based on the Council's updated housing trajectory [EX/CYC/69] which looks forward to 2037/38, the proposed end date of the plan. Whilst

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<sup>1</sup> NPPF 2012, paragraph 47

the Council provides a picture of likely affordable supply up to 2033, the Council does not provide an updated position on projected affordable supply to cover the period 2033/34 to 2037/38. The updated trajectory nonetheless assumes a total delivery of 3,143 dwellings on major site allocations above 5 hectares (including an allowance for non-implementation). In terms of the proportion of completions that could be affordable, the Council has assumed 23.7% of total completions on all draft housing allocations would be affordable homes [EX/CYC/36, paragraph 20]. Using this a proxy, 3,143 homes would generate around 745 affordable units from allocated sites post-2033. Even if some additional affordable homes are delivered by other means i.e. through 100% affordable schemes brought forward by Registered Providers, the delivery of 745 affordable units equates to just 149 affordable dwellings per annum over the five-year period. Against an annual need of 573 dpa, this would lead to an under-delivery of an additional 2,120 affordable homes<sup>2</sup>, thus reducing the overall contribution the Plan can make to meeting the affordable need.

- 1.2.6 On this basis, the shortfall in affordable delivery is only likely to worsen over the longer-term, resulting in even more households in York being denied access to the homes that they need. The current position being taken by the Council further supports DIO's view that the provision for affordable housing in the CYCLP does not reflect the need and so more should be done to address affordable housing needs in York. This is lamentable and represents clear evidence as to the failure of the Council to properly plan for affordable housing need in York, and which reinforces DIO's stated position that the submitted Plan is not soundly-based.
- 1.2.7 In light of this, DIO recommends that, in line with national policy, a clear option open to the Council to remedy this problem and tackle to the increasing under-delivery of affordable housing would be to allocate additional suitably located and deliverable sites in this Local Plan. Two such sites are available and can contribute towards future supply of affordable housing. The first is the Queen Elizabeth Barracks site (referred in the Publication Plan under ref. ST35 / Policy SS19). The QE Barracks site was identified in the Publication Plan as delivering 500 dwellings under the draft policy, all of which could be delivered during the plan period. The second is the site at Howard Road, Strensall (ref. H59), which lies adjacent to site ST35 and which was also proposed for allocation in the Publication Plan, for 45 dwellings.. The total delivery on both these sites would therefore be 545 dwellings. Based on the affordable housing requirement of 20% for major brownfield sites set out in Policy H10, 109 additional affordable dwellings could be delivered on these site were they to be allocated in the Plan. This would go some way towards providing additional affordable homes for those households in York whose needs might otherwise be denied through the overly restrictive approach to the selection of new site allocations in the Plan. The Inspectors should therefore give proper consideration to allocating these sites through a main modification prior to adoption of the Plan.

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<sup>2</sup> 2,865 (or 573 x 5) minus 745 = 2,120

### 1.3 Should the housing requirement be uplifted to reflect the need for affordable housing?

1.3.1 Yes.

1.3.2 National planning practice guidance (ID: 2a-029)<sup>3</sup> makes clear that:

*“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”*

1.3.3 Clearly, an uplift to the housing figures in York would help considerably to deliver the required number of affordable homes (in this case, 573 dpa) and is entirely consistent with national guidance.

1.3.4 DIO has consistently stated in its submissions to this examination that the minimum housing requirement figure of 790 dpa should be uplifted to address the need for affordable housing in the City of York, which is pressing and is likely to worsen if the necessary action is not taken now. Our stated position is that this adjustment should be at least 10% over and above the objectively assessed housing need figure (if preferred by the Inspectors, this would be 790 dpa as submitted) and in addition to the 32 dpa uplift to account for under-delivery since 2017 in this case. Given that the shortfall is likely to worsen over the longer term, rather than improve, DIO recommend consideration is given to an uplift in excess of 10%.

1.3.5 DIO maintain the view that an uplift is needed not least in order to address the persistent under-delivery in affordable housing since 2012 (the base date of the Council’s latest assessment of affordable housing need) up to 2021. Figures presented by DIO in its Phase 2 Matter 2 statement (Table 2) illustrate the scale of the shortfall, which is currently c. 3,630 affordable homes from 2012 up to the end of March 2021. Whilst DIO accept that affordable housing need is not required to be met in full, it is nonetheless the case that in City of York the shortfall in delivery of affordable homes is significant and has been so for many years.

1.3.6 In light of this, the Council should be taking all necessary and reasonable steps to address this shortfall as soon as practically possible in order that the affordable housing needs of all existing (and future) households in York can be properly met. This is most appropriately achieved by increasing the housing requirement and identifying additional sites to meet the increased requirement

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<sup>3</sup> Paragraph: 029 Reference ID: 2a-029-20140306 Revision date: 06 03 2014

## 1.4 What would be the effect of such an uplift?

- 1.4.1 The primary effect of including an uplift of at least 10% for affordable housing in the Plan would be to increase the overall planned requirements by at least 1,659 dwellings (assuming 79 dpa, 10% of 790, applied over a 21 year period 2017 to 2038). When applying the Council's assumed delivery rate of 23.7% on site allocations taken from the February 2020 Affordable Housing Note [EX/CYC/36] this could result in an additional 393 additional affordable homes. Clearly, this would not meet the affordable need in full, but that is not a policy requirement. It would, nonetheless, help to address future projected affordable need as well as help to tackle past shortfalls in affordable delivery.
- 1.4.2 By doing so, this would help to 'maximise affordability of housing across the housing market', in line with Policy H10 of the draft Plan, but would also help to increase the stock of affordable housing available to households in need now and in the future. This is important as increasing the stock of affordable homes would also help to reduce the impact of the worsening supply of affordable housing over the longer-term compared to the need, as evidenced in this submission.
- 1.4.3 Conversely, if no uplift is applied then DIO contend that the consequences will be that the shortfall will be even greater and the Council will fail to adequately address the needs of those in need of affordable housing, contrary to national policy (NPPF 2012, paragraph 159).