



Sent by email to: ldfconsult@eppingforestdc.gov.uk

29/01/2018

Dear Sir/ Madam

Response by the House Builders Federation to the Epping Forest Submission Local Plan

Thank you for consulting the Home Builders Federation (HBF) on the Submission Local Plan. 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.

We would like to submit the following representations on the Local Plan and we would welcome, in due course, participating in hearings of the Examination in Public.

Legal compliance – Regulation 19

We are concerned that the Council's approach to the inclusion and exclusion of sites has not been sufficiently set out in Council's evidence base. The HBF does not make comments on the merits of any of the sites included or excluded from the Plan but we do consider it is essential that all those with an interest in the Plan have the opportunity to consider all the evidence and documentation used in its preparation. At present it would appear that between the regulation 18 consultation and the regulation 19 consultation some sites have been excluded but without the necessary consideration as part of the site assessment methodology or the Sustainability Appraisal.

The reason for this would appear to be the rush to submit a local plan prior to the proposed introduction of the standard methodology without having all the necessary evidence available for publication. As such there must be doubts as to whether the consultation is legally compliant with regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012.

Regulation 19(a) states that the local planning authority "must make a copy of each of the proposed submission documents ... available in accordance with regulation 35". Details of what is considered to be a "proposed submission document" are set out in Regulation 17. Part (e) of Regulation 17 establishes that supporting documents used in the preparation of the local plan should be considered as submission documents. We

would suggest that full details of all the sites assessed and there reasons for inclusion and exclusion form part of that evidence.

We therefore recommend that that the Council should offer a further consultation on the submission local plan with the full evidence base. This would enable full and proper consideration of the site selection evidence and ensure the Council is compliant with regulation 19 of the 2012 Town and Country Planning (local plans) Regulations. A decision not to undertake further consultation would run the unnecessary risk of legal challenges and potentially delay progress even further.

Duty to Co-operate

There has clearly been a significant level of co-operation between Epping Forest and those other authorities in the East Herts and West Essex Housing Market Area (HMA). The four authorities forming this HMA have worked together to identify the housing needs for the area and then agreed a distribution between each authority. This distribution places significant emphasis on growth in and around the Harlow area, a similar approach to that identified in the East of England Regional Spatial Strategy.

Whilst we welcome the level of co-operation that has been achieved between the four authorities in the HMA we have noted that the process of plan preparation in the HMA has been relatively slow. Both Harlow and Uttlesford District Councils are yet to publish regulation 19 consultations with Uttlesford stating that they have paused preparation of their Local Plan and will publish a revised timetable in the near future. Harlow have stated that they intend to publish a regulation 19 consultation local plan in 2018 but are still to publish a new Local Development Scheme setting out their proposed timetable for submission.

This must be a concern to the other authorities in the HMA given the Government's proposals to introduce the Standard Methodology later this year. The approach put forward by Government would see significant increases in housing needs assessments across the HMA. In total housing needs for the HMA would increase from 2,305 to 3,240 dwellings per annum (dpa). For Harlow and Uttlesford needs will increase from 296 to 466 dpa and 533 to 740 respectively. Using the HMAs current distribution the additional needs arising in these two authorities would be 270 dpa.

This could mean that, even if Epping Forest DC and East Hertfordshire District Council's local plans are considered to be sound on the basis of meeting the identified distribution in the MOU, the slow progress of plan preparation could lead to higher needs elsewhere in the HMA than currently identified. Due to the uncertainty created by slow plan preparation we would suggest that policy SP2 include a review clause should any authority in the HMA be unable to meet its identified housing needs through its Local Plan.

