

**CITY OF YORK LOCAL PLAN
CONSULTATION ON 'PROPOSED MODIFICATIONS'**

HOUSING NEEDS AND SUPPLY REPORT

JULY 2019

Carter Jonas

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1.0 INTRODUCTION & EXECUTIVE SUMMARY

- 1.1 This report is submitted in relation to the proposed modification of the City of York Local Plan (“the plan”). City of York Council (“the Council”) has released a range of proposed modification one of which is to seek to reduce the Objectively Assessed Housing Need (OAHN) figure to 790 dwellings per annum.
- 1.2 In undertaking this assessment of objectively assessed need and associated issues, Carter Jonas LLP is instructed by various clients.
- 1.3 This report is in the context of continued review and updating of housing evidence on behalf of the Council from 2016 (and before) through 2017, and again in 2019. As such, it tracks the headlines in those reviews and updates. This tracking reveals that there has been under reporting and suppression of the housing needs.
- 1.4 It is recognised that the plan was submitted in May 2018 – under the 2012 National Planning Policy Framework (NPPF) – but there were strong indications of changes to national policy prior to this. Furthermore, the correspondence between the Inspectors and the Council makes it clear that we are in a changing and dynamic policy position and this latest consultation is being conducting post the publication of a new revised NPPF and supporting practice guidance in 2019.
- 1.5 There is an inherent conflict in the Council’s approach to attempt to use the most up-to-date data, but not the most recent national policy and guidance. The flaws in the SHMA and the tensions created by the Council’s approach can all be disregarded if the SHMA is set aside in preference for the ‘Standard Methodology’ for identifying housing need.
- 1.6 Notwithstanding this, should the Inspectors consider it reasonable to retain a SHMA based OAHN figure in the Local Plan it is respectfully suggested that the 2017 update and the GL Hearn conclusion that includes a 10% uplift to reflect market signals and engage with acute Affordable Housing need should be used as the starting point. This would ensure an OAHN of at least 953 dpa is included in the Local Plan. It is considered, however, that this is still under reporting the needs in the City of York.
- 1.7 The housing need figure should be a **minimum** of 1,066 dpa and the most appropriate figure is likely to be **1,226 dpa** to engage with the significant and acute need for Affordable Housing in York.

2.0 EVOLUTION OF THE CITY OF YORK STRATEGIC HOUSING MARKET ASSESSMENT

2.1 The submitted City of York Local Plan was supported by three assessments of housing need all produced on behalf of the Council by GL Hearn:

- City of York Strategic Housing Market Assessment (SHMA): (June 2016) – Examination reference: SD051;
- City of York SHMA Addendum (June 2016): Examination reference: SD052; and,
- City of York SHMA Update (2017): Examination reference: SD050.

2.2 Subsequently, the Council has published a further ‘Housing Needs Assessment Update’ again produced by GL Hearn in January 2019.

The SHMA (June 2016)

2.3 The SHMA (June 2016) Identified:

- A demographic baseline projected need of 833 dwellings per annum (dpa);
- An economic growth assessment to support 780-814 dpa;
- An affordable housing need of 573dpa (although no uplift was applied); and,
- A modest adjustment for household formation rates in the 25-34 age group.

2.4 The conclusion was that the Objectively Assessed Housing Need amounted to: 841 dpa (over the period 2012 – 2032)

The SHMA Addendum (June 2016)

2.5 The SHMA Addendum (June 2016) updated the ‘full’ SHMA in response to the publication of new demographic data: The 2014 based household projections. This iteration of the SHMA identified:

- An increased demographic baseline projected need of 889 dpa;
- No further assessments were made for economic growth;
- An increased affordable housing need of 627dpa (although no uplift was applied); and,
- A retention of the modest adjustment for household formation rates in the 25-34 age group.

2.6 The conclusion was that the Objectively Assessed Housing Need (OAHN) did not need to change from the 841 dpa (over the period 2012 – 2032).

