

Selby District Council

**The Scale of Housing Growth in  
Selby District**

Review of Recent Evidence - April  
2012

Final Draft | 10 April 2012

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

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### Appendix A

Review of Core Strategies on which Inspectors reports have been published recently

### Appendix B

Lower Migration Scenario

# 1 Introduction

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Background Paper No. 14, January 2012, gave amongst other things the Council's response to the initial concerns raised by the Inspector on the overall scale of housing provision in the draft core strategy. This was based in part on our review of evidence, as summarised with extra commentary in Appendix 3 of Background Paper 14. We have since been asked to review more recent evidence that has emerged and recent policy developments since the original work was undertaken.

This is a supplementary paper to the Arup report for Selby District Council, Scale of Housing Growth in Selby District, November 2011. It considers the implications of the new evidence and policy in the context of the representations received on the changes proposed by Selby District Council to the draft Core Strategy.

Changes in the policy context since November 2011 include:

- The passing of the Localism Act;
- The publication of the National Planning Policy Framework;
- Advancements in relation to Core Strategies for neighbouring authorities; and
- Experience from other Core Strategy Examinations.

The new evidence that has emerged since November 2011 includes:

- Finalisation and publication of the North Yorkshire Strategic Housing Market Assessment (SHMA);
- The publication by the Office of National Statistics in March 2012 of the 2010-based Sub National Population projections;
- Recent outputs from the Yorkshire and Humber Regional Econometric Model (REM);
- Recent evidence on migration trends; and
- The Selby Strategic Housing Land Availability Assessment (SHLAA) 2011 Report, published in March 2012.

## 2 Changes in the Policy Context

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### 2.1 Localism Act

The Localism Act received Royal Assent in late 2011. The main points relevant to this paper are:

- The Act makes provision for the Regional Strategy to be revoked (although this has not yet occurred pending review of the strategic environmental assessments on the effects of revocation);
- The introduction of the Duty to Cooperate, requiring Local Planning Authorities to demonstrate they have taken into account cross-boundary issues when developing planning policy; and
- There is the expectation that local authorities will determine future policy for their areas within certain parameters.

### 2.2 National Planning Policy Framework

The National Planning Policy Framework was published on 27 March 2012.

Paragraph 50 states that local planning authorities should:

*"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups"*

The explicit references in PPS 3 (paragraph 33) to using the most recently produced household projections, taking account of economic growth forecasts when setting housing provision levels, are not repeated in the NPPF.

However in setting out the meaning of a proportionate evidence base, paragraph 158 stresses that the Local Plans should be based amongst other things on up-to-date evidence on the prospects of the area, and that strategies for housing etc should take full account of relevant market and economic signals:

*"Each local planning authority 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. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals."*

It goes on to say in paragraph 159 that:

*"Local planning authorities should have a clear understanding of housing needs in their area. They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*

- *meets household and population projections, taking account of migration and demographic change;*

- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- *caters for housing demand.”*

This is no different to the statement at paragraph 28 of PPS 3.

Details of the four tests of soundness for plans are set out at paragraph 182. This now states that objectively assessed development requirements should include unmet requirements from neighbouring authorities where it is "reasonable" (previously "practical") to do so.

In the transitional arrangements at paragraph 218 of Annex 1, it states:

*“Where it would be appropriate and assist the process of preparing or amending Local Plans, regional strategy\* policies can be reflected in Local Plans by undertaking a partial review focusing on the specific issues involved. Local planning authorities may also continue to draw on evidence that informed the preparation of regional strategies to support Local Plan policies, supplemented as needed by up-to-date, robust local evidence.*

*\*Regional strategies remain part of the development plan until they are abolished by Order using powers taken in the Localism Act. It is the government’s clear policy intention to revoke the regional strategies outside of London, subject to the outcome of the environmental assessments that are currently being undertaken.”*

Selby District Council has been reviewing housing growth requirements in line with the NPPF.

## 2.3 Developments in Core Strategies in Neighbouring Authorities

### 2.3.1 Leeds

The Leeds Publication Draft Core Strategy was published for consultation in February 2012. It sets out the following housing requirements:

- 3,660 net additional dwellings per annum from 2012/13 to the end of 2016/17 (18,300); and
- 4,700 net additional dwellings per annum from 2017/18 (51,700).

Leeds have not yet published any background papers that set out the rationale and evidence for these housing growth requirements, although the Publication Draft Core Strategy refers to the Strategic Housing Market Assessment for Leeds. This proposed level of growth is broadly in line with modelling undertaken to inform the Regional Spatial Strategy. This modelling used the 2004-based household projections of an annual average household growth of 3,300, uplifting this to 4,300 to take into account the planned level of economic growth in the Leeds City Region, most of which was assumed would occur in Leeds District.

The Leeds Publication Draft Strategy seeks to support and reinforce the existing settlement structure, prioritising development within the main urban area of Leeds, and in identified regeneration areas.

### 2.3.2 City of York

The City of York Core Strategy Submission (Publication) was submitted in September 2011. It sets out the following housing growth requirements:

- Delivery of an average of 635 dwellings per year between 2011/12 and 2015/16; and
- Delivery of an average of 855 dwellings per year between 2016/17 and 2030/31.

These future housing growth figures were derived from a review (undertaken by Arup) of the different population and household projections. They are most closely in-line with the 2004-based household projections, although there is a lower figure in the early years of the plan to reflect delivery constraints.

