



Strategic Planning & Research Unit

For and on behalf of
Peer Group Plc

**Epping Forest Local Plan Examination
Response to MIQ's Matter 3: The Quantitative Requirements for
Development**

**The Ongar Park Estate
North Weald Bassett**

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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?

- 1.1 The HMA is not justified.
- 1.2 It is noted that the LPEG Report to Government (March 2016) recommended that the DCLG should commission an update to the earlier 2010 study (CURS) as there is the potential for HMA boundaries to be "gamed" with authorities being excluded despite their obvious shared geography (paragraphs 3.6, 3.8 and Appendix A paragraph 2).
- 1.3 The HMA is defined in the West Essex and East Hertfordshire Strategic Housing Market Assessment Report of Findings September 2015 (EB405).
- 1.4 The starting point (figure 1 page 10 EB405) is that EFDC is part of the London HMA.
- 1.5 In terms of commuting, the report in paragraphs 2.16 to 2.40 sets out a complex analysis of commuting patterns by applying different levels of containment. The conclusion is that Epping Forest and Harlow fall within the same commuting zone and that 100% of Epping Forest's movements fall within this zone (SHMA 2015 Figure 17 page 21).
- 1.6 While this report recognises that the area is strongly linked to London through commuting and migration patterns the final "best fit" HMA is allegedly reached by excluding the impact of London (paragraph 2.71 page 31). This is not a coherent approach.
- 1.7 This level of sophistication belies some simple facts that can be derived from the same data source notably the 2011 census. The table below highlights that actually within the proposed HMA there is very little commuting between the district Councils and Harlow.
- 1.8 Additional housing provision in the form of urban extensions to Harlow is out of scale with the 2,132 residents who presently live in EFDC but work in Harlow and may wish to reduce their commuting distance.
- 1.9 Table 1 on the next page illustrates that the clear focus of commuting, to outside of the individual districts, are movements into London. The SHMA analysis seeks to substantially underplay the impact of London. Such an approach is very unhelpful in securing genuinely sustainable patterns of development and determining locations for development within EFDC.
- 1.10 A similar pattern emerges when one considers the census data on migration (ERB405 SHMA 2015 paragraphs 2.41 to 2.51 and figures 18 and 19). The raw census data reveals a that there are not strong relationships between the districts in the HMA the table 2 highlights the very weak interactions in terms of migration flows between the authorities within the selected HMA.
- 1.11 In terms of the relationship between Harlow and Epping Forest only 6% of moves out of Epping Forest are to Harlow and there are only 3% from Harlow to Epping Forest. Again, the evidence illustrates the much stronger relationship that there is between Epping Forrest and London.
- 1.12 Combined, this evidence strongly suggests that there is only a very weak relationship

between Harlow and Epping Forest both in terms of migration and travel to work flows. As such the concentration of a substantial proportion of the housing requirement in three planned urban extensions to Harlow is unlikely to address the demographic and market pressures arising within Epping Forest.

Table 1 Commuting between HMA authorities

Place of work	Usual residence			
	East Hertfordshire	Epping Forest	Harlow	Uttlesford
East Hertfordshire	21543	1044	2737	2972
Epping Forest	1297	12530	2788	785
Harlow	3467	2132	17485	1412
Uttlesford	3418	480	1002	13006
London	12844	25853	5755	5118
United Kingdom	57561	48031	34000	30998
Percentage (place of work)	East Hertfordshire	Epping Forest	Harlow	Uttlesford
East Hertfordshire	37%	2%	8%	10%
Epping Forest	2%	26%	8%	3%
Harlow	6%	4%	51%	5%
Uttlesford	6%	1%	3%	42%
London	22%	54%	17%	17%
United Kingdom	100%	100%	100%	100%

NOMIS 2017 census 2011

Table 2 Migration between HMA authorities

Address one year ago	Usual residence			
	East Hertfordshire	Epping Forest	Harlow	Uttlesford
East	10030	5961	6306	6105
London	1665	3596	860	804
East Hertfordshire	6425	222	258	782
Epping Forest	381	4345	456	231
Harlow	379	284	4870	212
Uttlesford	403	100	111	3347
Abroad (outside UK)	983	691	607	551
United Kingdom	13086	10445	7593	7808
Total	14069	11136	8200	8359
Percentage	East Hertfordshire	Epping Forest	Harlow	Uttlesford
East	71%	54%	77%	73%
London	12%	32%	10%	10%
East Hertfordshire	46%	2%	3%	9%
Epping Forest	3%	39%	6%	3%
Harlow	3%	3%	59%	3%
Uttlesford	3%	1%	1%	40%
Abroad (outside UK)	7%	6%	7%	7%
United Kingdom	93%	94%	93%	93%
Total	100%	100%	100%	100%

Source: NOMIS 2017 census 2011

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?

- 1.13 The OAN is identified in Figure 5 of the 2017 SHMA (EB407 page 25) as 12,573 for EFDC and 51,710 for the HMA (572 dpa and 2,350 dpa) this calculation is not considered sound. In brief this compares to:
- a. **20,614 dwellings** Local Housing Need (LHN) 2014-based
 - b. **14,529 dwellings** Local Housing Need (LHN) 2016-based
 - c. **15,049 dwellings** (14,374 households) CLG 2014-based household projections (EB407 paragraph 1.7)
 - d. **10,305 dwellings** (9,843 households) ONS 2016-based household projections (table 406)
- 1.14 EB407 does not contain the detail that allows an easy understanding of the steps that the SHMA has taken to reach these figures. The table below attempts to set out the assumptions as described in EB407 and EB406.

