

City of York Council
Examination of the City of York Local Plan
2017 – 2033

Phase 2 Hearings
Matter 2

Housing Need and Requirement

SUBMISSION ON BEHALF OF:

Galtres Garden Village Development Company

RESPONSE TO SCHEDULE OF MATTERS, ISSUES
AND QUESTIONS FOR THE EXAMINATION



Chartered Town Planning Consultants

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I.0 RESPONSE TO MATTER 2

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MATTER 2 – HOUSING NEED AND REQUIREMENT

Introduction

This statement has been prepared on behalf of Galtres Garden Village Development Company (GGVDC) who have submitted representations at all stages of the Emerging Local Plan. That is representations on:

- Local Plan Preferred Sites consultation August 2016
- Local Plan Pre-Publication Draft (regulation 18 Consultation) Sept 2017
- Submission Draft Local Plan May 2018
- Local Plan Proposed Modifications Consultation June 2019:
- Proposed Modifications and Evidence Base Consultation June 2021

The GGVDC refence is SID620

GDDVC also attend the Phase 1 hearings in December 2019 for Matters 1, 2 and 3.

National Policy Context

- (i) The NPPF 2012 sets out the process for local plan preparation and in particular the establishment of Green Belt boundaries. At its heart is the presumption in favour of sustainable development, (para 14). One of the principles underpinning plan making is that local planning authorities are tasked to objectively identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. For housing, plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area (Para 17).
- (ii) To **boost significantly** the supply of housing (para 47) local Planning Authorities should use their evidence base:
 - to ensure their local plan meets the full objectively assesses needs for market housing;

- identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements
 - identify a supply of specific developable site or broad locations for growth
 - for market and affordable housing illustrate the expected rate of housing delivery through a housing trajectory for the plan period
- (iii) Local plans should be consistent with the principles and policies set out in the Framework, including the presumption in favour of sustainable development, (para 151). They should be aspirational but realistic and they should address the spatial implications of economic, social and environmental change (para 154).
- (iv) Each LPA should ensure that the Local Plan is based on adequate, up to date and relevant evidence about the economic, social and environmental characteristics and prospects of the area, (Para 158). They should have a clear understanding of housing need in their area and should prepare a Strategic Housing Market Assessment to ensure they meet household and population projections and cater for housing demand and the scale of housing supply necessary to meet this demand (Para 159).
- (v) The Local Plan submitted for examination should be 'sound', that is. positively prepared; justified; effective and consistent with national policy, (Para 182).

INSPECTORS QUESTIONS

Introduction

At the previous examination hearings, the Council's position was that, taking account of the 2016 based projections published by the Office for National Statistics (ONS), the need for housing in York over the Plan period was 790 dwellings per annum (dpa) and that, to meet this need and to address a shortfall in delivery of 32 dpa between 2012 and 2016, the housing requirement should be 822 dpa. Since then, the ONS has published its 2018 based projections. In response, the Council has considered whether or not those projections lead to a meaningful change in these figures. The 'Housing Need Update' (2020) concludes that economic-led housing need is in the range of 777 to 778 dpa. The Council considers that this does not amount to a meaningful change in the housing situation, such that the need for housing should be regarded as 790 dpa and the Plan's housing requirement should remain set at 822 dpa (i.e. 13,152 dwellings overall).

The objectively assessed housing need (The OAHN)

2.1 *The introduction above sets out our understanding of the Council's position. Is it correct?*

2.1.1 We rely on our Local plan representations and in particular paragraphs 2.13 to 2.14 of our July 2021 representations.

The objectively assessed housing need (the 'OAHN')

2.2 *In the Housing Need Update (2020) what methodological approach has been used to establish the OAHN and does it follow the advice set out in the Planning Policy Guidance (under the heading 'Methodology: assessing housing need')? In particular:*

a) Has the 2018-based household projection provided the starting point estimate of overall housing need? In this specific regard, has the Council's approach to identifying the OAHN been consistent with national guidance? If not, what is the justification for that?

2.2.1 The use of the 2018-based household projections is the not the appropriate point for estimating overall housing need and is not consistent with national guidance. This is accepted in the Councils 2020 HNU which acknowledges in paragraph 2.21 that there

are clear issues with focussing on the principal variant which draws on just two years' worth of data to project trends. This is acknowledged by ONS themselves.