As part of the Examination process for the Core Strategy, the Inspector wrote to the Council recently setting out concerns about some aspects of the plan. These are mainly around issues of deliverability, distributional strategy and reliance on windfall. There were no concerns raised directly by the Inspector on overall level of growth proposed.

### 2.3.3 East Riding of Yorkshire

The East Riding of Yorkshire Council published in October 2011 a Core Strategy Further Consultation Document.

This proposes an average annual housing growth requirement of 1,500 dwellings. This has been identified by using the 2008 sub national population projections as a starting point and modelling a “constrained migration” scenario.

Paragraph 4.6 of the document considers the problems in using the 2008-based population projections without taking into account recent lower net inward migration. It states that:

*“However, there are a number of limitations in using this data source (the 2008 population projections), as it over-estimates the future level of household growth that should be planned for in the East Riding. In particular, it relies on migration trends that were observed in the five years to 2008. These have been carried forward to create an estimate of long-term future population growth. More recent population estimates, which have been published by the Office of National Statistics for 2008/09 and 2009/10, identify that the level of in-migration to the East Riding has fallen substantially. This will result in a significant change to future iterations of the Government’s household projections for the East Riding. Independent modelling of these projections has also identified that, depending on the future pattern of migration, there could be a significant variation in the demand for housing. If the more recent migration trends continue in the future it could potentially reduce the annual household growth to 1,434.”*

The independent modelling was undertaken by consultants Nathaniel Lichfield and Partners: see *Local Housing Study, Economic, Demographic and Housing Modelling, Final Report, consultants Nathaniel Lichfield and Partners for East Riding of Yorkshire Council, 21st September 2011.*

Paragraphs 3.14 to 3.15 of this report state that:

*“The most recent mid-year population estimates released by ONS (2009/2010) suggest that there has been a downward trend in net in-migration..... Given the recent mid year estimates view of net in-migration to the East Riding an additional migration scenario has been identified which caps net in-migration at 1,400, taken from the 2010 mid year estimates.”*

## 2.4 Experience from Other Core Strategy Examinations

Although each Inspector tests each draft plan on its own merits, as practice is having to adapt to a changing policy environment, it is helpful to review the findings from other recent examinations.

Since November 2011, Inspectors’ Reports have been issued on the following Core Strategies in England outside London:

- Harborough;
- Hyndburn;
- Isle of Wight;
- North Somerset;
- Surrey Heath;
- Trafford;
- Forest of Dean; and
- Exeter.

A review of the main points is set out in the table at Appendix 1.

There are several examples of Core Strategies that have been deemed sound, which have not used the 2008-based household projections as the starting point for the planned levels of housing growth.

In several cases, the Inspectors identified as an important point the fact the housing growth requirements were in conformity with those in the relevant RSS. All the RSSs concerned were adopted at a time when the 2004-based national projections were the most recent. The Inspectors concluded this provided sufficient basis to not use the 2008-based household projections as the starting point. In some cases (i.e. Trafford) the local planning authority also produced further economic and demographic evidence of their own to justify their position.

Of these four were found sound using Regional Strategy housing levels even though 2008-based population projections implied higher levels:

- Trafford, on the basis of the sub-regional growth focus being elsewhere in the conurbation centre (Manchester/Salford);
- Isle of Wight, on the basis of environmental constraints and likely delivery levels;
- Forest of Dean, on the basis of poor economic prospects; and
- Harborough, because scale was determined earlier before the examination was deferred to rethink distribution.

Two were found sound using Regional Strategy housing levels, which also roughly equated to 2008-based population projections (Hyndburn and Exeter). In the case of Exeter (not yet adopted) it was the *Draft* Regional Strategy level that had been used, and found sound by the Inspector. The Secretary of State proposed modifications in the South West were highly controversial, and the Regional Strategy was never formally adopted.

The remaining plan (Surrey Heath) was found sound after the Council raised their housing levels back up to Regional Strategy level, having previously proposed a somewhat lower level, despite the Regional Strategy level being significantly lower than suggested by 2008-based population projections.



## 3 Review of Recent Evidence

### 3.1 The North Yorkshire Strategic Housing Market Assessment

#### 3.1.1 Overview

The North Yorkshire Strategic Housing Market Assessment (SHMA) was commissioned in 2010 and the final draft was published in November 2011.

As well as providing a strategic, county-wide perspective on the issues facing the housing market, the North Yorkshire SHMA assesses projected changes in the housing market at a local authority level as well. Appendix 8 provides the analysis specific to Selby District.

The North Yorkshire SHMA uses the results of the 2008 Selby Household Survey (undertaken to inform the Selby District's SHMA), as this was considered to present an up-to-date picture of conditions within the district.

The North Yorkshire SHMA report emphasises that it is intended to form part of the evidence base for identifying future housing requirements. It states clearly (for example at paragraphs 1.8 and 7.12) that its role is not to provide definitive estimates of future housing need or top-down targets. Three different scenarios were modelled on future housing requirements. These are summarised in the table below for Selby District.

