

1. INTRODUCTION

- 1.1 This Statement is submitted by Meridian Hill (Chigwell) Ltd (Participant Ref 19LAD0102) and relates to Matter 3: The Quantitative Requirements for Development, in relation to the examination of the Epping Forest District Council Local Plan.
- 1.2 Meridian Hill (Chigwell) Ltd previously submitted representations as part of the Local Plan including the Community Choices Issues and Options Consultation in 2012, the Draft Local Plan Consultation in 2016, and the Local Plan Submission Version Consultation in 2017.
- 1.3 Meridian Hill (Chigwell) Ltd have an interest in the former landfill site at Hill House Farm, Chigwell. It is owned by Essex County Council. The site abuts the existing built up area and it is in close proximity to existing local facilities, services and public transport. This site is promoted for residential development of c100 dwellings, provision of a Care Home and public open space. The site is available, and is deliverable in the short term.

2. MATTER 3: THE QUANTITATIVE REQUIREMENTS FOR DEVELOPMENT

Issue 1: Is the housing requirement for the plan period 2011-2033 appropriately defined having regard to the composition of the Housing Market Area (HMA); and the Objectively Assessed Need (OAN) for housing within the HMA?

HMA

1. Is the HMA comprising Epping Forest, East Herts, Harlow and Uttlesford Councils justified? Should the HMA include Broxbourne Borough? How has the influence of neighbouring London Boroughs been taken into account?

- 2.1 We have no comments in respect of the HMA including Broxbourne Borough.
- 2.2 It is not considered the influence of neighbouring London Boroughs has been taken into account sufficiently. Whilst the SHMA considers the GLA household projections, there doesn't appear to be any consideration of the unmet need arising from the London Plan. The adopted London Plan has an identified shortfall of dwellings, and the new London Plan currently at examination, also has a shortfall of dwellings. Given the proximity and transport links to London boroughs within Epping Forest, should London fail to meet its housing needs, there is potential for an increase in migration and this should be taken into account as part of the market signals, and an uplift to the OAN. This is discussed in further detail below.

OAN for Housing and the Housing Requirement

For the period 2011-2033, the Strategic Housing Market Assessment July 2017 (EB407) found the OAN for the HMA as a whole to be 51,700 additional homes. The OAN for Epping Forest was found to be 12,573 new homes, amounting to 572 per annum.

2. Does the SHMA July 2017 identify the full OAN for housing for the HMA and for Epping Forest specifically?

a. Was the standard methodology recommended by the Planning Practice Guidance (PPG) followed? Are any departures, particularly in relation to how migration and market signals were taken into account, clearly explained and justified?

- 2.3 It is not considered the SHMA 2017 identifies the full OAN for the HMA and for Epping Forest. It is recognised that the SHMA July 2017 was undertaken to provide the most up to date evidence base in accordance with PPG to inform the OAN for the HMA and for Epping Forest. This identifies an overall figure of 51,700 for the HMA and 12,573 for Epping Forest. We remain concerned the SHMA 2017 does not fully meet the methodology in PPG, however notwithstanding this, the Local Plan does not make provision for the OAN for EFDC identified by the SHMA. It is noted in the Housing Implementation Strategy that this figure is accepted by the Council, however the Local Plan does not make provision for the full OAHN, with a minimum shortfall of 1,173 dwellings.
- 2.4 In addition to this unmet need, there is concern that the OAN should be higher with regards to the starting point of understanding the overall housing need, and also the uplift applied in response to market signals.
- 2.5 Section 2 of the SHMA 2017 sets out that the most up to date starting point estimate of the overall housing need, is based on the CLG 2014 based household projections, published in July 2016. The SHMA 2017, paragraph 2.2, sets out that these figures identified a growth of 50,697 households across the HMA over the 22-year period 2011-2033, which represents a housing need of 52,728 dwellings. For Epping Forest specifically this includes 14,374 households and 15,049 dwellings.
- 2.6 The SHMA 2017 reduces the household projection based estimate of housing need to 45,500 dwellings, in keeping with the SHMA interim demographic update (August 2016). This represents a reduction of 7,228 dwellings. This is a significant reduction, and whilst the PPG allows for local changes in certain circumstances, it is not considered this has been clearly explained and justified by robust evidence to reduce it to this extent. The reduction appears to heavily rely on applying a ten year migration trend. However this covers a period where migration was substantially lower than normal, due to the recession period. There appears to be no consideration of this as part of the SHMA 2017. Therefore, it is considered that the starting point for the OAN is not justified and should be increased.

