

**Gladman Hearing Statement
York Local Plan Examination**

Matter 2: The Housing Strategy

**The Objectively Assessed Need for Housing, the Housing
Requirement, and the Spatial Distribution of Housing**



November 2019

THE OBJECTIVELY ASSESSED HOUSING NEED

Q2.2 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 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 initially was derived from the conclusions of Technical Work carried out by GL Hearn in the Strategy Housing Market Assessment Update (2017) [SD050] which updated the demographic baseline for York based on the July 2016 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) [EX/CYC/9] is this correct? Is this a robust evidential basis?

1. Gladman understand that the Council propose to modify the Local Plan to reflect the findings of the latest Housing Needs Update (EX/CYC/9). The result of this update to the evidence base is a reduction in the proposed housing requirement from 867 dwellings per year as submitted to 790 dwellings per year as revised (EX/CYC/20).
2. PPG advises that, wherever possible local needs assessments should be informed by the latest available information. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued¹.
3. The Housing Needs update responds to and considers the 2016-based household projections. Reflecting PPG, a comparison exercise is undertaken examining the 2016-based household projections against the 2014-based household projections.
4. The experience and conclusions of the recent Guildford Local Plan Examination show that the Council's approach is legitimate. Nonetheless, there is considerable debate about the robustness of these projections, culminating in their rejection by the Government as the basis for assessing Local Housing Need². Standard Method and associated Government policy both represent a direction of travel in relation to household projections. As such, Gladman consider that the use of the 2016-based household projections as the basis for assessing housing need should be with caution and subject a significant level of scrutiny.

Q2.3 What methodological approach has been used to establish the OAHN, and does it follow the advice set out in the Planning Practice Guidance (under the heading 'Methodology: assessing housing need') In particular?

1. The Housing Needs Update provides the latest assessment of housing needs in response to the requirements of the NPPF.
2. The Housing Needs Update uses the 2016-based household projections as the basis to calculate the OAHN for York. The Housing Needs Update goes to great effort to discredit the 2014-based household projections with reference to past trends and other data sources

¹ See PPG Paragraph 016 Ref ID: 2a-016-20150227

² PPG Paragraph 004 Ref ID: 2a-004-20190220 requires the use of the 2014-based household projections for calculating Local Housing Need using the Standard Method. This is despite the data forming an older set of data than the 2016-based projections.

despite more widely being accepted as providing a robust basis for assessing housing need. It is however not entirely clear whether this comparison exercise is particularly well-balanced. Gladman also disagree with the conclusions made that the 2014-based household projections represent a clear over estimation of housing need.

3. Setting aside the above, Gladman welcome the conclusion made that there is a need to adjust the 2016-based household projections for York based on evidence of constrained household formation rates particularly affecting younger adults. It is noted that the adjustment made increases the demographic starting point to 679 dpa from a starting point of 484 dpa. This is still significantly below the starting point as set out by the 2014-based household projections.
4. Having considered the demographic starting point, the Housing Needs Update moves onto examine employment needs, market signals, and affordable housing, and how this influences the overall OAHN.
5. A 16% uplift is proposed to the adjusted demographic starting point to respond to planned economic growth. The proposed uplift is considered consistent with the NPPF and PPG³ and as such is supported by Gladman.
6. Recent Market Signals data presented through the Housing Needs Update generally shows a worsening position for market demand indicators in York⁴. Market Signals in the city are evidently worse than county, regional, and national averages for several indicators and worsening at a fast rate.
7. PPG confirms that a worsening trend in any indicator will require upward adjustment to planned housing numbers compared to ones based solely on household projections. PPG does not set out in any detail how policy makers should respond to evidence of worsening affordability stating only that the level of adjustment made should be reasonable, with the more significant the affordability constraints and the stronger other indicators of high demand, the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be⁵.
8. In response to PPG guidance reference is made through the Housing Needs Update to the findings of Inspectors at other Local Plan examinations with account taken of the applied uplift in response to the concluded affordability ratio. Based on these findings a 15% uplift is suggested, however is not applied as adjustments are already made to the OAHN in response to economic growth needs.
9. Gladman consider the approach of the Housing Update Paper to be too simplistic and ignores the specific circumstances of York. In York, it is evident that the affordability problem has been worsening at a faster pace than regional and national averages. This includes the median house price to median gross annual workplace earning affordability ratio which forms the primary measure of affordability under the standard method and shows that relative affordability in the City has worsened more quickly than in neighbouring Districts⁶. Evidence