2.7 Pausing at this stage, it is reasonable to reflect on the fact that the 2014 household projections published by the Department for Communities and Local Government show that the figures for the period 2012 – 2032 are 84,271 to 101,389 dwellings, or 856 per year, and this projection figure is higher than that identified as the OAHN for the City of York.

2.8 Furthermore, in order to meet the affordable housing needs in full (as a policy compliant ‘maximum’ of 30%) a total annual figure of 1,910 or 2,090 dwellings would be necessary, respectively, for each SHMA iteration. Therefore to conclude that no uplift was necessary to attempt, or go ‘some way,’ to meeting affordable housing needs is surprising at least, if not unsound.

- 2.9 The purpose of this report is not to analyse the 2016 versions of the SHMA in detail. However, the two observations above are sufficient to raise some concerns about the inputs and assumptions contained within them and, critically the conclusion drawn that 841 dpa is in fact a robust OAHN.

The SHMA Update (2017)

- 2.10 Turning to the City of York SHMA Update (2017), this identified that the latest mid-year population projections had – once again – increased the baseline demographic needs. The 2017 iteration of the SHMA also concluded that there was a need for an uplift in the housing needs figures to reflect the acute need for Affordable Houses. Reported at paragraphs 5.6 and 5.7 is the following:

“In response to both market signals and affordable housing need we have advocated a 10% uplift to the OAN. In line with the PPG this was set against the official starting point of 867dpa. The resultant housing need would therefore be 953dpa for the 2012-32 period.

“The level of housing need identified is somewhat higher than the previous SHMA reflecting the increased starting point but also the inclusion of a market signals uplift. This OAN would meet the demographic growth in the City as well as meet the needs of the local economy.”

- 2.11 However, the council added a preface to this report which stated:

“Members of the Council’s Executive at the meeting on 13th July 2017 resolved that on the basis of the housing analysis set out in paragraphs 82 - 92 of the Executive Report, the increased figure of 867 dwellings per annum, based on the latest revised sub national population and household projections published by the Office for National Statistics and the Department of Communities and Local Government, be accepted.

“Executive also resolved that the recommendation prepared by GL Hearn in the draft Strategic Housing Market Assessment, to apply a further 10% to the above figure for market signals (to 953 dwellings per annum), is not accepted on the basis that Hearn’s conclusions were speculative and arbitrary, rely too heavily on recent short-term unrepresentative trends and attach little or no weight to the special character and setting of York and other environmental considerations.”

- 2.12 Observations of the conclusions in the SHMA include:

- First, that there is an apparent conflation of ‘market signals’ and ‘affordable housing’ to create a suggested uplift of 10%. The now superseded planning practice guidance suggested that this was a two-step and sequential process, albeit each element was a matter of judgement, so to combine the two considerations would not conform to the guidance.
- Second, the 2107 SHMA update reported (para. 3.17) the calculation of affordable housing need (573 dpa) against the proposed policy proportion of 30% requiring a plan target of 1,910 dwellings a year. Whilst it was correctly noted that there is no requirement to meet all of this need a 10% uplift to meet a significant challenge is derisory at best. The figure of 573 is 66% of the demographic baseline figure of 867 and moreover, there is no mention of the

increased Affordable Housing need identified in the 2016 addendum of 627 dpa.

- Third, it is surprising that it took three iterations of the SHMA (not including any previous versions created by 'Arup') to conclude that an uplift to engage with the challenge of affordable housing was necessary, but it is positive to see this assessment within the evidence base.

2.13 The Council Executive's response, however, to the SHMA 2017 is disappointing. The particular concern is the attempt to place a 'policy-on' assessment on the OAHN through the comment that the conclusions "*attach little or no weight to the special character and setting of York and other environmental considerations.*" It was not in the gift of the Council to make this decision as part of setting of objectively assessed needs, clearly this should have been part of the plan making exercise.

2.14 It is in the context of the SHMA published in 2016; its two 'updates' and, the council's response to them, that we must now consider the latest iteration of housing needs assessment.