- 2.7 It is recognised that since the SHMA 2017, the 2016 household projections were published in September 2018. However, the Government has distanced itself from these figures, and were clear in the recent Housing Method Consultation that the September 2018 figures should not be used. Therefore the 2014 household projections remain the most up-to-date figures that should be taken into consideration to determine the OAN. Furthermore, whilst it is recognised the Local Plan does not have to be considered in light in of the NPPF 2018, it is clear that future reviews of the Local Plan will require a further increased housing need, to reflect the Governments standard method for housing need.
- 2.8 In addition to the above, it is not considered market signals have been properly taken into account. The SHMA 2017 adjusts the uplift applied from the original SHMA (2015), reducing this from 20% to 13.6%. Para 3.24 of the SHMA 2017 Update sets out that *'the housing market signals demonstrate continued affordability pressures in the HMA and there may be argument to maintain the 20% uplift previously proposed by the original SHMA in the context of the approach taken in similar areas.'* However it sets out that the increase would be difficult to justify in the context of implications for net migration and average household sizes. However, this is not considered appropriate. Planning Practice Guidance (Paragraph: 020 Reference ID: 2a-020-20140306) is clear that the more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio), and the stronger other indicators of high demand, the larger the additional supply response should be.
- 2.9 Housing affordability is a key issue for Epping Forest, and house prices are correspondingly high. The original SHMA 2015, Figure 7.3, indicates that since 2009 affordability has continued to worsen in Epping Forest. The SHMA 2017 does not provide any update on this, but as above confirms there are continued affordability pressures. More recent affordability ratios published by the ONS (April 2018), demonstrates that the affordability ratio of lower quartile house prices to lower quartile gross workplace earnings, has risen considerably in Epping Forest to 16.08 in 2017. This is significantly higher than the other authorities in the HMA, with Uttlesford at 14.75, East Herts at 14.01, and Harlow at 10.81.
- 2.10 Other local authority Local Plans, with a similar affordability ratio as Epping Forest, have applied a market signal uplift of 20% or above. This includes:
- Mid Sussex – 20%: The Inspector's report (March 2018) highlighted how the housing affordability ratio in the District had worsened (for example 9.76 in 2009 and 12.6 in 2015). The Inspector considered this, combined with the affordable housing need, pointed towards a higher OAN. This also confirmed that other local authorities in broadly similar circumstances adopted an OAN which included a market signals uplift of 20%.
 - Bromsgrove – 20%: The Inspector's report (December 2016) comments that it is clear that specific market signals notably affordability have worsened over time, and that accordingly the Council decided that the OAN should be increased by 20%.
 - Waverley – 25%: The Inspector's report (February 2018) comments that the affordability situation in Waverley is one of the most severe outside London, and therefore suggested an uplift in the order of 25%.

- Camden – 20%: The Inspector's report (May 2017) states that the uplift of 20% to take account of market signals is proportionate in the context of high house prices in the borough.
- Tandridge – 20%: This Plan has been submitted for Examination, however the evidence base sets out that based on the affordability ratio, and following consideration of the other local authorities approach with similar affordability ratios, a 20% uplift was considered appropriate by the Council.
- Cambridge – a 30% allowance for market signals was applied, with a lower quartile affordability ratio of 14.22 compared to 16.08 for Epping Forest.

2.11 The SHMA Affordable Housing Update 2017, identified the overall affordable housing need in Epping Forest over the plan period is 3,100 dwellings. Based on the SHMA 2017 OAN figure of 12,573, the affordable housing represents 25% of the total need. However, given the Local Plan does not plan to deliver the full OAN requirement for Epping Forest, there is no consideration of the shortfall of affordable housing as a result, and this could result in the loss of up to 440 affordable dwellings (applying the affordable housing policy requirement on the shortfall of dwellings).

2.12 Affordable housing completions have been significantly low over a number of years, as set out in figure 23 of the SHMA Affordable Housing Update 2017 and paragraph 1.130 of the AMR. Given the level of infrastructure required for some planned sites, and the limited provision from existing permissions, (as demonstrated in our previous representations for Chigwell), there is concern that affordable housing needs will not be met. Planning Practice Guidance (Paragraph: 029 Reference ID: 2a-029-20140306) sets out that an increase in the total housing figures included in the Local Plan should be considered where it could help deliver the required number of affordable homes. Every effort should be made by the local authority to address this need.

2.13 Overall, it is considered that the standard methodology recommended by the Planning Practice Guidance (PPG) has not been followed and applied appropriately. The departure and reduction in the starting point of the OAN is not considered justified, and in particular the reduction of the market signal uplift is not reflective of the significant and worsening affordability issues in Epping Forest. The OAN for Epping Forest should be increased as a result, and include a 20% uplift.

b. Has consideration been given to the high level of housing need in the neighbouring London Boroughs emerging through the London Plan? If not, are the figures justified?

