

INDEPENDENT EXAMINATION OF THE EPPING FOREST LOCAL PLAN 92011-2033

MATTER 3: The Quantitative Requirement for Development Hearing Statement by: Freetown Homes Representor Number 19LAD0097

1.0 Response to Inspector's Matter 3, Issue 1, Question 1

1.1 The Representor accepts that the geography of housing markets in this area is complex. It recognises that there are no easy answers to the definition of the housing market area in question, given the challenges arising from the different data sets that inform definition, the complex geography and overlapping nature of market areas. Whilst acknowledging that it is not possible to have a uniquely 'right' answer, it is, nevertheless important to adopt the most appropriate self-contained area. The key is to put forward a widely acceptable geography in a transparent way, using consistent criteria. The Representor shares the reservations of others about the validity of and objective justification for the HMA boundary, but is concerned that excessive attention to this issue may deflect attention from the more fundamental deficiencies addressed out below and is content, therefore, to accept the current HMA definition. The question of the influence of neighbouring London Boroughs is addressed below.

2.0 Response to Inspector's Matter 3, Issue 1, Question 2

2.1 As is noted in paragraph 2.4.2 of representations submitted by Aspbury Planning Limited on behalf of Freetown Homes in January 2018 in response to the Regulation 19 Consultation, concerns in respect of the calculation of the Objectively Assessed Housing Need ("OAHN") have been raised consistently in response to previous iterations of the Local Plan:

2.2 In summary, bespoke modelling undertaken by Pioneer in August 2016 (based on the then DCLG 2014 Household Projections) on behalf of Freetown Homes suggested a baseline demographic projection of housing need for 725 new homes per annum, rising to 870 homes per annum when adjusted to reflect market signals and an uplift for affordable housing, and up to 923 per annum if the affordable housing need was to be met in full.

- 2.3 The December 2017 Submission version of the Epping Forest District Council Local was submitted to the Secretary of State for examination on the 21st September 2018. On this basis the submitted Local Plan stands to be examined in the context of the previous National Planning Policy Framework (paragraph 214, National Planning Policy Framework – “NPPF” - July 2018).
- 2.4 National Planning Policy Guidance (“NPPG”) supporting the 2018 NPPF sets out that for Plan making housing need calculated using the standard method can be relied upon for 2 years from the time the Plan is submitted. The NPPG supporting the earlier 2012 NPPF is less clear about how often housing need assessments will need to be updated, but states that they should be informed by the latest available information ‘wherever possible’.
- 2.5 Furthermore, the NPPF also makes it clear that Plans adopted under the 2012 NPPF may need to be revised to reflect the new framework and that the weight that will be given to existing policies will depend upon their consistency with the NPPF 2018. In this regard, to avoid the emerging Epping Forest Local Plan being in need of immediate review upon adoption in terms of housing delivery targets, regard should be given to the NPPF 2018 standardised approach to objectively assessing the minimum housing need (initially consulted upon by the Government in September 2017). The July 2017 SHMA (EB407) was undertaken prior to the consultation of the standardised OAHN methodology and so is not predicated on this approach.

Thus, the answer to Matter 3, Issue 1, Question ‘2a’ is: ‘no’ the standardised methodology was not followed by EB407.

- 2.6 In the Introduction EB407 refers to ‘CLG’ 2014-based household projections suggesting a requirement for 15,049 additional dwellings across Epping Forest (“EFD”) District between 2011 and 2033 (i.e. 684 per annum) starting point (and a 52,728 housing need across the HMA 2011 to 2033). This is acknowledged to be an increase over the previous 2012-based household projections.

- 2.7 However, by reference to net migration trend assumptions within a 2016-based national GLA 'central trend' projection and household formation rates 'no lower' than those in 2001, revises the HMA housing need downwards by some 1,018 dwellings (i.e. 1.93%) from the CLG-2014 based housing need to 'around 51,700' 2011 to 2033 (page 20 EB407).
- 2.8 In turn, the Epping Forest housing need is revised downwards to '12,573' 2011 to 2033 (572 per annum) (thus the answer to Question 2 is 'no'). This is some 2,476 less (i.e. 16.45% less) homes than suggested based on the CLG 2014-based household projections, although the reason for the size of the reduction compared to the 1.93% reduction for the HMA overall is unclear due to lack of thorough explanation – in any event, given that the District level assessment should sit within the context of the wider HMA OAHN an adjustment commensurate with that applied to the HMA would be more logical. However, this is not the only concern.
- 2.9 The EB407 suggests at page 14 that the 'Further Alterations to the London Plan' examining Inspector 'confirmed' the national GLA assumptions to be a material consideration for local authorities outside the London Boroughs when establishing their OAHN. However, whilst in November 2014 the Inspector's report stated that the assumptions 'are likely to be material' to Plans outside of London (paragraph 9, emphasis added) this is based on the Inspector concluding the 2012-based GLA projection to be 'probably the best available assessment' of an OAHN 'for London at this time' (paragraph 30).
- 2.10 Since then the CLG 2012-based household projections (February 2015), the CLG 2014-based household projections (July 2016) and the ONS 2016-based household projections have been published. The EB407 reliance on a 2014 Inspector's report on a Plan for a completely separate HMA to justify a departure (using 2016-based GLA projection migration assumptions) from the CLG starting point within Epping Forest in 2018 is inappropriate.
- 2.11 In addition to the above the EB407, whilst acknowledging continued affordability pressures and the application of uplifts of between c.17% and 20% in other HMAs experiencing affordability pressures, provides no clear justification for dropping the market signals 20% upward adjustment (applied in the original SHMA and EB406) to the West Essex / East Herts HMA down to c.13.6%.

