

Examination of Epping Forest District Local Plan (2011-2033)

Dandara Ltd Hearing Statement for Matter 6: Housing Supply, Sources of Supply, Housing Trajectory and Five Year Supply.

- 1.1 This Hearing Statement has been prepared by Dandara Ltd (ID: 19LAD0129) in response to the MIQs raised by the Inspector for discussion in weeks three and four during 19th to 27th March 2019. This Statement should be read alongside Dandara Ltd's representations to the 2017 Submission Version Local Plan, supplemental representations to the 2018 Site Selection Evidence Base and Matters 1-4 Hearing Statements.

Issue 1, Question 1

Will the Plan Provide a Land Supply Sufficient to Deliver the Housing Requirement of at Least 11,400 Dwellings over the Plan Period?

- 1.2 In respect of Question 1 of the Inspector's MIQs, Table 2.3 on pg. 29 of the emerging Plan should be updated to include completions up to 31st March 2018. This figure is available at Appendix 1 – Housing Trajectory of the '*Housing Implementation Strategy Update 2019*' (EB410A) and given as 526 homes.
- 1.3 The second thread of Question 1 asks whether Table 2.3 should be more specific regarding the quantum of housing to be delivered in settlements not forming part of the Garden Town Communities surrounding Harlow. Dandara considers that it would be helpful if Table 2.3 could at least cross-reference the settlement breakdown provided in Policy SP2 to allow the reader to understand the distribution of the 'remaining requirement to be provided elsewhere in the District'. An additional column should then be provided in Table 2.3 to show the total number of homes to be built over the Plan period compared with the minimum 11,400 figure.

Issue 1, Question 2

- 1.4 In terms of supply from potential rural exception sites in accordance with Policy H3, these can be treated in the same way as windfalls and a figure included based on observed, historic rates of delivery during the early part of the Plan period as Policy H3 effectively replicates extant Local Plan Policy GB16 (n.b. ensuring the windfall figure is adjusted accordingly to ensure no double-counting).
- 1.5 In terms of Neighbourhood Plans, clearly if NPs have already been made with housing allocations not reflected within Table 2.3 or Policy SP2, then these should be included. In terms of emerging NPs, we heard during the Matter 1 Hearing that the Council expects any future NPs to be prepared in accordance with the emerging Local Plan as the 'parent' document.
- 1.6 There is insufficient detail within the Regulation 19 Plan to explain the relationship between the number of new homes to be delivered in each settlement as per Policy SP2 and whether additional sources of supply may be or should be identified within future NPs. Without a clear policy steer, potential sources of supply from future NPs should not be added to Policy SP2 as there is a strong likelihood that NPs will simply reflect housing delivery for a particular settlement as established by Policy SP2 without adding further sources of supply. Such NPs are likely to pass the 'basic condition' test as there is nothing in the Local Plan requiring

them to identify additional sources of housing supply over and above that identified for individual settlements within Policy SP2.

Issue 2: Will the Plan Ensure a Reasonable Prospect of a 5 YHLS being Achieved upon Adoption and throughout the Lifetime of the Plan as per para. 47 of the NPPF?

- 1.7 When answering the Inspector's MIQs for Matter 6, Issue 2 we will assume that the minimum housing target of 11,400 as per Policy SP2 is found sound which does not reflect our view as set out in writing and provided verbally for Matter 3.
- 1.8 Para. 47 of the 2012 NPPF requires Local Authorities to "identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements". Based on a minimum housing target of 11,400 as set out in Policy SP2 this would give an annualised requirement of 518 dpa over the 22 year Plan period 2011-33.

Issue 2, Question 1

Dealing with Historic Under-Delivery

- 1.9 As set out in Table 1 of the 'Housing Implementation Strategy – Update 2019' (EB410A) the Council delivered a total of 1,856 new homes during the first seven years of the Plan period 2011-18. This represents a shortfall of **- 1,770 homes** compared with a housing target over this period of 3,626 ($518 \times 7 = 3,626 - 1,856 = 1,770$).
- 2.0 PPG advises that "the level of deficit or shortfall will need to be calculated from the base date of the adopted plan and should be added to the plan requirements for the next 5 year period (the Sedgefield approach)". If an LPA wishes to deal with past under delivery over a longer period, then a case may be made as part of the Local Plan examination process but "where strategic policy-making authorities are unable to address past shortfalls over a 5 year period due to their scale, they may need to reconsider their approach to bringing land forward and the assumptions which they make" (para: 044, ref ID: 3-044-20180913).
- 2.1 Para 3.22 of the HIS update 2019 explains that "the Council considers that the identified housing shortfall should be addressed evenly across the remaining plan period i.e. the Liverpool Approach". Para. 2.11 of the original 2017 HIS (EB410) then gives three reasons why the Council, despite advice set out in the PPG, considers the application of the 'Liverpool' rather than 'Sedgefield' approach is justified.
- 2.2 Dandara Ltd does not consider that the application of the 'Liverpool' methodology is justified at this stage and we will explain why latterly in this Statement alongside consideration of the stepped housing trajectory.