**Table 3.1: The Three Core Scenarios for projected household change in Selby District in the North Yorkshire SHMA, 2008 -2026**

Scenario	Brief Overview	Total household change 2008-2026	Annual Average Household Change (2008-26)
1 – Sub national population projections (SNPP)	This scenario uses the latest (2008 based) sub national population and household projections to forecast future household change. The forecast is for private households, and excludes institutional populations.	9,343	519
2 – Natural change based projection	This uses the 2008-based household projections but removes the migration aspect to show only the impact of natural change on the number of households.	3,415	190
3 – Impact of economic change	This scenario seeks to align household with economic forecasts from the REM, to demonstrate how recent trends and estimated future performance are likely to impact on household growth.	7,257	403

Source: GVA Grimley (September 2011) North Yorkshire Strategic Housing Market Assessment, Appendix 8: Selby specific SHMA analysis, Final Draft, North Yorkshire Strategic Housing Partnership

### 3.1.2 Scenario 1 – 2008-based Sub National Population Projections

The main component of the forecast population growth under Scenario 1 is net internal migration which is projected to increase in the period to 2026. Scenario 1 uses similar assumptions as the CLG 2008-based household projections. The 2008-based ONS population projections assume a steady increase in net all migration to 2016 with it levelling off at 800 per year and staying at that level until beyond 2026. The population modelling undertaken for the North Yorkshire SHMA assumes an increase in net migration at a slightly slower rate to around 800 per year in 2019-20.

The North Yorkshire SHMA report is clear at paragraph 6.22 of Appendix 8 on the sensitivities of the projections for Selby to migration assumptions and how migration assumptions relate to economic assumptions:

*“The migration trends identified above are in part based on historical migration trends.....Future migration trends will clearly be influenced by a number of factors, including but not limited to the availability of new supply in the area, the accessibility of supply (i.e. the ability of households to afford property) and the economic rationale for locating in the area, particularly this relates to the propensity of households to commute (the impacts of rising fuel costs being one potential factor in this).”*

The North Yorkshire SHMA questions the validity of assumptions in the Sub National Population Projections around high levels of international migration. It sets out alternative scenarios for the districts of York and Richmondshire based on reduced international migration. However these scenarios are not replicable directly to the context of Selby District. This is because net international migration is only a small component of forecast population growth in Selby District.

The North Yorkshire SHMA also considers the potential impact of reduced commuting patterns, but does not present quantitative scenarios for this. It states that reductions in outcommuting would reduce levels of population and housing growth, particularly in Selby District.

Paragraph 7.109 states that reduced outcommuting, *“could, over the longer term, potentially serve to reduce the level population and household pressure on these authorities [net outcommuting authorities such as Selby] with net inward migration rates falling as a result”*.

Selby District has the highest level of net out commuting of all the North Yorkshire districts, and net internal migration (as opposed to international migration) is the main driver of population change. The reasons why there may be a reduction in levels of out commuting could include weak economic conditions in surrounding districts. This could reduce housing market pressure on Selby District and net migration from Leeds and York. Whilst surrounding Districts are planning for economic growth, this is not envisaged to be at the levels experienced in the five years prior to 2008 which are reflected in the 2008-based population and household projections. Other factors such as rising fuel costs could also reduce out commuting.

### 3.1.3 Scenario 2 – Natural Change Based Projection

Scenario 2 takes no account of migration, and is not therefore in accordance with the NPPF, and does not reflect the main cause of population growth in Selby District. Therefore we do not consider it provides a sound basis for future planning.

### 3.1.4 Scenario 3 – Impact of Forecast Economic Change

Scenario 3 is based on considering the impact of forecast economic change. It seeks to align household with economic forecasts from the Yorkshire and Humber Regional Econometric Model (REM), to demonstrate how recent trends and estimated future performance are likely to impact on household growth. Given changes to the economy since 2008, including the recession, and the uncertain economic outlook, this scenario is very relevant and important (see section 3.4 below). Weak future economic growth in Selby District and surrounding districts would affect future population growth, particularly through lowering levels of net inward migration.

Under this scenario annual average growth of 403 households is projected.

In considering this scenario it is important to have regard to the objectives of the core strategy around economic development, job creation, and bringing forward employment land. Clearly there is a case for considering the implications of the fact that future economic growth is now forecast to be weaker than it was in 2008. However this does not mean that a “policy off” view should be taken of the future. This scenario is not in line with the main aims of the Core Strategy to support economic growth.

## 3.2 Sensitivities of the 2008 based and 2010 based population projections to changes in migration assumptions

To demonstrate the level of sensitivity of the 2008-based and 2010-based population projections, and to consider the sensitivity of household growth projected in the North Yorkshire SHMA, we have modelled a sensitivity scenario. This uses the 2008-based and 2010-based projections as a starting point but assuming slightly slower and lower increases in net migration to Selby District. This is set out at Appendix 2.

The modelled scenario uses the actual net migration figures for 2009 and 2010 (which were lower than forecast in the 2008-based projections). It assumes annual net migration (internal and international combined) will increase to 500 people by 2014 and stay at this level to 2026. This is opposed to the forecast in the 2008-based population projections that annual net migration would be reached 600 by 2010, and increase to 800 people by 2016, staying at that level until 2026.

The rationale for this assumption on slower rises and a lower maximum level of future net migration is based on the economic forecasts for Selby District projecting a loss of jobs (see section 3.4). This is in contrast to the trend of economic growth in the five year period prior to 2008 which are reflected in the 2008-based population and household projections. This position is also supported by the fact for 2008-09 and 2009-10 actual net migration to Selby District was

lower than was forecast previously in the 2008 sub national population projections.

