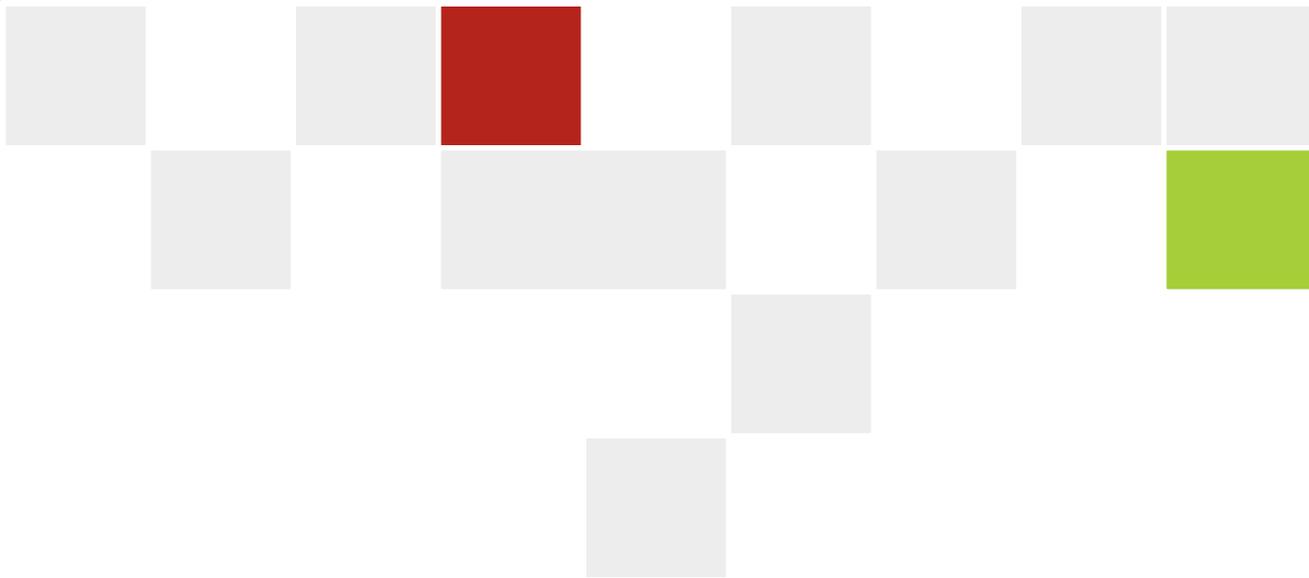


Latton Priory, Harlow

Epping Forest Local Plan – EiP Statements
Matter 3



Boyer

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Primary Author	Vanessa Rowell
Checked By:	Mike Newton

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MATTER 3: THE QUANTITATIVE REQUIREMENTS FOR DEVELOPMENT

- 1.1 This statement has been prepared by Boyer on Behalf of CEG and Hallam Land Management in response to the Inspector Issues and questions for the examination of Matter 3.

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?

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.

Q3: 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)?

Q4: 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?

- 1.2 The OAN figure of 13,278 for Epping Forest (as described at paragraph 6.8 of the Sustainability Appraisal (SA) refers to a limited review of the SHMA in 2016 (the '2016 SHMA update') that indicated 54,608 dwellings for the HMA as a whole. This 2016 SHMA update was undertaken during the intervening period, between the publication of the full SHMA reports of 2015 and 2017. Accordingly, it would appear to have been superseded (for both the HMA geography as a whole and Epping Forest District (EFD) specially) by the 2017 SHMA review. It is not therefore up to date and, consequently it is inappropriate to use the 2016 SHMA Update as a basis for determining the OAN at this Examination.
- 1.3 However, the 2016 SHMA update (which produced the figure of 13,278 for EFDC and 54,608 for the HMA), was a factor in the joint planning process that led to the proposed apportionment of housing levels for each of the SHMA authorities. This is as explained below.
- 1.4 The Housing Implementation Strategy 2017 (EB410) explains (in Section 2) how the OAN was derived for the SHMA authorities. It states that the four west Essex / East Hertfordshire authorities(collaborating through the Co-op Member Board), jointly commissioned a 'Spatial Optioneering' (Spatial Options) study. This document assessed spatial options for meeting the overall OAN within the HMA.
- 1.5 As set out in our Statement for Matter 1, we understand there were three main components within the Spatial Options process. These contributed to the overall aim of testing options for distributing different levels of growth across the HMA, notably;
- Identifying and assessing options for the spatial distribution of OAN across the authorities;
 - Undertaking a Sustainability Appraisal of these options (carried out by AECOM); and,