Application of Buffer

- 2.3 Para. 47 of the NPPF is clear that "where there has been a record of persistent under delivery of housing, Local Planning Authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land".
- 2.4 As explained above in para. 1.9, over the first seven years of the Plan period 2011-18, the Council has accrued a shortfall of **- 1,770** homes against the Policy SP2 minimum target. Over this seven year period, the Council exceeded the annualised housing target figure of 518 dpa

only once, during 2017/18, and even then only by + 8 homes. Para. 3.11 of the 2019 HIS update recognises that the number of completions experienced in 2017/18 is not to be treated as a new norm but, *“the figure is considered to represent an anomaly which reflects a large number of windfall sites delivered in this single monitoring year”*.

- 2.5 There can be little doubt that an accrued housing delivery backlog of **-1,770** homes is an outcome of ‘persistent under delivery of housing’ over a seven year period. The PPG is also helpful in advising that *“the buffer for authorities where delivery of housing over the previous 3 years, has fallen below 85% of the requirement, is 20%”* (para: 037, ref ID: 3-037-20180913). Whilst the Plan is being examined under the NPPF transition arrangements, the PPG nevertheless gives us a helpful insight into when the 20% buffer should be applied which focuses on shortfalls in housing completions over a relatively short period. To put into context, housing delivery over the past 3 years for EFDC represents just 61% of the 518 dpa target.

Stepped Trajectory

- 2.6 As can be seen from Appendix 1 – Housing Trajectory of the 2019 HIS update, the Council is proposing a stepped housing trajectory comprising:

- A target of 216 dpa during the first seven years of the Plan period 2011-18, representing 41% of OAN. This would effectively mean that when calculating 5 YHLS, the Council would not have accrued any shortfall during the early parts of the Plan period delivering 1,856 homes vs. a stepped target of 1,512 (216 dpa x 7);

- A target of 425 dpa during the five year period immediately following adoption 2018/23, representing 82% of OAN and still 93 dpa below the unadjusted housing target of 518 dpa representing a further 465 home shortfall over this period;

- A target of 742 dpa which would apply for the remaining 10 years of the Plan period 2023/33, representing 143% of OAN.

- 2.7 The recommendations of the Inspector examining the Guildford Local Plan are of particular relevance when considering the justification of the approach in the specific context of Epping Forest District:

“The submitted Plan’s level of delivery in the early years, based on a stepped trajectory combined with the Liverpool methodology, is not acceptable. It would negate the purpose of the 20% buffer (which the Council accept), frustrate attempts to address key factors affecting worsening affordability, and would be contrary to Government policy which is seeking to boost the supply of housing” (para. 14, Guildford Local Plan Examination ID-006).

- 2.8 Dandara was involved with the promotion of a strategic development site through the Arun Local Plan. We are aware that the Inspector in this case allowed a stepped trajectory and that Mr David Coleman represented Arun District and is now representing Epping Forest at the examination. The Inspector’s Report is dated 4th July 2018 with Arun District Local Plan Examination IDED49. There are however two important differences to draw from the relevant paras. 87 and 88 of the Report:

(i) The housing target in Arun District equated to 1,000 dpa averaged across the Plan period with the stepped trajectory rising from a base of 610 dpa. It is not considered that this level of housing delivery, compared to the 216 dpa base being suggested by EFDC is comparable;

(ii) The Inspector's Report at para. 88 recognises that *"delivering a greater range of sites within the LP, including smaller sites which would take less time to get off the ground, would have been one way of potentially avoiding a stepped delivery. However, the LP relies on NPs and a Non-Strategic Sites DPD to deliver smaller allocations"*. The Epping Forest Local Plan includes no positively prepared alternative policy mechanisms to boost early delivery through the identification of small and medium scale sites as was the case in Arun District.

