

# Affordable Housing Note

In respect of:

## **Further Main Modifications to the Epping Forest Local Plan, October 2022**

Prepared by:

**Pioneer Property Services Ltd**

On behalf of:

**S Bains & Son Limited & Nijjer  
Estates Limited**

Date:

**5<sup>th</sup> December 2022**



- 1.1 Following hearing sessions in 2019 and consultation in 2021 on Main Modifications to the Epping Forest Local Plan Submission Version, in June 2022 Inspector Bore confirmed that further Main Modifications are required to the Plan in order for it to be made sound. The Council has proposed Further Main Modifications (“FMMs”) to the Plan with the consultation period expiring on Friday 9 December 2022.
- 1.2 This note provides observations by Pioneer Property Services Ltd on behalf of S Bains & Son Limited & Nijjer Estates Limited in respect of the approach to Affordable Housing provision within the Plan if progressed as worded through the FMMs.
- 1.3 It is noted that no FMMs are proposed within document ED145 to MM5 of the Main Modifications (“MMs”) to the Plan despite the significant concerns raised in response to the MMs with a request for changes to be made to ensure that: *‘The total need figure of 2,851 needs expressed as a minimum and a buffer introduced to Ta10% - increasing the AH need, say to 3,150.’* (MM: 5 Stakeholder ID: MMLAD0004 Respondent: Antony Aspbury, page 5, Document ED134, October 2021).
- 1.4 It is of increasing concern that the changes sought have not been applied, particularly in the context of the reduced overall housing supply from 12,258 down to 12,199 (as explained by the Council at page 17 of ED144) which will impact negatively on the Council’s ability to deliver Affordable Housing.
- 1.5 At page 17 of ED144 the Council acknowledges that only 275 homes per annum (of all tenures) were delivered during the 2011/12 – 2021/22 eleven year period – this is 3,023 dwellings over 11 years compared to the 518 annual average target resulting in a 2,677 overall housing shortfall. The Council are proposing to address this shortfall over the remaining Plan period using the Liverpool approach. Despite this poor performance the Council, referencing supply set out in the ED144 Appendix A Housing Trajectory, suggests that supply will increase dramatically to 649 per annum (3,244 over 5 yrs) during the 2022/23 to 2026/27 period.
- 1.6 Furthermore, page 18 of ED144 states that:

*‘The Council considers that the annual requirement for step 2 should be set at 500 dwellings per annum. Taking into account the requirement set out under paragraph 47 of the NPPF 2012 for a 20% buffer to be applied, this would mean that the Council would be able to demonstrate 5.4 years of land supply on adoption of the Plan.’*

- 1.7 By setting what is an apparently arbitrary target of 500 homes per annum, following the application of a 20% buffer giving a 600 per annum target the Council are able to claim that they have a 5.4 year housing supply (i.e. 649 homes per annum). However, this is only because they are setting the bar so low.
- 1.8 As a result of this, to meet the 11,400 housing target the Council then set a 980 per annum target for the third and final six year period 2027/28 to 2032/33. This means they propose to move from a 275 per annum supply position to a 649 per annum supply position to a 980 per annum supply position over the next 11 years. Notwithstanding the current economic climate, the likelihood of achieving this uptick in delivery seems extremely unlikely in the context of the past extremely poor performance.
- 1.9 If the 8,377 homes still to be delivered are simply annualised over the remaining 11 year Plan period this results in a c.762 per annum requirement (thus c.914 per annum in the 2022/23 to 2026/27 period if a 20% buffer is applied). The supply position identified by the Council for the 2022/23 to 2026/27 period at 649 per annum equates to a c.3.6 years housing land supply on this basis.
- 1.10 The Council's 11,400 housing requirements target is looking increasingly out of date when considered in the context of the Standard Method derived minimum housing need figure; as at March 2022 an annual minimum Local Housing Need of 973 homes per annum would apply ('The standard method of assessing housing need', Turley, March 2022) - significantly in excess of the 518 per annum emerging Local Plan figure.
- 1.11 Additionally, a review of the Council's housing land supply position undertaken by Ben Pycroft at Emery Planning on behalf of S Bains & Son Limited & Nijjer Estates Limited concludes that there is a significant shortfall in housing land supply against the emerging Plan housing requirement, on the basis that the Council does not have clear evidence to support many of the allocations without planning permission that it relies upon. The work undertaken by Emery Planning suggests a planned housing land supply that amounts to only 1,545 homes over 5 years.
- 1.12 Crucially, it is within the above overall housing delivery context that Affordable Housing delivery has been and will be made.
- 1.13 In this regard it can be noted that Live Table 1011 (one of a suite of live tables on Affordable Housing supply published by the Government – extract included at Appendix 1) sheet 1011c