SP2 Spatial Development Strategy

Policy SP2 is unsound as it is inconsistent with national policy, unjustified and ineffective

The Council set out in policy a housing requirement for 11,400 new homes between 2011 and 2033. This requirement is less than the OAN identified in the SHMA due to the redistribution of housing needs agreed between the four authorities that comprise the HMA. However, we are concerned that the approach taken by the Council in its Strategic Housing Market Assessment (SHMA) is not justified and that the OAN for Epping Forest, and the HMA, is too low and will not provide the necessary boost to housing supply required by paragraph 47 of the NPPF. Our two key concerns regarding the SHMA is the use of a ten-year migration trend and the level of uplift being proposed to address market signals. We are also concerned with the sequential approach set out in the policy and why it has been considered appropriate to include this within the policy

Objectively Assessed Need for Housing

10-year migration trend

We would agree with the Council's use of the 2014 based Sub National Population Projections and Household Projections published by ONS and DCLG respectively. However, the Council considers the five-year migration trend used in the preparation of both these datasets to overestimate the level of migration in future. The Council considers a 10-year trend to better reflect future trends and that the five-year migration trend is an "unprecedented" representation of migration when considered against the context of the last 25 years.

When considering the use of longer term migration trends, it is important to note that the Government considers the Sub National Population Projections and the Household Projections to be robust and based on nationally consistent assumptions. This position is not only established in paragraph 2a-017 of PPG but also in the recent consultation on the Standard Methodology. In this consultation the Government reiterate their position in the PPG stating paragraph 16 that:

"The Office for National Statistics' projections for numbers of households in each local authority are the most robust estimates of future growth."

However, we recognise that PPG allows plan makers to test the official projections and to consider alternative assumptions that relate to their specific circumstances. However, PPG states that any local changes must be "*clearly explained and justified*". Whether or not this position is justified has led to significant debate at recent EIPs in this region as to the advantages and disadvantages of using either a 10-year migration trend or a 5-year migration trend. Whilst there has been some support for the 10-year trend the HBF still considers the official household projections to provide the most appropriate and, importantly, consistent baseline for considering OAN.

Those that favour the 10-year migration trend outline that it provides a smoother long-term trend that remove the peaks and troughs of migration when using shorter trends. However, those that favour the five-year trend outline that projecting migration from a 10-year trend can fail to take into account new and significant changes in migration patterns as well as including past trends that are no longer relevant. In particular we are

concerned that the 10-year trend in this scenario will take into account the low levels of housing delivery seen in Epping Forest and fail to recognise increasing migration from the capital as a result of poor delivery and high housing costs.

Housing delivery in Epping has in general been relatively low and has reflected the constrained targets set out in the East of England RSS. On the basis of the Borough target the Council exceeded expected delivery. However, this target was significantly constrained and did not account for the 16,000 dwellings allocated to Harlow but recognised as the responsibility of Harlow, East Hertfordshire and Epping Forest. There was an expectation of considerable higher levels of housing delivery, an expectation these three authorities failed to plan for at that time. As such Epping Forest has been delivering against a very constrained housing target which in turn will have constrained population growth. This constrained growth will be reflected to a much greater extent in the 10-year trend.

A 10-year migratory trend will also consider a period where migration from London has been lower than it has been in previous years. The GLA expects this trend to change and migration patterns to revert to those seen before the recession in 2008. This position is considered by the GLA to be reflected in their central projection (which uses a 10-year migratory trend) which shows an increase in households for Epping of 12,216. Whilst lower than the DCLG household projections it is still over 1,200 households more than the Council's baseline.

Poor delivery in London would also support a higher migration into Epping Forest, which is one of the 11 areas with the highest rates of commuting into the Capital. The housing requirement for the capital is 42,000 dpa. However, the latest monitoring report published by the GLA indicates delivery of conventional housing (self-contained flats and houses) for the 2015/16 period as being 32,919¹. This level of delivery is also significantly less than the 64,935 homes the Mayor states is the proposed annual housing requirement for the Capital in order to meet its needs. Delivery will have to be boosted significantly to achieve this level of development and whether this is achievable is still open to much debate. For example, Redbridge, which borders Epping Forest, will need to increase delivery from 1,123 to 1,979 dwellings per annum. This is a total of 19,790 new homes in ten years. Given that Redbridge have indicated on their Brownfield Register sufficient land to deliver 12,579 new homes and the London Plan is seeking to prevent Green Belt releases the ability of the London Plan to increase delivery significantly must be in doubt.