Table 3 Breakdown of the assumptions in the EHMA (EB407)

	CLG 2014 Household projections	CLG 2014 dwellings (vacancy rates EB406 para 26)	Migration adjustment (EB406 fig 8)	Baseline household projections	Pro-rata distribution of 6,200 EB407 para 4.10	Final distribution	Annual Requirement
East Hertfordshire	17,243	17,760	-1,547	16,213	2,199	18,413	837
Epping Forest	14,374	15,021	-3,806	11,215	1,521	12,736	579
Harlow	7,653	7,898	-1,340	6,558	890	7,448	339
Uttlesford	11,427	11,964	-246	11,718	1,590	13,308	605
HMA	50,697	52,643	-6,939	45,704	6,200	51,904	2,359

Sources EB406 para 26, fig 8 & EB407 para 4.10

- 1.15 In simple terms the approach is as follows:
- a. Households converted to dwellings by application of vacancy rates (EB406 para 26).
 - b. Migration adjusted from 2014 SNPP of 2,854 persons/year down to 2,040 persons/year.
 - c. An uplift of 6,200 dwellings based upon increased migration from London, addressing suppressed households and Market Signals, distributed on a pro-rata basis (EB407 paragraph 4.10).

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?

- 1.16 No. The approach is not the standard method in 2018 Framework and PPG. This would result in a Local Housing Need (LHN) of **660 dpa** using the 2016 household projections and the affordability adjustment of 65.6% capped at 40%. If the 2014 household projections are used (in accordance with the Technical Consultation October 2018) the LHN would be capped at **937 dpa**.
- 1.17 The SHMA 2017 (EB407) is to be assessed against the 2012 Framework and PPG. The PPG highlights the inputs that require consideration but provides no guidance as to the weight or nature of response that maybe given to each of the building blocks of the calculation of OAN.
- 1.18 The EB407 OAN of 51,700 dwellings (Figure 5 page 25) is based upon the demographic projections in Updating the Overall Housing Need (EB406) which concluded a demographic projection of 45,507 dwellings (EB407 figure 2 page 15).
- 1.19 The Updating the Overall Housing Need (EB406) did not update the response to market signals, suppressed household formation, or migration pressures and so concluded an OAN of 54,608 – with adjustments totalling 8,434 dwellings (EB406 figure 7 page 8).
- 1.20 This change in approach from EB406 to EB407 lowers the OAN from 54,608 to 51,700 in EB407 by revisiting and adjusting downwards the response to market signals suppressed household formation, and migration pressures.
- 1.21 Rather than making individual adjustments to reflect these issues as detailed in figure 8 page 9 of EB406, the OAN in EB407 is derived from an uplift of 6,200 dwellings being distributed across the HMA on a pro-rata basis (EB407 paragraph 4.10). This uplift of 6,200 dwellings is described as being reflective of market signals suppressed household formation, migration pressures (EB407 paragraph 4.10) but paragraph 3.20 describes the uplift as being calculated by just two adjustments migration and surpassed households and no adjustment for market signals. This compares with the market uplift of 20% applied in EB406 (see para 3.2 EB407).
- 1.22 The 6,200 dwelling uplift is made up of:
- a. An increase of 3,600 dwellings to reflect increased out migration from London (EB407 paragraph 3.17 and figure 2) to reflect the GLA 2016 based central trend projection 49,119 dwellings (rounded down to 49,100)
 - b. An additional 2,600 dwellings to address suppressed household formation (EB407 paragraph 3.20 51,700 - 49,100)

Household Formation

- 1.23 The SHMA is based upon a net migration of 2,809 which results in a requirement of 51,700 dwellings (EB407 figure 4 page 23) this includes a reduction in average household size from 2.402 to 2.289.
- 1.24 It is notable the CLG 2014 based household projections (2,848 net migration) results in a higher requirement of 52,778 dwellings but has a higher average household size of 2.315 in 2034.

Table 4 CLG 2014 Household projections Average Household Size

	HH_2014 (000s)	Pop_2014 (000s)	Average Household Size_2014	HH_2029 (000s)	Pop_2029 (000s)	Average Household Size_2029	HH_2034 (000s)	Pop_2034 (000s)	Average Household Size_2034
Epping Forest	53.663	127.697	2.38	63.564	148.184	2.33	67.176	154.694	2.3
Harlow	35.528	84.152	2.37	40.821	95.516	2.34	42.733	98.914	2.31
Uttlesford	33.26	82.829	2.49	41.12	100.571	2.45	43.452	105.209	2.42
East Hertfordshire	59.414	141.024	2.37	71.168	163.054	2.29	74.763	169.256	2.26
	181.865	435.702	2.396	216.673	507.325	2.341	228.124	528.073	2.315

Table 427: Change in average household size, local authority districts and England, 2014- 2039

- 1.25 Given that the final level of migration is similar to the official 2014 household projections it is difficult to understand how this level of migration and a lower average household size could possibly result in fewer dwellings at the end of the Plan period. The Council's interpretation of the assessment therefore appears flawed.