- Concluding a Memorandum of Understanding (MoU) between the authorities, and setting out a high level agreement concerning how OAN should be distributed across the HMA.
- 1.6 The 2015 SHMA, provided the basis for the Spatial Options work. This indicated a total OAN across the SHMA of 46,100 (including a figure of 11,300 for Epping Forest District). However, the Spatial options work as set out in the MoU proposed 51,100 dwellings across the HMA and 11,400 in Epping Forest District and this represents the outcome of the Spatial Options process as set out in Table 2.1 of the Submission Plan.
- 1.7 It is not clear precisely how these figures in Table 2.1 are derived. They were 5,000 dwellings higher than the 2015 SHMA figure for the HMA as a whole, but only 100 units higher for EFD.
- 1.8 It would appear that these figures were a partial recognition that during the course of the Spatial Options work, the demographic baseline had changed and was indicating a higher OAN across the HMA. The 2016 SHMA partial update, referred to in paragraphs 1.2 and 1.3 above and set out in para 6.8 of the SA, appears to have been an influence here (although there was no attempt to match the figures that this partial review suggested which would have required even higher figures (54,608 for the HMA and 12,573 for Epping Forest).
- 1.9 The publication of the 2017 SHMA update presented the SHMA authorities with a further formal redefinition of the OAN.
- 1.10 It would appear that the authorities reviewed the new 2017 SHMA figures and decided that the 51,100 dwellings they had proposed through the Spatial Options study, was sufficiently close to the 51,700 (indicated by the 2017 SHMA update) to be described as 'equating broadly' to the new figures. This is explained in para 2.6 of the Housing Implementation Strategy 2017 as follows:
- "The latest updates (i.e. the 2017 SHMA) suggested a slightly increased OAHN for three of the four local authorities involved. However, as the increase has been largely anticipated and accounted for in the MoU, the overall housing need across the entire HMA is broadly consistent with what has been agreed in the MoU"* (refers to Memorandum of Understanding).
- 1.11 However, the 2017 SHMA update indicated an OAN for Epping Forest that was significantly higher (at 12,573) than the 11,400 proposed in the Plan. Significantly, the last sentence of para 2.6 of the Housing Implementation Strategy accepted the figure of 12,573 as the OAN for Epping Forest:

“The Council therefore accepts that the figure stated in the 2017 SHMA update represents the latest OAHN for the District, which is 12,573 new homes for the Plan period.”

