

LIGHTWOOD STRATEGIC: MATTER 3 HEARING STATEMENT

NORTH ESSEX AUTHORITIES

Shared Strategic (Section 1) Plan

FURTHER HEARING SESSIONS

Matter 3 (Housing Need)

Tuesday 14th January 2020

Issue:

Since the Inspector's supplementary post-hearings letter to the NEAs, has there been a meaningful change in the situation regarding housing need in North Essex?

1. Is there evidence to demonstrate that there been a meaningful change since June 2018 in the situation regarding housing need in North Essex, particularly in respect of:

- a) published population and household projections?**
- b) the impact of UPC on population and household projections, especially in Tendring District?**
- c) market signals and affordability?**

2. If so, what are the implications for the assessment of housing need and for the housing requirements in the Section 1 Plan?

- 1) The 2016-based household projections were published in September 2018. On 20 February 2019 the Government updated the Planning Practice Guidance (PPG) to advise the use of 2014-based household projections when using the standard method for calculating local housing need. However, as a transitional plan being examined against the 2012 NPPF, the housing requirement in the Part 1 Plan is not derived from the standard method. As such, an up to date assessment of housing need is required, based on several inputs, in accordance with the policy framework appropriate for transitional plans.
- 2) There was no technical consultation SHMA update report to comment on, hence no representations have been made on the up-to-date housing need situation. This hearing statement is the first opportunity to do so. That participants have had 3 weeks and not 6 weeks to comment is something of a deficiency in the consultation arrangements. Really, the SHMA needed an addendum consultation report upon which representations could be made, with an opportunity for hearing statements to follow. However, we respect the fact that the Inspector has clearly identified the fundamental points that are of interest without the benefit of representations.
- 3) Our comments on housing needs are relevant not only to Matter 3 but also because they relate to the Sustainability Appraisal (Matter 8) and the residual requirement against the housing requirement for each LPA.

- 4) IED012 - Inspector's Section 1 Supplementary Post-hearing letter to NEAs 27 June 2018 needs to be recalled at the starting point for further analysis. For each LPA we briefly set out the conclusions in 2018 and an updated position. We suggest that it is for the NEA's to instruct a full addendum update the SHMA, and that is indeed what they may be doing for their first stage hearing statements.

Braintree

- 5) The findings for Braintree were to uplift the annualised 2014-based projections (2017-2037) by 15%, resulting in an OAN of 716dpa (an uplift from 623dpa) and an overall OAN of 14,320 over the 2013-2033 plan period. Appendix 6 of the Additional SA work identifies a shortfall of 800 homes against that requirement (see Matter 8, Q5) without any supply from GCs for Braintree.
- 6) If one now assesses the period 2017-2037, in the 2016-based household projections one finds an average annual increase for that 20-year period of 490, and the same figure is observable for 2018-2033. 490 per annum is now the starting point. Applying a 15% market signals uplift would generate a figure of 564 per annum, which is 152 homes fewer per annum than the figure of 716, which forms the current housing requirement. To get back up to 716 per annum a 46% market signals adjustment would be needed. To get back up to the 2014-based starting point of 623 a 27% market signals increase would be needed.
- 7) 564 per annum, as a demographic led requirement generates a 20-year housing requirement of 11,280 rather than 14,320 (3,040 fewer). The residual requirement specific to Braintree as referred to in the ASA of 800 disappears and a surplus is generated.
- 8) We acknowledge that the 2016 East of England Forecasting Model EEFM that was 'in-play' at the time of the 2016 SHMA update identified an 'upper' requirement of 702 homes per annum. The 2016 EEFM led housing need is now significantly above a 15% market signals uplift rather than a fraction below. Thus, the robustness of the EEFM gathers significance. Given the passing of time, we understand that the 2017 EEFM (dated 26-09-2018) is now the most up-to-date and supersedes that which informed the 2016 SHMA update. A 2019 SHMA update is needed to reflect the outputs, and the implications for Braintree, and the other LPAs
- 9) The current EEFM data for Braintree now shows a 'Demand for Dwellings' figure of 12,400 (620 per annum). The 2016 EEFM showed an increase in the 'Demand for Dwellings' for Braintree of 14,300 (716 per annum).
- 10) If the SHMA methodology is kept consistent then Braintree's OAN has reduced by 1,900. Thus, there is not a deficit of 800 (without GCs, as set out on Appendix 6 of the ASA) but a surplus of 1,100.

Colchester

- 11) The June 2018 findings for Colchester were to use the EEFM higher end dwellings outputs of 920dpa rather than the 2014-based projection of 866 per annum. No market signals adjustment was made. This generated 20-year housing requirement of 18,400. The ASA identifies a shortfall of 1,000 against this figure, if GC supply is removed.
- 12) The 2016 based household projections have increased to an average annual need for 890-910 per annum (2017-2037 and 2018-2033) but this is below the 2016 EEFM-led housing requirement, thus the latest projections imply that no change is needed to the housing requirement, against the 2016 EEFM baseline.
- 13) However, the latest 2017 EEFM data for Colchester increases the demand for dwellings to 22,500 (+3,100 on the housing requirement). If there was a shortfall of 1,000 against 18,400, without GC's then this increases to 4,100 if the 2017 EEFM is reliable.

Tendring

- 14) The situation for Tendring was the most complicated due to UPC. The 2014-based household projection for 2017-37 generates a figure of 750 per annum, which was found to contain UPC and thus was revised down to 480 per annum as the starting point. The 2016 EEFM gave a Demand for Housing Figure of 12,900 (645) and this was also thought to be too high due to UPC. A bespoke economic forecast settled on a jobs led figure of 550 dwellings per annum (or 11,000 for the 20 year plan period). Appendix 6 of the ASA shows that need and supply is in balance in Tendring without any contribution from GCs.
- 15) The 2016-based household projections generate a figure of 730 per annum and the latest EEFM generates a Demand for Housing Figure of 13,100 (no effective change).
- 16) We therefore conclude that there is no change to the situation for Tendring and the 550 per annum remains valid

Summary

- 17) Overall, as a result of the 2016-based projections and the latest EEFM. Braintree's needs are down by 1,900, Colchester's needs have increased by 3,100, and Tendring's have not changed. There is a net change of +1,400 geographically skewed towards Colchester
- 18) Without supply from GC's, Braintree had a deficit of 800, which is now a surplus of 1,100. Colchester had a deficit of 1,000, which is now a deficit of 4,100 and the situation in Tendring has not changed.