3.0 HOUSING NEEDS ASSESSMENT UPDATE JANUARY 2019

- 3.1 At the beginning of 2019 the Council published a further update to its housing needs assessments. The purpose of this report was to support the submitted plan and its use of the 'latest' evidence, including the use of 2016 base population projections.
- 3.2 The plan was submitted under the 2012 version of the National Planning Policy Framework (NPPF). Therefore the relevant guidance to consider, in the first instance, is that associated with the first version of the NPPF. The now archived National Planning Practice Guidance (PPG) advised that Objectively Assessed Housing Need (OAHN) should be:
- a) Unconstrained (ID 2a-004-20140306); and,
 - b) Assessed in relation to the relevant functional area known as the Housing Market Area (HMA) (ID 2a-008-20140306).
- 3.3 Regarding point a), there appears to be no attempt to constrain the OAHN in this iteration of the SHMA. This is unlike the 2017 update, as reported above. The HMA (point b) is not changed from the original drafts of the SHMA so it is assumed that this is still relevant and appropriate.
- 3.4 The PPG methodology to identify the OAHN figure is a four stage process comprising:
- I. Demographic (based on past population change and Household Formation Rates (HFR)) (ID 2a-014-20140306 to 2a-017-20140306) ;
 - II. Economic (in order to accommodate and not jeopardise future job growth) (ID 2a-018-20140306) ;
 - III. Market signals (to counter-act worsening affordability caused by undersupply relative to demand) (ID 2a-019-20140306 & 2a-020-20140306).
 - IV. Whilst affordable housing need is separately assessed (ID 2a-022-20140306 to 2a-028-20140306). The delivery of affordable housing can be a consideration for increasing planned housing provision (ID 2a-029-20140306).
- 3.5 As mentioned above, the demographic baseline for the 2019 update is the 2016 based population projections. This results in a 'baseline' growth of 484 dpa. The economic growth assessment suggests a need for 790 dpa. Finally, the 'market signals' and 'affordable housing need' assessment suggests an uplift of 15% to 557 dpa.
- 3.6 The conclusion drawn is that 790 dpa is the most appropriate OAHN figure.

Use of 2016 Sub National Population Projections

- 3.7 As is explored in section 4.0 hereunder, Government's intention has long been to see the delivery of 300,000 new homes a year across the country by the mid-2020s. As part of this commitment it was signposted that a 'streamlined' approach to understanding housing need would be introduced: the 'Standard Methodology' and that the changes to demographic modelling and projections would mean that the use of the 2016 based numbers would not allow the Government to reach its target.
- 3.8 It is accepted that the plan was submitted under the 2012 NPPF but significant time has elapsed since then and indeed, the current consultation is being conducted against the backdrop of a revised and further reviewed NPPF in 2018 and 2019, with associated PPG also updated. It is therefore suggested that the baseline should be the 2014 based population projections and also that the standard methodology

should be adopted. The standard methodology is considered in more detail at section 6.0 of this report.

Economic uplift

- 3.9 The economic assessments presented in the 2019 update rely on the reports and conclusions drawn from documents drafted and published in 2016 and 2017. Whilst these assessments appear to be reasonably robust it is a concern that there has been no attempt to update the conclusions. It is difficult to fully assess the impacts of housing needs that are presented against demographic projections published two years after the associated job growth assessments. It is therefore suggested that, if the SHMA is to continue to be used as the evidence to underpin the City of York Local Plan that an associated update to economic need is undertaken.

Affordable housing need uplift

- 3.10 The Affordable Housing need has not been reassessed since the publication of the SHMA in 2016. The figure of 573 dpa is reapplied to the 2019 calculation update. There is no mention of the 627 dpa identified in the 2016 SHMA addendum. The same under appreciation of the scale of the challenge is applied to the OAHN figures in this latest iteration of the SHMA as with the version in 2017. Against a potential admittedly 'theoretical' need for 1,910 dpa a 15% uplift to only 557 dpa is suggested. This will not go far enough to either:

- *"...meet the full, objectively assessed needs for market and affordable housing"* of the NPPF (2012); or
- *"...make sufficient provision for: a) housing (including affordable housing)..."* of the NPPF (2019).