Migration

- 1.26 PPG 2012 states that DCLG projections are statistically robust (Para02a-17) and that changes need to be clearly explained and justified on robust evidence.
- 1.27 The PAS advice to LPAs "10 principles of owning your housing numbers" (produced by PBA) – written in the context of the 2012 interim household projections being the latest available – cautioned against using projections that include recessionary trends leading to an underestimation of the level of household change.
- 1.28 The PAS "Objectively Assessed Need and Housing Targets - Technical advice note" (PBA 2015) provides guidance in Paragraph 6.23 that the base period used in the then latest official projections (2012 interim) of 2007-12 was especially problematic as it covers all of the last recession, in which migration was severely suppressed and as such may have underestimated future particularly into the more prosperous parts of the country, which have been recipients of net migration in the past. For these reasons it is recommended to test the 2012 interim projections against a 10 or 15 year base to provide a more robust projection.
- 1.29 The use of the 10 year projection rather than the 5 year projection goes against this advice as the 10 year period includes the recession while the 5 year does not.
- 1.30 As a starting point it should be noted:
- The 2014 and 2016 SNNP (net migration **2,874** and **2,359** respectively) are not based upon the period of recession.
 - Ten year averages including the recession 2005 - 2015 and 2006 – 2016 are **2,586** and **2,583** respectively
 - The most recent 5 year average 2011 to 2016 which excludes the recession is **2,831**
 - The migration figure used in the SHMA projections is **2,040**.

Table 5 Comparison of past average migration and future projections

Net Migration	Average 2002 - 2016	Average 2005 - 2015	Average 2006 - 2016	Average 2011 to 2016	CLG 2014 average 2011 to 2033	ONS 2016 average 2011 to 2033
East Hertfordshire	669	855	900	1018	868	806
Epping Forest	437	561	504	664	905	712
Harlow	-125	76	100	143	137	35
Uttlesford	917	1094	1080	1006	963	806
HMA	1,898	2,586	2,583	2,831	2,874	2,359
Net Migration plus other	Average 2002 - 2016	Average 2005 - 2015	Average 2006 - 2016	Average 2011 to 2016		
East Hertfordshire	552	745	808	1019		
Epping Forest	329	448	405	665		
Harlow	-91	93	112	142		
Uttlesford	981	1152	1122	1028		
HMA	1,771	2,438	2,447	2,854		

Source: MYE 2001 – 2016 / SNPP 2014 / SNPP 2016

- 1.31 The migration assumptions in the ONS 2016 projections are lower than the 2014 SNPP and the recent 5-year and 10-year average migration rates but caution should be exercised before adopting such assumptions as these will project forward the influence of undersupply in the housing market (Technical Consultation 2018 paragraph 11 bullet 2).
- 1.32 The Government's approach to the 2016 household projections (articulated in the Technical Consultation and the advice from Rich Pereira (ONS Deputy Director centre for aging and demography) in his article "What our Household projections really show" October 2018) strongly suggests that there is no justification for utilising a lower average migration figure and the 2014 SNPP should be preferred.
- 1.33 While PPG (2014) suggests using of the most up to date information, this must be weighed against the Government's more recent advice and explanation from the ONS regarding the shortcomings and weaknesses of the 2016 household projections to provide a reliable basis for the calculation of the OAN.
- 1.34 The PPG requires consideration of why peaks in migration may have occurred, but this is not explored in the SHMA 2017 or 2016 update. If the 10 year period is to be used there is no justification for not using the most recent period 2006 - 2016 of 2,583 persons/year rather than the lower 2,036 persons/year.
- 1.35 The Scenario testing required by PPG 2014 places the SHMA figures as the lower outliers in terms of migration.
- 1.36 The resulting projections in the original SHMA (EB405) and the update (EB406) are the lowest of all those considered in Figure 2 (EB407 page 15).
- 1.37 The justification for the 2,036 (or 2,040) net migration on which the Plan is based is unclear.
- 1.38 Migration in the "The Updating the Overall Housing Need" (EB406) was increased, following the PINS Advisory Inspector's original concern with the use of the 2001 to 2011 census populations to derive migration. Notwithstanding this, EB407 still reverts back to this as a comparator (EB3.26).