suggests a past Affordable Housing supply of only 273 affordable homes over the 5 years 2017/18 to 2021/22 in Epping Forest. It should also be noted that this includes a tiny provision of homes for Affordable Home Ownership – just c.6 per annum over the past 5 years (29 in total).

- 1.14 When compared to the 167 per annum 2017 SHMA Update Affordable Housing need and emerging Local Plan Affordable Housing target (i.e. 835 over 5 years) this supply 273 affordable homes suggests a 562 shortfall in supply of Affordable Housing over this period (i.e. 835 minus 273 = 562).
- 1.15 In terms of future Affordable Housing requirements, where this 562 shortfall is added to the 2017 SHMA Update Affordable Housing need for a further 835 homes over the 2022/23 to 2026/27 period, this will result in a need for 1,397 affordable homes in this five year period (NB: a Sedgefield as opposed to a Liverpool approach is applied given the urgency of meeting this acute Affordable Housing need).
- 1.16 Even if the Council achieve the overall housing land supply that they claim they will during the 2022/23 to 2026/27 period (649 per annum) and 40% of this were delivered as Affordable Housing (which is unlikely given non- or reduced delivery on small sites / sites with viability issues) this would result in c.260 Affordable Homes per annum (c.1,298 over 5 years). Compared to the total of the existing 562 Affordable Housing shortfall and the 835 affordable homes that will be needed (1,397) this will result in a shortfall of 99 Affordable Homes.
- 1.17 However, based on the work undertaken by Emery Planning the Council only has a housing land supply for 1,545 homes during the 2022/23 to 2026/27 period. At 40% Affordable Housing this would deliver 618 affordable homes at maximum (124 per annum). Compared to the 167 per annum 2017 SHMA and emerging Local Plan Affordable Housing target (which adds up to 835 over 5 years) this suggests a shortfall of c.217 affordable homes over 5ys (i.e. 835 minus 618 –assuming, unrealistically, that all sites deliver 40% Affordable Housing).
- 1.18 Together with the past Affordable Housing supply shortfall (562) a 217 ‘planned’ supply of Affordable Housing would result in a significant total shortfall of 779 affordable homes over the next 5 years.
- 1.19 A further crucial point to consider is that the SHMA evidence base being drawn on by the Council will not, due to its age, reflect the full need for Affordable Housing where this is

assessed in accordance with the current National Planning Policy Framework (“NPPF”) Affordable Housing definition; the current Affordable Housing definition means that households able to afford to rent privately, but aspiring to purchase their own home but unable to afford to do so on the open market, are eligible for Affordable Housing. The affordability tests within the Council’s SHMA evidence base exclude such households from the net Affordable Housing need calculation.

- 1.20 Hence, whilst transitional arrangements in terms of overall housing targets are resulting a significantly lower overall housing delivery target compared to that which would be applied through the Standard Method, the emerging Local Plan target for Affordable Housing will also significantly under estimate Affordable Housing requirements compared to the need for such housing when assessed in accordance with the current NPPF Affordable Housing definition. This will impact adversely both on the least well off sections of our society for whom rented Affordable Housing is essential and on those with the aspiration to own their own home but unable to afford to do so on the open market.
- 1.21 It can be noted that the need for the Council’s evidence base (which also applies across the East Herts, Uttlesford and Harlow local authority areas) to be updated has been acknowledged by neighbouring East Hertfordshire where the Council Executive have recently (22/11/2022) approved to put a ‘2022 Affordable Housing Update’ (also by Opinion Research Services) to the Council for approval for use during Development Control decisions etc. This suggests an increase in annual need for Affordable Housing in that area.
- 1.22 The Committee Report to the Executive states that:

*“In 2017, Opinion Research Services (ORS) were commissioned by East Herts, Epping Forest, Harlow and Uttlesford Councils to carry out an affordable housing need update in the Eastern Hertfordshire and West Essex area. This update identified a need for 3,800 affordable homes in East Herts over the period 2016 to 2033, or 224 per year.*

*Since 2017, new information has been released which can be used to inform affordable housing needs projections. The definition of affordable housing in the National Planning Policy Framework (NPPF) was also changed in 2019, with a specific emphasis now placed on affordable home ownership. This change was retained in the NPPF 2021, with further guidance to reflect the need to consider First Homes added to Planning Practice Guidance (PPG) in May 2021. In addition, it has*

been made clear in the PPG that any assessment of affordable housing need must also now consider those households who would like to own but are unable to do so, that is, those that 'aspire' to own their own home, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs."

(paragraphs 2.2 to 2.3 – see Appendix 2)

- 1.23 In paragraphs 3.1 to 3.4 the report it is explained that the changes set out above necessitated the update of the evidence base and resulted in an increase in Affordable Housing need from 224 Affordable Homes per annum to 315 per annum – the increase is explained in paragraph 3.4 as being *'almost entirely due to the period to address the backlog of need being shorter and the new requirement to take account of the needs of those aspiring to own their own home within the affordable housing need calculation'*.
- 1.24 This is a c.41% increase in the annual Affordable Housing need in East Herts – if the same level of increase applies in Epping Forest the 2017 SHMA Update 167 per annum Affordable Housing need becomes a need for c.236 homes. Whilst it cannot be concluded that the same level of increase applies in Epping Forest as in East Herts it strongly supports that the Epping Forest evidence base is no longer fit for purpose in terms of the level of Affordable Housing need, which is likely to be significantly underestimated.
- 1.25 In summary,
- past low levels of overall housing supply in Epping Forest have also adversely impacted on Affordable Housing supply resulting in a 562 shortfall in Affordable Housing supply over the five years 2017/18 to 2021/22.
  - A 562 existing shortfall added to a future requirement for 835 Affordable Homes 2022/23 to 2026/27 against a planned Affordable Housing supply based on the Council's assessment of overall housing land supply ("HLS") will result in a 99 home Affordable Housing shortfall by 2026/27.
  - Against a planned Affordable Housing supply based on Emery Planning's assessment of overall housing land supply ("HLS") the will result in a 779 home Affordable Housing shortfall by 2026/27.

The above is summarised in the table below:



	Period	Affordable Housing	
		Supply	Need
	2017/18 to 2021/22	273	835
Council's HLS	2022/23 to 2026/27	1298	835
Emery Planning HLS	2022/23 to 2026/27	618	835

	Period	Total Supply	Total Need	Shortfall in Provision by 2026/27
Council's HLS	2017/16 to 2026/27	1571	1670	-99
Emery Planning HLS	2017/16 to 2026/27	891	1670	-779

- Low past levels in overall housing supply call into question the realistic possibility of the Council achieving the level of housing land supply that they are suggesting; they propose to move from a 275 per annum supply position to a 649 per annum supply position to a 980 per annum supply position over the next 11 years. Notwithstanding the current economic climate, the likelihood of achieving this uptick in overall housing delivery seems extremely unlikely in the context of the past extremely poor performance. Any under delivery will adversely impact on the supply of Affordable Housing.
- The emerging Local Plan target for Affordable Housing / the 2017 SHMA Update annual Affordable Housing need for 167 homes will significantly under estimate Affordable Housing requirements compared to the need for such housing when assessed in accordance with the current NPPF Affordable Housing definition (which includes households able to afford to rent privately, aspiring to purchase but unable to afford to do so on the open market).
- The need for the underpinning evidence base to be updated is acknowledged in neighbouring East Herts (also covered by the same SHMA), where an updated position prepared by the same author results in a c.41% increase in the annual Affordable Housing need in that location.
- The under provision of Affordable Housing will impact adversely both on the least well off sections of our society for whom rented Affordable Housing is essential and on those with the aspiration to own their own home but unable to afford to do so on the

open market; the latter is highly relevant given that only a tiny provision of homes for Affordable Home Ownership – just c.6 per annum – have been provided over the past 5 years (29 in total). The Affordable Housing targets in the emerging Local Plan should be increased as suggested through the response to the MMs (MM: 5 Stakeholder ID: MMLAD0004 Respondent: Antony Aspbury, page 5, Document ED134, October 2021).



