



EXAMINATION OF THE CITY OF YORK LOCAL PLAN

2017-2033

PHASE 1 HEARINGS

Matter 2 – The housing strategy

The Housing Requirement

CITY OF YORK COUNCIL STATEMENT

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?

Response

2.5.1 Yes the 867 figure is an annual average. The submitted Plan policy SS1 (Delivering Sustainable Growth for York) aims to ensure a minimum annual provision of 867 new dwellings over the plan period to 2032/33 and the post plan period to 2037/38. Explanation of this policy at paragraph 3.3 of the Local Plan [CD001] sets out that this figure is underpinned by the SHMA Update 2017 [SD050], by GL Hearn.

2.5.2 The Council has proposed a modification to policy SS1 (PM4) through the Proposed Modifications Consultation (June 2019) [EX/CYC/20] to align with the updated OAN evidenced through the City of York Housing Needs Update 2019 [EX/CYC/14a]. This proposes that the Plan will seek to deliver a minimum annual provision of 790 new dwellings over the plan period to 2032/33 and post plan period to 2037/38. In addition PM5 proposes the associated modifications to paragraph 3.3. The 790 figure is an annual average.

2.5.3 The Topic Paper 1 Addendum: Approach to Defining York’s Greenbelt [EX/CYC/18] sets out how the Plan has established housing needs at Section 7b (page 51). At paragraph 7.14 this states that ‘the Housing Needs Update recommends an OAN of 790 dwellings per annum (dpa) indicating the need for the Plan to deliver a minimum of 790 dpa or 12,640 dwellings to the end of the plan period (2032/33). Paragraph 7.16 also confirms that ‘this numerical target should be treated as a minimum rather than a cap on the housing land supply’ in order to provide a realistic prospect of achieving the planned supply and to ensure choice and completion in the market for land. The Plan therefore makes provision for at least 12,640 homes over the plan period which amounts to an annualised rate of 790 dwellings per annum (dpa) over 16 years.

2.5.4 Yes, the 790 dpa is intended to be a net figure. Policy SS1 (as amended by PM4) seeks to increase the dwelling stock by the amount stated and is therefore a net figure rather than a gross figure with only net housing completions counting towards the figure of 790 dpa.

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

Response

- 2.5.5 The submitted Local Plan proposes a 16 year plan period from 2017/18 to 2032/33 and proposes a green belt that will endure for a minimum of 20 years to 2037/38 and will not therefore need to be altered at the end of the plan period.
- 2.5.6 Several of the strategic site allocations proposed in the Plan have anticipated build out times that extend beyond the 16 year trajectory in the Plan [EX/CYC/16] and this coupled with a windfall allowance and an approach to green belt predicated on boundaries enduring for a minimum of 20 years (5 years beyond the plan period) negates the need to identify areas of safeguarded land. The Council has included sufficient site allocations for housing and employment to meet longer term development needs beyond the plan period (2032/33) for a further 5 years (to 2037/38) in order to ensure that the greenbelt boundary will be capable of enduring beyond the plan period. The Council's response to the Inspectors' clarifications [EX/CYC/11] provides confirmation of where the submitted Plan sets out the plan period.

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?

Response

- 2.5.7 Yes, the submitted York Local Plan proposes a 16-year plan period from 2017/18 to 2032/33 and proposes a green belt that will endure for a minimum of twenty years to 2037/38 and will not therefore need to be altered at the end of the plan period. Policy SS1: Delivering Sustainable Growth for York refers to a plan period to 2032/33 and a post plan period to 2037/38. The reference to the post-plan period and to the provision of sufficient land to meet the identified needs for employment and housing is intended to demonstrate that the green belt will ensure beyond the plan period. Policy SS2: The Role of York's Green Belt states that to ensure there is a degree of permanence beyond the plan period sufficient land is allocated for development to meet the needs identified in the Plan and for a further minimum period of five years to 2038. The submitted Plan allocated specific sites through policy EC1 and H1 to meet longer term development needs from 2017/18 to the end of the plan period (2032/33) - and for 5 years beyond to 2037/38.
- 2.5.8 The Plan proposes a number of large strategic sites and new settlements which will provide a substantial contribution to the housing supply and will provide significant benefits through their sustainable locations or critical mass in order to create sustainable new communities. A number of the larger strategic sites

identified in the Plan are required within the Plan period in order to meet the identified needs but also have anticipated build out rates beyond the sixteen years of the plan period. The Plan includes a balance of short and longer term sites as illustrated in the housing trajectory [EX/CYC/16]. The permitted and smaller sites deliver supply in the short to medium term, including the five year housing land supply. The larger strategic sites have longer lead-in times and development periods and their timespans may cover a number of plan reviews and housing requirement re-calculations. Circumstances may change and new strategic sites cannot be brought forward quickly and need to be planned well in advance.