- 1.39 The demographic projection of 45,507 dwellings which forms the basis of the OAN for the HMA is based upon a migration assumption of 2,036 net migration (Figure 2 page 15 EB407).
- 1.40 Net migration of 2,036 is substantially lower than the past rates of recorded average migration (Table 1) and is also lower than most recent "MYE 10-year rolling average" in Figure 3 page 16 EB407.
- 1.41 The justification of this figure appears to be centred around the 10-year averages from 1991 to 2011 of 1,090 persons, and the annual migration calculated for the intercensal period (2001 – 2011) of 1,120 persons (EB407 paragraph 2.12) although neither actually support the 1,036 used in the projection.
- 1.42 The argument against using the higher 10 year (2006 to 2016) or five-year average (2011 to 2016) is that these recent rates of migration are considered to be high and "unprecedented" since 1991 (EB407 paragraphs 2.13 and 2.16).
- 1.43 Our review of the migration flows in appendix 1 does not indicate that the highest level of recorded migration is due to any one of the flows being unprecedented it rather suggest that the net figure is a combination of a number of these that for this year result in a net figure that is higher than the other years but the individual flows are not in themselves "unprecedented".
- 1.44 EB407 paragraph 2.26 states that the 2,040 net migration figure is based upon "this tend" presumably referring to paragraph 2.25 but this paragraph highlights the average migration 2015 to 2015 was 2,500 not the 2,036 used in the projection.
- 1.45 There is no mathematical explanation for the 2,036 migration assumption in EB405/6/7.
- 1.46 EB407 paragraphs 2.27 – 2.30 refers to the GLA household projections and the central variant (based on 10 year migration) assumes migration of 2,809 per year while the 5 year based short term is higher at 2,965 persons per year. Even the Long term trend (based on 15 period) which includes the the 2 years of net out migration has higher migration 2,444 with the resultant higher dwelling requirement.
- 1.47 Confusingly the projection of 45,507 dwellings is described as being the output of modelling the migration based on MYE 2005 and 2015 (EB406 figure 6 page 6) which is approximately 2,500 a year (EB406 paragraph 23) and not the 2,040 per year suggested in paragraph 2.26 of EB407.
- 1.48 EB407 paragraph 4.10 suggests that the 2,036 net migration (the updated SHMA projection) is based upon the 10 year period 2005 – 2015 but Figure 3 (EB407 page 16) shows the rolling average to be in the region of 2,500. This is supported by table 1.
- 1.49 There is no clear justification for the net migration of 2,036 (or 2,040) used to produce the demographic projection of 45,507 dwellings (EB407 figures 2 and 5 pages 15 and 25) and as such both the migration assumption, the resulting demographic projection and the final OAN is unsound.
- 1.50 In EB407 paragraphs 3.16/17 and Figure 4 page 29 the Council are accepting the higher rate of migration within the GLA projections for the HMA (housing need of 49,116 migration 2,809 per year) but that this gets distributed on a pro rata basis.
- 1.51 The GLA projections at a district level (table 3) project a very consistent level of housing need for EFDC of 580 to 585 dwellings a year. These projections assume that London averages some 50,000 to 58,000 completions a year against a high of 39,560 net additions in 2016/17 and a 5-year average of 28,000/year.

Table 6 GLA projections 2016

GLA short term (5 yr)	2011	2033	Total	Annual Average	Total Dwellings	Annual Dwellings
East Hertfordshire	56,811	74,856	18,045	820	18,586	845
Epping Forest	52,084	64,332	12,248	557	12,799	582
Harlow	34,699	42,043	7,344	334	7,579	344
Uttlesford	31,569	42,171	10,602	482	11,100	505
HMA	175,164	223,402	48,238	2,193	50,064	2,276
London	3,278,449	4,520,017	1,241,568	56,435	1,280,056	58,184
GLA central (10 yr)	2011	2033	Total	Annual Average	Total Dwellings	Annual Dwellings
East Hertfordshire	56,811	74,317	17,506	796	18,031	820
Epping Forest	52,084	64,300	12,216	555	12,766	580
Harlow	34,699	41,996	7,297	332	7,530	342
Uttlesford	31,569	41,799	10,230	465	10,711	487
HMA	175,164	222,412	47,248	2,148	49,037	2,229
London	3,278,449	4,454,014	1,175,564	53,435	1,212,007	55,091
					0	
GLA Long term Trend (15yr)	2011	2033	Total	Annual Average	Total Dwellings	Annual Dwellings
East Hertfordshire	56,811	73,164	16,353	743	16,844	766
Epping Forest	52,084	64,395	12,311	560	12,865	585
Harlow	34,699	41,052	6,352	289	6,556	298
Uttlesford	31,569	40,885	9,316	423	9,753	443
HMA	175,164	219,496	44,332	2,015	46,018	2,092
London	3,278,449	4,350,495	1,072,046	48,729	1,105,279	50,240

- 1.52 There is no explanation as to why EB407 chooses to distribute the uplift between the the initial assessment (based on a downwards adjustment to the 2014 household projections) and the GLA forecast on a pro-rata basis rather than on the basis of the actual GLA projections.
- 1.53 If the distribution of the GLA uplift is actually distributed on the basis of the GLA's own projections at district level then this suggests that the SHMA approach actually reduces the claimed impact of London. The table below illustrates that for EFDC the GLA central projection (10-year based) would result in a requirement for 12,766 dwellings which would increase to 12,947 if an allowance is made for suppressed household formation. This includes no uplift in response to market signals.
- 1.54 To achieve the distribution in the MoU there is actually a reduction from the GLA projections for East Hertfordshire and EFDC.

Table 7 Aligning GLA District projections and the MoU

	CLG 2014 Household projections	CLG 2014 dwellings	Migration adjustment (EB406 fig 8)	Baseline household projections	London Uplift (GLA Central Trend)	London Uplift (GLA Central Trend)	Suppressed HH	Requirement with uplift for London and suppressed HH	Final Adjustment (Market Signals?)	Final Housing requirement (MoU Figure 5)	Annual Requirement
East Hertfordshire	17,243	17,760	-1,547	15,696	2,335	18,031	174	18,205	-205	18,000	818
Epping Forest	14,374	15,021	-3,806	10,568	2,198	12,766	181	12,947	-1,547	11,400	518
Harlow	7,653	7,898	-1,340	6,313	1,217	7,530	173	7,703	1,497	9,200	418
Uttlesford	11,427	11,964	-246	11,181	-470	10,711	139	10,850	1,650	12,500	568
HMA	50,697	52,643	-6,939	43,758	5,279	49,037	667	49,704	1,396	51,100	2,323

