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17/11/2020

Dear Sir/ Madam

Epping Forest Local Plan EIP – consultation on 2018-based Household Projections

The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

In considering whether there has been a meaningful change in the housing situation, it is necessary to consider not only the latest household projections (HHP) it is also important to examine the evidence on the unmet needs in London following the examination of the London Plan and the context within which these plans are being examined – namely under the transitional arrangements as set out in the 2019 National Planning Policy Framework, and the Government's continued objective of delivering 300,000 homes per annum.

2018-based household projections

On the whole we support the approach taken by the Council in its assessment of OAN using the 2018-based household projections which recognises the key limitations with regard to principal projections in that it uses only two years of migration trend data. The ONS recognises this is inherently unstable and as such the principal projections should be treated with significant caution. We would suggest that with regard to the 2018-based household projections either the 10-year trend or the alternative internal migration projection (using a five-year trend) offer more reliable projections against which to consider whether there is a meaningful change in the Council's housing situation.

Alongside this overarching concern with the principal projection we have a further concern with regard to suppression of growth within Epping Forest and the HMA as a whole. The HBF would agree with the Council that household growth will have been suppressed due, in part, to restricted supply. Where the supply of new homes has not been at expected levels, it is a self-fulfilling prophecy that household growth will be reduced. Unless the homes are built to support expected levels of growth then future



projections will, inevitably, be lower. Household growth is ultimately constrained by the number of additional homes in an area in order to meet any growth. Instead household formation will be delayed with more individuals living in multi-generational households or new households forming elsewhere where their needs can be met. As such we support the adjustments made to take account of the suppression of new households.

London's unmet housing needs

It is evident from the final report on the examination of the London Plan that the capital will not be able to meet its own housing needs. It was expected that the new London Plan would address future needs and the back log of unmet needs by delivering over 60,000 homes per annum. However, the examination report on new London Plan, which was published in October 2019, outlines in paragraph 174 that the overestimation of the contribution of small sites reduces the supply of new homes from 65,000 to 52,000 homes per annum. This means that there is a shortfall of some 140,000 homes between 2018 and 2028 in the capital against its own assessment that the capital needs to deliver 66,000 homes each year across the plan period to meet future need and address the current backlog. Without a significant increase in delivery it is almost inevitable that the identified shortfalls will drive increased levels of out-migration from the capital to surrounding areas adding pressure in housing markets where affordability is already poor.

One such area is Epping Forest which has had significant levels of positive net migration from the capital in recent years. Net migration to the capital from London has been estimated by ONS to average a little over 2,360 people per annum since 2012¹ and, as can be seen in the table below, in 2019 it was estimated that the highest contributing areas to a positive net in migration into Epping Forest were all London Boroughs.

Table 2: Top 6 contributors to positive net internal migration to Epping Forest in 2019

Name	Out-migration	In-migration	Net migration
Redbridge	563	1,631	1,067
Waltham Forest	366	866	499
Enfield	157	414	257
Newham	109	250	141
Tower Hamlets	80	213	133
Haringey	62	166	104

Source: ONS Internal migration: detailed estimates by origin and destination local authorities. HBF Analysis.

As such a lack of supply in the capital will place greater pressure on the housing market in Epping Forest, and similar areas that form part of the wider regional housing market focussed on the capital, as households seek to meet their accommodation needs

¹ Internal migration: detailed estimates by origin and destination local authorities (ONS) <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets>

outside of London. It is therefore essential that any consideration as to current housing situation facing Epping Forest takes account of the shortfalls in supply in London given the Borough's strong migratory links with the capital. As a minimum we would suggest that this evidence gives weight to the argument to not base the Council's OAN on the lower 2018 projections as it would potentially exacerbate the problems of affordability in the area. However, it also suggests that insufficient consideration was given to the impact of London's inability to meet its own needs on the HMA during the preparation of the local plan.

Transitional period and national objectives

It is important when considering the latest data to remember that this plan is being examined under the transitional arrangements as set out in paragraph 214 of the 2019 NPPF. This transitional period was included in the NPPF to allow LPAs that had submitted plans, or were close to submission, to continue with their existing evidence base. The transitional period reflects the Government's desire for a plan led system and the drive to ensure all LPAs had local plans. A key part of this was to allow those Councils caught by the changes to the NPPF to rely on their existing evidence as preparing new evidence would inevitably slow the process for such authorities. What the transitional period was not meant to lead to was a continued updating of the evidence of supporting local plans submitted prior to January 2019. It was meant to do the exact opposite – to ensure plans could come forward and be examined on the evidence as submitted. In particular it should not see submitted plans being amended were this would be inconsistent with the Government's restated ambition to boost housing supply in order to deliver a minimum of 300,000 homes per year².

Indeed the continued reliance on the submitted evidence for transitional plans is supported in the November 2018 letter to Chief Planning Officers which states in its update on the use of the 2016-based household projections in the standard method that plans submitted on or before the 24 January 2019 can be based on existing assessments of housing need at the time of submission. This would suggest that the Government were not endorsing the use of the later household projections within transitional plans in the same way that they did not endorse their use in the current standard method.

The Council has, as required by PPG, considered the latest data, and concluded no change is required, a position we support. But even if there had been significant change in the latest data it would be both justified and consistent with national policy for a plan in transition between the two frameworks to continue with the housing requirement in the submitted local plan on the basis of the evidence submitted with that plan.

²Paragraph 6 'Changes to the current planning system' (MHCLG, 2020)
<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

Conclusions

On the basis of the above considerations we would agree with the Council that it is not necessary to modify the housing requirement on the basis of the latest demographic projections. As required by the PPG the Council and, its partner authorities in the HMA, have considered the latest data and concluded that the 5% change in the OAN across the HMA does not represent a meaningful change in the housing situation. Maintaining the housing requirement would also consider the context within which the plan is being prepared, the advice provided by MHCLG in relation to transitional plans, and the Government's continued goal of delivering 300,000 homes per year.

Yours faithfully

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