

Sent by email to: planningpolicy@uttlesford.gov.uk

04/09/2017

Dear Sir/ Madam

Response by the House Builders Federation to the Uttlesford Regulation 18 Local Plan

Thank you for consulting the Home Builders Federation (HBF) on the Uttlesford 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.

Duty to Co-operate

From the evidence provided it would appear that the Council has co-operated with its neighbouring authorities and statutory bodies on the key strategic and cross boundary issues and have mechanisms in place to support such co-operation in future. The only aspect of co-operation we have some concerns over is with regard to the policy mechanisms should any one authority in the HMA not be able to meet their housing needs. Whilst we recognise that each authority has said they will meet their own needs we are concerned that Epping Forest BC (EFBC) may struggle to plan for the necessary homes within the agreed plan period for HMA. It will take a significant increase in development with EFBC to delivery over 500 dwellings per annum (dpa) which is made even more difficult given the significant backlog in homes they face. We estimate that their back log against their objectively assessed housing need (OAHN) is just over 1,800 homes which if their current trajectory is maintained will rise to nearly 4000 homes by 2021.

Whilst we recognise that EFBC are still in the process of preparing a new Plan it would be prudent for those authorities in the West Essex and East Hertfordshire HMA to set out in their Local Plans the necessary contingency measures should one authority be unable to meet their own needs within the Plan period. For example, in the Oxfordshire HMA a review trigger was included in Local Plans with regard to the unmet needs arising from Oxford City. A similar trigger may need to be considered by the authorities in this HMA.

Finally, we would also suggest that the Council clearly outlines the distribution on housing needs across the HMA and how this need was apportioned. It is unclear from both the 2015 and 2017 SHMA as to how the Council's arrived at the apportionment

between each authority. By setting out needs in full for the HMA and then delivery expectations for each authority allows more effective monitoring of delivery across the HMA and, where necessary, for consideration to be given to addressing any failures to meet needs. Therefore, whilst there has been co-operation in considering housing needs across the HMA the Councils need to further align their plans to provide greater certainty they will work together in meeting housing needs.

Housing Needs

As we stated in our representations to other authorities in the West Essex and East Hertfordshire HMA we have considerable concerns regarding the approach taken in assessing housing needs in the 2015 SHMA. Whilst this report has since been updated to take account of the most up to date information our concerns regarding the approach to assessing housing needs remain.

Our particular issue with the SHMA is its argument that a ten-year trend in relation to migration provides a more accurate projection than the 5-year trend used by ONS in the Sub National Population Projections. The SHMA considers that these projections to provide a significant over estimation of housing need when translated into the DCLG Household Projections that is not supported by past trends in migration. However, Planning Practice Guidance PPG is clear that the household projections published by DCLG are the starting point for assessing housing needs, that they are statistically robust and that any changes must be clearly explained and justified. We do not believe that the SHMA provides the necessary justification to reduce the demographic starting point of housing needs by such a significant margin.

Demographic starting point

The key justification for using alternative assumptions on migration are that they provide a less volatile assessment of past trends and as such provide a more accurate assessment of future trends. THE SHMA argues that a five-year rolling average shows significant volatility and as such cannot be relied upon to provide an accurate assessment. In particular it is considered that a recent spike in migration leads to future needs being over estimated. We don't dispute that in some circumstances a longer-term trend can provide more realistic projection where there is considerable volatility in migration trends. However, they can also include periods of unexpectedly lower levels of population growth and migration that are no longer relevant and can be slower to address change in population.

There does not appear to be any other argument except that a 10-year trend is potentially less volatile than the five-year trend and that in turn the five-year trend over estimates housing needs. However, one could also state that the five-year trend considers the most up to date trends without being affected by past trends that are unlikely to be repeated. In this scenario, the SHMA would lead to a significant under assessment of housing needs adding to the current housing crisis rather than addressing it. Given that supply in London continues to be well below the GLAs assessments of housing needs and the HMAs strong links to the Capital there is

evidence to suggest that recent trends are likely to continue. As such there is little justification in using the ten-year trend based on the evidence provided.

However, what is evident is that the adjusted figures set out in the SHMA provide significantly lower projections than any other source. The 2017 update to the SHMA considers the latest projections provided by the GLA as well as the 2014 based and 2012 based projections in figures 2 and 3. It is clear that the SHMA's projections are significantly below any of these, even the GLA's central projection which uses a 10-year trend as proposed in the SHMA. As such the proposal to reduce the demographic starting point when assessing housing needs is flawed and unjustified. The Council and its partners in the HMA should use the 2014 Household projections as they are published as the starting point and not modify these projections on the basis of a 10-year migration trend. We would also recommend that the approach taken to the use of a ten-year trend is specifically raised with those authorities neighbouring the HMA. The impact of this approach could place additional needs on those authorities in future due to under delivery against needs in the W Essex and E Herts HMA.

Market signals

We would agree with the 2017 SHMA that the market signals for the HMA indicate that there are considerable pressures in terms of affordability, price and past under supply of housing and the conclusion reached in the original SHMA that a 20% uplift was correct. However, the SHMA then seeks to justify a much lower uplift on the basis that the 20% would not be reasonable as it would require a much smaller household size or a significant increase in net migration. By proposing an uplift of 6,200 homes (an uplift of 13.6%) the SHMA looks to set an OAHN that is more in line with the GLA 2016 household projections allowing for the increased migration expected in these projections. It is also argued that this allows for increased household formation amongst those aged under 35.

