

York Local Plan (YLP) – EiP Hearing Statement

Our ref 50730/01/MHE/AWi
Date 5 July 2022
To Carole Crookes (York Local Plan Programme Officer)
From Lichfields (on behalf of Bellway Homes)

Subject Phase III, Matter 1: Affordable Housing

1.0 Introduction

- 1.1 This statement is submitted on behalf of Bellway Homes in respect of Matter 1 – Affordable Housing for the Phase III examination hearing sessions of the York Local Plan. The statement is to be read alongside the submissions for Phases I and II of the examination hearing sessions.
- 1.2 As a matter of principle, it is Bellway Homes’ opinion that the City of York Local Plan now contains such significant compromises in its approach and the age of critical elements of its evidence base, that it should not be found sound. The Plan was submitted in May 2018 (over four years ago), following which significant further work was required before the first hearing sessions opened in November 2019 (18 months later). The Inspectors rightly found significant failings with the submitted Plan in June 2020. Rather than revising and updating its approach, the Council has largely sought to retrofit its evidence to address the concerns raised by the Inspectors in respect of the approach to Green Belt. Even with an ambitious target of plan adoption in 2022, the Local Plan would already be over 5 years into the stated plan period upon adoption.
- 1.3 Since the Plan was submitted for examination, there have been three significant updates to National Planning Policy contained within the NPPF, each having consequences on how this Local Plan is likely to be viewed if it is found sound and adopted. Quite simply, even if the emerging Plan is considered to meet the relevant tests against the 2012 NPPF, its evidence base is likely to be so far out of date on adoption, it will render the Plan out-of-date immediately.
- 1.4 Set out below are responses to the relevant questions of Phase III, Matter 1. It is our position that the plan cannot be considered ‘sound’ without the issues raised in this and our earlier statements being addressed.

2.0 Affordable Housing

1.1 What is the need for affordable housing?

- 2.1 Whilst setting out affordable housing target percentages for different developments across the City, the submitted Local Plan does not define the ‘actual’ affordable housing requirement over the plan period. Understanding the affordable housing requirement is

made more difficult by the various updates and layers to the housing requirements evidence published for the plan since submission.

- 2.2 Our hearing statement in response to Phase II; Matter 2: Housing Need and Requirement, submitted on behalf of the consortium of Taylor Wimpey UK Limited, Persimmon Homes and Bellway Homes dealt with housing need as a whole. In considering housing need, it identified the affordable housing need over the plan period.
- 2.3 The following observations are made in identifying the need for affordable housing over the plan period:
- The 2020 HNU does not review affordable housing need, but CoYC's *Affordable Housing Note* (February 2020) identifies a need for 573 affordable dwellings pa. As a best-case scenario, only 43% of the 573 dpa affordable housing need could be delivered in the Plan period with an OAN target of 822 dpa (at 30% of total delivery), and no upward adjustment has been considered despite this requirement in the PPG. Given the significant affordable housing need identified, a further 10% uplift would be appropriate, resulting in a figure of 920 dpa. GL Hearn has accepted that 5 – 10% uplift could be appropriate elsewhere (see its 2019 SHMA Update for Selby for example) and it is unclear why it has not followed this approach for York.
 - We noted in our 2019 Stage I Matter 2 Paper, the 2019 York HNU made numerous errors in its key calculations in Table 12 (for example, North Yorkshire's LQ was 8.10 in 2017, not 5.73). Hence whilst the 2019 HNU acknowledged that "*York is becoming increasingly more unaffordable and that a market signals adjustment in the City is necessitated*", the errors mean that the situation is considerably worse than GL Hearn recognises. The errors have not been updated in the 2020 HNU.
 - The SM2 identifies that York would have an affordability uplift equal to 25.25% to the 2014-based SNHP, as the Ratio of median house price to median gross annual workplace-based earnings in York was 8.04 in March 2020 – significantly higher than the national average. At the very least, the market signals uplift for the City of York should be a minimum of 25%.
- 2.4 The Council considers the affordable housing need over the plan period is 573 dwellings per annum, although it accepts that, even in the best-case scenario, it will deliver significantly less than this. We have already identified through earlier hearing sessions that the overall objectively assessed housing need figure is woefully low and will be immediately out of date upon plan adoption. The combined effect of an inadequate market housing and affordable housing delivery will compound the affordability issues in York, significantly undermining one of the key objectives of the Plan.
- 2.5 We consider the affordable housing need (and general housing need) is significantly greater than the Council's published position and this must be addressed before plan adoption.