Source: GLA central Forecast, EB407 & MoU

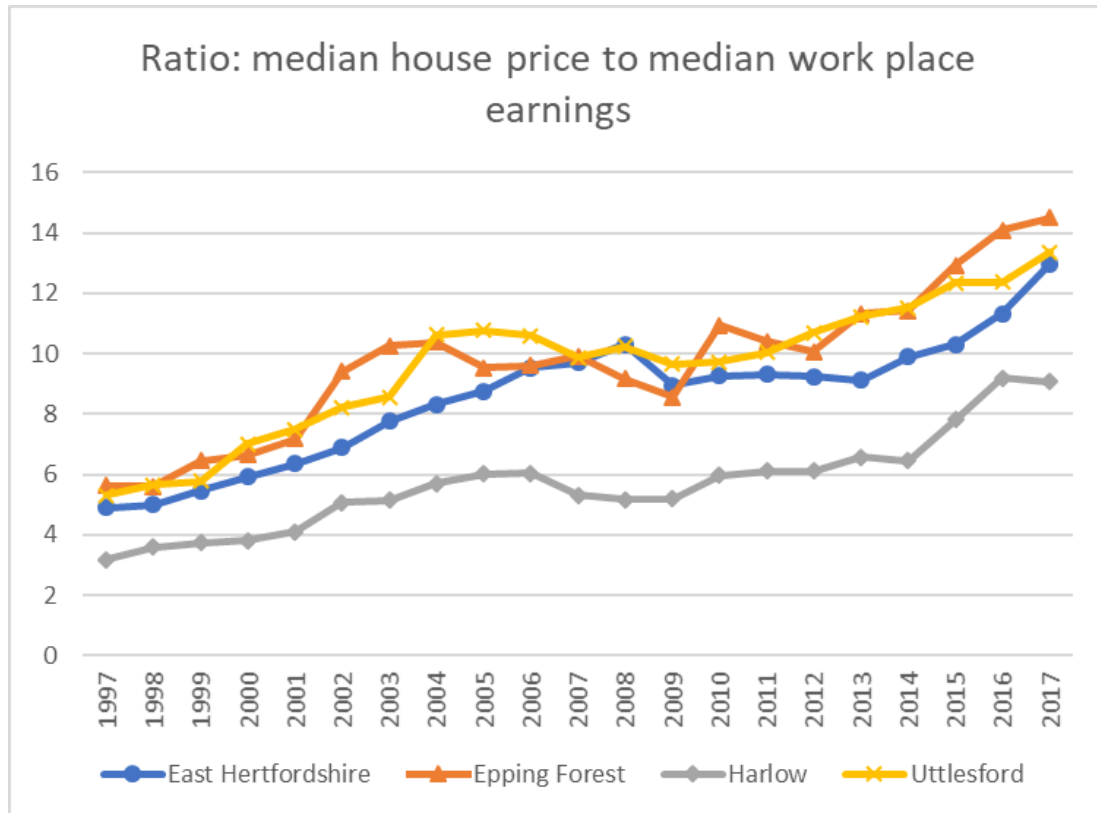
- 1.55 EB407 uses the GLA central projection to adjust the revised housing requirement for the HMA as a whole upwards (after the first downwards adjustment) but EB407 does not use the GLA projections to establish the district level housing requirement but instead redistributes this “uplift” on a pro-rata basis. This redistribution removes 1,547 dwellings from EFDC effectively requiring other LPAs to meet some of EFDC forecast need contrary to the MoU which states each authority is to meet its own needs.
- 1.56 There is no justification as to why the GLA central projection at district level should not be utilised for EFDC in this approach.
- 1.57 Overall while different projections exist there does not appear to be strong clear evidence that the assumptions in the 2014 SNPP – that are preferred by the Government – should not be used as the baseline demographic assessment including the migration assumption of 2,874 average net migration and the 905 person/year for EFDC.

Market Signals

- 1.58 Paragraph 4.10 of EB407 states that in a response to market signals, suppressed household formation, and migration pressures an uplift of 6,200 dwellings should be made to the baseline projection of 45,507 (14% uplift).
- 1.59 But paragraph 3.20 suggests that this increase is solely related to suppressed household formation rates and migration so there is no increase proposed to reflect market signals.
- 1.60 The previous assessments (EB405 paragraph 5.75 and EB406 figure 7) both applied an uplift of 20% just to reflect market signals.
- 1.61 EB406 figure 7 page 8 explains that the adjustment made for suppressed households should be 667 dwellings (HMA) 181 dwellings (EFDC) but that this should be subtracted from the uplift in response to market signals.
- 1.62 EB406 figure 8 page 9 applied a 20% uplift to all LPAs including EFDC based upon the analysis of market signals in EB405 pages 89 to 98. In particular the comparison of these signals to those in Eastleigh (paragraph 5.74).
- 1.63 The justification for reducing this appears to be on the basis that net migration is unlikely to increase to the projected level and that household formation would also not improve so that any higher number of additional homes would exceed demand (EB407 paragraph 1.21). It is argued that a 14.2% uplift would be a “reasonable level” (EB407).
- 1.64 EB405 market signals were based upon data up to 2013. SPRU reg 19 objection (OAN) Charts 4 and 5 (pages 32 and 33) illustrate affordability ratios rising steeply since 2013

within the HMA and compared to England. This has continued in 2017 (chart 1) with EFBC having the highest ratio of 14.49 (up from 11.33 in 2013).

