

**EPPING FOREST  
DISTRICT LOCAL PLAN  
EXAMINATION**

**MATTER 3: THE  
QUANTITATIVE  
REQUIREMENTS FOR  
DEVELOPMENT**

**ID: 19LAD0121**

**HEARING STATEMENT**

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## MATTER 3 – THE QUANTITATIVE REQUIREMENTS FOR DEVELOPMENT

### Introduction

- 1.1 This Matter 3 Statement has been prepared by Carter Jonas LLP on behalf of Pigeon Investment Management Ltd (Pigeon) to respond directly to the Inspector's questions for this Matter. The Statement only responds to the Inspector's Questions which are relevant to Pigeon's interests. Representations were submitted to the Epping Forest District Local Plan 2011-2033 (EFDLP) on behalf of Pigeon (Id. 19LAD0121). Pigeon are promoting land East of Epping for a residential-led mixed use development for around 400 dwellings (or greater) (Site Ref. SR-0153), which is generally consistent with the 2016 draft Local Plan (Regulation 18) which proposes at least 930 homes shared between South (not the Regulation 19 South) and East, but with East having a frontage onto Stewards Green Road included to provide independent access to East Epping and south being land east of the railway line. Pigeon has also promoted a more extensive area of land at East Epping which could deliver a larger new sustainable neighbourhood at East Epping based on Garden Settlement principles, replacing the allocation of 950 homes South of Epping. Alternatively, East Epping could in full or part supplement the South Epping preferred allocation.
- 1.2 East Epping has been promoted as a site that could deliver a mix of uses providing added benefits for Epping, including: a range of housing typologies including a high proportion of bungalows and self-build plots; a high quality mixed use community hub which could include a local convenience store and doctor's surgery and car parking to serve the local facilities and nearby tube station; a C2 Care Village; Primary School site; potential leisure centre with sports pitch provision; and an Eastern link road between Steward's Green Road and Stonards Hill which would assist in reducing traffic having to travel through the Town Centre.
- 1.3 The quantitative requirements for development related representations relevant to Matter 3 are as follows:
- Paragraph 2.17 – Rep Id. 19LAD0121–5
  - Paragraphs 2.41 to 2.43 and 2.53 to 2.63 - Rep Id. 19LAD0121–6
  - Table 2.3 - Rep Id. 19LAD0055–6

### 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?

*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? 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.*

- 1.4 Pigeon have no comments on the extent of the HMA or whether it should include Broxbourne Borough.
- 1.5 Paragraphs 2.27 to 2.30 of the SHMA Update 2017 [Doc Ref. EB407] describes the findings of the GLA household projections. Paragraphs 3.12 to 3.17 explains the response taken in the SHMA Update 2017 to migration pressures, including from London. It appears that the commentary on migration pressures has not considered the past failure of London Boroughs to meet housing needs, and the difficulties that some outer London Boroughs might experience in meeting future higher housing requirements, both of which have and will increase migration to areas adjoining London including this HMA and Epping Forest District. Therefore, it appears that the influence of neighbouring London Boroughs has only partly been taken into account in the SHMA Update 2017. As set out below in this Statement, the objectively assessed housing need for EFDLP needs to reflect both migration pressures and an uplift for market signals, whereas the SHMA Update 2017 makes an inadequate uplift for market signals of 14% when a 20% uplift is justified. The combined adjustments for migration pressures and an uplift for market signals indicates that the objectively assessed

housing need figure should be higher, which indicates that additional land needs to be allocated in EFDLP to meet those higher needs.

- 1.6 It should also be noted that the development plans of neighbouring authorities are also currently subject to examination, or are about to be examined e.g. London Plan, Harlow and Uttlesford. If the housing requirements from those plans increases as a result of the issues discussed at the examinations then the housing needs and distribution of those needs for this HMA may need to be reconsidered through EFDLP. For example, if the housing requirement for the London Plan is increased, and those needs cannot be met within London and a higher proportion needs to be directed to neighbouring areas, then adjustments will need to be made for migration levels to neighbouring HMAs including this HMA. If the housing requirement for Harlow increases as a result of that examination, then more land will need to be identified in neighbouring areas because there is limited capacity within Harlow and it is already proposed that land is released from the Green Belt on the edge of Harlow within neighbouring areas (East Hertfordshire and Epping Forest). Therefore, the outcome of OAN matters for the examinations of neighbouring authorities will need to be taken into account for EFDLP.