The proposed cap on total net migration of 500 per year is in line with the actual figure of 500 for mid-year 2009 to mid-year 2010. This is the same basis as the constrained migration scenario developed by East Riding of Yorkshire Council which uses the mid-year 2009 to mid-year 2010 figure for East riding as the cap. The cap of 500 is also commensurate with previous trends. Net annual inward migration to Selby District has only exceeded 500 in three of the past seven years.

Applying these assumptions to the 2008-based population projections would result in forecast population growth in Selby between 2008 and 2026 of 12,200, compared to the 16,600 growth forecast over the same period in the official 2008-based projections. Applying the average household size assumptions set out in the North Yorkshire SHMA would result in average annual household growth of 425 in Selby District.

Applying these assumptions to the 2010-based population projections would result in forecast population growth in Selby between 2008 and 2026 of 11,800, compared to the 16,300 growth forecast over the same period in the official 2008-based projections. Applying the average household size assumptions set out in the North Yorkshire SHMA would result in average annual household growth of 451 in Selby District. The 2010-based population projections are less sensitive to changes in migration assumptions compared to the 2008-based projections.

**Table 3.2: Lower Migration Scenario – forecast household growth – using 2008-based sub national population projections as starting point, with assumptions from North Yorkshire SHMA on average household size**

	Population	Ave. household size	No households
2008 pop actual (000s)	81.6	2.41	33.9
2026 pop projected (Appendix 2) (000s)	93.8	2.26	41.5
Change (000s)	12.2		7.6
Annual change (18 years) (000s)	0.68		0.42
Household requirement (actual)			425

**Table 3.3: Lower Migration Scenario – forecast household growth – using 2010-based sub national population projections as starting point, with assumptions from North Yorkshire SHMA on average household size**

	Population	Ave. household size	No households
2010 pop actual (000s)	83.2	2.39	34.8
2026 pop projected (Appendix 2) (000s)	95.0	2.26	42.0
Change (000s)	11.8		7.2
Annual change (18 years) (000s)	0.66		0.45
Household requirement (actual)			451

These scenarios demonstrate the high level of sensitivities of the 2008-based projections to small changes in assumptions on future migration. It should be considered as part of the evidence base for considering the planned level of housing growth.

### 3.3 2010-based Sub National Population Projections Population Projections

The 2010-based Sub National Population Projections were published on 21<sup>st</sup> March 2012. Overall population growth for Selby District to 2026 is forecast to be 2.5% lower than it was through the 2008-based projections. The similarity with the 2008-based projections is not unexpected, given that the banking crisis did not occur until late 2008 and the recession did not start until 2009. Therefore the five previous years to 2010 were mainly ones of rapid growth in the economy and in migration.

**Table 3.4: Comparison of 2008 and 2010-based population projections for Selby District (all figures are thousands)**

	2010 population	2026 population	Change	Annual average change (18 years)
2008-based Sub National Population Projections	83.1	98.2	15.1	0.94
2010-based Sub National Population Projections	83.2	97.9	14.7	0.92

Although the overall totals are only marginally down, looking at the components of change, there are larger reductions in assumed net inward migration levels particularly in the later period (2021 onwards), counterbalanced to some extent by marginal increases in the assumed birth rate.

Applying the assumptions set out in the North Yorkshire SHMA on the proportion of private household population relative to total population, and on average household size would result in forecast annual household (private households)

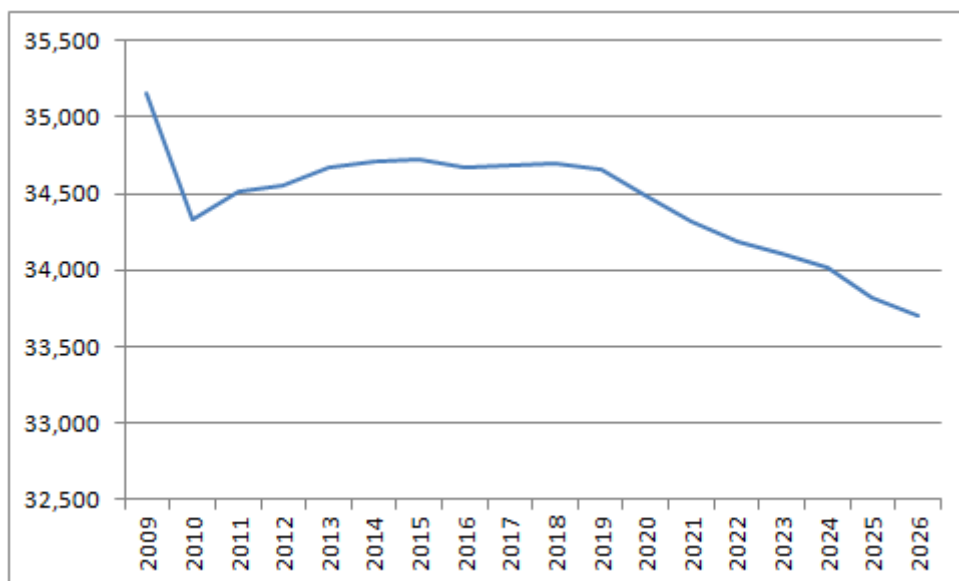
growth of 512. This compares to the forecast annual household (private households) growth of 519 as set out in the North Yorkshire SHMA derived from the 2008-based population projections.