It simply states that this would result in a bigger increase (9,100) in the number of dwellings planned for than increases based on the favoured GLA migration trend / adjusted household

formation rate outcome (6,200) when compared to the previous 2014-based household projection informed 'interim SHMA'. It is suggested in EB407 that excess dwellings would not remain vacant, but that this increase will result in either increased in-migration or impact on household size.

- 2.12 However, this approach of constraining the market signal uplift to align with the GLA migration trend / adjusted household formation rate outcome seems to be making a policy on judgment about what the housing number should be prior to reaching a conclusion on the full OAHN position.

In answer to Matter 3, Issue 1, Question '2' EB407 does not identify in its conclusions the full OAHN for either the HMA or for Epping Forest District.

In further answer to Matter 3, Issue, Question 2a, there is no clear justification based on exceptional circumstances (migration or market signals based) for departing from the CLG 2014-based household projections (latest available at the time the EB407 was undertaken) to end up with a reduced housing need for Epping Forest District to the 2014-based CLG starting point (the 2014-based CLG starting point is clearly accepted in the NPPG both past and present to be statistically robust).

- 2.13 Whilst the 2012 NPPF / NPPG refers to adjustments to the household projection starting point there is no suggestion that this should result in a reduced overall housing requirement – to do so would contradict the contention that the CLG household projections are statistically robust. The 2012 NPPF / NPPG do not state that to be 'reasonable' market signals adjustments should be constrained to match outputs based on migration / household formation adjusted projections. Instead it is clear, the greater the affordability pressures the greater the additional supply response will need to be.

- 2.14 The 2018 NPPF NPPG sets out advice on where a higher figure than the standard method housing need figure may be used, confirms that where it is agreed through a Statement of Common Ground unmet needs from neighbouring authorities may be added to the local authorities own housing need figure, and states that where an alternative methodology to the standard calculation produces a higher figure it should be considered sound.

However, it makes clear that a lower figure should be considered unsound unless there are 'exceptional' local circumstances supporting deviation. In other words, this would be

extremely unusual and require robust evidential support – EB407 does not provide this. In addition, where the cap is applied to the standard method housing need output an early review may be needed to ensure that housing need above the capped level is planned for as soon as it is reasonable to do so.

2.15 Due to its age EB407 provides no commentary on the standardised housing need calculation outputs for Epping Forest or for the HMA. The following provides a summary of the various outputs using the standardised methodology as published by the Government in September 2017 (for the 2016 to 2026 period) and how this would apply for the 2018 to 2028 period for Epping Forest using the 2014-based household projections:

Table 1

Household Projection Source	Detailed Description	Households per Annum	Dwellings per Annum (2.6% vacancy rate)
Standardised methodology CLG 2014-based	2016 - 2026 10 yr period	923	947
	2018-2028 10 yr period no cap	1108	1137
	2018-2028 10 yr period 40% cap	937	961

NB: The standardised methodology provides a number of households – the above includes a column to convert this into dwellings subject to a 2.6% vacancy rate for Epping Forest updated based on Live Tables 100 and 615 (NB: EB406 and EB407 appear to use a c.5% vacancy rate).

2.16 Based on the Government’s standardised housing need calculation in conjunction with the 2014-based CLG household projection the above suggests that the Pioneer 2014-based bespoke projections (725 to 923 homes per annum) are at the lower end of the scale in terms of the level of housing required in the District.

2.17 The above are significantly in excess of the 572 homes per annum OAHN concluded in EB407 and above the 518 homes planned for per annum (11,400 over 2011 to 2033) in the emerging Local Plan.

As such, in answer to Matter 3, issue 1, Question 2b, the level of housing planned for is suggested to be insufficient to meet even the District’s own housing need let alone to take

into account the impact arising from any housing need in neighbouring London Boroughs or other local authority areas or the HMA as a whole.