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

- 1.7 No. It is noted that each of the updates to the SHMA have resulted in a reduction in the OAN for Epping, and it is considered that some of the revised assumptions in those updates cannot be justified. The SHMA Update 2017 indicates an OAN of 12,573 dwellings for Epping between 2011 and 2033, which equates to 572 dwellings per annum.
- 1.8 It is considered that the SHMA Update 2017 does not identify the full OAN for Epping because the market signals update is inadequate. Paragraphs 3.21 to 3.31 of the SHMA Update 2017 seek to explain and justify the market signals uplift. The proposed uplift for market signals across the HMA is 14%. It is considered that this level of uplift for market signals is inadequate for three reasons. Firstly, a 20% market signals uplift was applied to earlier versions of the SHMA, and no evidence has been provided to explain or justify the proposed reduction. Secondly, as set out in Paragraph 3.22 of the SHMA Update 2017, a 20% uplift was applied in other areas with similar housing market pressures, and no evidence has been provided to justify a lower uplift compared to other similar areas. Thirdly, monitoring data demonstrates that there has been inadequate delivery of affordable housing in Epping – see Table 3 in the Annual Monitoring Report 2017-18 [Doc Ref. EB1708M]. As highlighted in Paragraph 3.9 of EFDLP, the identified affordable housing need between 2016 and 2033 is 2,851 dwellings, which equates to 178 affordable dwellings per annum. The monitoring data demonstrates that the delivery of affordable housing has fallen well short of what is required. Table 3 in the Annual Monitoring Report 2017-18 shows affordable housing delivery in recent years as follows: 2013/14 – 9 dwellings; 2014/15 – 69; 2015/16 – 38; 2016/17 – 0; 2017/18 – 89, which indicates that the affordable housing needs will not be met during the plan period. The inadequate delivery of affordable housing supports a higher market signals uplift; and not a reduction as proposed. Furthermore, Epping Forest District has a high affordability ratio, which demonstrates a significant disconnect between average wages and house prices.
- 1.9 Figure 5 of the SHMA Update 2017 provides the full OAN for each local authority within the HMA, including Epping. If a 20% uplift was applied to the household based estimate of housing need for Epping (11,065 dwellings) then the full OAN for Epping for the period 2011 to 2033 would be 13,278 dwellings.
- 1.10 It is requested that modifications are made to Policy SP2 so that the housing target should be increased to a minimum of 13,278 dwellings between 2011 and 2033. An increase to the housing requirement would be consistent with the findings of the SHMA and would be consistent with national guidance that seeks to boost significantly the supply of housing. This approach would also meet the objectives of EFDLP in terms of meeting housing and affordable housing needs.

*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?*

- 1.11 The transitional arrangements contained in Paragraph 214 of the National Planning Policy Framework 2018 (NPPF2) explains that plans submitted for examination before 24<sup>th</sup> January 2019 will be examined against the previous Framework. Therefore, the standard methodology does not apply for EFDLP. However, the outcome of the standard methodology should be acknowledged in EFDLP since it is now incorporated into NPPF2 and

it will result in a significant increase in the housing requirement for Epping Forest District in the near future i.e. the need for a review should be assessed every five years. The data published in September 2017 alongside the consultation on the standard methodology indicated that the annual housing requirement for Epping Forest District would be 923 dwellings per annum before adjustments are made for economic growth and affordability; compared with a proposed target in EFDLP of 572 dwellings. It is noted that the housing requirement increases significantly for all authorities within the HMA. It is clear that the housing requirement in EFDLP will quickly become out of date and will be inconsistent with the standard methodology on adoption, which supports an approach that provides an increase to the housing target that reflects the substantial uplift that will be required in the near future.

- 1.12 The future outcomes from the use of the standard methodology i.e. a higher housing requirement for Epping Forest District supports an increase to the housing target through EFDLP, the further release of land from the Green Belt and the identification of safeguarded land including around Epping; the Pigeon Hearing Statements for Matter 4 and Matter 15 comment in more detail on the Green Belt, safeguarded land, and suitable additional allocations around Epping.
- 1.13 EFDC's assessment of housing need is significantly less than would be required using the standard methodology. Accordingly, the EFDLP will be out of date as soon as it is adopted and it is strongly recommended that housing numbers/allocations are increased now to recognise this demand in the District.
- 1.14 See response to Qu.1 and Qu.2 on migration and 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?*

- 1.15 See response to Qu.1 on migration 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)?*

- 1.16 The OAN figure of 13,278 dwellings represents the findings of the SHMA dated August 2016. As set out above in response to Qu.2, if a market signals update of 20% was applied then the objectively assessed housing need figure for Epping Forest District would be 13,278 dwellings i.e. the minimum housing target requested by Pigeon. The decision to not apply a market signals update of 20% when such an adjustment was applied previously is not explained,

*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?*

- 1.17 No. Figure 5 of the SHMA Update 2017 sets out the full OAN for each of the four authorities in the housing market area. As set out in Pigeon's representations to Paragraph 2.17 of EFDLP, East Hertfordshire, Harlow and Uttlesford have or intend to meet (or exceed) the objectively assessed housing need figure from the SHMA Update 2017; Epping Forest District Council are the only authority in the HMA that is not.
- 1.18 Paragraph 159 of the National Planning Policy Framework 2012 (NPPF1) expects local planning authorities to have a clear understanding of the housing needs in their area, and are required to prepare a Strategic Housing Market Assessment to assess their full housing needs. Paragraph 47 of the NPPF1 requires local planning authorities to boost significantly the supply of housing, and to use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area. Epping Forest District Council has decided not to include the findings of the SHMA Update 2017 into EFDLP. This approach is not sound for the following reasons:
- it is not positively prepared in that it seeks to avoid meeting identified housing needs;
  - it ignores the evidence in the updated SHMA which is not reasonable or justified;
  - it is not effective in terms of meeting the strategic priority of housing which is a cross boundary matter; and,
  - it is not consistent with national guidance.