It is however necessary to consider the impact of recent changes in the economy, current economic conditions, and the future economic outlook. Recent economic trends, including the recession and very slow recovery are very different to the five year period that preceded 2008 and 2010 and which are reflected in the population and household projections based on those years. This will have implications for assumptions on migration, which are a major driver of housing population growth in Selby District. Therefore, at this current time, we do not consider the 2008 based or 2010 based household projections provide a sound sole basis for identifying future housing requirements for Selby District.

### 3.4 Recent evidence on the economy

The latest output (Autumn 2011 Release) from the Yorkshire and Humber Regional Econometric Model REM figures show that there is a forecast reduction of 1458 jobs in Selby District over the plan period between 2009 and 2026. This is clearly very different from the positive economic trends in the five years prior to 2008 and which are reflected in the 2008-based population and household projections, including the assumptions on migration.

**Figure 3.5: Forecast change in total employment in Selby District 2009 to 2026 (Source: Regional Econometric Model Autumn 2011 release)**



This is relevant because it suggests there is a case for assuming lower levels of economic growth, and as a result net inward migration to Selby District, than the assumptions within the 2008-based population and household projections (see 3.2).

The latest issue of the REM forecasts a decline of jobs for Selby District, whereas the Scenario 3 in the North Yorkshire SHMA (annual average household growth of 403 in Selby District) is based on forecasts of modest economic growth in Selby District. However despite this, for the reasons set out previously, we do not think it is appropriate to take an entirely “policy off” view of the future economy

of Selby District. Our view is there is a need to strike the right balance between the overly optimistic economic assumptions that underpin to 2008 based and 2010 based population and household projections, and the more pessimistic economic assumptions that underpin Scenario 3 in the North Yorkshire SHMA.

It is also relevant to consider economic forecasts for the Local Authority Districts of Leeds and York. This is because they are the two principal origins of net inward migration to Selby District, which is the main factor behind past and projected future population growth in the Selby District. If economic growth in Leeds and York is at lower levels than assumed for the 2008 based and 2010 based population and household projections, then net inward migration into Selby District would be at lower levels than assumed in those projections.

Leeds District and The latest output (autumn 2011 Release) from the Yorkshire and Humber Regional Econometric Model REM figures also show that there is a forecast reduction of 3,200 jobs in York between 2009 and 2026. There is forecast jobs growth in Leeds, although job levels are not forecast to recover to pre-recession levels until 2015.

It should be noted that the REM forecasts have been somewhat erratic recently with some sharp changes between different issues. To some extent this reflects recent economic volatility.

### 3.5 Recent Evidence on Migration

The most recent evidence on migration trends is the ONS Migration Statistics Quarterly Report, February 2012.

**Table 3.6: Selby District Migration (source: ONS Migration Statistics Quarterly Report, February 2012)**

	2008 to 2009	2009 to 2010
International Migration In	200	200
International Migration Out	100	100
Internal Migration In	3600	3800
Internal Migration Out	3400	3400
Net International	100	100
Net Internal	200	400
<b>All Migration Net</b>	<b>300</b>	<b>500</b>

It is interesting to compare the net migration for 2008-09 and 2009-10 to that forecast in the 2008-based Sub National Population Projections:

- The 2008-based population projections forecast net migration to Selby District of 500 people in 2009, but in fact the actual recorded figure for 2008-09 was only 300 people.

- The 2008-based population projections forecast net migration to Selby District of 600 people in 2010, but in fact the actual recorded figure for 2009-10 was only 500 people.

Whilst clearly too much emphasis should not be placed on data for only two years, this does indicate that the weaker than forecast economic conditions in the period 2008-09 to 2009-10 coincided with lower than forecast levels of net migration. This, together with ONS downward adjustments to the migration component in the 2010-based population projections suggests that the net inward migration may have been overestimated in the 2008-based population projections.

### **3.6 Selby District Council Strategic Housing Land Availability Assessment 2011 Report**

The Selby District Council Strategic Housing Land Availability Assessment 2011 Report was published on March 2012. It is based on an enhanced methodology compared with the previous assessment and it applies more conservative assumptions on the deliverability and timescales for delivery of sites.

The main findings are:

- Land for about 3000 dwellings (10%) has been identified on the range of strategic site options originally considered in the 2008 SHLAA (deliverable before 2027);
- Land for about 3000 dwellings (10%) is available within and around Selby town within the plan period;
- Land for about 1500 dwellings (5%) is available within and around Tadcaster within the plan period;
- Land for about 3000 dwellings (10%) is available within and around Sherburn in Elmet within the plan period; and
- Throughout the rest of the District land for approximately 18,500 dwellings (65%) is available within the plan period.

This demonstrates that there are no significant constraints to housing land supply in the short to medium term. It also demonstrates Selby District can meet the requirement set out in the NPPF for a 5% buffer in terms of the five year housing land supply.

### **3.7 Summary – considering the evidence on the proposed housing requirement figure in the context of the NPPF**

From recent evidence considered in this paper, the evidence on the proposed housing requirement figure has been considered in the context of the NPPF, as set out below.



### 3.7.1 Understand housing needs from the SHMA (NPPF, paragraph 159)

Evidence	Annual average household growth
The North Yorkshire SHMA (intended as part of the evidence base, not the answer) provides the outer ends of a working range. (NB scenario 2 is dismissed because it takes no account of migration, and is not therefore in accordance with the NPPF)	403 – 519

### 3.7.2 Identify the scale which meets household and population projections, taking account of migration and demographic change (NPPF, paragraph 159)

Evidence	Population Growth	Total annual average household growth (convert to households using NY SHMA average household size)	Total annual average household growth (based on assumptions set out in NY SHMA)
2008-based population projections	920 pa	533	519
2010-based population projections	910 pa	525	512

### 3.7.3 Use evidence base to meet "full, objectively assessed needs for market and affordable housing" (NPPF, paragraph 47)

Evidence should include the economic characteristics and prospects of the area (NPPF, paragraph 158).