- 3.11 There is also a continued concern that the matters of 'market signals' and 'Affordable Housing need' are conflated into a single issue to provide only one suggested uplift to the OAHN figure and this is not in conformity with the four stage approach from the PPG as outline above.

Conclusion regarding SHMA

- 3.12 Whilst the plan was submitted under the previous – 2012 version – of the NPPF there was sufficient known at that time that there was due to be a change in understanding housing need and how figures were to be include in Local Plans. There has been sufficient concern raised about the content of the City of York SHMA; the subsequent updates; and, the Council's obvious attempts to apply unjustified constraints to the OAHN figure that it is considered reasonable to move away from these SHMA and instead rely on the new 'streamlined' approach.

- 3.13 Notwithstanding this, should the Inspectors consider it reasonable to retain a SHMA based OAHN figure in the Local Plan it is respectfully suggested that the 2017 update and the GL Hearn conclusion that includes and uplift to engage with acute Affordable Housing need should be used as the starting point. This would ensure an OAHN of at least 953 dpa is included in the Local Plan. It is considered, however, that this is still under reporting the needs in the City of York.

4.0 CHANGES TO NATIONAL POLICY

- 4.1 It is reasonable to consider the changes in national policy that have occurred before, during and since the regulation 19 consultation for the City of York Local Plan (Feb. – April 2018) and its submission (May 2018).
- 4.2 In **March 2016** the Local Plan Experts Group published a report that include a proposed methodology for calculating housing need. This was a four stage process summarised as:
- Official projections used to determine baseline demographic need;
 - Mandatory uplift of Household Formation Rates (HFR) in younger age groups;
 - Using absolute measures of affordability a prescribed market signal uplift (additional to HFR uplift) is applied;
 - Further 10% uplift applied if affordable housing need exceeds figures calculated in preceding stages.
- 4.3 Although there is no economic uplift it may still be incorporated as a policy on consideration to increase the housing requirement.
- 4.4 In **February 2017** the Government’s Housing White Paper was critical of any Council not undertaking an ‘honest assessment’ of housing needs. And it was at this stage that a standard methodology for the OAHN was proposed (subject to further consultation in September 2017).
- 4.5 Both of these were prior to the Regulation 19 publication consultation for the City of York Local Plan.
- 4.6 In **March 2018** Government responded to the Planning for the right homes in the right places consultation, and indicated its intention to require the use of the Standard Methodology using on the 2014 based housing projections to ensure meeting the target of 300,00 home per year.
- 4.7 This occurred during the Regulation 19 consultation.
- 4.8 In **July 2018** the revised NPPF was published including the Standard Methodology for identifying housing need.
- 4.9 In **October 2018** the Government conducted a consultation regarding the necessary use of the 2014 based demographic figures
- 4.10 In **February 2019** the NPPF and PPG were revised to include the 2014 figures.
- 4.11 These three later adjustments to national policy and guidance were post the submission of the Local Plan, but in advance of the current consultation and a relevant consideration in the situation at York, where the appropriate level of housing need is unclear.

5.0 CORRESPONDENCE BETWEEN THE COUNCIL AND INSPECTORS

- 5.1 The publication of the revised NPPF was a material consideration in the examination of the Local Plan and as such there was dialogue and communication between the appointed inspectors and the city council. One of the conclusions drawn from this dialogue appears to be that the housing needs require reassessment. This the council duly undertook and in a letter of 29 January 2019 (examination ref: EX CYC 8) and reached the following conclusion (with our emphasis):

“The enclosed SHMA Update report advises that York’s OAN is 790 dwellings per annum. This is based on a detailed review of the latest published evidence including the national population and household projections and the latest mid-year estimate. The review has been undertaken based on applying the requirements of the National Planning Practice Guidance in relation to the assessment of housing need, under the 2012 NPPF. This confirms to the Council that the 867 dwellings per annum proposed in the submitted Plan can be shown to robustly meet requirements.”

