

BROXBOURNE LOCAL PLAN EXAMINATION

Matter 3: Housing Needs and Land Supply

Issue 3.1 Need for housing development

Q19: In establishing the objectively assessed need for housing in the Borough, has appropriate consideration been given, and where necessary adjustments made, to the 2014-based DCLG household projections to take account of:

a) more recent demographic evidence, including Office for National Statistics (“ONS”) population estimates;

The recently published ONS sub national population projections are the most up to date estimates of population growth at a borough and district level. However, these have not yet been translated into forecasts of household growth. In taking forward this work it is not yet known the degree to which the ONS will adjust headship rates to reflect the latest evidence and as such we would caution against their use at this stage.

b) migration levels potentially being different to those in the past, for example due to realistic but aspirational assumptions about future economic and employment growth and the objective of minimising unsustainable commuting patterns;

No comment

c) household formation rates potentially being different to those in the past;

It is important for any assessment of needs to consider whether household formations rates have been suppressed due to past under delivery and as such we would support the proposed uplift in the SHMA of 25 units in recognition of suppressed household formation.

d) market signals, including (i) land prices, (ii) house prices, (iii) rents, (iv) affordability, (v) rates of development, and (vi) overcrowding;

When considering market signals adjustments, it is important to consider what paragraph 2a-020 of PPG actually requires of the Council:

“... plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.”

Therefore, worsening in any of these signals will require the Council to ensure that any uplift made to OAN will result in a level of housing need that could be expected to improve affordability. The key question that the Council should be considering is whether a 10% uplift for market signals would lead to an improvement in affordability given the scale of the affordability concerns being faced.

A key indicator in examining affordability have been affordability ratios. They were used by the Local Plan Expert Group in their recommendations to government, recommendations which have evidently been taken on board given their use in the standard methodology. The latest evidence on affordability ratios were published earlier this year and show that the worsening of affordability in Broxbourne has continued. Between 2016 and 2017 the lower quartile income to house price ratio increased from 11.73 to 12.18 which is part of trend that has seen the ratio increase by almost 50% since 2013 and by 117% since 2000.

The worsening affordability ratio between 2013 and 2017 was also the second worst in percentage terms for Hertfordshire and the fourth highest absolute increase in this ratio. Only Watford saw a higher percentage growth in its affordability ratio. Given that both these authorities have been relatively affordable compared to their neighbouring Hertfordshire authorities this should be a significant concern. It would appear that these two authorities are closing the gap with regard to affordability and as such a 10% adjustment is not considered to be sufficient on the basis of this key indicator. It is also part of county wide underestimation of the scale of uplift required to address this poor affordability in Hertfordshire. Recommended uplifts have been relatively modest and without a collective effort to boost housing supply as required by Government affordability will continue to worsen.

When considering what an appropriate uplift should be we identified in our regulation 19 representations a number of authorities where uplifts or more than 10% have been applied. Braintree and Cheltenham have both proposed uplifts of 15% and 20% respectively where affordability ratios are of a similar scale¹ to those found in Broxbourne. 10% has been applied in Forest of Dean and Eastleigh where affordability indicators significantly lower 8.12 and 10.15 respectively. However, whilst such comparisons have been helpful due to the lack of guidance published by Government on this matter we now know that such uplifts were not considered to be sufficient by Government to meet their aims of delivering 300,000 new home per annum from 2020, a level of delivery they consider to be sufficient to improve affordability.

In order to achieve this, aim the Government have set out in the draft National Planning Policy Framework its intention to introduce the standard methodology as a direct response to the inconsistent approach taken to the application of market signals. Whilst the standard methodology cannot be considered as part of this examination the Government's decision shows that it did not consider the approaches being taken since the introduction of the NPPF and PPG, in 2012 and 2014 respectively, to be sufficient to meet its expectations. In particular it gives a clear indication that in the areas where affordability is worst then uplifts should have been much higher.