2.5.9 Longer term housing delivery is provided largely by means of large strategic sites including the identified new settlements. The extended build out rates for these larger strategic sites coupled with a windfall allowance [Annex 4 SD049B] means it is not necessary to identify safeguarded land or reserve sites.

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

Response

2.5.10 As set out under question 2.5(a) the Council has proposed a modification to policy SS1 (PM4) through the Proposed Modifications Consultation (June 2019) [EX/CYC/20] to align with the updated OAN evidenced through the City of York Housing Needs Update 2019 [EX/CYC/9]. This proposes that the Plan will seek to deliver a minimum annual provision of 790 new dwellings over the plan period to 2032/33.

2.5.11 The PPG (ID: 2a-015-20140306) states that as household projections do not reflect unmet housing needs, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply. The Housing Needs Update 2019 [EX/CYC/14a] considered housing need across the period 2012 to 2037 using the latest demographic projections - the 2016 based national household projections. The Council has assessed net housing completions over the period 2012 to 2017 and calculated any under-supply against the OAN of 790 dwellings per annum. This analysis shows that over the period 1st April 2012 to 31st March 2017 there were 3,432 net housing completions. The OAN over this period was 3,950 dwellings (790 x 5) leaving a shortfall in actual supply of 518 dwellings.

2.5.12 The housing requirement has been increased by 518 dwellings over the plan period (2017/18 to 2032/33) by 32 dwellings to 822 dpa in order to ensure that the plan accurately reflects unmet historic housing need over the plan period. This is illustrated in the updated housing trajectory included at Proposed

modifications 21 and 22 [EX/CYC/20] and in the updated figure 6 housing trajectory [EX/CYC/16]. It is not considered that this historic unmet need is included in the household projections used to calculate the OAN and therefore need is not double-counted.

2.2.13 The Council proposed an amendment to the policy wording in the proposed modifications to a minimum annual provision of 790 dwellings per annum to reflect the updated OAHN work in the Housing Needs Update 2019 [EX/CYC/9]. The Proposed Modification reference PM 20 and PM21 the housing trajectory at Figure 5.2 (and shown at EX/CYC/16) which was also consulted upon actually applies an annual housing requirement of 822 dpa to allow for meeting unmet need. The Council consider that a modification to clarify this would make the policy wording more accurately reflect proposed annual housing requirement of 822 dpa.

5.2.14 Over the plan period to 2032/33 this means that there is a requirement to find sufficient land to provide for 13,152 dwellings (822 x 16 years) as indicated on the housing trajectory at PM 20 and 21 [EX/CYC20] and the updated Figure 6 Housing Trajectory [EX/CYC/16].

5.2.15 The housing trajectory [EX/CYC/16] indicates that there is the potential to deliver 16,685 homes over the Plan period to 2032/33. The difference between this and the housing requirement of 13,152 dwellings is 3,533 dwellings. The Council considers that in terms of housing supply there is appropriate flexibility or headroom to ensure that the plan remains robust in the event that there is slippage in the delivery of housing from the allocated or committed sites.

5.2.16 The Plan needs to be robust and capable of meeting unexpected contingencies such as delivery failure or slippage in one or more sites. The range of sites proposed needs to be effective over the lifetime of the Plan and has regard to potential changes in circumstances. By making allocations now the Council has aimed to future proof the Plan in accordance with the NPPF which says that Plans should have sufficient flexibility to adapt to rapid change (para 153), which may include changes in the policy context as the plan moves away from the transitional provisions. It has also sought to include allocations which deliver housing beyond the plan period to help meet longer-term needs without requiring land to be separately safeguarded. The Plan is flexible, integrated and forward looking meeting both present and longer term development needs in sustainable locations. Removing one or more sites to reduce the overall supply would diminish the Plan's ability to adapt to rapid change.

- 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?**

Response

2.5.17 No, the Council does not consider that setting a housing requirement higher than the OAHN undermines the arguments in relation to the justifications for releasing land from the green belt or reduce the degree to which exceptional circumstances exist.

2.5.18 The Council considers that the Plan as a whole contains an integrated set of proposals that work together. The strategic allocations operate to deliver a range of benefits through critical mass and sustainable locations which would not be achieved by smaller dispersed sites. The Plan needs to be robust and capable of meeting unexpected contingencies such as site delivery failure or slippage on one or more of the proposed sites. The medium (years 6-10) and longer term housing delivery (years 11-15) is largely by means of the larger strategic sites and the amount of headroom between the potential housing supply and the housing requirement means it is not necessary to identify safeguarded land or reserve sites.