1.2 Does the provision for affordable housing in the Plan properly and pragmatically reflect that need?

- 2.6 For the reasons noted above (question 1.2), it is clear that the Plan falls significantly short of providing affordable housing that properly and pragmatically reflects the need (this is

true whatever the accepted level of need). It is not uncommon for Local Plan policies to slightly under provide their global affordable housing requirement when viability is considered. However, the combined significant shortfall of market and affordable housing in this case will result in a significant long-term affordability issue across the City which the current Local Plan will do little to address.

- 2.7 The only way to address this over the plan period is to increase general housing requirements over the plan period, which in turn will increase affordable housing delivered, in accordance with our earlier Phase II submissions on Housing Need and Requirement.

1.3 *Should the housing requirement be uplifted to reflect the need for affordable housing?*

- 2.8 In accordance with our earlier submissions, Bellway Homes believes the overall housing requirement must be uplifted to allow the plan to be considered sound. We have made a clear and justified case for uplifting the total housing requirement based on the relevant OAN methodology. It is noted that the requirement, had the plan been submitted under the current NPPF, would also be a significant increase in the housing requirement.

- 2.9 It is critical that the housing requirement is uplifted at this stage and not left to future plan reviews. The effect of pushing the issue into future Local Plan reviews will be a need to review and release land from the Green Belt, the boundaries of which by that time will have been confirmed for the first time, requiring future releases to demonstrate ‘exceptional circumstances’.

- 2.10 Any uplift in housing numbers must also be accompanied by additional housing allocations (such as Bellway’s site at Strensall Road, Earswick) and not simply intensification of existing allocations which would likely result in conflicts with other policies around design quality.

1.4 *What would be the effect of such an uplift?*

- 2.11 An uplift in the overall housing requirement would assist the Council in ensuring housing remains affordable across the City, both as a result of general housing supply and affordable housing additionality. Further, planning for a greater housing need (and providing sufficient allocations) at this stage will ensure the Council is better prepared to avoid the need for Green Belt releases in a future Local Plan review.

1.5 *Is Policy H10 soundly based and in accord with national policy?*

- 2.12 Policy H10 is generally compliant although it is rather complex to follow the many different affordable housing requirements for different sites. It would also benefit from greater clarity and flexibility on the approach to viability.

1.6 *Is the approach to OSFC a reasonable one?*

- 2.13 Bellway Homes do wish to comment on this aspect of Policy H10.

1.7 *Will the alternative source of supply (in Policy GB4) make any material difference in terms of supply?*

- 2.14 The policy is not clear on what scale of development would be considered acceptable in the context of needing to '*reflect the size of the settlement in terms of scale, form and character*'. The supporting text at paragraph 10.22 references the NPPF explanation that 'limited affordable housing' meeting certain criteria will be acceptable in the Green Belt, although provides no further clarification on the scale of development which could be acceptable.
- 2.15 A review of appeal decisions for affordable housing development in Green Belt suggests that 'limited' generally relates to very small developments, often 10 dwellings or less. Even with a more flexible approach to the appropriate scale of development, it is highly unlikely that the policy will make a material difference to the Council's overall affordable housing requirements. To have any certainty of delivery, the Council must allocate sufficient sites to deliver market and affordable housing requirements over the plan period and not rely on exception sites which, by definition, should be the 'exception'.