## 2 Appendices

### Appendix 1 – Live Table 1011c

Region name	(All)								
District name	(All)								
Metropolitan name	(All)								
LA name	Epping Forest								
LA name 202122	(All)								
Type	(All)								
Please select the geography you require from the drop down menu. - LA name = local authority borders at the time data was reported - LA name 202021 = 2020-21 local authority borders									
Please select whether you want NB, Acquisition or Unknown.									
Sum of Units	Column Labels								
Row Labels		2017-18	2018-19	2019-20		2020-21	2021-22	Grand Total	
▣ Affordable Rent		45	28	72		55	44	244	
Local Authority HE/GLA funded		17					15	32	
Local Authority other funding		28		9		30	29	96	
s106 nil grant			28	63		25		116	
▣ Shared Ownership		3	6	20				29	
Private Registered Provider HE/GLA funded				20				20	
s106 nil grant		3	6					9	
Grand Total		48	34	92		55	44	273	

**Appendix 2 – East Herts Council Report to Executive, 22 November 2022**

## **East Herts Council Report**

### **Executive**

**Date of meeting:** 22 November 2022

**Report by:** Councillor Peter Boylan, Executive Member for Neighbourhoods

**Report title:** Affordable Housing Needs Assessment Update 2022

**Ward(s) affected:** All

### **Summary**

The East Herts District Plan 2018 encourages developers to discuss with the council the appropriate mix of house size, type and tenure to be provided in any new housing development. This is a key means of delivering the council's Housing Strategy 2022 – 2027. To inform discussion with developers, officers need to draw on up-to-date housing need data.

To maintain a current understanding of affordable housing requirements, an Affordable Housing Needs Assessment Update for East Herts was completed in May 2022 by an independent consultancy. This paper seeks approval for officers to incorporate the findings into negotiations with developers and updates of any planning guidance or documentation.

### **RECOMMENDATION FOR EXECUTIVE:**

- (a) That the Affordable Housing Needs Assessment Update 2022 be endorsed and recommended to Council to form part of the evidence base to inform Development Management decisions and support the East Herts**

## **District Plan 2018 and any future reviews and revisions to it.**

### **1.0 Proposal**

- 1.1 An Affordable Housing Needs Assessment Update has been prepared by consultants, Opinion Research Services (ORS), to provide up to date information on affordable housing need in East Herts.
- 1.2 This report outlines the assessment and seeks members' endorsement to recommend to Council that it be used to inform future corporate strategies, including any review of the East Herts District Plan and any relevant supplementary planning documents, along with discussions with applicants seeking planning permission for residential development.

### **2.0 Background**

- 2.1 Opinion Research Services (ORS) were first commissioned by the local authorities of West Essex (Epping Forest, Harlow and Uttlesford) and East Hertfordshire in 2015 to undertake a Strategic Housing Market Assessment (SHMA) to identify the functional housing market area and establish the Objectively Assessed Need for housing – both market and affordable housing.
- 2.2 In 2017, Opinion Research Services (ORS) were commissioned by East Herts, Epping Forest, Harlow and Uttlesford Councils to carry out an affordable housing need update in the Eastern Hertfordshire and West Essex area. This update identified a need for 3,800 affordable homes in East Herts over the period 2016 to 2033, or 224 per year.
- 2.3 Since 2017, new information has been released which can be used to inform affordable housing needs projections. The

definition of affordable housing in the National Planning Policy Framework (NPPF) was also changed in 2019, with a specific emphasis now placed on affordable home ownership. This change was retained in the NPPF 2021, with further guidance to reflect the need to consider First Homes added to Planning Practice Guidance (PPG) in May 2021. In addition, it has been made clear in the PPG that any assessment of affordable housing need must also now consider those households who would like to own but are unable to do so, that is, those that 'aspire' to own their own home, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs.