¹ Braintree 11.33 Chelmsford 12.44

Given this position we do not consider 10% to be a sufficient uplift and that an OAN of 454 homes per annum will be sufficient to improve affordability. We would suggest that the worsening position faced by Broxbourne requires an uplift of at least 25% and an OAN of 516 dpa.

e) the needs of particular groups, including those that would live in (i) residential institutions and care homes (Use Class C2); (ii) sheltered housing; (iii) purpose-built student accommodation; and (iv) houses in multiple occupation (Use Class C4);

No comment

f) ONS' unattributable population change (UPC);

No comment

g) the expected number of vacant and second homes in the Borough; and

No comment

h) any other relevant factors.

No comment

20. Based on your answers above, what do you consider the objectively assessed need for housing in the Borough to be for the period 2016-2033.

We consider the OAN for Broxbourne to be unsound as the market signals uplift of 10% is unjustified. In order to make the plan sound a 25% market signals adjustment should be applied to the demographic projections adjusted for vacancies, second homes and the suppression of household formation.

Issue 3.2 Housing requirements 2016-2033

In order to determine a housing requirement for the Borough, to what extent (if any) should the objectively assessed need figure be adjusted to take account of:

a) unmet needs from outside the Plan area;

Whilst the Council considers itself to be its own HMA this would seem to be on a purely pragmatic basis due to the fact that it had limited partners. There are clear links between Broxbourne and its neighbouring authorities and given its location could form part of a number of "potential" HMAs. In deed the complexity of the commuting and migratory relationships between London and those areas adjoining the capital mean that in reality they form part of a wider London HMA with separate HMAs being subsidiary. With regard to whether there are unmet needs this will largely depend on the outcomes of the examination into the London Plan, Welwyn Hatfield Local Plan and the Epping Forest Local Plan. The outcome of any of these could lead to their being unmet needs within

authorities adjoining Broxbourne. In particular there is likely to be unmet needs arising in the Welwyn Hatfield Local Plan. The Plan that is currently being examined delivered 1,433 homes fewer than their objective assessment of need. Whilst the inspector has asked the Council to reconsider their Green Belt evidence there may still be unmet needs arising from Welwyn Hatfield. Agreement has been reached by both Council's that they cannot support each other at this stage but they have agreed to work together in future to find appropriate solutions. As outlined in our Matter 1 statement we consider that this work should have been taken forward as part of this plan to meet needs now and not put off until a future plan. The Council should have engaged further with Welwyn Hatfield on this issue and consider whether there is capacity within Broxbourne to provide additional homes to address some of the unmet needs of Welwyn Hatfield.

b) whether an increase in the overall housing requirement would be likely to help deliver more affordable homes;

PPG sets out in paragraph 2a-029 that *“An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes”* and as such it is important to ensure that if a higher housing requirement would support improved delivery then that should be strongly considered. The Council consider that their annual need for affordable housing across the plan period will be 291 dwellings per annum. This is 64% of the overall housing target and given the Council's affordable housing policy is proposing to push the margins of viability at 40% this will still not address this considerable problem. Even if affordability thresholds were set at 40%² this will still constitute the need for 51% of all homes built to be provided as an affordable dwelling.

This would suggest that a higher housing target must be considered appropriate. If the Council were to provide a more appropriate uplift in response to market signals, then the Council would be making an improved contribution to its affordable housing needs. Whilst it would still not meet all of the Council's needs it would help in addressing a very real concern. We would also consider the delivery of affordable homes within the Borough would constitute an exceptional circumstance required to justify an amendment to the Green Belt boundary.

c) environmental constraints; and/or

Whilst there are environmental constraints that will restrict where development in the Borough could be accommodated we do not consider that these should mean that housing needs are not met. It must also be remembered that when considering amendments to Green belt boundaries that this is a policy designation and not an environmental constraint. Where there are the necessary exceptional circumstances to support the amendment of Green Belt boundaries then national policy is clear that this can be undertaken through the plan making process.

d) any other relevant factors.

² This would result in an annual requirement of r affordable homes of 232 dpa.