Chart 1: Ratio: median mouse price to median work place earnings



Source: ONS affordability 2018 table 5c

- 1.65 The proposed response to market signals maybe compared to other approaches:
- Standard method requires an uplift of **65.6%** resulting in an LHN of **1,108 dpa** but this would be capped to **937 dpa** a **40%** uplift.
 - LPEG approach - an average of affordability of 13.84 over the last 3 years would justify a **25% uplift** in respect of market signals as the House price Ratio is above 8.7.
 - NHPAU proposed increase for the East of England 11% (demographic) to **28% (stabilising affordability)**. (Table 11 “Meeting the housing requirements of an aspiring and growing nation: taking the medium and long-term view”, June 2008).
- 1.66 The Aylesbury Vale Inspector (Interim findings and subsequent discussion document December 2018) found compelling reasons to reject the approach of benchmarking against Eastleigh (as in EB406) would result in too low an OAN. The same consultants undertook Aylesbury Vale SHMA as the EFDC SHMA. The Inspector justified his rejection of this consultant’s approach as follows (Discussion Document paragraphs 12 – 14):
- The Eastleigh figure was arrived at through professional judgement in the absence of any precedent and without the assistance of any scientifically based objective method

- b. The LPEG report offers a systematic method and produces a higher figure than the "Eastleigh comparison"
 - c. The Inspector rejects the consultant's criticism that it is inappropriate to reference the LPEG results by stating this has only informed his approach that the consultant's adjustment is too low.
 - d. The Inspector also relies upon the Government's adoption of the standard method to confirm his opinion that the consultant's adjustment is too low but does not apply the capped 40% uplift as the 2012 Framework requires the application of planning judgement.
- 1.67 The justification for departing from the 20% in the earlier study is poorly explained, it appears the explanation is that the 51,700 dwellings is a maximum that the market could meet as higher rates of migration or higher rates of household formation are unlikely and as such any additional increase above 51,700 would be "unreasonable" adjustment in terms of the PPG 2012 .
- 1.68 Against this reasoning is that the 2014 household projections suggest a level of 52,643 dwellings with no adjustment for increased out migration from London, no adjustment to meet suppressed housing formation or any response to market signals.
- 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?**
- 1.69 Not directly.
- 1.70 The SPRU Regulation 19 OAN submission analysis of Census data shows that 3,596 persons moved out of London to EFDC in the preceding year. This is **2.47%** of the 145,506 of persons that moved from London to the South East (90,792) and East of England (54,714).
- 1.71 The present rate of housing delivery in London of a high of 39,560 net additions in 2016/17 and a 5-year average of 28,000/year against a forecast need of (2014 projections)
- 1.72 This is an underperformance of housing delivery in London against the 2014 household projected level of need of 57,317 dpa (55,594 CLG table 425 plus 3.1% second and empty homes Housing in London: 2018). The shortfall is between 17,757 (if the highest rate of delivery in recent times is maintained as an average) and 29,317 (if net additions continues as an average of the last 5 years).
- 1.73 Assuming undersupply in London will trigger further outmigration in a similar pattern to that which occurred in the past then it is reasonable to assume that some 2.47% of this unmet need is to migrate into EFDC.
- 1.74 The additional pressure for new dwellings in EFDC generated by unmet need from London would be in a range between 439 dpa and 724dpa. These being 2.47% of unmet need from London.
- 1.75 The draft London Plan (dLP) Delivery Target is 64,935 dpa against a need of 66,000 dpa(central projection plus backlog to be met over 25 years) so the shortfall is 1,065 dpa which would mean an uplift of just 26 dpa (2.47% of 1,065). The 2014 based Standard Method figure for London is in excess of 70,000 dpa.
- 1.76 SPRU's submission to the dLP examination on behalf of London Councils highlights that the dLP needs to directly address at least the planned level of unmet so that plans such as EFDC can meet their share of the need (London Councils Matter 19 submission).

1.77 SPRU's matter 19 submissions to the dLP on behalf of London Councils highlights the shortcomings of the dLP evidence base in terms of the SHLAA leading to an unrealistic assumption regarding capacity which could lead to a **significant** shortfall in delivery.

1.78 It is clear therefore that there will be additional unmet need from London.

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)?

1.79 This figure is based on the EB406 figure 8 and uses a 20% market uplift and the CLG 2014 Household formation rates while rejecting the CLG migration assumptions. The EB407 again rejects the CLG migration assumptions but reworks the figures as explained above.

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?

1.80 No.

1.81 The SA (EB203) identifies no reason why the higher level tested (HMA 56,242 EFDC 14,152) should not be delivered and given that not all reasonable alternatives were considered in this assessment an even higher level could be sustainably accommodated.

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

1.82 Not adequately

1.83 SA of Strategic Spatial Options EB203 (table 1.1 page 5, 6, & 7) tests alternative housing requirements including higher growth in EFDC above the MoU (Option E 12,993 (OAHN = 11,300) and Option F 14,152 (OAHN = 13,278), however the only increases considered are from 892 to 1,101 at Loughton/Buckhurst Hill (for option F) and additional numbers at Harlow (Option E 5,400 Option F 6,350).

1.84 Apart from the above EB203 assumes the same level of allocation for all locations in EFDC with the exception of Option D which assumes lower levels of development.