### **3.0 Reasons**

- 3.1 Given the changes outlined in paragraph 2.3, officers considered it necessary to update the assessment of affordable housing needs for East Herts. ORS were commissioned to carry out this update.
- 3.2 Between April 2017 and March 2022 a total of 970 affordable homes were completed in East Herts – 600 for affordable rent and 370 for shared ownership. The 2022 update has taken this delivery into account and now provides estimates for the remainder of the District Plan period to 2033.
- 3.3 The 2022 update provides, for the first time, affordable housing need figures at the sub-district level to take account of need and the varying pattern of new build across the district in recent years. These sub-district needs projections will allow officers to provide more detailed advice to developers.

- 3.4 Overall, the 2022 update identifies a need for a total of 3,784 affordable dwellings over the period 2021-2033, or 315 per year. This represents a rise when compared with the Affordable Housing Update 2017 which showed a need for 224 affordable dwellings per year. This growth, however, is almost entirely due to the period to address the backlog of need being shorter and the new requirement to take account of the needs of those aspiring to own their own home within the affordable housing need calculation.
- 3.5 The main findings of the Affordable Housing Needs Assessment Update 2022 are presented in **Appendix A**.

#### **4.0 Options**

- 4.1 Not to use the research findings: NOT RECOMMENDED. Opinion Research Services have produced a comprehensive and in-depth report on affordable housing needs in East Herts using a wide range of sources. The research findings will play a useful role in contributing to corporate strategies and will assist officers when commenting on planning applications which include affordable housing.

#### **5.0 Risks**

- 5.1 The Affordable Housing Needs Assessment Update is intended to provide information and guidance to partners and stakeholders, rather than specific contractual or legal obligations. Within this context, it would be a risk to not use the most up-to-date housing needs information, as this could lead to development of the wrong type of affordable housing which does not meet affordable housing needs.



## **6.0 Implications/Consultations**

- 6.1 The information contained within the Affordable Housing Needs Assessment Update was gathered from a prescribed set of desktop sources. No formal consultation has been undertaken as this is an evidence-based report. No consultation is required before using the findings as up-to-date evidence for commenting on planning applications that contain affordable housing

### **Community Safety**

No implications arising from this report.

### **Data Protection**

No implications arising from this report.

### **Equalities**

The research findings support Strategic Priority 1 of the East Herts Council Housing Strategy: Deliver Affordable Homes. Demographic information for East Herts indicates that the people in the following protected characteristic groups are highly represented among households in housing need. They would be more positively impacted by an increased supply of affordable housing of the most appropriate sizes and in the most appropriate locations:

- age – a high percentage of younger households, with a household head aged between 18 and 44
- pregnancy and maternity – a high percentage of households with children, especially those headed by a lone parent.
- gender – a high percentage of households headed by females
- marriage and civil partnership – a high percentage of households headed by a single person and by a lone parent

- disability and health – a comparatively high percentage of households in housing need have poor health and/or a form of disability.

## **Environmental Sustainability**

None. Any affordable housing proposals with environmental implications for the council would be subject to member decisions at the time.

## **Financial**

There are no issues in from the research findings which obliges the council to expend revenue or capital resources. Any future housing proposals with financial implications for the council would be subject to member decisions at the time.

## **Health and Safety**

No implications arising from this report.

## **Human Resources**

No implications arising from this report.

## **Human Rights**

No implications arising from this report.

## **Legal**

Although there is no statutory obligation for local authorities to produce an Affordable Housing Needs Assessment Update, the information in the assessment will provide advice and guidance for devising new housing- and planning-related strategies and will enable the provision of well-informed comments on planning applications containing affordable housing.

## **Specific Wards**

No implications arising from this report.

## **7.0 Background papers, appendices and other relevant material**

- 7.1 **Appendix A:** Affordable Housing Assessment Update 2022 –  
Summary of Main Findings.

### **Contact Member**

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