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5<sup>th</sup> November 2020



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Dear Louise

**Epping Forest Local Plan Examination: Response to the consultation on the potential implications of the 2018-based household projections**

We write on behalf of Hill Residential Ltd with regards the consultation on the implications of the 2018 national household projections (HHP) for the assessment of Full Objectively Assessed Housing Need (FOAHN) relation to the Epping Forest Local Plan.

At the time the Local Plan was submitted, the NPPF 2012 set out the Government's objectives for the planning system and for supporting sustainable development in England. Those aims and objectives remain essentially unchanged today in the NPPF 2019 and in the Planning White Paper.

Whilst the Planning Practice Guidance states that local housing needs assessments should be informed by the latest available information and that meaningful change should be considered in that context. The household projections, whilst an element of such a consideration, are just one of a range of factors to be taken into account when considering assessing whether there has been a meaningful change in the housing situation. A range of factors must be considered in the context of National policy seeking to boost significantly the supply of housing.

**Summary**

The publication of the 2018 national household projections do not represent a meaningful change so as to warrant a change to the OAN.

**Transitional arrangements**

In considering the new information it is important to consider the purpose behind the transitional arrangements within para. 214 of the 2019 NPPF.

The transitional period was intended to allow authorities that had submitted plans, or were close to submission, to continue with their plans with their *existing* evidence base. Its intention was to enable those plans to move swiftly to adoption so as to support a plan led system and for all LPAs to have in place up to date local plans. The transitional period was not intended to result in a continued updating of the evidence base and a delay in adopting plans. That is clear from letter from the MHCLG's Chief Planner of November 2018 to Chief Planning Officers which states "*Plans submitted on or before 24 January 2019 can be based on existing assessments of housing need.*"

Whilst it is appropriate to have an eye to the revised household projections, for a number of reasons there are other factors which point to the housing need being higher.

**The 2018 HHP projections**

Firstly, we consider that the 2018-based HHP principal scenario is not a robust basis for plan-making given and that they are based on just two years' worth of data relating to internal migration. That is far too short a period on which to make assumptions about housing need across a plan period.

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We also of the view that the 2018-based projections “bake in” under delivery and therefore are self-reinforcing. If the homes needed are not delivered then projections based on those figures will, inevitably, show lower levels of future growth. Delivery in recent years has fallen short of housing and hence that will have been a significant factor in the decline in household growth shown in the 2018-based projections.

### **Market signals**

The SHMA update of 2017 applied a market signals adjustment of 13.6%. That approach is considered to be too low when compared to the approach taken more recently by both Local Planning Authorities and Inspectors with regard to market signals. In 2019 the median workplace based ratio for Epping Forest was 13.68 compared to the England Median of 7.83 and making Epping Forest the 3<sup>rd</sup> least affordable place to live in the East of England and 10<sup>th</sup> across the South East and East of England, outside London.

In comparison with other LPAs:

- Canterbury saw an uplift of 20% uplift based on a median affordability ratio of 10.6;
- Mid Sussex saw an uplift of 20% uplift based on a median affordability ratio of 12.6;
- Runnymede saw an uplift of 20% uplift based on a median affordability ratio of 11.93;
- Reading saw an uplift of 10% based on a much lower median affordability ratio of 6.58;

It is clear that LPAs with median workplace-based ratios less than in Epping Forest, a higher uplift has been applied. A 13.6% uplift would be more akin to an area such as Reading where the ratio is significantly lower than in Epping. Indeed at Reading the ratio is lower than for England.

It is also important to look at change over time. In 2006 the ratio for England stood at 6.95, compared to 9.68 in Epping Forest, 38% above the England average. Today the ratio for England stands at 7.83 and Epping Forest at 13.68, some 75% higher.

An uplift for market signals in excess of 20% would be a more appropriate policy response given the issues faced in Epping.

Whilst there has been some marginal improvement in market signals in recent years, there has been significant divergence from the national picture over the last 14 years. Indeed, affordability in Epping Forest has worsened at a faster rate than other locations.

Since 2006, the England ratio has increased by 12.7%. Since 2009, by 22.5%. Over the same periods the ratio in Epping Forest has increased by 42.4% and 59.6% respectively (see Appendix 1).

In Runnymede, where a 20% uplift was held appropriate, the relative changes in ratio are an uplift of 28.6% and 24.9%. Similarly in Canterbury, the relative changes are 26.3% and 30.8%. It is important that relative changes are considered as they indicate a relative worsening of affordability and an urgent need for action.

It is clear from the Government’s Standard Method that market signals need to feature more strongly in assessments of housing need, and that is reinforced further by proposed changes to the Standard Method.

### **London**

London has always exerted a powerful influence over southern Essex. Those pressures will only intensify on the back of the latest London Plan and the back log of London’s unmet needs of some 14,000 a year on average over the next 10 years. Added to that is the fact that London has consistently delivered fewer homes than is requires with average delivery over the five years of just under 33,000 additional dwellings. That rate needs to rise significantly to meet needs of 66,000 a year. Without that, outmigration from London to places such as Epping Forest will increase demand, fuel house prices rises, worsen affordability and drive more people into needing affordable housing.

Outmigration is also likely to be fuelled by the effects of COVID-19 and house builders have already experienced increasing demand outside London from people wanting more space and not needing to be in London 5 days a week for work.

**300,000**

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It is Government's objective to deliver 300,000 homes year from the mid-2020s. That was the Government's position when the plan was submitted for examination, and it remains so today. The housing requirement needs to be seen in that light.

**Conclusions**

Given all the above factors, the publication of the 2018 household projections does not represent a meaningful change so as to warrant a change in level of housing required. Factors, such as market signals and the London Plan point to a need to increase the planned level of housing.

Yours sincerely

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