2.5.19 The TP1 Addendum [EC/CYC/18] section 7C sets out an assessment of other reasonable options for meeting the established need for development including consideration of spatial principles, spatial distribution and making as much use as possible of suitable brownfield sites and underutilised land. The Council do not consider it possible to rely on increasing the supply of housing within the urban areas to obviate the need to release land from the green belt. Development opportunities within the urban areas have been thoroughly investigated. All available sites have been assessed for their suitability as part of the Strategic Land Availability Assessment (SHLAA) [SD049A] which considered approximately 800 sites. In accordance with the NPPF the Plan relies only on sites that are either deliverable or developable.

2.5.20 The Council does not consider that the difference between the potential supply of 16, 685 dwellings and the housing requirement of 13,152 dwellings implies that the Plan should allocate fewer sites and release less green belt land. The TP1 Addendum [EC/CYC/18] section 7F justifies the exceptional circumstances in the context of the change in the OAN. The SHLAA has assessed those sites that are suitable, available and deliverable and has identified a supply of 5,652 dwellings on land within the urban area (after applying a 10% non-implementation rate). In addition the assessment of supply has also identified

current extant permissions of 3,220 dwellings (after applying the 10% non-implementation rate) and a windfall allowance of 2,197 dwellings. In total this identified supply will provide sufficient supply for 11,069 dwellings over the plan period to 2032/33. The identified yields of sites have been assessed as achievable within the plan period through the SHLAA. Despite this not all the sites will come forward as anticipated and therefore it is necessary to ensure some flexibility in the identified supply to deal with changing or unforeseen circumstances over the plan period. If insufficient land is released from the greenbelt and some of the sites fail to come forward as expected this could jeopardise the fulfilment of the Plan's objectives to deliver sufficient quality housing to meet the identified needs over the plan period and to create a green belt that will meet longer term development needs beyond the end of the Plan period. The Plan needs to be effective over its life and have regard to potential changes in circumstances.

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

Response

- 2.6.1 See the response to question 2.3(f) above. The housing requirement is derived from an OAN which takes into account affordable housing needs as considered in the 2016 SHMA [SD051] and SMHA Update 2017 [SD050] and as reviewed in the Housing Needs Update 2019 [EX/CYC/9] (Section 4).
- 2.6.2 The SHMA analysis indicated that 573 net additional households per year will require support in meeting their housing needs (using a 30% income threshold), but concluded that it was not appropriate to directly compare the need identified in the analysis with the demographic projections as they are calculated in different ways; and that having regard to the Kings Lynn case, the OAN of 790 units would make a significant contribution to affordable housing needs.
- 2.6.3 This is a similar conclusion to the Inspector at the Cornwall Local Plan EIP who concluded that 'National guidance requires consideration of an uplift; it does not automatically require a mechanistic increase to the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites'.
- 2.6.4 The Plan will provide substantial delivery of affordable housing. Projections are based on the assumption that draft allocations will provide affordable housing commensurate with Policy H10 of the Plan which requires 20%

affordable homes on brownfield sites above 15 dwellings and 30% on Greenfield sites above 15 dwellings.

- 2.6.5 There are also other ways of delivering new affordable housing besides through new-build development on market-led housing development schemes. For example Policy H10 also requires provision of off-site financial contributions on sites below 15 dwellings but this is not included within the projections below.
- 2.6.6 In addition the housing trajectory submitted with the Local Plan also includes extant planning consents (3,578 dwellings at 1st April 2017) on which appropriate affordable housing provision will have been agreed and projected completions from windfalls (169 dwellings per annum) which may also require affordable housing provision in line with policy H10.
- 2.6.7 Based on the strategic and non-strategic housing allocations proposed in the submitted Local Plan it is anticipated that approximately 3,500 affordable homes will be provided within these developments. This equates to approximately 25% of the total number of projected dwellings on strategic and non-strategic housing allocations in the updated trajectory [EX/CYC/16].

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

Response

- 2.7.1 Yes. The submitted Plan policy SS1 (Delivering Sustainable Growth for York) aim to ensure a minimum annual provision of 867 new dwellings over the plan period to 2032/33 and the post plan period to 2037/38. Explanation of this policy at paragraph 3.3 of the Local Plan [CD001] sets out that this figure is underpinned by the SHMA Update 2017 [SD050], GL Hearn. The Council has now proposed a modification to policy SS1 (PM4) through the Proposed Modifications Consultation (June 2019) [EX/CYC/20] to align with the updated OAN evidenced through the City of York Housing Needs Update 2019 [EX/CYC/9]. That figure is now a minimum annual provision of 790 new dwellings over the plan period to 2032/33 and the post plan period to 2037/38.
- 2.7.2 Section 2 of the SA Publication Draft Regulation 19 Consultation (CD008) and specifically Tables 2.2, 2.3, 2.4, and 2.13 summarise the approach, appraisal and consultation responses to the development of the housing requirement.
- 2.7.3 Paragraphs 6.4.3 to 6.4.36 of Section 6.4 of the SA Publication Draft Regulation 19 Consultation (CD008) sets out the rationale for the selection of the housing requirement reasonable alternatives appraised at Publication

Draft Plan stage, the findings of the appraisal and the reasons for selection and rejection of the alternatives considered. Appendix N (Housing and employment growth figures appraisal) of the SA Report (CD009D) presents the detailed appraisal of the options.

