

City of York Local Plan Examination
Phase 3 Matter 1: Affordable Housing Policy

Hearing Statement

July 2022

1. Introduction

- 1.1 Turley and Carter Jonas LLP (CJ) welcome the opportunity to continue to participate in the City of York Local Plan Examination in Public (the EiP) on behalf of L&Q Estates (formerly Gallagher Estates) (L&QE).
- 1.2 This Statement responds to selected questions set out within the Phase 3 Matter 1: Affordable Housing Policy of the Inspector's Matters, Issues and Questions.
- 1.3 The Inspector's Issues and Questions are included in bold for ease of reference. Where a specific Question is not covered L&Q Estates has no comment as part of this Hearing Statement.
- 1.4 This Hearing Statement is pursuant to, and cross-references with previous representations by Carter Jonas in respect of the Pre-Publication Draft (Regulation 18); Main Modifications (Regulation 19) consultations in July 2019; Phase 1 Hearing Statements (December 2019); City of York Local Plan Proposed Modifications and Evidence Base Consultation (Regulation 19) in July 2021; and, Phase 2 Hearing Statements (March 2022).

2. Matter 1: Affordable Housing Policy

Q1.1 What is the need for affordable housing?

2.1 It is understood that the most up-to-date calculation of the need for affordable housing is to be found in the 2016 SHMA (SD051). This sets out a need for 573 affordable homes per annum.

2.2 This is considered to represent a significant need, highlighting the challenges that the York housing market creates for a substantial number of households who are unable to access the homes they need.

2.3 It is of note that this calculation is now more than five years old. The applicable PPG states that:

“Local planning authorities should not need to undertake comprehensive assessment exercises more frequently than every 5 years although they should be updated regularly, looking at the short-term changes in housing and economic market conditions”¹

2.4 In this context, a more up-to-date assessment should be made available to ensure that it presents an accurate and timely estimate of the full scale of need.

2.5 This is pertinent not only to the assessment of the soundness of the Plan’s provision for affordable housing, but also the justification for the OAN. The Council has itself referred to the evidence it has used to justify the housing requirement and explained how this ‘*considers...affordable housing need as part of the updated assessment of Objectively Assessed Housing Need*’. It confirms that the study’s authors ‘*conclude that an uplift to the demographic need figure to improve the delivery of affordable housing may be justified*’².

2.6 In the absence of an updated figure, it is reasonable to believe that the scale of affordable housing need in York will have increased, given clear evidence – highlighted in our Matter 2 statement during the Phase 2 hearings – of worsening affordability since the Plan was submitted in 2018 and indeed since the need was last estimated in 2016. Since 2018, it can be observed that:

- The average cost of housing to purchase in York has risen by a sixth (17%), when comparing 2021 to 2018, with a rise of 7% in the last year alone³;
- Entry level house prices (lower quartile) now equate to an estimated 9.6 years’ earnings, compared to the reported figure of 9.1 years at the time of submission; and

¹ PPG Reference ID: 2a-036-20140306

² Affordable Housing Note Final February 2020 EX/CYC/36, paragraph 41

³ Land Registry (2022) Price paid data

- The waiting list for affordable housing has grown by some 50%, with 1,738 having registered their need with the Council as of March 2021⁴.

2.7 The change in housing market circumstances evident from these indicators, within a period of only three years, clearly justifies a recalculation of the need for affordable housing. Without such an up-to-date and representative calculation of need, it is not possible to fully assess the extent to which the draft Plan's proposed policy approach will be effective, in accordance with the NPPF.

Q1.2 Does the provision for affordable housing in the Plan properly and pragmatically reflect that need?

2.8 No. The Council has itself admitted that its proposed allocations – as of February 2020 – would not allow for its most recently calculated need for affordable housing to be met, setting aside the fact that this calculation is now out-of-date as noted in our response to Q1.1⁵.

2.9 The Council estimated at the time that its allocations could support the delivery of 221 affordable homes per annum, therefore meeting only 39% of the annual need⁶.

2.10 Our previous submissions have highlighted the city's poor track record in delivering affordable housing. The Council's Affordable Housing Note⁷ confirms that over the decade to 2019 only 1,231 affordable homes were delivered, or 123 per annum on average. Where this level of provision evidently fell significantly short of the calculated need, the potential positive impact was further offset by the loss of existing affordable homes, with an average of 43 units annually lost in York over the same period through the Right to Buy⁸.

2.11 This picture of under-delivery has been maintained over the last two subsequent years. Between 2019 and 2021, whilst 293 affordable homes were built (147 per annum on average), 104 homes were sold through Right to Buy (52 per annum on average).

2.12 On the basis of this historic performance, there is every reason to believe that even the Council's assessment of the potential for the identified land supply to deliver 221 affordable homes per annum is unduly optimistic. This is before even accounting for the potential impact of an increase in Right to Buy sales, potentially enabled by the Government's stated intention to expand the scheme to include Housing Association properties.

⁴ MHCLG (2021) Live Table 600: numbers of households on local authorities' housing waiting lists, by district, England, from 1987

⁵ Affordable Housing Note Final February 2020 EX/CYC/36

⁶ *Ibid*, paragraph 44

⁷ *Ibid*, Table 11

⁸ MHCLG Table 685

- 2.13 As we have submitted through evidence to earlier hearings⁹, the Council could seek to mitigate the risks of under-delivery by elevating the housing requirement and increasing the supply of land from which such housing could be delivered.
- 2.14 Such an approach would accord with the PPG and whilst not necessitating a formulaic adjustment to the calculated OAN should result in a boosting of the supply of affordable housing to the extent that it could have a meaningful impact on addressing the growing need for this type of housing. This must account for the fact, described above, that historic delivery rates have not been adequate and that the current planned provision will fall significantly short of addressing needs in full.
- 2.15 It is important to recognise that the current plan to address only a fraction of the total need for affordable housing will mean that many of the city's residents will continue to have their housing needs unmet, meaning that they must either continue to live in unsuitable housing or find a home outside of the city. In this regard we note the evidence submitted on behalf of Karbon Homes and York Housing Association (YHA) within their Phase 2 Matter 2 hearing statement. This cites a number of case studies from people YHA has managed to allocate homes, illustrating both the stark nature of the local housing crisis but also the benefits that the provision of affordable homes can have for the city's residents.

Q1.3 Should the housing requirement be uplifted to reflect the need for affordable housing?

- 2.16 Yes. The PPG clearly encourages local authorities to positively address local housing need and to increase the total housing figures '*where it could help deliver the required number of affordable homes*'¹⁰.
- 2.17 Where the Council optimistically estimates that its proposed OAN of 790 dwellings per annum could deliver 221 affordable homes every year, even uplifting the former by 28% to align with the outcome of the standard method (1,009dpa) would have a relatively significant impact in delivering more affordable homes each year.

Q1.4 What would be the effect of such an uplift?

- 2.18 Each of the additional homes provided through a higher level of housing provision would mean a household being accommodated in a home that meets their needs, and a reduction in the cumulative size of the housing register.

⁹ Response to questions 2.3f and 2.6 in the Phase 1 Matter 2 Hearing Statement 'The housing strategy: the objectively assessed need for housing and the housing requirement' submitted by Turley on behalf of L&Q Estates (formerly Gallagher Estates), November 2019

¹⁰ PPG Reference ID: 2a-029-20140306

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