- 2.18 Whilst standardised methodology calculation outputs based on 2016 household projections would be lower, the Government has considered the use of the 2016-based household projections in a ‘Technical Consultation on Updates to National Planning Policy and Guidance’ published in October 2018. This states in paragraph 26 that relying on the use of these has been ‘discounted’ as it would result in a significant change in the number of homes suggested to be required by the standardised methodology compared to the 2014-based household projections and this would be an ‘unacceptable consequence’. Requiring the use of the 2014-based household projections when applying the standard methodology and forbidding the use of lower outputs based on 2016 household projections as an ‘exceptional circumstance’ to justify a departure from the standard methodology is stated in paragraph 19 to represent the Governments proposed response to the ONS household projections.
- 2.19 This also supports that applying adjustments to a 2014-based household projection starting point to give rise to a reduced OAHN (as is done in the EB407) is an unacceptable approach in the context of clear Government policy objectives.

3.0 Response to Inspector’s Matter 3 Question 3

- 3.1 The 13,278 Epping Forest OAHN at paragraph 6.8 of the sustainability appraisal is based on EB406 (August 2016 OAHN update). However, whilst a higher output than suggested by EB407, the same concerns as set out above in response to Question 2 still apply.
- 3.2 For instance, EB406 takes the same 14,374 CLG 2014-based household projection starting point and then reduces this down (instead of up) based on claims that the 5 year migration assumptions underpinning the CLG 2014-based household projections are inappropriate and by applying 10 year migration trends (for a 2005 to 2015 period – see pages 6 to 7 of EB406) to 10,568 – or 11,065 dwellings (the same as EB407).

As set out above, a robust justification to demonstrate exceptional circumstances necessitating an approach resulting in a reduction on the 2014-based household projection starting point is not provided, counter to Government advice.

- 3.3 The difference between the EB406 and EB407 OAHN outputs appears to be the market signals uplift – 20% is applied in EB406 compared to c.13.6% in EB407 – see response to Question 2 above.
- 3.4 As set out in response to Question 2, both the EB406 / EB407 OAHN outputs fail to reflect Government policy objectives to increase the supply of housing and consistent Government advice that the 2014-based household projection starting point is based on robust assumptions.
- 3.5 If a 2.6% vacancy rate (in line with Table 1 above) is applied to the 14,374 2014-based household projection starting point referred to in the EB406 / EB407 some 14,747 dwellings would be needed 2011 to 2033 (670 dwellings per annum). A 20% market signals uplift applied to this would give a total 17,697 dwelling need 2011 to 2033 (804 per annum) – somewhat closer to the capped standardised methodology output based on the 2018 to 2028 period (961 at a 2.6% vacancy rate), although still some way short.

In answer to Matter 3, issue 1, Question 3, the EB406 13,278 Epping Forest OAHN at paragraph 6.8 of the sustainability appraisal is of limited significance as it is subject to many of the same methodological concerns as the EB407 OAHN, albeit that a higher market signals uplift (20% instead of 13.6%) is applied. In either assessment, the 2014-based household projection starting point is confirmed by past and current Government guidance to be robust - it should not be reduced downwards prior to applying a vacancy allowance / market signals uplift. Exceptional circumstances justifying this approach have not been robustly demonstrated.

4.0 Response to Inspector's Matter 3 Question 4

- 4.1 The Representor submits that it is **not** 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.
- 4.2 That decision was based on an essentially 'political' judgement, unsubstantiated by rigorous, objective and consistent technical analysis, as to the *perceived* capacity of the HMA and of Epping Forest District to accommodate higher levels of growth. In particular an overly

conservative approach has been adopted to the Green Belt Review and of the scope to release land from it without compromising its purposes.

- 4.3 The Representor has addressed this issue in its previous representation and will amplify its submissions in relation to other Examination Matters, but in the meantime it contends that to date the Council has failed to date to conduct a proper, full and thorough evidence-led review as part of the plan-making process to ensure that in future the Green Belt in Epping Forest only extends to those areas that strictly require such protection and thus to focus the policy more rigorously and indeed effectively in terms of the intended function of the Green Belt. Lest this assertion be interpreted as a bid for a blanket rolling back the Epping Forest Green Belt, the Representor contends that, whilst some of the land removed from Green Belt through a more thorough going review process, including, we suggest, the Representors Omission Site at Chigwell, could and should be allocated for needed development, including housing development to meet the full OAN on the basis set out above, or, reserved as white land, a substantial proportion would still warrant protection on its own merits reflecting its intrinsic landscape, ecological, heritage and recreational etc. value or because it functions as essential washland, through international, national designations, legislation and policies and through other development plan policies.
- 4.4 The Representor has not seen evidence that the alternative of delivering OAN, and certainly not the increased OAN advocated by the Representor, has been tested through the Sustainability Appraisal, which can be seen as an additional complementary checking/audit mechanism for the Green Belt Review. In the circumstances, absent a clarification by the Council that other scenarios have been tested, it is considered that the SA process is deficient.
- 4.5 Given that the Plan *needs* to, and can safely, provide more housing than the OAN as presently calculated (see submissions above) and in the circumstances it is not justified to set the requirement below this.

The answer to Questions 4, 4a and 4b are: “no”, “evidently not/no” and “it should/no”.

The Representor has no comment on Issues 2, 3 and 4

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