³ Paragraphs 21 and 158 of the NPPF, and Paragraph 018 Ref ID: 2a-018-20140306 of PPG.

⁴ As examined in Section 4 of EX/CYC/9.

⁵ PPG Paragraph 020 Ref ID: 2a-020-20140306.

⁶ See Table 5c Ratio of Median House Price to Median Gross Annual Workplace-based earnings by Local Authority.

presented within the Housing Needs Update itself also shows increasing rents illustrating that high house prices have resulted in the need for households to choose a different tenure to remain in the City increasing demand for this type of dwelling⁷.

10. This evidence of increasing pent up demand has taken place in the context of relatively high completions recorded in the City, with net rates averaging at around 850 dwellings per year over the five-year period prior to this. The net completion rates achieved over this period are notably higher than the concluded OAHN. For this reason, Gladman conclude that the housing requirement needed to address demand indicator must be higher than 850 dwellings per year.
11. The Housing Needs Update has not sought to re-examining the need for affordable homes in York based on more up-to-date data and instead relies upon the findings of the 2017 SHMA. The SHMA shows an annual affordable housing need of 573 dwellings per year. Assuming a blanket requirement for 30% provision (which is more than required through Policy H10 of the submitted Local Plan) an annual requirement of 1,910 dwellings per year would be required to meet this in full through market-led provision. The adoption of such a figure is not deliverable or sustainable, and is not suggested by Gladman, however the extent of the affordable housing needs of the City does lend support to the need to maximise the housing requirement and supply provided through the Local Plan.
12. Based on the above Gladman object to the proposal to reduce the housing requirement to 790 dwellings per year. Gladman consider that the evidence shows the need to at least retain the housing requirement as submitted (at 867 dpa).

THE HOUSING STRATEGY: THE HOUSING REQUIREMENT

Q2.5 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 the number during every years of the plan period and post plan period? Is it intended to be a net figure?

1. Gladman’s interpretation of the policy as drafted is that the housing requirement is intended as an annual net requirement. It is however agreed that the wording of the policy does not communicate this effectively because reference made to “new” dwellings does not account for those which might be demolished, those that are lost to different uses, or those that might be combined to form a lower number of separate homes. As such, the wording set out within the policy may equally be interpreted as a gross figure. This is not consistent with the evidence supporting the Local Plan and to ensure the policy’s effectiveness Gladman suggest that wording is modified from “new” to “net”.

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

2. It is assumed that the plan period extends from 1st April 2017 to the 31st March 2033. This isn’t confirmed anywhere in policy but is inferred in Paragraph 5.3 of the Local Plan and the Housing Trajectory as outlined in the submitted plan. To ensure the effectiveness of the Local Plan, Gladman suggest that the extent of the plan period is confirmed in Policy SS1.

⁷ As illustrated in Table 11 of the Housing Need Update (EX/CYC/9).

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, it is 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?

3. Policies of the Local Plan should only apply to the defined plan period. Exceptions to this may include strategic sites which continue to deliver beyond the plan period and the allocation of safeguarded land to ensure the longevity of Green Belt boundaries beyond the end of the plan period consistent with Paragraph 83 of the NPPF.