- 5.2 The decision in January appears to have been to retain the originally submitted housing target to support the then assumed economic growth assumptions (but no increase for Affordable Housing need). This decision, however, has since been reversed in a letter of March 2019 (EX CYC 13) and the main modifications consultation is now proposing the reduced figure of 790 dwellings per year, which is referenced in the quote above and is a result of the latest update to the York SHMA.
- 5.3 There is an inherent tension or conflict in the letters from the Council, and the subsequent updates to the SHMA. This conflict is the continued reference to the need to update the needs figures to ‘reflect the most up-to-date’ data but there is scant regard given to updated national policy. Furthermore, as is outlined above, whilst the baseline demographic have been updated, the economic trends and Affordable Housing needs have not been updated.
- 5.4 A simple approach that avoids this tension and could well enable the Council to manage its resource use in the near future, is to consider the ‘Standard Methodology’ and what it shows for housing need in York. Identifying the correct housing need figure, is after all, the first step and the ability to plan for and deliver that need is secondary.

6.0 STANDARD METHODOLOGY FOR HOUSING NEED

6.1 In the 2018 revision of the NPPF (and the subsequent changes in 2019) Government introduced a 'simpler' standardised approach to understanding local housing needs. This revision to national policy is supported by updated planning practice guidance.

6.2 The relevant guidance is reference ID: 2a-004-20190220: *How is a minimum annual local housing need figure calculated using the standard method?* This guidance has three steps, and each is taken in turn for York in the following paragraphs (with our emphasis in guidance when necessary).

Step 1 - Setting the baseline

6.3 Using the 2014 mid-year projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period):

(a) Current year (2019)	= 90,829
(b) Ten years hence (2029)	= 99,027
(c) Annual average	= 820 (b – a / 10)

Step 2 - An adjustment to take account of affordability

6.4 The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used. No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent. To be able to apply the percentage increase adjustment to the projected growth figure we then need to add 1.

$$\text{Adjustment factor} = ((8.86 - 4) / 4) \times 0.25 + 1 = 1.303$$

6.5 The adjustment factor is therefore 1.303 and is used as:

Minimum annual local housing need figure = (adjustment factor) x projected household growth

$$\text{Minimum annual local housing need figure} = 1.303 \times 820$$

The resulting figure is **1,069**.

6.6 For a plan period of 19 years (i.e. 2019 – 2038) this would equate to a minimum of 20,311 dwellings.

Step 3 - Capping the level of any increase

6.7 A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.

6.8 Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

6.9 Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:

a. the projected household growth for the area over the 10 year period identified in step 1; or

b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

6.10 The extant housing target for York was adopted more than five years ago in 2005. Therefore the 40% increase cap described above is engaged. The housing target is identified in the chapter 7 of the City of York Local Plan at 8,775 dwellings or 675 dwellings per annum.

Scenario a: $820 \times 1.4 = 1,148$

Scenario b: $675 \times 1.4 = 945$

6.11 The guidance suggests that the cap should be set at the higher of the two scenarios above, which would be scenario a. The figure of 1,148, however, is higher than the minimum set out in the standard methodology.

6.12 There is no guidance for what to do in this situation. Therefore, the more reasonable approach could be to adopt the original minimum standard figure of **1069 dwellings per annum**.

6.13 It is accepted, however, that the PPG also references the ‘submission’ of the Local Plan at ID: 2a-008-20190220. Therefore, considering the information that was available at submission of the Local Plan:

(a) Current (*Submitted*) year (2018) = 89,966

(b) Ten years hence (2028) = 98,239

(c) Annual average = 827 (b – a / 10)

Adjustment factor = $((8.62 - 4) / 4) \times 0.25 + 1 = 1.289$

Minimum annual local housing need figure = 1.289×827

The resulting figure is **1,066**.