Evidence	Population Growth	Annual average household growth
<p>Forecast jobs reduction is nearly 1500 jobs 2009-26, unlike the previous growth forecast (latest REM output).</p> <p>Implication is that there may be less net inward migration to Selby (as already apparent from actual migration levels 2008/9 and 2009/10), therefore re-examine the migration component in the 2008-based population projections.</p> <p>NB The fact that it is the net migration component that has been reduced in the 2010-</p>		

based projections confirms its linkage to economic prospects.		
Assume an upper limit of +500 pa rather than +800 pa in 2008-based and 2009-based population projections	700 pa	
Convert to households using SHMA average household size (using 2008-based projections as the starting point for constrained migration scenario)		425
Convert to households using SHMA average household size (using 2010-based projections as the starting point for constrained migration scenario)		451

### 3.7.4 Housing assessments should take account of relevant market and economic signals (NPPF, paragraph 158)

Evidence	Annual average household growth
Average housing completion rates 2003/4 – 2010/11 NB Annual completions only exceeded 500 pa in 3 years at the height of the last housing market boom	465

### 3.7.5 Regional Strategy policies can be reflected in Local Plans (NPPF, paragraph 218)

Evidence	Annual average household growth
The Regional Strategy housing allocations, independently tested, took account of the policy objectives in the wider sub-region, including regenerating the main urban areas and minimising longer distance commuting flows (objectives now reflected in the draft Leeds core strategy). NB a city regional objective of focusing growth in the economic heart of the Manchester conurbation was accepted at the examination of Trafford's housing provision levels.	
Y&H RS housing allocation to Selby	440

### 3.7.6 Prepare a SHLAA to establish availability, suitability and likely economic viability of land (NPPF, paragraph 159)

Evidence	Annual average household growth
Land for 29,000 additional dwellings identified in the SHLAA 2008	No constraint

## 4 Conclusions

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### 4.1 What is the most appropriate approach to support wider strategic objectives of the Core Strategy?

In considering the most appropriate level of housing provision we have had regard to the strategic objectives of the Core Strategy. One of the main objectives is to align better housing and jobs growth in Selby District, with a particular emphasis on strengthening the economic and employment base of the district, and to reduce out commuting to surrounding districts.

It is also relevant, particularly given the Duty to Cooperate, that the spatial strategies in the draft Core Strategies for surrounding districts are also to promote development in the existing main urban areas, and to support and reinforce the existing settlement hierarchy. None of the Core Strategies for surrounding districts seek to export growth to Selby District.

We recognise that the functional housing market relationships between places do transcend local authority boundaries, and Selby currently has a role within the Leeds City Region which is partly dependent on the economic strength of Leeds. Clearly the internal migration assumptions in the population and household projections already reflect cross boundary trends to some extent. However for the reasons set out above, we conclude that it would not be in line with the strategic objectives of the Core Strategy or those of surrounding districts for Selby district to accommodate directly the housing needs of districts such as Leeds and York.

In considering scenario 3 developed in the North Yorkshire SHMA we have regard to the objectives of the core strategy around economic development, job creation, and bringing forward employment land. We do think it is important to take into account the impact of the current forecasts for future economic change, compared to the trends of rapid economic growth in the five years prior to 2008 which were reflected in the 2008-based population and household projections. However we are of the view that it would be inappropriate to take the entirely “policy off” view that forms the basis of the North Yorkshire SHMA scenario 3. This scenario does not fit with the wider strategic aims of the Core Strategy, or indeed those of national policy (including in the NPPF) to support economic growth.

### 4.2 What is the appropriate level of household growth for Selby District?

The recent evidence supports our view that the 2008-based population and household projections do not provide an appropriate primary basis for identifying future housing requirements in Selby District.

We recognise that the 2010-based population projections forecast only 2.5% less population growth in Selby District. However, the recession did not commence until early 2010, and the five year period prior to 2010 was mainly one of economic growth and increasing migration. Therefore we conclude that the 2010-based population projections have similar shortcomings to the 2008-based version.

It is clear that future population and household projections are highly sensitive to assumptions on migration and commuting patterns. The North Yorkshire SHMA emphasises this point. The North Yorkshire SHMA highlights the shortcomings in relation to national estimates and forecasts for international migration. Our view is that the likely slow economic recovery in York and Leeds, and factors such as rising fuel costs, mean that net inward domestic migration to Selby District is likely to be at a level lower than forecast in either the 2008-based or 2010-based population and household projections.

We therefore reiterate our view that the 2004-based projections provide the most appropriate basis for identifying future housing growth requirements for Selby District. This is because the five year period prior to 2004 (recession, and slow economic recovery) is more like economic conditions today compared to the five year periods prior to either 2008 or 2010. The 2004-based projections were also used as the starting point for identifying housing growth requirements in the RSS, although that is not the primary reason we consider them most appropriate to be used.