There is therefore evidence to support the migratory patterns set out in the DCLG official projections and given that these are favoured by Government and considered to be robust they should form the demographic starting point for considering OAN.

¹ Para 2.21 London Plan Annual Monitoring Report 2015/16 (July 2017).
https://www.london.gov.uk/sites/default/files/amr_13.pdf

National Consistency

As there is a difference of opinion as to which projection provides the most robust position it is important to remember that the Government prefers data based on a “nationally consistent” set of assumptions. By stating in paragraph 2a-017 of PPG they consider the official statistics to be robust the Government are clearly supporting the assumptions made within these datasets. These consistently applied assumptions ensure that estimates of household growth are consistent across the Country allowing for more effective cross border planning not just of housing needs but also health services, school places and social services. Therefore, to move away from the official projections requires a robust justification as to why an area is unlikely to see the levels of household growth forecast. PPG sets out examples of these such as growth arising from an urban extension, the relocation of a major employer to the area or an expansion of education facilities.

However, the decision by the Council to use the ten-year trend would appear to be a preference on the basis that it provides a smoother trend. There is limited explanation as to why the effect of recent increases in migration have occurred and why their effect should be reduced through the application of the ten-year trend. We note that there was a spike in migration in 2013/14 but the SHMA does not seek to explain why this specific increase in migration occurred. In particular the SHMA should have considered whether this was an issue relating to every authority or to just one or two of the authorities in the HMA before making the decision to apply a ten-year migratory trend.

Conclusions on the 10-year migratory trend

The impact of using the 10-year migration trend is significant. For Epping Forest, the baseline household growth for the plan period is reduced from 14,374 to 11,065 and for the HMA as a whole sees household growth reduce 50,707 to 45,507. This not only means that, even with an uplift to take account of market signals, the HMA is essentially meeting the level of household growth expected by the DCLG projections but that the needs of Epping Forest are disproportionately reduced by the 10-year trend. In total the use of the 10-year trend sees the demographic starting point for the Epping Forest fall by 3,309, 63% of the reduction seen across the whole HMA.

Given the impacts from using the 10-year trend we do not consider this decision can be left to a matter of preference. Unless a more reasoned justification for the use of a longer-term migration trend is provided, as required by PPG, we do not consider the current approach to be sound.

Market signals

We do not consider the proposed 14% uplift to take account of market signals to be sufficient. This is a reduction on the 20% that was proposed in the 2015 SHMA and does not reflect the worsening affordability seen across the HMA and in particular within Epping Forest.

Since the publication of the PPG, the approach taken to market signals and the degree to which Councils have responded to these signals has varied considerably. The PPG provides no detail as to the how much of an uplift is necessary in relation to the nature of market signals in area. Until recently the only guidance came from the Local Plan Expert Group who suggested uplifts of over 25% where affordability ratios showed house prices were more than 8 times local salaries.

However, this lack of clarity on market signals has now been partly addressed with the publication of 'Planning for the Right Homes in the Right Places' in September 2017. This consultation set out the Government's proposals for assessing housing need using a standard methodology. Whilst this consultation and the methodology cannot be given any significant weight there we consider it to provide evidence as to the degree which the Government thinks market signals relating to affordability should be used to uplift baseline demographic projections. It is clear from the consultation that where affordability ratios show house prices to be more than four times local salaries then an uplift should be applied. The degree of uplift is also significant and, for example, where house prices are eight times median salaries the uplift should be 25%. This approach is more in line with the approach suggested by the Local Plan Expert Group rather than the relatively limited response that has been made in many SHMAs since the introduction of PPG.