6.14 The PPG also indicates that the standard method for assessing housing need provides a minimum starting point in determining the number of homes needed in an area. It also indicates that there may be circumstances – such as economic growth and Affordable Housing need – where it is appropriate to consider whether actual housing need is higher than the standard method indicates. It is also worth noting that the new guidance continues makes clear the distinction between ‘affordability’ and Affordably Housing need and that they are considered separately.

Economic uplift

6.15 It is clear from the data explored in the SHMA that the economic led housing need scenarios using 2014-based projections generate a need for an uplift to the minimum starting point established through that document. It is vitally important that economic trends and household formation are aligned if a Local Plan is to successfully achieve sustainable growth.

- 6.16 The PPG confirms that the standard method does not attempt to predict changing economic circumstances that may affect demographic behaviour at ID: 2a-010-20190220.
- 6.17 The figures calculated in the SHMA suggest a range (variously) between 780-814 dpa. On the face of it this **does not** require an uplift to the minimum starting point of the Standard Methodology. However, as previously cited, the council's evidence is somewhat dated in this respect.

Affordable housing need uplift

- 6.18 The need for affordable housing in the City is significant.
- 6.19 The SHMA 2019 Update confirms the need at least 573 dpa, which is some 73% of the total local OAHN figure proposed by the Council of 790 dpa.
- 6.20 This is an unsustainable level of affordable housing need and the Council has made no adjustment to its local housing need figure to accommodate this. To exacerbate matters, the recent trend in 'Right to Buy' sales shows a significant increase in take-up, which means further Affordable Homes are being lost.
- 6.21 The ONS statistics (Live returns Table 685) show that sales of homes through the 'Right to Buy' in York, which were negligible from 2008 – 2012 (presumably because of the recession), have steadily increased to an average of 73 a year in the last three years. This latter period alone has resulted in the loss of 219 Affordable Houses and if this trend continues the supply of homes will decrease as the need continues to become more and more acute.
- 6.22 Looking further at Table 685 one can also draw a comparison with the surrounding districts where 'Right-to-buy' (RtB) sales have remained reasonably low and collectively, between 7 districts, at around 50 homes a year. This trend suggests that there is a pull towards York for Affordable Homes. This pull is reflective of people's desire to live there meaning the need to supply these homes, in the right place where people want to live is a social and NPPF imperative.
- 6.23 Comparative RtB losses to affordable housing stock for York UA and N Yorkshire authorities since 2010 are as follows:

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
York UA	10	6	24	53	52	68	79	72	364
Craven	..	..	..	..	..	..	..	..
Hambleton	..	..	..	..	..	..	..	..
Harrogate	5	1	10	13	17	12	26	24	108
Richmondshire	2	1	5	7	9	7	8	11	50
Ryedale	..	..	..	..	..	..	..	..
Scarborough	..	..	..	..	..	..	..	..
Selby	3	3	10	16	25	13	22	21	113
N Yorkshire (total)	10	5	25	36	51	32	56	56	271

- 6.24 We consider this is in no small part reflective of the strong housing market across the city which has been fuelled by under-delivery of new-build homes in recent years, both general market and affordable housing.
- 6.25 The NPPF 2019 places great emphasis on addressing affordable housing needs as part of the Plan making process. The Council's current policy approach to affordable housing delivery will see, at the highest level of the spectrum set out in draft Policy H10, 30% provision. Even if the 30% provision was to be applied to every residential scheme coming forward in York over the Plan period, which certainly will not be the case, the Council will only achieve 237 dpa. This will lead to a shortfall of at least 336 dpa.
- 6.26 To address the affordable housing need in full based on draft Policy H10 the OAHN would need to be increased to 1,910 dpa.
- 6.27 This clearly demonstrates a need to increase the OAN above the 790 dpa proposed by the Council and could be an indication to increase the minimum starting point established through the standard methodology.
- 6.28 At stages GL Hearn has suggested a 10% and 15% uplift to the demographic baseline. Taking these suggestions would provide the following OAHN figure (against the 2018 baseline calculation of 1,066):
- 10% uplift: 1,172 dpa or 23,440 homes across 20 years
 - 15% uplift: 1,226 dpa or 24,518 homes across 20 years