Clearly 2004-based assumptions are now somewhat dated, and inevitably there will be questions as to why more recent forecasts have not been used. As an alternative method, we have used the 2008-based and the 2010-based population projections as starting points for modelling a scenario based on sensitivities around migration assumptions. Given recent evidence and forecasts for the economy we do not think it is unreasonable to assume net internal migration to Selby District will grow at a slightly slower rate and to a lower level than forecast based on the trends in the period prior to 2008 or 2010.

In particular we note that:

- economic modelling for Selby District forecasts a reduction in around 1450 jobs over the plan period; and
- Net migration to Selby District in the period 2008-09 and 2009-10 was at a lower level than forecast previously in the 2008-based population projections.

This modelled scenario results in projected annual average growth of just over 450 households if using the 2010-based projections as a starting point. Using the 2008-based projections as a starting point for the constrained migration scenario results in projected annual average growth of 425 households

Given the recent economic forecasts, it is important to consider carefully the employment-led household growth scenario presented in the North Yorkshire SHMA. This provides an estimate of potential future housing growth in the District which is at the lower end of the plausible range. This suggests an average annual household growth figure of 403. It provides an indication of likely trends under a “policy off scenario”, which is not in-line with the wider strategic aims of the Core Strategy (see section 4.2 below).

We therefore conclude remain of the view that the proposed average annual housing requirement figure of 450 net additional dwellings per annum (annual minimum) is appropriate and realistic. This takes into account all of the recent evidence, particularly in relation to economic uncertainty and migration, Selby District Council’s objective to achieve better housing jobs alignment, and the guidance in the NPPF.

### 4.3 What is deliverable?

The 2011 SHLAA for Selby District demonstrates there is a five year housing led supply, plus the 5% buffer as required by the NPPF.

The evidence on past housing completions is set out in the Annual Monitoring Report, and is summarised in section 5.2 of the Arup report for Selby District Council, Scale of Housing Growth in Selby District, November 2011. The annual average housing completions in Selby for the period 2003-2011 was 465. This average was met or exceeded in four of the years, with particular peaks in completion (i.e. over 500 units) between 2005/06 and 2007/08. These figures are taken from the authority's own data, which is based on site visits to monitor permissions and completions.

Therefore we consider average annual housing growth of 450 to be deliverable.

## Appendix A

Review of Core Strategies on  
which Inspectors reports have  
been published recently

## A1 Review of Core Strategies on which Inspectors reports have been published recently

Local Authority	Date Core Strategy Adopted	Position Adopted on Housing Provision	2008- Based Housing Projection	Inspector Comment in Final Report
Hyndburn Borough Council	January 2012	As a starting point, the CS uses the annual housing provision level in the NWRSS (189 dw/yr), rolled forward to 2026 and including an allowance for the shortfall in housing provision between 2003-2011 of 362 dwellings when assessed against RSS requirement. This figure is net of demolitions.	12% increase (3,000) in households in Hyndburn (2008/11-2026/33), equating to about 160-200 dw/yr.	Para 31 By taking forward the NWRSS housing provision figures (underpinned by their endorsement as part of the EIP process), and testing them against the more recent SHMA and latest household projections, the Council's approach accords with the guidance in PPS3 (33) and provides a sound, robust and up-to-date basis for the proposed level of housing provision. This figure is not seriously challenged, and fully meets the objectively assessed housing requirements of the Borough.
Harborough District Council	November 2011	Housing provisions are based on the 350 dwellings/year between 2006-2026 outlined in the East Midlands Regional Plan. This used the 2004-based projections as a starting point. These projections are rolled forward to 2027 and 2028.	The latest 2008-based household projections indicate a 32% increase (11000) in households in Harborough 2008-2033 equating to about 440 dw/yr.	The Council's approach is consistent with Policy 13a of the RS. In advance of any detailed consideration of the implications of the latest household projections and collaborative work between neighbouring authorities, there is no sound basis for departing from the housing provision set out in the RS. In terms of an extended plan period to 2028, the pragmatic approach would be to roll forward the RS annual provision for the District by two years giving an overall provision between 2006 and 2028 of 7,700 additional dwellings.
Isle of Wight	April 2011	The Core Strategy proposes the delivery of 520 dw/annum which is the level outlined in the South East Plan.	The latest 2008-based household projections indicate a 32% increase (20,000) in households in the Isle of Wight 2008-2033 equating to about 800 dw/yr.	While this figure is markedly lower than the level of need identified in the Strategic Housing Market Assessment (which was updated in 2008), it takes appropriate account both of relevant environmental constraints...and likely levels of housing delivery which, since 2009 have been lower than 520 dwellings per annum.