No comment

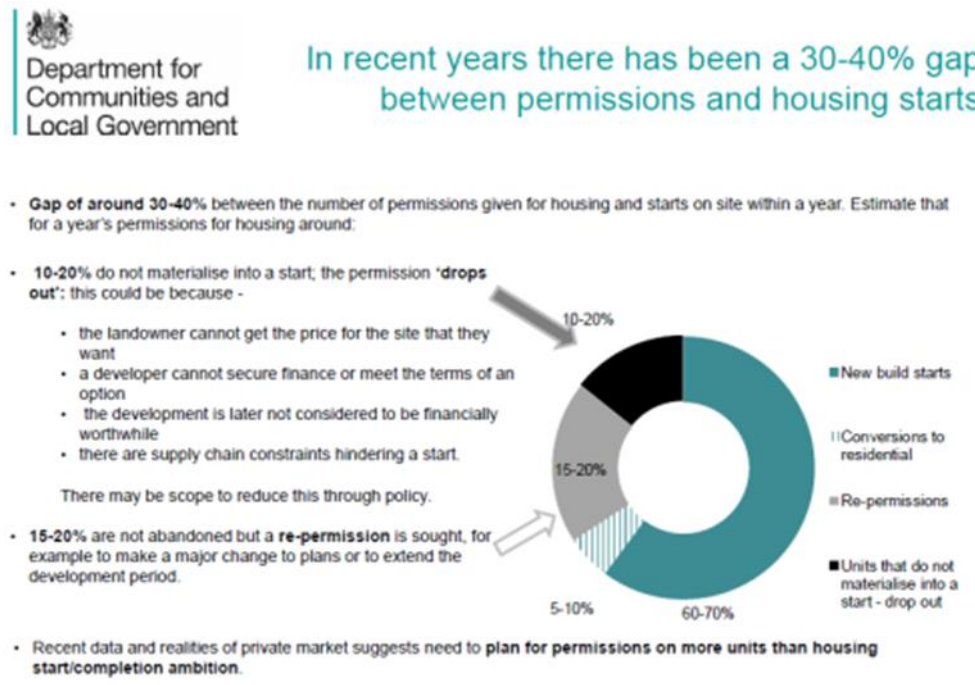
Issue 3.3: Five Year Housing Requirement 2017-2022

23. (a) In calculating the five year requirement at 1 April 2017 (and in subsequent years), should the appropriate buffer be applied to any shortfall in delivery since the beginning of the Plan period as well as to the base requirement of 454 dwellings per year? (b) If so, what would the five year requirement be at 1 April 2017?

Any shortfall brought forward from earlier in the plan period forms part of the housing requirement in future years and as such the required buffer should be applied to the base requirement including backlog. On the basis of the Council's supply trajectory we would consider there to be a 5.28 years housing land supply. This is a marginal level of supply that provide minimal room for error.

Issue 3.4: Housing Land Supply

Whilst the HBF does not comment on individual sites allocated Local Plans and their deliverability we are concerned that the plan does not have sufficient flexibility within its land supply. The Council have identified that there is a 6% over supply factored into the Council's housing trajectory. Whilst we welcome the fact the Council have looked to have some flexibility 6% may not be sufficient. These concerns have been highlighted by DCLG in a presentation to the HBF Planning Conference in September 2015.



This slide illustrates that work by the Government suggests 10-20% of residential development with permission will not be implemented and that there is a 15-20% lapse rate on permissions. This does not mean to such sites will not come forward but that delays in delivery, changing ownership or financial considerations can lead to sites not

coming forward as expected. For this reason DCLG emphasised in this slide “*the need to plan for permissions on more units than the housing start/completions ambition*”. We would suggest that the Council identifies sufficient sites to provide a buffer of at least 15% to provide the necessary flexibility, especially where there is a reliance on two major strategic sites that are expected to be delivered in full with what will be a relatively short time frame of 14 years if the plan is adopted in 2019. To offset any delays in the delivery of these, or indeed any, allocated sites a significant buffer is essential.

Issue 3.4E: Self-Build Sites

There is no justification for a separate allowance for self-build sites to be included in the trajectory separately to windfall sites. Self-build homes are not a separate form of housing supply, its only distinction from others houses is that it is not built by a developer. To make such a distinction will inevitably lead to double counting against the windfall assessment that have already been included as part of the housing trajectory.

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