7.0 LAND CAPACITY IN YORK

- 7.1 The Council's latest Strategic Housing Land Availability Assessment (2018 – reference: SD049) suggests that there are '250 land parcels' that were deemed reasonable alternatives to be taken forward for Sustainability Appraisal. However, there does not appear to be a total land capacity assessment within the assessment to realistically understand if there is a prospect for the delivery of the housing need.
- 7.2 From 'Figure 6' the Plan Trajectory of page 38 there is a quoted number of "Cumulative Completions" that includes a windfall allowance. This totals 21,436 dwellings. This demonstrates that there is a reasonable expected capacity in York, which with addition of a limited number of additional sites could be elevated to achieve the 24,518 figure.
- 7.3 Should the Council not be able to identify the land capacity for its identified needs, of course, then the appropriate action is to work with its neighbours under the Duty to Co-operate and look to meet unmet needs elsewhere.

8.0 FIVE YEAR HOUSING LAND SUPPLY

8.1 A change to the identified housing need, will of course, have an impact on both the whole plan development trajectory but also the five year housing land supply.

8.2 The purpose of this report is not to analyse the deliverability of proposed allocated sites, or others identified in the five year supply. However, to take the Council's assessment (from page 39 of document SD049) at face value, but applying need figure scenarios resulting from applying the standard methodology provides the following:

Annual housing target across the Plan period	1,066	1,069	1,172	1,226
Cumulative Housing target (2017/18 - 2022/23)	5,330	5,345	5,860	6,130
20% Buffer required for flexibility	6,396	6,414	7,032	7,356
Total dwellings estimated to be complete within 5 years (2017/18-2022/23)	6,877	6,877	6,877	6,877
Under/over-supply of housing	+481	+463	-155	-479
Five year land supply	5.38	5.36	4.89	4.67

*NB under the standard methodology there is no need to consider previous under supply.

8.3 A review of the currently stated land supply position in York suggests that in the next five years, at least, there is capacity to set a housing target that reflects the standard methodology minimum. There could well be opportunities to support the uplifted figure to support the delivery of Affordable Housing.

9.0 CONCLUSION

- 9.1 This report has reflected on the evolution of housing needs assessments in York. The SHMA iterations that have been produced have conflated issues and under-represented need or indeed have been deliberately suppressed. The latest 2019 'update' to the SHMA uses data produced from those previous iterations and can only be considered to be flawed.
- 9.2 There is an inherent conflict in the Council's approach to attempt to use the most up-to-date data, but not the most recent national policy and guidance. The flaws in the SHMA and the tensions created by the Council's approach can all be disregarded if the SHMA is set aside in preference for the 'Standard Methodology' for identifying housing need.
- 9.3 Notwithstanding this, should the Inspectors consider it reasonable to retain a SHMA based OAHN figure in the Local Plan it is respectfully suggested that the 2017 update and the GL Hearn conclusion that includes and uplift to engage with acute Affordable Housing need should be used as the starting point. This would ensure an OAHN of at least 953 dpa is included in the Local Plan. It is considered, however, that this is still under reporting the needs in the City of York.
- 9.4 The housing need figure should be a **minimum** of 1,066 dpa and the most appropriate figure is likely to be **1,226 dpa** to engage with the significant and acute need for Affordable Housing in York.
- 9.5 The stated land supply of the 2018 SHLAA appears to suggest that the Council has the ability to identify sites (and include a windfall allowance) that is close to achieving the need figures. It should also be possible, with a review of the SHLAA, to update the plan and include a limited number of additional sites to fully meet the needs.