- 2.7.4 Section 3 of the SA Report Addendum – Proposed Modifications Consultation (EX/CYC/24a) provides an update to the housing requirement, following the publication of the latest set of (2016-based) Sub-National Population Projections (SNPP) by the Office for National Statistics (ONS) in May 2018 and the publication of the 2016-based Sub-National Household Projections (SNHP) by ONS in September 2018. Work¹ undertaken by GL Hearn concluded that a housing need required to meet an economic growth of 650 jobs per annum results in an economic led need for housing of up to 790 dwellings per annum (dpa). The economic growth of 650 jobs per annum is based on the Local Plan target underpinned by the Employment Land Review Update, 2017 and the alternative housing figures identified in Section 3 of the SA Report (EX/CYC/24a) would be insufficient to meet the targets and objectives of the plan.
- 2.7.5 Section 5.3 of the SA Report Addendum (EX/CYC/24a) presents the summary of the appraisal of the revised housing requirement of 790 dpa along with an updated appraisal of the alternatives considered at Publication Plan stage. In consequence, the SA Report Addendum (EX/CYC/24a) contains the appraisal of the following four options for the housing requirement:
- **Proposed housing figure:** 790 dwellings per annum (dpa) - Based on the Housing Needs Update, January 2019, prepared for the Council by G L Hearn.
 - **Publication Draft Preferred housing figure:** 867dwellings per annum (dpa) – Ministry for Housing and local Government (MHCLG) Baseline based on the 2014 based household projections, released July 2016.
 - **Reasonable Alternative:** 953dpa – GL Hearn recommended figure (SHMA update, 2017). This reflects the demographic starting point of 867 per annum (based upon the July 2016 household projections). The figure also includes a 10% adjustment to include provision for affordable housing, in line with NPPG’s guidance for reasonable adjustments to the household projections to be made in light of market signals which may include land prices, house prices, rents, affordability, the rate of development and overcrowding.
 - **The Government’s indicative 2017 consultation housing need figure:** 1,070dpa – as set out in the Housing Need Consultation Data Table⁵³ published for consultation by MHCLG in September 2017 as part of

¹ GL Hearn (January 2019) *City of York – Housing Needs Update* (EX/CYC/14a)

Planning for the right homes in the right places: consultation proposals 54. This includes the household projections baseline at the time with an upwards adjustment based on the Government's proposed formula for taking account of housing affordability ratios. The figure for dwellings per annum is for the period 2016-2026.

2.7.6 Each option has been appraised against the SA objectives that comprise the SA Framework, with the sustainability effects identified, described and evaluated. These are presented in the SA Report Addendum (EX/CYC/24a) at:

- **Proposed housing figure:** paragraph 5.3.7 – 5.3.13.
- **Publication Draft Preferred housing figure:** paragraph 5.3.14 – 5.3.16.
- **Reasonable Alternative:** paragraph 5.3.17 – 5.3.19.
- **The Government's indicative 2017 consultation housing need figure:** paragraph 5.3.20 – 5.3.25.

2.7.7 Paragraph 5.3.29 – 5.3.33 provides the Council's reasons for selection of the preferred 790dpa figure and paragraphs 5.3.34 – 5.3.42 provide the Council's reasons for rejection of the other reasonable alternatives. The responses to earlier questions further demonstrates why the approach taken by the Council is robust.

2.7.8 The SA Report Addendum – Proposed Modifications Consultation (EX/CYC/24a) Appendices (EX/CYC/24b) and Non-Technical Summary (EX/CYC/24c) was issued for a 6 week consultation, ending on the 22nd July 2019, along with the following:

- the Council's proposed modifications to the submitted Local Plan [EX/CYC/20];
- the updated evidence base related to the OAHN figure [EX/CYC/9], [EX/CYC/15], [EX/CYC/16] [EX/CYC/17A] and [EX/CYC/17b];
- the updated HRA [EX/CYC/14c]; and
- the proposed changes to the Green Belt boundary [EX/CYC/18] and [EX/CYC/18a].

2.7.9 In consequence, the housing requirement and reasonable alternatives have been subject to SA, with the likely significant effects identified, described and appraised using the same methodology and reported to the same degree. The findings of the appraisal have been updated to reflect up-to-date evidence and the reports have been subject to consultation. The SA used to inform the selection of the preferred housing requirement is considered adequate.