The market signals for Epping Forest would suggest that the current uplift of 14% is not sufficient and fails to provide the response to affordability concerns that is expected by Government. Both median and lower quartile work placed based affordability ratios are high at 14.09 and 16.77 respectively². On the basis of the Government's proposed methodology this leads to a 63% uplift which is then capped 40% above the demographic starting point. It is not just affordability ratios that suggests a 14% uplift for market signals is insufficient. House prices have also seen rapid increases in recent years with lower quartile house prices have increased by 85,000 since 2013. This suggests that affordability is as much to do with rising house prices as to their relative value against the back drop of low wage inflation.

Despite the worsening affordability across the HMA, and in Epping Forest in particular, it is surprising that the decision was taken to reduce the Council's response to market signals. The decision for this has clearly not been made on the basis of the market signals. The Council has looked to limit the uplift to match the 2016 based projections produced by the GLA. In paragraph 3.27 of the 2017 SHMA update it is stated that there is no justification for assuming any higher levels of migration. However, the lack of housing delivery in London, as outlined earlier, would suggest that there are sufficient drivers for increased migration from London into the HMA alongside the need to improve rates of household formation.

This degree of under provision in the Capital will be a driver of further out-migration alongside reducing the amount of in-migration from those areas surrounding the capital. To suggest that housing needs should be capped on the basis of the GLA's household projections is therefore unjustified. There are clearly sufficient drivers of migration that

² Source: Office for National Statistics

will support a more significant uplift than is being proposed by the Council. This approach does not boost supply it merely seeks to match an alternative baseline projection of housing needs.

Conclusions on OAN

We do not consider the Council's housing requirement to be based on a sound evidence base. The use of the 10-year migration trend and the market signals uplift of 14% are not justified and do not provide the necessary boost to housing supply required by paragraph 47 of the NPPF. The Council must base their OAN on the 2014 based household projections with a more significant uplift than is currently being proposed.

Sequential approach to housing delivery

We can see no reason for including a sequential approach to the delivery of the Council's housing requirement and it is uncertain as to how this will be used to inform decision making. We are concerned that the Council is seeking to apply a sequential approach to the delivery of allocated sites. This would not be an effective approach to the delivery of this policy. The Council must establish that it has identified sufficient sites - through allocations, existing permissions and windfalls - to show that it can meet its housing requirements. Whilst the Council may apply a sequential approach in deciding which sites are required to meet needs based on the policies in the NPPF there should be no sequential approach as set out in SP2 to their delivery once allocated.

We would therefore suggest that the reference to the sequential approach in part a and each of the subsequent sub points to this part of policy SP2 be deleted as it is not relevant to decision making and therefore contrary paragraph 154 of the NPPF.

Housing land Supply

The Council has chosen to apply the Liverpool methodology in its consideration of land supply. This approach is not consistent with PPG which requires local authorities where possible to meet any backlog in housing delivery within five years. By not taking this approach, the Council are effectively shifting a significant proportion of its housing delivery to later on in the plan period. This means that homes that are needed now will not be delivered until much further into the future. Such an approach will only exacerbate the poor affordability that has been outlined above. Given these pressures we would strongly recommend that the Council looks to deliver a greater proportion of its unmet needs within the first five years of this plan.

As well as spreading backlog across the whole plan period the Council has also made the decision to only apply a 5% buffer to its housing supply. We would disagree with this position. Paragraph 47 of the NPPF establishes that where there has been persistent under supply of housing the Council should apply a 20% buffer. The Council acknowledges in paragraph 2.14 of its Housing Implementation Strategy that it has undersupplied housing since 2011. We would agree with this position; however, we would not agree with the Council that the Council exceeded its housing requirement in

the East of England Plan. In examining housing delivery Table 6 of the Housing Implementation Strategy fails to consider the fact that the stepped target of 175/150 dpa did not include a proportion of the 16,000 dwelling requirements that was given to Harlow. The RSS states in the table on page 30 that:

"Figures are for total housing growth at Harlow, including urban extensions in Epping Forest and East Hertfordshire Districts, the split between the districts to be determined through development plan documents."