2.2.2 National planning practice guidance still recommends the 2014-based household projections are used within the standard method to provide stability for planning authorities and communities; to ensure that historic under-delivery and declining affordability are reflected; and to be consistent with the Government's objective of significantly boosting the supply of homes (*nPPG Paragraph: 005 Reference ID: 2a-005-20190220*).

b) What bearing, if any, does the 'standard method' have on this Plan's OAHN or on any other aspect of the Plan's approach to housing?

2.2.3 The standard method has a significant bearing as it is the Government's preferred method of addressing national housing needs and addressing historic under supply (*nPPG Paragraph: 002 Reference ID: 2a-002-20190220*).

2.2.4 xThere is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances (*PPG Paragraph: 003 Reference ID: 2a-003-20190220*).

2.2.5 We also rely on our 2019 Representations and in particular paragraphs 2.37 to 2.46.

c) Have market signals been taken into account and, if so, what effect have they had on calculating the OAHN?

2.2.6 On this point we note that the Council's 2019 Housing Needs Update Table 12 included data on Median and Lower Quartile affordability ratios as follows:

Table I Table 12 from the 2019 Housing

	Median	5 Year Change	LQ 2017	5 Year Change
York	8.62	1.88	7.26	0.68
North Yorkshire	8.16	0.51	5.73	0.55
Yorkshire & Humber	5.90	0.55	-	-
England	7.91	1.14	9.11	1.38

Source: MHCLG, 2018

2.2.7 Updated figures for the most recent five years indicate that whilst the median affordability ratio for York has improved slightly, it is still significantly above the ratio for Yorkshire and the Humber and England. Furthermore, the analysis of the long run data shows similar instances of short term improvements in the median ratio, but the long run data shows a firm upward trend indicating that in the long term housing in York is increasingly unaffordable. The lower quartile ratio for York over the past five years has increased and remains significantly above the local, regional and national averages.

Table 2 Median and Lower Quartile Affordability Ratios 2020

	Median			Lower Quartile		
	2015	2020	% Change over 5 years	2015	2020	% Change over 5 years
York	8.20	8.04	-0.02	8.74	9.09	0.04
North Yorkshire	7.78	8.11	0.04	7.66	7.94	0.04
Yorkshire and Humber	5.68	5.84	0.03	5.55	5.65	0.02
England	7.52	7.84	0.04	7.11	7.15	0.01

d) How have employment trends been taken into account in determining the OAHN? How robust are the assumptions that have been made regarding those trends and what impact have they had on the final OAHN?

2.2.8 The Council has ambitious plans to attract new jobs to York. A potential move of significant civil service jobs, (circa 3,000) to York central has been mooted. In addition, the City's higher education establishments (University of York; University of York St John, Askham Bryan College and York College) all have ambitious plans for growth that are not reflected in the December 2019 Oxford Economic forecast. This suggests that the economic led housing need underestimates housing need and demand likely to arise from employment growth.

e) Does the economic-led OAHN assessment now still reflect an appropriate OAHN to be addressed and delivered through the Plan during the Plan period?

2.2.9 See response to question d)

2.3 *Has there been a meaningful change in the housing situation in York since the Plan was submitted and, if so, how should this be addressed in the Plan?*

2.3.1 There has been a meaningful change, but unfortunately in the negative. Since the plan was submitted, housing completions have continued to fall short of the Council OAN of 790 dwellings. We have updated Table 2 of our 2021 representations which shows that since the submission of the plan (for the 3 years of data available - 2018-2021), a total of 1,533 dwellings were completed against a requirement of 2,370 – a shortfall of 837 dwellings. For the reasons set out in our representations, we have excluded student accommodation for housing completions.