2.9 Dandara Ltd considers that the cumulative application of a stepped trajectory and 'Liverpool' methodology is unsound being neither positively prepared nor consistent with national policy due to clear conflict with the NPPF para. 47 objective of boosting significantly the supply of housing. We would raise the following specific concerns:

Affordability – Epping Forest has failed to deliver 1,770 homes which the evidence base identified, as a minimum, were required to meet demand over the period 2011/18. In simple terms, this means that there are 1,770 households unable to live in the District whether comprising newly formed households or migrants. The implication of the stepped trajectory is that by 2022/23, based on a target of 216 dpa and 425 dpa respectively, the Authority would be delivering 3,637 new homes (216 dpa x 7 years + 425 dpa x 5 years) compared with an unadjusted Policy SP2 target of 6,216 new homes (518 x 12 years). We have already heard at the Matter 3 Hearing Session that the median and lower quartile house price to earnings ratio is one of the most unbalanced outside London, and has suffered a marked deterioration in affordability since the base date of the Plan. Putting aside whether a 20% or 14% market signals uplift should inform the OAN, we have a significant concern that by conceding that there will be a 2,500 home plus shortfall compared with the Policy SP2 housing target by 2022/23 applying the stepped trajectory, there will be a further exacerbation of unsustainable levels of unaffordability in the District leading to increases in concealed households, homelessness, overcrowding and affordable housing demand in conflict with the social strand of sustainable development;

Deliverability – Although the Plan is being examined under the 2012 NPPF, the Council is aware that the application of the standard method informed by the 2014-based population and household projections would give a housing target of 923 dpa (n.b. an additional 405 dpa). When this Local Plan comes to be reviewed, the implication of the stepped trajectory is that housing need that should have been delivered between 2011-23 has been 'kicked down the road', meaning that the Council will need to deliver the stepped trajectory of 742 dpa between 2023-33 plus an additional 405 dpa using the standard method giving an annual total of 1,147 dpa towards the end of the Plan period. The provisions of the new NPPF and application of the standard method makes it even more important that EFDC positively addresses housing need equitably across the Plan period and does not try and shirk this responsibility through the stepped trajectory approach;

Relationship between Liverpool Method and Stepped Trajectory – We share and would reiterate the concern of the Guildford Local Plan Inspector who rightly recognised that the combined application of the stepped trajectory and 'Liverpool' methodology would fundamentally conflict with the NPPF objective to plan positively and boost housing delivery by consciously suppressing housing that should already have been delivered during the early years of the Plan period alongside suppressing both the ability of the Plan to rectify this shortfall during the five years post-adoption and to deliver OAN moving forward. The application of both represents a combined 'policy on' suppression of short and medium term housing delivery in the District.

Spatial Strategy – The inability of the Plan to deliver a level trajectory is a direct consequence of a spatial strategy that places undue focus on a combination of large-scale strategic urban extensions with associated delivery and infrastructure challenges and complex projects involving the development and rationalisation of urban open spaces and car parks. The spatial strategy has not been developed having regard to the clear advice of NPPF para. 47 to deliver full, objectively assessed need and establish a five year supply. Having regard to Table 2.3 and Policy SP2 of the Plan, rather than focusing 49% of all allocations made within the Plan towards Garden Town Communities, the spatial strategy should have progressed a more balanced approach which, whilst recognising the numerous benefits of strategic scale growth, also recognises the importance of existing, established settlements accommodating new housing as part of a sustainable, level and equitable trajectory. Given that any Plan will require an immediate review to bring into line with the 2018 NPPF and standard housing method, there is even more of an onus on identifying additional short and medium term sites now to meet the current OAN, with the Garden Town Communities well positioned to then more comfortably achieve the transition between the 2012 NPPF OAN of 518 dpa and the standard housing method figure of 923 dpa;

Site Selection – The Matter 1 Hearing Session focused extensively on deficiencies associated with the Site Selection Report which will be considered in further detail at Matter 5. Following this discussion, the Inspector cannot be satisfied that a stepped trajectory and application of the ‘Liverpool’ methodology is robust until the reasons for omission sites being excluded are interrogated in detail. This is especially important for sites which were newly assessed, or the assessment criteria materially changed, within the 2018 Site Selection Report given the recognised objective of the Council to expedite the Local Plan to examination which undoubtedly compromised site selection assessment work. Looking at land to the west of Roydon being promoted by Dandara Ltd, as well as other examples raised at the Matter 1 Hearing Session including land east of Epping, we would particularly draw to the Inspector’s attention the importance of looking again at land located adjacent to existing sustainable settlements served by railway stations on land that is of low to medium value to the Green Belt. The Inspector should not countenance a stepped trajectory or application of ‘Liverpool’ methodology until she is convinced that no other sources of land supply that could contribute to delivery in the five years following adoption are available.

