
EXAMINATION OF THE EPPING FOREST DISTRICT LOCAL PLAN, 2011-33

RESPONSE TO RBWM ED111 and E114A ON BEHALF OF HIGGINS HOMES

- 1.1 Following the publication of ED111 by the Inspector, and the subsequent submission of E114/114A by the Council, this document represents Barton Willmore’s (BW) response.
- 1.2 At the outset we should emphasise that **BW do not agree** with the Council’s full OAN as evidenced by our Matter 3 statement and oral submissions at the EiP Matter 3 hearing session.
- 1.3 However, **BW agree** with E114’s conclusion that the 2018-based ONS household projections **do not** represent a meaningful change in the housing situation from the one which informed the housing requirement of the Plan.
- 1.4 Firstly, the High Court¹ recently confirmed that new household projections do not automatically render a housing assessment out-of-date.
- 1.5 Furthermore, we agree with the Council that the 2018-based ONS household projections do not represent a meaningful change, for the following reasons:

Change in household formation trend methodology between MHCLG and ONS projections

- The 2016 and 2018-based household projections were produced by the ONS. Previously the household projections were produced by MHCLG;
- ONS introduced a new methodology for converting population into households (Household Formation Rates, HFRs) in the 2016-based projections. The 2018 projections use the same approach;
- ONS methodology is based on HFR trends between two Census points (2001 to 2011) rather than five Census points under previous MHCLG projections (1971, 1981, 1991, 2001, and 2011);

¹ High Court Judgment, *Keep Bourne End Green v Buckinghamshire County Council (formerly Wycombe DC)* [2020] EWHC 1984 (Admin), 23 July 2020

- Government identified how the ONS methodology would *"focus it more acutely on a period of low household formation where the English housing market was not supplying enough homes."*² (our emphasis)
- The 2001-2011 period saw rapid worsening of affordability nationally, resulting in a **70% increase** nationally in concealed families.³
- In Epping Forest, the median affordability ratio grew from 7.17 to 10.48 (+46%) in only three years (2001-2004) before falling slightly and increasing again to 10.41 in 2011 (+45% 2001-2011);
- First-time buyers earning a median salary and wanting to buy a median priced house would have therefore needed **10.41 times** their salary to obtain a mortgage;
- The ONS approach to HFRs is therefore based on a period (2001-2011) when there have been severe affordability barriers to first time buyers, many of whom in younger age groups;
- The result has been the increase in concealed families. This will have worsened in Epping Forest since 2011, with a 31% increase in the median affordability ratio (10.41 to 13.68) up to 2019;
- ONS' decision to use 2001-2011 trends and project these forwards over 25 years is a serious weakness of the 2018 and 2016-based projections, and a self-fulfilling prophecy as Government identified in the Housing White Paper;
- The 2014-based MHCLG household projections have been favoured over 2016 and 2018 ONS projections for these reasons and should remain the starting point estimate of OAN.

² Paragraph 11, page 8, Technical consultation on updates to national planning policy and guidance, MHCLG, October 2018

³ Concealed family definition: a couple (with or without children) or a lone parent. This does not include adults without a partner or child who would like to form their own household;

Underlying Sub National Population Projections (SNPP)

- The 2018-based ONS household projections are underpinned by 2018-based ONS SNPP, which provide the population projection to be converted into households;
- BW consider the 2018-based ONS SNPP cannot be relied upon due to their internal (UK) migration assumptions;
- ONS are implementing a new method of recording internal migration which has only been active for two years. ONS have therefore used a two-year period of internal migration rather than their usual five;
- In this context ONS state, *"Our usual approach for subnational population projections is to use five years of trend data. What this means is that when we calculate the numbers of births, deaths or migrants at local level, our starting point is the average of what has happened over the past five years. The logic is that five years may be more representative of local patterns than a single, possibly atypical, year of data."*⁴
- The ONS then explain that this two year period has the potential to skew figures in either direction at local authority level, stating *"in some areas the new method will be more accurate than in others, and everywhere will differ in terms of how typical internal migration levels over the past two years have been."*⁵
- Two years internal migration data is not considered robust. It has the potential to be atypical of longer-term trends due to one-off events which skew internal migration.
- For example, internal migration may spike over one- or two-years following completion of a large development, whereas in another local authority the same figure could be unusually low. However, there could be several events which create the same inaccuracy;
- A five-year period is therefore considered more robust than the two-year period used in the 2018-based ONS SNPP which cannot be relied upon for this reason.

⁴<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/articles/impactofdifferentmigrationtrendlengths/march2020>

⁵[ibid](#)

Summary

- 1.6 The 2014-based MHCLG household projections are the most robust starting point for Epping Forest's OAN. The 2018-based ONS household projections do not represent a meaningful change from that which informed the Plan's housing requirement.
- 1.7 Furthermore, Government's decision to use the 2014-based MHCLG household projections for determining the Standard Method reinforces BW's justification that the 2014-based household projections should form the demographic-led OAN and not the lower 10-year trend figure put forward by the Council.
- 1.8 The 2014-based MHCLG projection would require 683 dwellings per annum (dpa) 2011-2033. An uplift for the significant affordability constraints in the District should be applied to this figure. As our Matter 3 statement concluded, a 20-25% uplift would be reasonable, resulting in OAN of **between 820 and 854 dpa**.
- 1.9 The 2019 NPPF's Standard Method results in local housing need of **953 dpa**, suggesting our calculation of OAN is a conservative estimate. Furthermore, the proposed changes to Standard Method suggest need of **868 dpa**.