There was an expectation in the East of England Plan that Epping Forest would deliver a significant proportion of these 16,000 homes between 2001 and 2021 and this should be reflected in Council's requirements for the period prior to the abolition of Regional Spatial Strategies in 2011. Even if a modest 20% of these homes were to be delivered in Epping Forest this would see the annual requirement increase by 160 dwellings per annum. The table below compares this adjusted figure with the Council's delivery.

Year	Housing requirement in RSS	Adjusted requirement to take into account expectation of delivery to support Harlow (20% of 16,000)	Housing Completions
01/02	175	335	237
02/03	175	335	271
03/04	175	335	208
04/05	175	335	240
05/06	175	335	286
06/07	150	320	277
07/08	150	320	108
08/09	150	320	157
09/10	150	320	176
10/11	150	320	368
Total	1,625	3275	2,328

This table indicates that even if a modest proportion of the new homes allocated in this period for the Harlow area were to be delivered in Epping Forest there has been significant under delivery. This lack of delivery has also been compounded by the fact that the Council have failed to adopt a new Plan since 1998. Such a lack of progress in preparing a plan that would have supported the expectations of the RSS must be seen as a persistent failure to plan for the delivery of new homes in relation to the planned expansion of Harlow. We therefore consider that in order to be consistent with national policy the Council must apply a 20% buffer when considering its 5-year housing land supply.

If a 20% buffer is applied then the Council cannot show a 5-year housing land supply on adoption of the Local Plan. Using the Council's supply evidence and the Liverpool methodology we consider that the Council would have a 4.3 year supply of housing land on adoption. Using the Sedgefield methodology reduces this significantly to just 2.5

years with a 5% buffer and 1 year with a 20% buffer. What this clearly indicates is that the Council's land supply on adoption is marginal at best. The danger of such a position is that the Local Plan will be out of date on adoption on the basis of paragraph 49 of the NPPF. We would therefore recommend that the Council look to allocate more small sites that will be delivered earlier in the plan period and ensure a more robust land supply.

Monitoring delivery and Local Plan Review

We note that in paragraph 2.81 of the Local Plan the Council propose a review of the Local Plan should fall below 75% of the annual requirement or the projected completion rate for three consecutive years. We welcome this approach to review but we would consider it more appropriate set such measures out in policy. This makes the Council intentions clear and provides more certainty that such actions will be implemented.

H1 Housing mix and accommodation types

The policy is unsound as it is not effective

The NPPF is clear in paragraph 154 that in order to be sound a policy must give a clear indication as to how the decision maker must react. Paragraph 17 also supports this position stating the decision making should be both efficient and predictable. Whilst part A of policy H1 sets out a series of broad expectations with regard to what an applicant will need to consider the policy provides no guidance on what it considers to be an appropriate and acceptable mix of housing and accommodation types. With further detail it is not clear to either the applicant or decision maker what a policy compliant scheme would look like. Part B of the policy then places the entire burden for considering what a policy compliant scheme on the applicant. This is not an efficient approach and will inevitably lead to unpredictable decision making and uncertainty. We would recommend that the Council provides a clear indication as to the expected housing mix in order to ensure efficient and effective decision making as required by national policy.

Accessible and adaptable homes

Part A (v) of H1 requires all homes to be built accessible and adaptable as defined by Building Regulations. Firstly, we would suggest that the Council states in full that it is intending all homes to be delivered to part M4(2) of the Building Regulations. This will ensure that applicants are completely aware as to the intentions of the Council with regard to this policy.

Secondly, we do not consider the Council to have justified the requirement for all homes to be built to part M4(2) and for all of market homes. Paragraph 56-007 requires local authorities to demonstrate the need for these requirements to be applied to new homes. This evidence should include the likely future need for housing for older and disabled people, the accessibility and adaptability of existing stock, the different needs across tenure and the overall impact on viability. It is therefore incumbent on the Council to provide a local assessment evidencing the specific case for Epping Forest which

justifies the inclusion of optional higher standards for accessible / adaptable homes in policy H1.