2.14 As set out above, whilst the SHMA considers the GLA household projections, there doesn't appear to be any consideration of the unmet need arising from the current adopted London plan, and the new London Plan currently at Examination.

3. What is the relevance of the OAN figure of 13,278 for Epping Forest DC referred to in paragraph 6.8 of the Sustainability Appraisal (EB204)?

- 2.15 This refers to the OAN figure included in an earlier update to the OAN published in 2016. This included a 20% uplift in response to market signals. The figure of 13,278 highlights how EFDC have sought to further reduce the level of housing to be planned for over the plan period.

4. Is it justified for the HMA as a whole, and for Epping Forest DC specifically, to plan for less than the OAN as established by the SHMA 2017, at 51,100 and 11,400 homes respectively?

- 2.16 As set out above, affordability is a key issue for the HMA, but even more so for Epping Forest. This has continued to worsen over a number of years, as highlighted by the affordability ratio of 16.07 in 2017. This is considerably higher than the other authorities in the HMA. Therefore, it is essential that the Local Plan seeks to address this issue now. Notwithstanding the concerns identified with the SHMA 2017 and the OAN for EFDC, it is not considered justified to plan for less than the OAN as established by its own evidence base, as a minimum. Furthermore, from a review of the other authorities within the HMA, Epping Forest DC is the only authority that is planning for less than the OAN identified.
- 2.17 It is noted that in Section 7 of the SA (EB204) it sets out that that the SHMA 2017 was carried out and led to a revised objectively assessed need for the HMA of 51,710 dwellings. Paragraph 7.5 recognises this identified a slightly increased OAHN for three of the authorities but considers this had been largely anticipated for in the HMA work, and the updated overall housing need across the HMA remained broadly consistent. Whilst it is recognised that the SA of Spatial Options in 2016 considered a higher growth that could encompass the overall OAN for the HMA, there is no consideration of the OAN specifically for Epping Forest increasing, and how this impacts the spatial options. Paragraph 7.7 of the SA sets out that the HMA authorities are satisfied that the approach set out within the MoU will ensure that the predicted housing need of the HMA will be met over the course of the Local Plan periods. However this does not correspond with the information available as part of the other Local Plans, and there is no updated MoU to confirm this position.
- 2.18 East Herts updated their Plan to reflect the updated SHMA 2017 and sets out the level of housing need of 51,878 for the HMA and 18,458 for East Herts. Both Harlow and Uttlesford are also planning to meet their OAN from the SHMA 2017, and both Councils have also sought to increase the identified housing provision, based on their local requirements. The increased housing requirements for both these authorities are not in order to meet the OAN for the HMA.
- 2.19 Furthermore, all four authorities in the HMA, are clear that all authorities have agreed to meet their own need within the administrative boundaries. Therefore, the Local Plan fails to meet the OAN, and does not accord with paragraph 47 of the NPPF 2012 which sets out local authorities should “...ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the housing market area...”.

a. Has the alternative of delivering the OAN been tested through Sustainability Appraisal? If not, is the SA process deficient?

2.20 Spatial options have been considered for delivering 57,400 new homes across the HMA. However, given the MoU between the authorities agree to meet their individual needs within their administrative boundary, then the SA should test whether EFDC can deliver the increased OAN figure of 12,573 as a minimum. This has not been completed.

b. Will the Plan in fact provide more housing than the OAN of 12,573 as found by the SHMA 2017 (13,152 indicated in Appendix 5)? If so, is it justified to set the requirement below this?

2.21 There is a level of inconsistency with Council's approach in terms of housing supply and distribution. Despite the Council indicating they are only planning for a minimum of 11,400 new homes, it is recognised that the housing trajectory indicates a total housing supply of 13,152 new homes. However, the Plan paragraph 2.77 sets out that this is to provide flexibility, and allow for any stalled sites. There is no indication of how these additional sites would be delivered in respect of the spatial strategy, and it is not intended for this to meet any of the Epping Forest OAN's unmet need.

2.22 Paragraph 2.78 of the Plan also sets out that the recent housing projections demonstrate a further upward trend in housing need, and the identification of additional sites demonstrates the council's commitment to positive planning. However, this does not go far enough and it would not be sufficient to sustain future growth. If the housing requirement is increased to meet the OAN as identified by the SHMA 2017, then further contingency would need to be planned for to continue to allow for this flexibility and future. Furthermore, given the concerns above and the fact it is considered a higher OAN is necessary to reflect the household projections, and market signals, the allocation of additional sites is considered necessary,