Table x Backlog assuming OAN of 790 dpa

Year	Net Dwellings Added (Council Figures)	Less student units	Net C3 Dwelling units	Local PLAN Mod OAN	Backlog/ Surplus	Housing delivery test indicator
2012/13	482	0	482	790	-308	61.0%
2013/14	345	0	345	790	-445	43.7%
2014/15	507	0	507	790	-283	64.2%
2015/16	1121	579	542	790	-248	68.6%
2016/17	977	152	825	790	35	104.4%
2012/17	3432	731	2701	3950	-1249	
2017/18	1296	637	659	790	-131	83.4%
2018/19	449	40	409	790	-381	51.8%
2019/20	560	39	521	790	-269	65.9%
2020/21	622	19	603	790	-187	76.3%
2017/20	2927	735	2192	3160	-968	
Total	6,359	1,466	4,893	7,110	-2,217	68.8%

2.3.2 In total we estimate the shortfall in housing provision for the period 2012-17 to be 1,249 dwellings – this is the backlog to be added to the OAN. The shortfall in delivery in the first 4 years of the Plan period is 968 dwellings

2.3.3 Clearly if the OAN is higher the extent of the shortfall will be greater. For example, using an OAN of 867 (as recommended by officers to the January 23rd 2018 Local Plan Working Group), would result in a backlog of 1,634 dwellings for the period 2012 -

17 and 1,276 for the first 4 years of the Plan Period, a total of 2,910 dwellings for the period 2012-21.

Affordable Housing

- 2.3.4 The situation with regards to the delivery of affordable housing in York in recent years has been abysmal, to say the least. We have set out our position on this issue in paragraphs 2.15 to 2.22 of our 2021 representations. In summary between 2013/14 and 2018/19 there were just 461 affordable housing completions, (less than 10% of all completions). However, after right to buy sales of 384 over the same period, the net change in affordable housing stock was only 77 dwellings. This should be a cause for serious concern and is a key indicator of the need to **“Boost Significantly”** the supply of housing in York.

The housing requirement

- 2.4 *Is the shortfall figure (for 2012-2017) of 32 dpa which is incorporated into the 822 dpa housing requirement still a robust and justified figure?*

- 2.4.1 No, it is not. Its was never a robust figure in the first place. The backlog from 2012 to 2021 is now 2,217 on the basis that student accommodation is excluded from the housing completions. This results in a shortfall figure of 200 units per annum would have to be applied for the next 11 years of the plan. Even if it is considered acceptable to include student housing as part of the housing provision the backlog would be 751 units , which would require a shortfall figure of 68 units per annum to be added to the OAN.

- 2.5 *Does the 822 dpa housing requirement take into account any backlog or under delivery of housing in previous years? If so, how?*

- 2.5.1 The 822 figure only takes account of under delivery since 2012. However, as we have pointed out in our 2018 representations (paragraph 4.26) the backlog of completions against the RSS requirement of 850 dwellings per annum for the period 2008 to 2012

was 1,607 dwellings – a massive shortfall essentially written off by moving the plan start date to 2017.

2.6 Overall, is the housing requirement figure now proposed underpinned by robust evidence and adequately justified?

2.6.1 No – the housing requirement figure is not robust or justified for the reasons set in our representations at all stages of plan preparation and subsequent modification for the following reasons:

- The OAN of 790 dpa does not address the housing needs of the City and does not follow the methodology recommended in National Guidance.
- The Council has not adequately justified the inclusion of student housing in the housing completion figures. To date the number of student units included amounts to almost two years supply of housing yet delivers no affordable housing
- The delivery of affordable housing is at crisis levels. It comes nowhere near the SHMA identified requirement of 573 units per annum nor the Council's aspiration of 221 units per annum identified in the Council Affordable housing paper.

Overall Conclusion

2.6.2 Overall, the housing supply identified in the Draft Plan will not meet need because the combination of incorrect assumptions about delivery trajectory; a high windfall allowance; a high proportion of student completions; and a low allowance for backlog act in combination to suppress the true housing requirement and mask a proper assessment of the land required to address housing needs and affordable housing in particular.

2.6.3 For this reason, we hold that the plan is unsound because it is neither **effective** (because it will not be deliverable) or **consistent with national policy** (because it will not enable the delivery of sustainable development in accordance with the policies in the Framework).

2.6.4 To make the Plan sound, we hold that the housing requirement needs to be increased and additional housing allocations included in the plan to ensure the delivery of an adequate and continuous supply of housing throughout the Local plan period.