- 1.12 To summarise, the work carried out by the HMA authorities, through the Spatial Options process, proposed a level of housing provision for the four authorities that they considered to be close to (but was in fact below) the level set out in the 2017 SHMA update (i.e. a proposed provision of 51,100 dwellings against an acknowledged OAN of 51,700). The difference in the case of EFD is in fact a more significant shortfall of 1,173 dwellings (i.e. a proposed provision of 11,400 dwellings, which is 1,173 dwellings below the figure that EFDC recognise as their OAN).
- 1.13 We consider that the HMA authorities (when presented with the 2017 SHMA update) should have more explicitly accepted this as the OAN and (subsequently) carried out a review of the level of provision they had proposed in relation to the new figures. This should have either:
- Revised the proposed housing figures for the HMA as a whole and the constituent authorities to accord with the 2017 SHMA figures or;
 - Made very clear why a lower level of provision was appropriate and justified for the HMA as a whole and for each authority
- 1.14 In the light of this analysis, we consider that EFDC must set out a clear rationale for accepting 12,573 as their OAN, but proposing only 11,400 dwellings. This is necessary to ensure that the Plan is sound in relation to both the process of determining the OAN and, as a separate process, assessing the authority’s ability to meet it.
- 1.15 It is not clear that the SA has tested the alternative of delivering the full OAN (for EFD), as set out in the 2017 SHMA review and it would appear that the Council regards its proposed level of housing provision as sufficiently close to the OAN for this not to be necessary.
- 1.16 We conclude that the Council, having recognised that the OAN for EFD is 12,573, should plan to meet that figure and introduce modifications to achieve this. For the reasons we have set out in our Statement for Matter 4, we consider that this increased housing provision should be located at Harlow within the Garden Town Communities where additional capacity is available.
- 1.17 In this respect, it is noted in particular that the strategic masterplanning and design process for Latton Priory, is already well advanced. This work has identified a capacity of approximately 1,500 dwellings, within the boundaries of the allocation (as defined in the submission version of the Plan), rather than the 1,050 homes currently envisaged. This in accordance with all the requirements of Policy SP5 and the density requirements set out in Policy SP3.

Q4b: 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?

- 1.18 We are not clear how the SHMA 2017 could have concluded that the Plan would provide more housing than the 12,573 it assessed as the authority's OAN. The role of the SHMA is to assess the OAN rather than how much housing the Plan provides in relation to it.

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?

Q2: 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)

- 1.19 Essentially, we consider that the methodology for forecasting employment needs is sound and that an appropriate forecasting model has been used. However, in terms of the results, the Plan is proposing a level of jobs growth somewhat less than is necessary to balance the labour market. We have further concerns that, in calculating the net requirement for jobs and employment land, the recorded loss of existing employment land (and the future risk of such losses) may not have been fully taken into account.
- 1.20 Furthermore, we have concerns about the Plan's ability to deliver the jobs and employment land that is needed which are addressed under the Inspector's Question 3 below.
- 1.21 As such, we consider that the distribution of the proposed jobs and additional employment land is unsound. We have addressed this concern under Matter 4 Issue 3 and (additionally) in our Statement for Matter 8, Issue 4, Q2.
- 1.22 The West Essex and East Hertfordshire Assessment of Employment Needs mainly follows the methodology recommended in the PPG. However, the Employment Needs Assessment does not include consultation with relevant organisations and the wider local business community which is recommended in the PPG in order to gain local market intelligence. The consultants who produced the Employment Needs Assessment (HJA) state under section 1.4 of the report, "Method and Approach" that, "*It was not requested that HJA undertake consultation with the local property market or business stakeholders. It was determined that this would be undertaken at the district level.*" Evidence is therefore needed on whether engagement with the local business community was undertaken by each of the local authorities within the FEMA.
- 1.23 In relation to the question of whether the assessment has used an appropriate forecasting model, we consider that the use of the East of England Forecasting Model (EEFM) was appropriate as this produced detailed up to date forecasts for the subject geographical area.

