

Planning Policy
City of York Council
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SENT BY EMAIL
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19/07/2019

Dear Sir / Madam,

YORK LOCAL PLAN: PROPOSED MODIFICATIONS

Thank you for consulting with the Home Builders Federation on the York Local Plan: Proposed Modifications.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

The HBF is keen to work with the City of York to ensure that a sound Local Plan can be provided in a timely manner. This would be to the benefit of all concerned with the development and future economic success of the city.

Proposed Modifications:

PM3: Paragraph 2.5, PM4: Policy SS1, PM5: Explanation to SS1, PM20a-d: Figure 5.1, PM21a-d: Table 5.2, PM22: Paragraph 5.9 and PM44: Table 15.2

The HBF do not consider that these proposed modifications are sound, the HBF do not consider that are positively prepared, justified or consistent with national policy.

Housing Requirement amended to 790 dwellings per annum

Each of these Proposed Modifications (PM) follows from the modification to Policy SS1 which sets a need to deliver a minimum annual provision of 790 new dwellings over the plan period to 2032/33 and post plan period to 2037/38.

The proposed modification is based on the Housing Needs Update 2019; the Update was produced to take into consideration the 2016-based sub-national population and household projections from ONS and CLG. The 2016-based household projections see a reduction in the level of household growth across the Country. This is a result of changes in the subnational population projections upon which the household projections are based, and adjustments in the approach taken in the household projections to considering household formation rates.

The population projections reflect the anticipation that life expectancy will not increase at the same rate as before. This will mean that the numbers of older people are not set to grow at the rate expected in the 2014-based projections. Secondly, the level of international in-migration is not expected to continue at the same rate as previously. These adjustments have meant a reduction in population growth and will have an impact on household growth. Alongside the reduction in population growth changes have also been made to household formation rates. These rates determine the number of households that are likely to form based on the sub national population projections. In previous iterations of the household projections these rates have been derived from household formation data going back to 1971. However, the latest household projections use a much more limited data series between 2001 and 2011. This has led to a lower household formation rates amongst younger people than would have been expected in the past as it reflects the fact that, due to higher house prices and reduced wage inflation, younger people have not been able to form households at the same rate as previous generations.

It is noted that ONS have stated that *'household projections are not a prediction or forecast of how many houses should be built in the future. Instead, they show how many additional households would form if the population of England keeps growing as it did between 2011 and 2016 and keeps forming households as it did between 2001 and 2011'*.

The major concern with regard to the latest household projections is that they will continue the trend of younger people forming households much later in life than in previous years. This posed a serious question for the Government as to whether it wants to see these trends continue or whether housing delivery needs to be at a level that will improve affordability and deliver homes that will improve the trend in household formation amongst younger people. It is clear from the initiatives that the Government has introduced such as Help to Buy that this issue is to be addressed. The Government also continues to state that its aspiration is to increase housing delivery to 300,00 dwellings per annum by the mid-2020s, and it has recognised that this will not be achieved if the Government uses the 2016 projections.

PPG sets out guidance on how to undertake a housing needs assessment, in relation to the Standard Method it states that *'using the 2016-based household projections will not be considered to be following the standard method . . . it is not considered that these projections provide an appropriate basis for use in the standard method'*. The PPG requires the continued use of the 2014-based household projections, as it states that this will provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected and will be consistent with the Government's objective of significantly boosting the supply of

homes. Whilst we recognise that the principles set out in the PPG have been made in relation to the standard method, they provide a clear statement from Government that the 2016 based projections should not be used for assessing housing needs. The impact of these lower household projections if applied using the approach to assessing housing need required by the 2012 NPPF and its associated guidance is no different to their application under the standard methodology. Indeed, the impact could be considered to be even more significant given that Councils have generally under-estimated the degree of uplift required to improve affordability in relation to market signals. What is clear from the PPG is that significant caution should be given to the use of the 2016-based household projections.

The HBF continue to recommend that the policy is modified as follows:

- *'Deliver a minimum annual provision of **1,070** ~~867~~ new dwellings over the plan period to ~~2032/33 and post plan period to~~ 2037/38. This will enable the building of strong, sustainable communities through addressing the housing and community needs of York's current and future population'.*

Future Engagement

I trust that the Council will find the foregoing comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.

The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,



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