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Dated: November 2019



**Examination of the City of York Local Plan  
2017-2033**

**Phase 1 Hearings**

**Matter 2  
The Housing Strategy**

Prepared by

I D Planning

On behalf of

Green Developments

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## 1. Response to Matter 2

### **The Housing Strategy: The Objectively Assessed Housing Need**

**2.2 Policy SS1 and Paragraph 3.3 of the Plan say that the objectively assessed housing need ('the OAHN') is 867 dwellings per annum (dpa) in the Plan Area for the plan period to (2017 to 2033) (16 years). However, since the submission of the Plan for examination, the Council has put forward further evidence to indicate that the OAHN is now considered to be 790 dpa in the Plan Area for 2017 to 2033.**

**a) We understand that this calculation was initially derived from the conclusions of Technical Work carried out by GL Hearn in the Strategic Housing Market Assessment Update (2017) which updated the demographic baseline for York based on the July 2016 household projections. However, the revised OAHN is now based on further work undertaken by GL Hearn presented within the City of York – Housing Needs Update (January 2019). Is this correct? Is this a robust evidential basis?**

1.1 The Council are proposing a reduction in the housing requirement based on the Housing Needs Update (January 2019), which identifies an OAN of 790 dpa. The Council therefore propose to reduce the requirement as set out in submitted Policy SS1 to 790 dpa.

1.2 We do not support the proposed reduction of the housing requirement on the basis of the Housing Needs Update. The Update is based on the 2016-household projections and the January 2019 does reference the fact there has been criticism of these projections, notably that use of the 2016 based projections would not deliver the Government's housing target of 300,000 homes per annum. To address this the Government has reverted to using the 2014-based projections when calculating housing need using the standard method. The submitted OAN figure of 867 dwellings was based on the 2014-based projections. It is maintained the 2016-based projections are not fit for purpose and using them to reduce the OAN for York is unjustified.

**2.3 What methodological approach has been used to establish the OAN, and does it follow the advice set out in the Planning Practice Guidance (under the heading 'Methodology: assessing housing need')? In particular,**

**a) Have market signals been taken into account?**

1.3 The submitted OAN figure of 867 dpa is based solely the 2014 based household projections and therefore would only meet demographic growth. A 10% uplift for market signals was recommended in the GL Hearn Report, which would have resulted in an OAN figure of 953 dpa, but this was not accepted by members.

1.4 In contrast, the 2019 Housing Needs Update acknowledges that an uplift to improve affordability is required with a 15% uplift being proposed (para 5.9). When

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applied to the demographic starting point (484 dpa), this would result in an OAN of 557 dpa, but this figure would not address employment growth.

**b) Have employment trends been taken into account? If so, how, and what conclusions are drawn in this regard?**

- 1.5 The 2017 SHMA Update confirms that there is *'unlikely to be any justification for an uplift to housing numbers in the City to support expected growth in employment'* (para 4.4).
- 1.6 In contrast, the January 2019 Housing Needs Update identifies an economic led need figure of 790 dpa, which is higher than the demographic figure adjusted for market signals (557 dpa).

**d) Overall, has the OAHN figure been arrived at using a robust methodology?**

- 1.7 The Council's proposed reduction of the OAN from 867 dpa to 790 dpa does not use a robust methodology. The justification for the original OAN figure of 867 dpa is set out in the SHMA Update 2017 and is based solely on the 2014 based household projections and therefore only addresses demographic growth. A 10% uplift for market signals was also recommended (which would have resulted in an OAN of 953 dpa) but this was not accepted by Council members.
- 1.8 The 790 dpa OAN figure is derived using 2016-based population projections. Nowhere in the Housing Needs Update (January 2019) does there appear to be a direct comparison of the calculation undertaken to derive the 867 dpa figure using the 2014 based household projections alongside the same calculation using the 2016-based household projections. Logically this should be the starting point given the reason for the update was the publication of the 2016-based household projections.
- 1.9 It is clear the OAN figure in the submitted plan and the new figure proposed have been derived using different methodologies with the update using a demographic starting point which is then uplifted to meet economic needs and market signals. The change in approach is assumed to be because the 2016-based projection figure is clearly insufficient.
- 1.10 Whilst the 2019 Update Report considers a number of different scenarios, one important scenario that is not set out at all is the OAN that would be derived if the standard method were applied. Whilst it is appreciated the plan has been submitted under transitional arrangements, the standard method figure shows the direction of travel the OAN is likely to take, and it is the figure that will be applied once the plan is five years old. In this regard, the Council's housing supply will fall to be assessed against the OAN figure proposed only for the first five years of the plan and beyond that the local housing need figure derived using the standard method will be used unless the Council can demonstrate the figure has been reviewed and does not need updating.

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1.11 Based on current data the OAN using the standard method would be 1,057 dwellings per annum and therefore higher than the OAN in the submitted plan and significantly higher than the figure now being proposed. The direction of travel going forward for the OAN figure is therefore upwards, not downwards. This provides further evidence that the proposed approach is unjustified.

**e) Does the revised OAHN figure (790 dpa) take account of all housing needs, including the need for affordable housing and any need that may be the consequence of any shortfall in housing delivery before the plan period?**

1.12 The Housing Needs Update Report (January 2019) states that revised OAN figure of 790 dpa would be sufficient to respond to market signals, including affordability adjustments, but would not fully meet affordable housing needs.

1.13 It is maintained the OAN figure does not specifically take into account the needs of older people. The submitted plan clearly identifies that York has a population that is older than the national average, with the SHMA identifying a need for 84 specialist units per annum (sheltered or extra-care) and a potential need for 37 bedspaces per annum for people aged 75 and over. The proposed reduction in the OAN will therefore have a consequential impact on the likelihood of the need for older persons housing being met.

1.14 The Planning Practice Guidance relating to housing for older and disabled people stresses the importance of establishing the need for older persons housing and the need to provide clear policies to address the housing needs of this group. Whilst it is acknowledged the Council has included a policy relating to older persons housing, the onus is on the market to bring such developments forward and for developers to be able to acquire an allocated housing site.

1.15 Paragraph 012 Ref ID: 63-012-20190626 (planning practice guidance) clearly states that plans need to provide for specialist housing for older people where a need exists. The plan clearly identifies a need for 84 specialist units per annum yet does not specifically provide for this need to be met. The proposed reduction in the OAN will only serve to reduce the likelihood of this need being met and therefore the plan will be ineffective.

### **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 to 2037/38”.**

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

1.16 Our understanding is that as part of the proposed modifications consulted upon prior to the examination, the Council propose to reduce the housing requirement to 790 dpa based on the conclusions of the Housing Needs Update (January 2019), such that the requirement and the OAN are the same.

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**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 – this 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?**

1.17 Regardless of whether the submitted 867 dpa figure or the revised 790 dpa figure is proposed as the housing requirement, beyond the first five years of the plan, the Council's housing supply will fall to be assessed against the local housing need figure derived using the standard method. Using the standard method, the local housing need figure would be in excess of 1,000 dwellings per annum and therefore the exceptional circumstances for Green Belt release will increase over the plan period.

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

1.18 Based on the available evidence and given the Government's approach to the standard method calculation, which disregards the 2016-based projections, it is maintained the submitted OAN figure of dpa should remain as the point for deriving the OAN, but the figure should be increased to respond to market signals as recommended in the 2017 SHMA Update and therefore the minimum OAN should be 953 dpa.