- 1.19 It should be noted that: the SHMA Update 2017 was published in July 2017, and sufficient time was available for the findings on objectively assessed housing need to be incorporated into EFDLP; there is no evidence in the Duty to Cooperate Statement that the decision not to meet the objectively assessed housing needs in the SHMA 2017 Update was discussed or agreed with neighbouring authorities; and, Paragraph 2.10 indicates that the objectively assessed housing needs derived from the SHMA 2017 Update will be subject to future discussion but there is no indication as to how or when those needs will be met. The outcome of the DtC process needs to be completed for EFDLP, and not put off to a later unspecified date or process.
- 1.20 As set out above, Pigeon request that the housing target should be increased to a minimum of 13,278 dwellings to reflect a 20% uplift for market signals.
- 1.21 Furthermore, as set out above, all of the authorities within the HMA will need to plan for significant increases in their housing requirements as a result of the standard methodology, and therefore it cannot be justified for Epping Forest District to not acknowledge and plan for that future increase in EFDLP, including by allocating more land now and by identifying safeguarded land to meet future development needs.

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

- 1.22 The Sustainability Appraisal [Doc Ref. EB204] identifies the housing requirements derived from the different versions of the SHMA. Paragraphs 7.4 to 7.7 of the SA indicates that the housing requirements for the HMA were assessed in earlier versions of the SA. However, the different alternative housing requirements for Epping have not been specifically assessed in the SA e.g. 12,573 dwellings from the SHMA Update 2017 or 13,278 dwellings from the SHMA August 2016 (with a 20% uplift for market signals). Therefore, it is considered that the SA process is deficient because the identified and reasonable alternative housing requirement options for Epping Forest District have not been assessed in the document. It is concluded that the SA does not comply with the SEA Regulations in terms of assessing alternative housing target options.
- 1.23 In addition, it is noted at Paragraph 9.140 of the SA that the proposed housing target of 11,400 dwellings would have a “*significant positive long term effect*” on the housing related sustainability objectives. Pigeon disagree with that conclusion because it is considered that a higher housing target e.g. 13,278 dwellings, would provide more positive benefits when compared with the proposed housing target, and those benefits would be particularly positive for the supply of affordable housing. The aim of the SA process is to make a plan i.e. EFDLP more sustainable. The opportunity to assess higher housing targets, which would boost the supply of affordable housing and address housing and affordable housing needs, has been ignored in the SA.
- 1.24 Pigeon request that the full range of alternative housing option are assessed against the housing related objectives, and the SA is revised accordingly. If, as anticipated, a higher housing requirement for Epping Forest e.g. a minimum of 13,278 dwellings achieves a more positive score for the housing related sustainability objectives then the housing target in Policy S2 should be increased to that level.

*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?*

- 1.25 It is not clear what the figure of 13,152 dwellings refers to or how it has been derived.
- 1.26 Table 2.3 of EFDLP identifies the different components of the housing land supply, which includes 3,900 dwellings at the Garden Communities around Harlow and a remaining housing requirement of 4,146 dwellings to be allocated elsewhere in Epping Forest District. Policy SP2 identifies the distribution of housing between the different settlements. It appears that a total of 5,916 dwellings will be allocated in the settlements, excluding Harlow i.e. an additional 1,770 dwellings above the remaining housing requirement, based on the proposed housing target of 11,400 dwellings. If the housing target was increased to 12,573 dwellings to meet the OAN derived from the SHMA 2017 Update, then an additional 597 dwellings would be provided above the remaining housing requirement. However, as set out above, it would be reasonable to increase the housing target to a minimum of 13,278 dwellings in order to provide for a 20% uplift for market signals. A housing target of 13,278 dwellings would result in a housing shortfall of 108 dwellings based on existing allocations. In these circumstances additional allocations would be required, to meet housing needs and to provide flexibility in the supply of housing; as set out in the Pigeon representations and in Hearing Statements for other Matters,

it is requested that land East of Epping is allocated for a residential-led mixed use development of around 400 dwellings in EFDLP.

- 1.27 Furthermore, as set out above in response to Question 2a, the standard methodology for calculating local housing needs introduced in national guidance will result in a significant increase in the housing requirement for Epping Forest District in the near future. The data published in September 2017 alongside the consultation on the standard methodology indicated that the annual housing requirement for Epping Forest District would be 923 dwellings per annum. The standard methodology would mean an annual increase of 351 additional dwellings per annum for Epping Forest District. In applying the standard methodology from the start of the plan period, the overall housing requirement would be 20,306 dwellings between 2011 and 2033.