Issue 2, Question 2

3.0 Dandara considers, having regard to Appendix 1 – Housing Trajectory of the 2019 HIS update that the Council can demonstrate only a 2.65 year housing land supply on adoption of the Plan as follows:

- Policy SP2 housing target of 11,400 annualised equitably over the Plan period at 518 dpa as justified within paras. 2.6 to 2.9 above;
- Accumulated housing shortfall over the first 7 years of the Plan period of **- 1,770**;
- Baseline 5 YHLS requirement of 518 dpa x 5 = 2,590;
- Baseline 5 YHLS requirement plus ‘Sedgefield’ historic shortfall = 4,360 (2,590 + 1,770);
- Combined 5 YHLS plus 20% buffer = 4,360 x 1.2 = 5,232;
- Identified supply over five year period 2018-23 = 2,778;

- 5 YHLS of 2.65 years.
- 3.1 Having regard to the decision of the Guildford Local Plan Inspector, Dandara Ltd is prepared to accept the application of the 'Liverpool' methodology provided that the proposed stepped trajectory is deleted and the Council commits to reassessing in an objective, unprejudiced manner 'omission sites' and particularly those on low to medium value Green Belt in sustainable locations. This would increase the 5 YHLS calculation from 2.65 years applying 'Sedgefield' to 3.64 years applying 'Liverpool'.
- 3.2 It should be noted that due to the extent of five year housing land supply shortfall, Dandara Ltd has not at this stage sought to interrogate sources of supply contained within the Council's 2,778 figure. We do however note the following:
- Is it realistic having regard to Appendix 5 and 6 of the HIS 2019 update for Latton Priory and Water Lane which form part of the wider Harlow Garden Town Communities proposal to deliver within the next five year period given the requirement of Policy SP4 of the Plan for comprehensive Masterplanning alongside the associated delivery of significant infrastructure?
 - Again, having regard to Appendix 5 and 6 of the HIS 2019 update, there remain significant deliverability and developability concerns with numerous proposed allocations. Consider proposed allocation LOU.R9 which the 'deliverability comments' read "*availability of the site is unknown due to existing use*" or ROYS.RS where the 'deliverability comments' read "*availability issue raised by site promotor may delay delivery*";
 - Is it realistic to assume that all proposed allocations within a single settlement, such as North Weald Bassett, will simultaneously start to deliver in 2022/23 given market demand and conditions?
 - Is it realistic to assume that 1,204 new homes will be delivered in 22/23 when the preceding four years deliver only 480, 371, 244 and 479 dpa respectively?
- 3.3 In summary, the Inspector has heard at the Matter 3 Hearing Sessions significant concerns that the OAN for the District has been unsoundly suppressed due to the application of unevidenced migration adjustments, MYE adjustments and a reduced market signals uplift. In parallel, even if the Inspector considers the current housing target in Policy SP2 to be sound, the Council has then sought to suppress short and medium term housing delivery, in one of the most unaffordable parts of the Country, by applying a stepped trajectory, 'Liverpool' approach to addressing historic shortfall and an unevidenced 5% buffer.
- 3.4 As a first step, Dandara Ltd considers that the Council commits, at the direction of the Inspector, to revisit appropriate omission sites given the substantial criticisms raised against the accuracy and objectivity of the Site Selection Report including as set out in our Matter 5 Statement. This is particularly important for sites like Temple Farm, Roydon which the evidence base shows as being sustainably located, next to the District's only mainline railway station, with the SA describing as "*would have a moderate and low impact upon the Green Belt*" (2017 SA, Pg. 143, EB204).
- 3.5 If this reassessment process is carried out robustly, objectively and without prejudice, the Inspector can then consider the application of the 'Liverpool' methodology and stepped trajectory in the context of a positively prepared Plan which goes as far as reasonably possible to boost housing delivery in the early years. At the present time, given known

deficiencies associated with the site selection evidence base, the Inspector cannot be convinced that the Council has 'left no stone unturned' and should not countenance use of 'Liverpool' or a stepped trajectory at this time.