1.85 In this respect EB203 does not test reasonable alternatives in terms of meeting higher levels of growth.

1.86 EB204 does test higher levels of development in locations in EFDC which are not tested as part of EB203. If these are reasonable alternatives in terms of distribution in terms of EB204 they must also be reasonable alternatives in considering the overall level of development in EB203.

1.87 EB203 considers only two alternative levels of development at North Weald Bassett; 0 and 1,616 (table 1.1 page 5, 6, & 7).

1.88 EB204 considers 3 levels of undefined growth at North Weald Bassett, it only ever considered delivering these on a single allocation (figures 6, 7 & 8 pages 37, 38 and 39).

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?

1.89 The OAN is not 12,573 for the reasons explained above and there is no justification why this higher requirement should not be met in full.

1.90 The Local Plan states (paragraph 1.44) that 11,400 does meet needs.

- 1.91 The Local Plan paragraph 2.42 states that 51,100 is the most that can be provided for in the HMA due to transport constraints. These constraints are not evidenced. NPPF paragraph 157 requires an LPA to; “*plan positively for infrastructure required*”. It does not say; “*reduce housing targets/delivery due to infrastructure constraints*”, which is the flawed strategy adopted by EFDC.
- 1.92 The Epping Forest District Council Submission Local Plan Highway Assessment Report December 2017 (EB502) states that that a combination of more ambitious sustainable transport and physical highway improvements could potentially mitigate the most significant impacts of the Local Plan, particularly when considered against the 2033 Do Minimum Scenario where no Local Plan growth is delivered (paragraph 6.1.13).
- 1.93 EB502 states this is a robust worst-case in terms of traffic demand and supply assumptions as it does not yet account for the full benefits of all proposed mitigation. It also states the assessment has tested the total projected housing supply available rather than the lower future housing requirement for the district (paragraph 6.1.15).
- 1.94 The SA (EB203) considered higher levels of growth and in terms of Highways noted issues regarding the proposed level of growth around Harlow (page 25) and a lifting of a restriction at Ware (page 30 footnote 31) but otherwise did not identify any overriding constraint.
- 1.95 No other transport constraints have been identified in the Plan.

Issue 2: Does the Plan include an appropriate target for accommodation for Gypsies & Travellers and Travelling Show people District?

1. Paragraph 2.46 indicates a need for 64 Gypsy & Traveller pitches and one Travelling show people yard over the Plan period 2011-2033. Is this the full objectively assessed need as supported by evidence and does the Plan meet it? Should the requirement for the whole Plan period (i.e. 64 pitches and 1 yard) be set out in Policy SP2(D) in the same way that it is for general housing in SP2(A)?
2. Paragraph 2.46 explains that the figures above do not include an allowance for those who need to live in a caravan but who do not meet the definition of Gypsies & Travellers in the Planning Policy for Traveller Sites (PPTS). How will the needs of other persons defined by Section 124 of the Housing and Planning Act be met?

Issue 3: Is the Functional Economic Market Area (FEMA) upon which the Plan is based appropriately defined; and are the requirements for job growth and employment land set out in the Plan justified?

1. Has the FEMA, comprising Epping Forest, East Herts, Harlow and Uttlesford Councils been defined by reference to the advice in the PPG? Is it justified?
2. Have the conclusions of the Employment Needs Assessment (EB610) in respect of job change/growth and employment floorspace requirements for the FEMA as a whole and for Epping Forest specifically been arrived at by following the methodology recommended in the PPG? Are any departures clearly explained and justified? In particular, has the Assessment utilised an appropriate forecasting model? Was it justified to moderate the baseline utilised by the East of England Forecasting Model 2016? Has this resulted in the Plan proposing a level of job growth below that needed to balance the labour market? (Reps 19LAD0058)
3. Will the identified job growth/floorspace requirements across the FEMA as a

whole, and in Epping Forest District specifically, be met? In particular:

- a. Does the Plan seek to provide 10,800 jobs over the period 2011-2033 as indicated in paragraph 2.51?**
- b. Where is the evidence that 2,900 jobs have already been provided during the period 2011-2016, leaving 7,900 to be provided over the period 2016–2033?**
- c. Table 2.5 on page 30 appears to cover the period 2011-2033, but the land requirements only cover the period 2016-33. Why is this? Will sufficient land be provided for the full 10,800 new jobs required over the whole Plan period?**
- d. Is it justified to rely upon the regeneration of existing sites to deliver approximately half of the future accommodation needs (paragraph 2.50)? Is there evidence to demonstrate that this will be effective?**
- e. Should Table 2.5 be amended to clarify that 14Ha of land is needed for industrial uses rather than offices?**
- f. Should Policy SP2 set out how many new jobs are to be provided over the Plan period as well as how much land?**

Issue 4: Is the Plan justified, effective and consistent with national policy in respect of the approach to meeting identified needs for retail development?