- 1.24 As explained under section 2.1 of the Employment Needs Assessment, the forecasting house for the EEFM between 2007-2014 was Oxford Economics. However, the forecasting house used to produce the EEFM has since changed to Cambridge Econometrics. It is therefore justified for HJA (consultants who produced the Employment Needs Assessment) to consider moderating the baseline as different forecasting houses use different models, and there is a significant difference in the forecast level of jobs in the FEMA between the 2014 EEFM and the 2016 EEFM.
- 1.25 HJA were also right to question the validity of the EEFM 2016 regarding the spatial distribution of growth particularly at East Hertfordshire. The adopted sensitivity testing of taking into consideration the BRES, the ABI, the APS and the Job Density Series and then constructing an average share based on the three datasets is a justified approach, as well as asking the opinion of officers at the District Councils. Although it is a mix and match approach of datasets using an average sectoral growth rate of the 2014 and 2016 EEFM, and then applying the 2014 EEFM spatial distribution proportions, this is a sensible approach and justified by the sensitivity testing described above, and the discussion with officer's across the Councils.
- 1.26 On the question of **whether this has resulted in the Plan proposing a level of job growth below that needed to balance the labour market**, Using the moderated baseline has resulted in there being an imbalance (equating to 2,100 jobs) between the level of jobs growth proposed and the labour supply. However, the moderated baseline results in the projected level of jobs growth across the FEMA between 2011-33 being 33,100; this is in comparison to the 2016 EEFM which projects a lower level of jobs growth across the FEMA at a level of 30,000 jobs between 2011-2033. Therefore the gap between the labour demand and labour supply (at a level of 37,900 residents requiring jobs) is less because the moderated baseline has been used instead of the 2016 EEFM. Had HJA used the 2014 EEFM as the baseline (which calculated a figure of 35,000 additional jobs across the FEMA between 2011-33) this may have resulted in the level of job growth balancing the labour market, when the considered scenarios uplift is then added. However, using the 2014 EEFM as the baseline would mean disregarding the most up to date data, and not making use of the additional historic data in the EEFM 2016.
- 1.27 In considering the net requirement for jobs and employment land, we note that the 2017 Employment Review also records that more than 24.2 ha of employment land has been lost across the District over the last seven years, with a further 11.6 ha identified as being at risk as a result of prior approvals and planning permissions. It is unclear however whether/how the impact of this has been considered in the formulation of the Council's targets for new/enhanced employment space under Policy SP2.

Q3a Does the Plan seek to provide 10,800 jobs over the period 2011 – 2033 as indicated in paragraph 2.51?

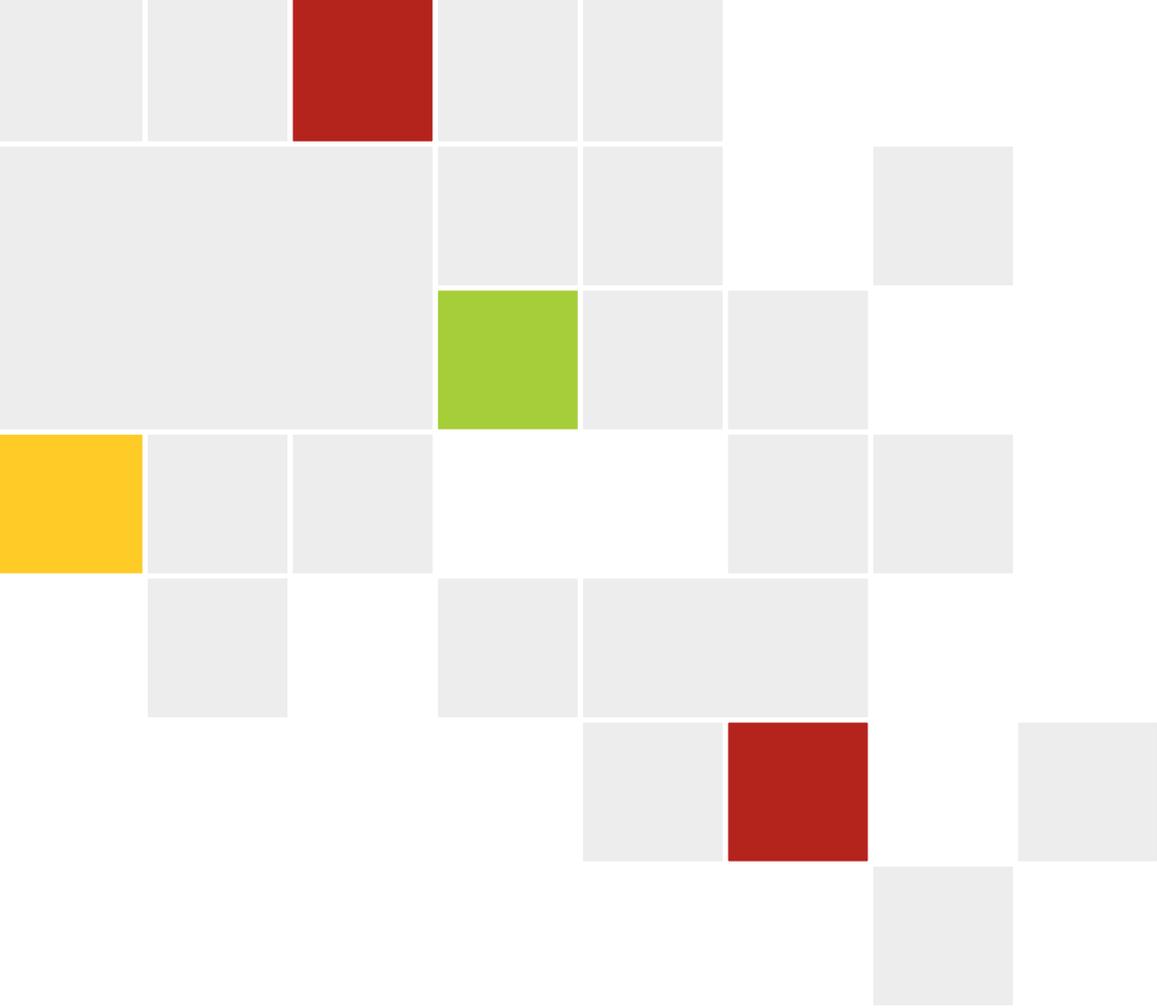
- 1.28 It is not sufficiently demonstrated in the Plan or its evidence base that the Plan will provide the 10,800 jobs considered necessary through its spatial strategy and its allocations for development.