Local Authority	Date Core Strategy Adopted	Position Adopted on Housing Provision	2008- Based Housing Projection	Inspector Comment in Final Report
Trafford	January 2012	The policy makes provision in accordance with the RS for 10,400 additional new dwellings net of clearance (2003-2021), which equates to an annual requirement for 578 dwellings that has been rolled forward to the CS process start date of 2008 until 2026, and including the 20% National Housing Growth Point (GP) uplift target figure. This translates to an overall requirement for 11,450 dwellings and an annual requirement for 694 dwellings up to 2018 and 578 dwellings each year thereafter until 2026.	The latest 2008-based household projections indicate a 28% increase (26000 in households in Trafford (2008-2033) equating to about 1040 dw/yr.	It has also taken account of representations that criticise the target provision for being based upon outdated evidence and for consequently being too low. However, in the light of its re-assessments the Council does not wish to alter its scale of housing provision. The soundness of its decision is supported by the most up-to-date review of the evidence base for housing growth targets in Greater Manchester.
Forest of Dean	February 2012	The Council's overall new dwelling requirement for the district to 2026 of about 6,200 is based on the draft RS figures and the evidence from which they derived, including the 2003 based household projections (published in March 2006) that were the first to take into account the 2001 Census results.	The latest 2008-based household projections indicate a 26% increase (9000) in households in Forest of Dean (2008-2033) equating to about 360dw/yr.	This was tested by an expert independent Panel and found to be robust, as endorsed by the Secretary of State. It therefore remains a sound basis for the policies and proposals of the CS, as adopted by the Council. The County Council's more recent (May 2011) estimate of 6,330 new homes over the same timescale takes into account the 2008 based household projections and demographic trends, rather than economic ones that would result in a lower total. In strategic terms, it is not sufficiently different from the RS based new housing requirement to justify a CS policy change when all the detailed technicalities and variances of population and household forecasting over a long period are also taken into account.

Local Authority	Date Core Strategy Adopted	Position Adopted on Housing Provision	2008- Based Housing Projection	Inspector Comment in Final Report
Surrey Heath	February 2012	It is the Council's case that the Core Strategy and Development Management Policies overall requirement of 3,333 dwellings for the period 2006-2027 (which, given completions prior to 2010, equates to 2,502 dwellings within the period 2010-2027) is deliverable given the evidence of the availability of suitable and effective SANGs as avoidance measures. This figure is below the total allocated for the Borough in the South East Plan (SEP) and is markedly less than the level of need indicated by the Council's Strategic Housing Market Assessment (SHMA). Nevertheless, the CSDMP – which was submitted following the Secretary of State decision in July 2010 to revoke regional strategies – explicitly seeks not to continue with the housing targets contained in the SEP.	The latest 2008-based household projections indicate a 24% increase (8000) in households in Surrey Heath (2008-2033) equating to about 320 dw/yr.	Taking these matters together, and noting the substantial level of housing need identified for the Borough in the SHMA, the CSDMP's departure from the South East Plan's dwelling requirement is insufficiently justified. Even if the present SANG based capacity could be robustly determined, which is not the case in the submitted plan, it is unduly restrictive to use what is inevitably a 'snapshot in time' to determine long term housing requirements.. As such, and irrespective of the present constraints on capacity, I see no reason to justify a departure from the SEP dwelling requirement over the length of the plan period.
Exeter City Council	EiP Final Report issued November 2011 - Sound	The Draft RS for the South West proposed 12,000 dwellings for Exeter City, for the period 2006-2026 (600 dw/year). The Secretary of State's Proposed Changes to the Draft Regional Spatial Strategy, 2008 increased the housing requirement for Exeter from 12,000 to 15,000, taking account of the SHMA which indicated a very high overall demand and need for housing. The Council contends that this level of growth cannot be achieved within the City. Exeter's plan is not in conformity with the latest figure in the emerging RS of 15,000 new dwellings.	The latest 2008-based household projections indicate a 15% increase (12000) in households in the Isle of Wight (2008-2033) equating to about 480 dw/yr.	I conclude that, though the plan is not promoting a target of 15,000 dwellings, it supports the underlying principle of maximising housing provision within the City's boundaries.

## **Appendix B**

### **Lower Migration Scenario**

## B1 Lower Migration Scenario

**Lower Migration Scenario – using the 2008-based sub national population projections as the starting point. The tables below use the 2008-based projections for births and deaths (natural change), and assume slightly lower levels of net migration**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population (lower migration scenario)	81.6	82.1	82.8	83.5	84.2	84.9	85.6	86.3	87	87.7
Natural Change		0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Births		0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Deaths		0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
All Migration Net (Lower migration scenario)		0.3*	0.5*	0.5	0.5	0.5	0.5	0.5	0.5	0.5
All Migration Net assumed in 2008-based sub national population projections		0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Population (lower migration scenario)	88.4	89.1	89.8	90.5	91.2	91.9	92.6	93.2	93.8
Natural Change	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Births	0.9	0.9	1	1	1	1	1	1	1
Deaths	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8
All Migration Net (lower migration scenario)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
All Migration Net assumed in 2008-based sub national population projections	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

\*actual values that occurred in those years

**Lower Migration Scenario – using the 2010-based sub national population projections as the starting point. The tables below use the 2010-based projections for births and deaths (natural change), and assume slightly lower levels of net migration**

	2010	2011	2012	2013	2014	2015	2016	2017
Population (lower migration scenario)	83.2	84	84.8	85.6	86.4	87.2	88	88.8
Natural Change		0.3	0.3	0.3	0.3	0.3	0.3	0.3
Births		1	1	1	1	1	1	1
Deaths		0.7	0.7	0.7	0.7	0.7	0.7	0.7
All Migration Net (Lower migration scenario)	0.5*	0.5	0.5	0.5	0.5	0.5	0.5	0.5
All Migration Net assumed in 2008-based sub national population projections	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Population (lower migration scenario)	89.6	90.3	91	91.7	92.4	93.1	93.8	94.4	95
Natural Change	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Births	1	1	1	1	1	1	1	1	1
Deaths	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8
All Migration Net (lower migration scenario)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
All Migration Net assumed in 2008-based sub national population projections	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

\*actual values that occurred in that year