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Dear Mr Berkeley and Mr McCormack,

City of York Council has now completed technical work in response to your letter dated 9 July 2020 regarding the 2018 Sub-National Household Projections. Our consultants, GL Hearn, have produced a Housing Need Update (“HNU”)(2020) in response to the release of the 2018-based household projections (SNHP) setting out their view on this matter, which has informed our response as follows. We enclose this technical paper for your information.

As indicated in your letter, when the Local Plan was submitted for examination in 2018, the most recent household projections were the 2014-based projections published by the then Department for Communities and Local Government in July 2016. These were taken into account to support the housing requirement figures in the submitted Plan, which were based on an objectively assessed housing need (“OAHN”) of 867 dwellings per annum. The Office for National Statistics (“ONS”) then published the 2016-based projections in September 2018. In response, the Council undertook further work through the Housing Needs Update (January 2019) [EXCYC9] by GL Hearn. Consequently, the Council proposed a modification to change York’s submitted housing requirement of 867 dwellings per annum to 822 dpa. This was based upon a revised OAHN of 790 dpa, plus a further 32 dpa to account for a shortfall in completions between 2012-2017. This was consulted on as part of the Proposed Modifications Consultation (2019) and subsequently discussed at Phase 1 hearing sessions in December 2019.

Following the publication of 2018-based SHNP and your letter of 9 July, the Council has considered the relevant guidance in the Planning Practice Guidance (PPG) on Housing and economic needs assessment (Paragraph 016: Ref ID:2a-016-20150227), which advises that:

*“The government’s official population and household projections are generally updated every 2 years to take account of the latest demographic trends. [...] Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up to date. 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should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued”.*

This previous guidance remains applicable to the examination of the Local Plan because it is subject to the transitional arrangements set out at paragraph 214 of the National Planning Policy Framework (February 2019).

The Council has taken into account the analysis in the HNU (2020) provided by GL Hearn, which interrogates the 2018-based sub-national population projections and 2018-based sub-national household projections to consider the implications for household growth and housing needs in the City of York, using the methodology for needs assessment that remains relevant to plans that are subject to the transitional arrangements.

As explained at the Phase 1 hearing sessions, the core analysis looks at housing need over the period 2017-33 to be consistent with the Local Plan period. To align with previous studies carried out, figures are also provided for the 2012-2037 period. The main conclusions reached in the HNU are summarised below.

First, in considering the 2018 based sub-national population projections in comparison to previous projections, York has a lower demographic starting point consistent with national trends in population change and migration (see Table 1). However, the ONS acknowledges the potential difficulties in drawing trends from just two years of data and the HNU (2020) therefore considers that there is a strong rationale to apply not only this “principal variant” but also variant trend analysis produced by ONS, which is based on a 10-year migration variant and an alternative internal migration variant. For the plan period, these give growth of 5.9% and 4.6% respectively compared to the 3.6% growth on the principal variant (see paragraphs 2.8-9 and Table 2).

Secondly, the HNU considers the 2018-based household projections. These show an unadjusted baseline increase per annum in households which, when translated into dwellings, amounts to 302 dpa (2017-2033) and 352 dpa (2012-2037). This is compared to figure 454 dpa (2012-37) in the HNU (2019), which used the 2016-based projection (see paragraphs 2.10-11). When the preferred variants are applied these figures increase to 383-471

dpa (2017-2033) (and 413-481 dpa (2012-2037)) (paragraphs 2.12-3 and Table 4).

Thirdly, as set out in the HNU (2019), there continue to be concerns around household formation rates which, it is said, lock-in recessionary trends during the 2001 to 2011 period from which they were drawn. To be consistent with previous analysis, GL Hearn therefore examine the impact of partially returning the household representative rates (HRRs) to previous trends for the 25-34 and 35- 44 age groups. For the principal variant this increases the housing growth to 501 dpa over the plan period. When the preferred variants are applied, these figures increase to a demographic housing need of 598- 669 dpa (2017-2033). GL Hearn regard the variant migration scenarios as being the more suitable to use for York. They produce a figure that is not a significant change compared to 679 dpa in the HNU (2019)(paragraphs 2.17-19 and Table 5).