Q3d: 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

- 1.29 The Employment Needs Assessment under section 4.3.2 “Reuse of Employment Sites” considers the scale of employment site re-use for each district to identify the degree to which B Use Class completions have been achieved on previously developed B Use Class land. For Epping Forest District it was at a rate of 40%, for East Herts 47%, Harlow 70% and Uttlesford 40%. Despite this analysis, there are inherent difficulties with the regeneration of employment sites, and reliance upon redevelopment of sites to provide half of the requirement is ambitious. This is particularly so in the light of very high levels of occupancy in Epping Forest District.
- 1.30 The Council should be identifying, or at least be safeguarding, additional new employment land to meet its requirement as a contingency measure, in the event that the redevelopment of existing employment land does not deliver half of the employment land/ number of jobs required over the plan period. It is also noted that there is a small shortfall in forecast jobs to balance the labour market and maintain 2011 commuting rates at a figure of 2,100 jobs (equivalent to 2.8 - 3.8 hectares of employment land) across the FEMA.
- 1.31 It is clear from paragraphs 2.50 and 2.51 of the Epping Forest Local Plan that this additional requirement has not been accounted for in the Local Plan, and there is no mention of an agreement between the four FEMA authorities on how this additional requirement will be met. Not providing for this unallocated amount of employment land further endorses the case for the allocation of more employment land and/or safeguarded employment land.

Q3f: Should Policy SP2 set out how many new jobs are to be provided over the plan period as well as how much land?

- 1.32 Yes, Policy SP2 should also set out how many new jobs are to be provided over the plan period as jobs do not always necessarily fit into the B Use Class and cannot always be expressed as a land requirement. Other uses such as retail and leisure uses do also generate jobs. This will provide more flexibility in the delivery of employment land and aid the Council in fulfilling its job growth requirement over the plan period.



Boyer

Crowthorne House, Nine Mile Ride, Wokingham, RG40 3GZ | 01344 753 220
wokingham@boyerplanning.co.uk | boyerplanning.co.uk