However, we would fundamentally disagree with this approach to considering market signals which seeks to limit any increase on the basis that migration could not be expected to increase significantly beyond level seen in the past. This does not provide any boost to housing delivery and fails to recognise that the significant failure by local authorities to allocate sufficient land to meet housing needs has suppressed both migration and household formation. The approach taken in the SHMA seeks to maintain existing patterns of migration and growth and will not address the problems faced in the housing market – one of past under provision. As Ludi Simpson and Neil MacDonald explained in an article for the TCPA in April 2015 when considering the DCLG 2012 projections:

“projecting forward based on past trends is, in effect, assuming that the factors which have caused those trends will continue to apply”

The market signals are indicators that show an area has failed to deliver sufficient new homes which has led to high housing costs, poor affordability and suppression in household formation. The market signals uplift should be applied at a reasonable level to make up for the past failings to deliver sufficient land for new residential

development. As outlined earlier the local planning authorities in this HMA have not delivered the homes needed for the area. It failed to meet its annual housing targets set out in RSS which has contributed to the concerns regarding the affordability of housing identified in the SHMA. However, it is only recently that the Council has looked to address these concerns and consider increasing housing supply.

To conclude on the Council's OAHN we judge the local adjustments to the demographic starting point to be unjustified and that inadequate consideration has been given to the market signals adjustments. We would recommend that the Council use the 2014 Household projections as the starting point and then apply at least a 20% uplift to take account of market signals.

Housing delivery

The Council are proposing that 40% of all new development, and 78% of dwellings from new applications, between 2016 and 2033 will come through the three Garden Communities. Whilst we support the allocation of these major sites for new housing we are concerned that this forms a sizable proportion of new development that will come forward later in the plan period. The development of these Garden Communities must not be seen as a reason for not allocating appropriate sites around existing sustainable communities. Such sites will deliver more quickly than those in the Garden Communities enabling the Council to secure a consistent supply of homes and maintain a strong supply of development land for new housing across the plan period.

The scale of these communities, and its supporting infrastructure, will take time to implement and the Council must not be optimistic in their delivery expectations. Even with an allocation in the Local Plan the scale of development proposed in the Garden Communities will still require considerable work prior to a planning permission being submitted and makes the Council assessment that two of these communities will deliver their first homes by 2021 unlikely. The Council must therefore ensure that it includes contingencies within the Plan to ensure that any delays in delivering the Garden Communities are compensated. This could be through further allocations of small sites across the Borough or through trigger points in policies that will require a further allocations due to delays in delivery on any of the three Garden Communities.

We are also concerned that no discount rate has been applied to the outstanding permissions. It is good practice to consider a likely lapse rate for these permissions of around 10%. This ensures that the Council's consideration of land supply remains robust by recognising that not all planning permissions will be commenced or built out as envisaged by the applicant or the Council.

Affordable Housing

At present, we do not consider the Council's viability assessments to be effective in supporting either its policy on affordable housing. The NPPF requires all local planning authorities to comprehensively test the viability of their plans considering all policies that would increase the cost of development. The current viability assessment supporting the local plan does not achieve this requirement as it fails to consider policy H10 on

Accessible Housing. This optional standard will increase the cost of providing each dwelling. In particular the highest standard, M4(3), will add a substantial additional cost that must be assessed as part of the viability study. As such we do not consider either policy H6 - Affordable Housing or H10 - Accessible and Adaptable Homes to be adequately justified.

We would also recommend that the Council sets out how many affordable homes it intends to deliver during the plan period. It would appear that the Council is seeking to deliver around 3,800 affordable homes but clarity on this figure would be beneficial to the effective monitoring and review of the plan.

Sustainable design and minimising carbon dioxide

The Government have been clear as to the extent the planning system should have in the delivery of additional technical building standards. Both the ministerial statement from July 2015 and paragraphs 56-001 to 56-023 in the PPG show that it is the Government's intention to deliver the vast majority of improvements in technical building standards through Building Regulations. As such there should be no requirement for applicants to demonstrate how they will meet Building Regulations or provide an Energy Assessment detailing the energy demands and carbon dioxide emissions as required by Part L of the Building Regulations. These regulations are legal standards to which all developers must accord and as such it is inappropriate and unnecessary to require any evidence on these matters when applying for planning permission.

Health Impact Assessments

We recognise the importance of ensuring new development supports the wider aims of local authorities and their partners to improve the health and well-being of their residents and workforce. However, the requirement for all residential applications of more than 50 units to undertake an Health Impact Assessment (HIA) is unnecessary and an additional burden on applicants. The PPG sets out that HIAs *"may be a useful tool to use where there is expected to be significant impacts"* but it also outlines the importance of the local plan in considering the wider health issues in an area and ensuring policies respond to these. As such Local Plans should already have considered the impact of development on the health and well-being of their communities and set out policies to address any concerns. As such where a development is in line with policies in the local plan an HIA should not be necessary. Only where there is a departure from the plan should the Council consider requiring an HIA.

We trust that these issues will be considered carefully by the Council and look forward to further consultation on the next iteration of the Local Plan. I would also like to be placed on your consultee database and receive updates on any further consultations with regard to the emerging Local Plan.

Yours faithfully

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