Fourthly, however, it is also necessary to address economic-led housing need. As with the analysis in the HNU (2019), GL Hearn have applied guidance in the PPG which requires plan makers to consider how the economy might perform, *having regard to the likely growth in job numbers based on past trends and/or economic forecasts as appropriate.*

The submitted Local Plan relied on a scale of economic growth of 650 jobs, which was corroborated by the economic forecasting by Oxford Economics published in December 2019 [EX CYC 29]. It was previously calculated that would need to be supported by 790 homes per annum. The HNU (2020) examines the impact of newer data on this economic-led housing need.

The newer data includes updated assumptions around doubled-jobbing, as well as the impact of the 2018-based population projection and the latest 2019-based mid-year population estimates. The key input is the most recent age-profile for the City as well as the various assumptions around fertility, mortality and migration. The updated work on economic-led housing need produces a housing needs range of between 766 – 779 dpa for the plan period (2017-2033) (and 777 -788 dpa (2012-2037))(see paragraphs 3.2-10 and Tables 5 and 6).

Fifth, on this basis the HNU (2020) concludes that the range of economic-led housing needs is comparable to the figure of 790 dpa as identified in the HNU 2019 (paragraph 3.11). GL Hearn have not updated the assessment of market signals, but given the extent of the economic need and the uplift this entails from the demographic starting point (302 dpa as set out above) a further uplift would not be merited (paragraph 5.7). They conclude that:

“the housing need in the City has not changed materially since the last assessment in January 2019. The previous report identified a need for

790 dpa and the economic-led need within this report is as high as 788 dpa. There is, therefore, no need for the Council to move away from their current position based on this new data” (paragraph 5.8).

The Council supports the assessment and conclusions of the HNU (2020). We therefore continue to support our proposed modification to the plan for a housing requirement of 822 dpa (790 dpa housing plus a shortfall of 32 dwellings per annum).

We recognise in your letter of 9 July 2020 [EX INS 16] that you considered it likely that views of Examination participants on this question would be sought following submission of the Council’s Statement and supporting evidence. We would be grateful if you could confirm your position and advise us of the next steps you would like us to take.

In relation to other matters, we continue to work on our response to the concerns you expressed in your letter of 12 June 2020 regarding the methodology for determining Green Belt boundaries. We are updating the Green Belt Topic Paper Addendum and its Annexes to simplify and clarify the methodology. That work has not at this stage revealed any need for significant changes to the proposed Green Belt boundaries.

Our intention is to submit the Addendum to you as soon as possible (envisaged early November). It may not have been possible by that stage to have written up in their entirety the very detailed Annexes which confirm the outcome of applying the revised methodology to all of the detailed boundary sections. However, the main body of the Addendum will explain fully what the revised methodology is, and how it has addressed the issues you raised. We will also be able to provide templates for each of the Annexes, albeit that these will not contain any additional explanation of the methodology.

We suggest this approach in an attempt to avoid further delay, by combining the tasks of explaining to you how the methodology can be clarified to meet your concerns, as well as confirming through revisions to the Topic Paper Addendum why the detailed boundaries proposed by the Council remain sound. We anticipate that this work will allow you to consider whether the Council has made sufficient progress in resolving the issues helpfully identified in your letter, without prejudice to any final view you may take on the overall Addendum and the Annexes.

We have also reflected on how best to provide further clarification on the delivery of development beyond the plan period, as discussed at the Phase 1 Examination hearings. As this issue was raised in the context of Green Belt matters, in particular safeguarding and the permanence of the proposed boundaries, we consider that the most efficient approach would be to include

this information in the updated Green Belt Topic Paper Addendum. Aspects of the evidence relating to this issue were already included in the 2019 Addendum and were to be included in the revised Addendum in any event.

As for the Habitat Regulation Assessment (HRA), this has been completed but is with Natural England. We are awaiting their response, which will submit alongside the HRA as soon as possible. We will also seek to agree a Statement of Common Ground/Position Statement with DIO on receipt of the Natural England and on submission of the HRA to you; and we will update you as soon as possible on the progress of those discussions.

We would also be grateful for an indication on whether there are any other areas of concern relating to the matters considered at the Phase 1 examination hearings, which covered issues (including the duty to co-operate) beyond those addressed in our correspondence this year.

Finally, on behalf of the Council, I would like to express my gratitude for the support you have given to the examination process in uniquely difficult circumstances since the completion of the Phase 1 examination hearings. The Council is facing substantial challenges this year, in particular those relating to the Covid-19 pandemic, but we remain committed to making progress through the examination towards the adoption of the Local Plan.

We look forward to hearing from you.

Yours sincerely



Neil Ferris  
Corporate Director - Economy and Place