The Council's only evidence would appear to be set out in latest SHMA. This document acknowledges that there is likely to be increase in older people across the HMA. The evidence outlines that number of people over 65 is projected to increase between 2011 and 2033 by around 47,200 people and includes 23,300 people over the age of 85. However, the SHMA also states in paragraph 6.33 that the many of these older people "... will not move from their current home" but then justifies the need for all homes to be accessible and adaptable on the basis that some of those older people who do move will need more accessible accommodation.

The Council's evidence on its ageing population is not unusual and is not a phenomenon specific to Epping Forest. If it had been the Government's intention that such generic arguments justified requiring all new homes be built to the higher optional standards for adaptable accessible dwellings then the logical solution would have been to incorporate the standards as mandatory via the Building Regulations, an approach the Government has not taken forward.

E1 Employment Sites

Part iii is unsound as it is not consistent with national policy and is unjustified

There is no justification for requiring contributions where a development would result in the loss of employment floorspace. The Council set out in part (ii) of this policy that they will only permit the redevelopment of an existing employment use to an alternative use where it can be proved that there is no longer a reasonable prospect of that site being used in its existing use. This is in line with paragraph 22 of the NPPF which states that where there is "... no longer a reasonable prospect of site being used for employment purposes then applications for alternative uses should be treated on their merits". Given these policies it cannot be considered reasonable to then require a contribution to mitigate the loss of this employment land. Any redevelopment will only be permitted where there is no longer a prospect of a site being used in its existing use and as such there can be no negative impact arising from its redevelopment. The redevelopment merely reflects the shift in demand for the type of floorspace or its location. We consider this policy is inconsistent with regulation 122 of the CIL regulations and that these obligations are not required to make the development acceptable in planning terms.

DM10 Housing Design and Quality

Part A of this policy is unsound as it is unjustified

The Council set out in policy DM10 their intention to apply the Nationally Described Space Standards across the Borough. PPG establishes in paragraph 56-020 that local planning authorities will need to justify this requirement on the basis of:

- need – evidence should be provided on the size and type of dwellings currently being built in the area, to ensure the impacts of adopting space standards can

be properly assessed, for example, to consider any potential impact on meeting demand for starter homes.

- viability – the impact of adopting the space standard should be considered as part of a plan's viability assessment with account taken of the impact of potentially larger dwellings on land supply. Local planning authorities will also need to consider impacts on affordability where a space standard is to be adopted.
- timing – there may need to be a reasonable transitional period following adoption of a new policy on space standards to enable developers to factor the cost of space standards into future land acquisitions.

Whilst the Council have included the space standards within the viability modelling we could find no evidence on need nor any consideration as to a transitional period. We note that the Council state in paragraph 4.78 that some analysis has taken place with regard to recent applications but we could not find this within any documentation published in their technical evidence base. For this policy to be sound the Council must provide sufficient justification on both these elements required by PPG. If no such evidence is available then part A of DM10 must be deleted.

Conclusions

At present we do not consider the plan to be sound as considered against the tests of soundness set out in paragraph 182 of the NPPF. We do not consider the Council has met the tests of soundness in the following key areas:

- Housing requirement is based on an Objective Assessment of Housing Need that unjustifiably reduces the demographic starting point and fails to take sufficient account market signals
- The approach to the five-year land supply is not consistent with national policy. When national policy is applied correctly the Council cannot show that there will be a 5-year supply of housing land on adoption.
- The requirement for all homes to be built to M4(2) has not been justified
- The requirement for contributions to mitigate loss of employment land is unjustified and not consistent with national policy
- The adoption of the optional technical standards set out in policy DM10 have not been justified as required in PPG.
- Whilst we consider the Council to have broadly met the Duty to Co-operate we recommend that the Council include a commitment to review should other Council's fail to meet their identified needs.

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry. I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public.

Yours faithfully

[REDACTED]

Mark Behrendt
Planning Manager – Local Plans
Home Builders Federation
Email: [REDACTED]
Tel: [REDACTED]