4. Given the delay already experienced since submission of the Local Plan in February 2018, and unclear timetable to adoption, Gladman consider that there is increasing justification for the plan period of the York Local Plan to be extended beyond 2032/33 to ensure that it provides at least a 15-year time horizon from adoption. This approach is consistent with Paragraph 157 of the 2012 NPPF (which is now firmer in the 2019 NPPF) and will give greater prospect that strategic policies can be implemented effectively by the authority. Assuming adoption in late 2020, the plan period should be extended to 2035.

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

5. Gladman’s reading of PM4 within the Local Plan proposed modifications (June 2019) is that the Council propose to reduce the annual housing requirement from 867 dwellings per year to 790 dwellings per year to align with the conclusions of the 2019 Housing Needs Update Paper. This would seem to be reflected by subsequent modifications as set out in PM5. As such Gladman do not consider there is a difference between the housing requirement and OAHN based on the June 2019 papers. Gladman object to the proposed reduction to the proposed housing requirement.

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.

6. As set out above, it is Gladman’s interpretation of the proposed modifications that the Council intend to align the housing requirement to the findings of updated supporting evidence.

7. Despite this, Gladman consider that the case for exceptional circumstances remains the same, and the level of housing land supply provided through the Local Plan as submitted should not be altered.

8. Even with a reduced housing requirement (to which Gladman dispute), it is clear that there is insufficient deliverable and developable land supply within settlement boundaries to meet the housing needs of York (see Matter 3, Question 3.6 Part C response). Only a small proportion of the authority beyond settlement boundaries is open countryside. However, this area does not relate well to any settlement and is unlikely to be suitable to accommodate any significant level of housing need.

9. It is also clear, as demonstrated through the recent appeal at Boroughbridge Road, the Council is currently unable to demonstrate a five-year housing land supply even when allocations at

non-green belt locations are taken into account⁸. As such the release of land from the Green Belt such as ST31 is necessary for the Council to secure a 5-year land supply⁹.

10. Based on this context, the Council has determined that in order to promote the future sustainability of York and its surroundings, its economic performance, respond to environmental constraints, and ensure that the city's social issues are addressed, the release of land from the Green Belt for new development is required now. Exceptional circumstances are therefore considered to remain and are not diluted by the claimed reduction in housing need to which Gladman disagree with.

11. Gladman supports the Council's proposal for a surplus in the level of housing land supply provided for through the Local Plan. This surplus in housing land supply is considered necessary by Gladman for the following reasons:

- The OAHN for York is higher than 790 dwellings per year, with Gladman supporting the case for the adoption of a housing requirement of 867 dwellings or more;
- To ensure full delivery of the housing requirement should sites fail to come forward as anticipated;
- The Plan Period should be extended to at least 15-years post adoption (at this point 2035);
- The housing land supply will maximise affordable housing provision and secure the delivery of a wide range of housing types, sizes and tenures in response to evidence of need;
- There is limited potential for sites which are not allocated to come forward outside of the Green Belt to assist in meeting housing needs. A windfall rate already forms part of the Council's claimed housing land supply position;
- The constraining effects of the Green Belt designation on opportunities for development means that there is limited scope for the Council to identify broad locations of growth in York in accordance with Paragraph 47 of the NPPF; and
- The supply position provides a positive response to the national planning policy requirement to ensure the longevity of Green Belt boundaries and that these endure beyond the plan period.

Q2.6 Will the housing requirement ensure that the need for affordable housing is met?

1. As confirmed in response to Question 2.3, the housing requirement will be insufficient to meet the identified need for affordable housing with policies of the plan applied. The extent of this affordable housing need in comparison to the supply likely provided through the Local Plan, lends support to the retention of the submitted housing requirement (at 867 dpa) to maximise affordable housing delivery.

⁸ See Paragraph 38 of APP/C2741/W/19/3227359.

⁹ See Figure 6 Detailed Housing Trajectory, 2018 Strategic Housing Land Availability Assessment (SD049A).

THE HOUSING STRATEGY: SPATIAL DISTRIBUTION

Q2.8 The Plan's development strategy is set out in Policy SS1. This provides five spatial principles to guide the location of development through the plan. In broad terms, is this the most appropriate strategy?