- 4. Paragraph 3.53 of the Plan indicates that there is a net need for 39,700sqm of retail floorspace and that approximately 40% of that need will be met in Harlow. However, the Plan does not make any specific site allocations for the remaining 60%, or approximately 23,820sqm. In relation to this matter:**
 - a. To which period does the identified need for 39,700sqm of net additional floorspace relate?**
 - b. Is there evidence to demonstrate that 40% of this need will be met in Harlow during the relevant period?**
 - c. Why does the Plan not identify specific sites for the remaining 23,820sqm of necessary floorspace? Is this consistent with national policy in paragraph 23 of the NPPF?**
 - d. Is any departure from national policy in this respect justified and how will the Plan ensure that this need is met?**

APPENDIX 1: INTERNAL AND INTERNATIONAL MIGRATION FOR EPPING FOREST AND THE HMA

Chart 2: Epping Forest and HMA Internal In-Migration and Out-Migration Since 2002

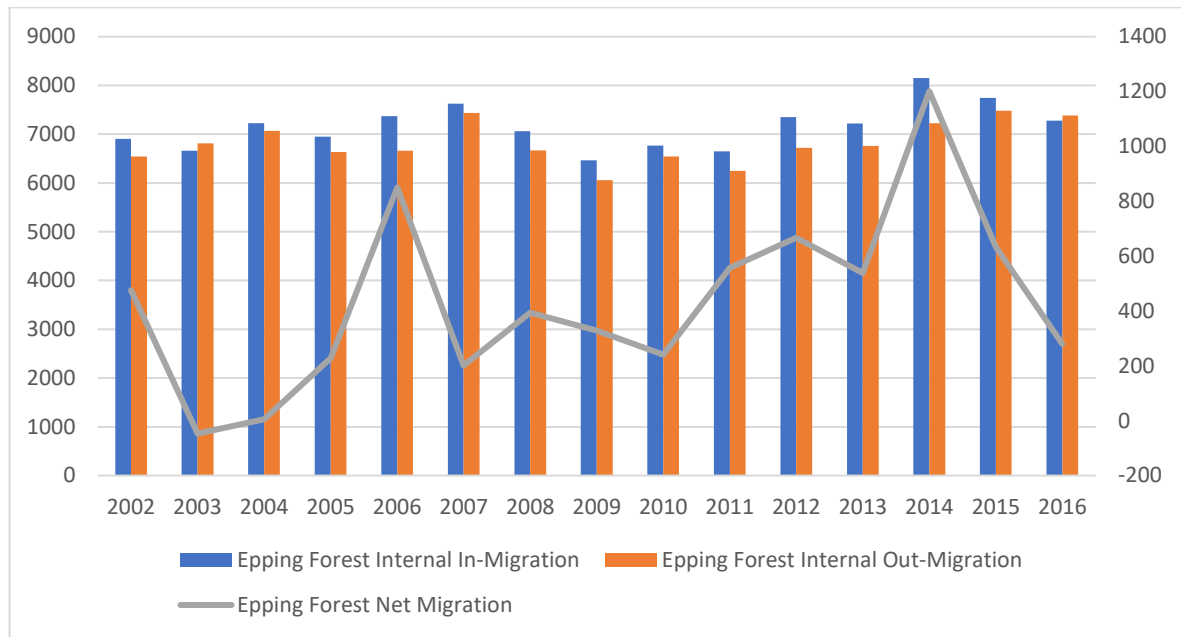
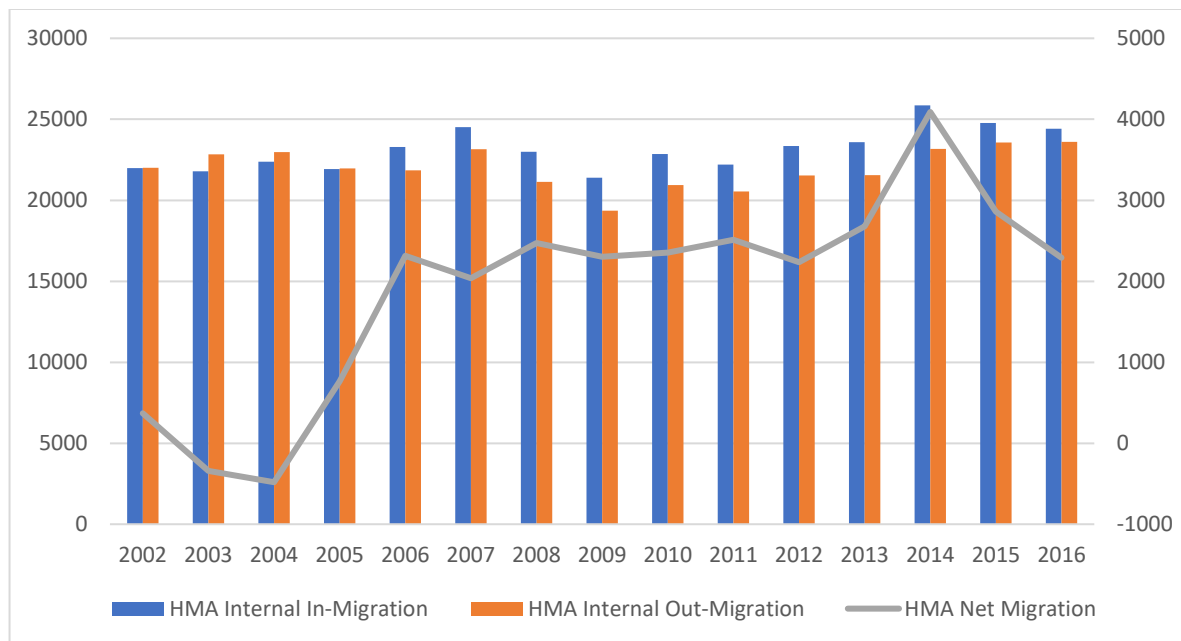


Chart 3: Epping Forest and HMA International In-Migration and Out-Migration Since 2002



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