1. The five spatial principles are demonstrated in evidence to be the most prominent issues which affect where and when development can be delivered and the effects it has on the wider city. Gladman therefore consider that the foundation of the spatial strategy for the Local Plan based on these principles provides a sound context against which to plan how the development needs of York are to be delivered.

Q2.9 Policy SS1 says that the location of development will be guided by the five spatial principles. However, the Plan strategy does not quantify the spatial distribution of new housing across the Plan area.

- a) **What is the overall distribution of new housing proposed through the Plan? Should it be clearer in this regard? Does the Key Diagram provide sufficient illustration of the broad distribution of new housing across the Plan Area?**
- c) **How has this distribution been arrived at and what is the justification for it?**
- d) **Is the distribution consistent with the overall approach set out in Policy SS1?**

1. York is a compact authority, made up of a core central city, surrounded by several medium to large and generally suburban in character villages. There are strong social, environmental and economic links between the city and the villages meaning that the area essentially operates as a single area (although different character areas and identities exist within). The implications of this means that it is difficult to distinguish between the settlements and sub-areas of York and how the headline development needs are to be distributed. This context underlines and provides justification to the Council's approach to the spatial distribution of development which is very much constraint/infrastructure/opportunity driven, and as a result means that there is not necessarily the need to outline this distribution in the Local Plan.
2. Examining the spatial strategy, it is clear that the Council has sought to distribute development required across the plan area. The Local Plan therefore provides for a wide range of sites, in a wide range of locations, at varying scales. This helps to minimise the effects of a development on any one area, promotes housing delivery in the earlier part of the plan period, and leaves the plan less susceptible to failure should anyone site come forward later or slow than anticipated. The Plan also supports vitality and vibrancy of the villages of the plan area by planning proportionate growth subject to constraints and opportunity.
3. The Spatial Strategy also allocates sites based on the capacity of the environment and settlements to absorb and support the development. For example, Copmanthorpe is a village located to the south west of the City. The Plan identifies two sites in Copmanthorpe for a total capacity of 246 dwellings. This is proportionate to the scale of the settlement and the level of services the village supports. The growth will help retain existing services without resulting in significant pressure. Previous iterations for the Local Plan planned significant amounts of development for Copmanthorpe which would have significantly altered the character of the settlement and provide for an uncontrolled swelling of the settlement outward into the open countryside. The proposed strategy for Copmanthorpe is much more contained and sensitive

to the nature, character and sustainability of the settlement and its capacity for further development. The spatial strategy as submitted therefore represents a sound approach to development in the village which also benefits from local support.

e) Is the distribution of housing supported by the SA and will it lead to the most sustainable pattern of housing growth?

4. The SA clearly supports the Council's submitted strategy for the Local Plan. Sites identified, on balance, represent the most appropriate and sustainable locations for development considering impact on the Green Belt, environmental constraints, accessibility to services, facilities and public transport, infrastructure capacity, deliverability of housing, and providing for a range of sites.

f) Has the Green Belt and/or any other constraints influenced the distribution of housing and, if so how?

5. It is clear when reviewing the evidence to the Local Plan that the sensitivities and opportunities within the Green Belt and other environmental constraints play a leading role in determining how sites forming part of the Local Plan have been identified.
6. As set out in greater detail in our Matter 3 statement, and when site specific matters are discussed, Gladman hold concerns with the robustness of some of this evidence in terms of how it was undertaken, the level detail and transparency of the assessment made.
7. Notwithstanding this, Gladman is satisfied that the conclusions made by the Council through the proposed spatial strategy is sound and therefore support its adoption as submitted.

Q2.10 Overall, is the spatial distribution of housing justified and is the Plan sound in this regard?

1. Gladman consider the spatial distribution is responsive to needs, constraints and opportunities of the City and achieves the right balance to securing a positive and deliverable plan. Gladman therefore consider that the spatial distribution as set out in the Local Plan is sound.