

Sent by email to: copseyandrea@gmail.com

10/10/2020

Dear Ms Copsey

Response by the Home Builders Federation to the consultation on the potential implications of the 2018-based household projections

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.

In answering the questions posed as to whether there has been a meaningful change in the housing situation, it is necessary to consider not only the latest household projections but also the context within which these plans are being examined – namely under the transitional arrangements as set out in the 2019 National Planning Policy Framework, and the Government's continued objective of delivering 300,000 homes per annum.

2018-based household projections

The main impact with regard to the 2018-based household projections (HHP) is with regard to the much-reduced level of household growth expected within Braintree in future. The scale of this reduction is set out both in your letter and in the Council's paper on this matter (NEA018a). However, as is outlined in NEA18a, there are a number of concerns with regard to the robustness of the principal projections within the 2018-based HHP. We share the concerns raised in the report and would agree that the principal projections cannot be relied on. We also share the reports concerns, as stated in paragraph 4.14 that the projections for Braintree are a "*self-fulfilling prophecy*". It is inevitable that in order for the level of migration expected in the 2014-based projections to actually occur the Council would have needed to plan for the required number of homes to meet needs.

However, this did not happen and, inevitably, the projections based on past trends show a substantial decline in migration and reduced growth rates in the number of households in Braintree. NEA018a suggests that the shortage of homes in Braintree was offset by a surplus of provision in Colchester but that such a situation cannot be relied on in future to counterbalance the reduction in Braintree's projections. We would



agree and in addition these past trends do not consider the shortfalls in housing provision within the capital that will need to be addressed elsewhere in the South East such as Braintree – an issue that is considered further below.

As such the housing situation has not changed as radically as is first suggested by the 2018-based projections since the proposed start date of the plan, it is clearly the failure to prepare a plan sufficiently swiftly to meet identified needs that has prevented much of the expected growth from occurring.

London's unmet housing needs

For some time now the HBF has been raising concerns regarding the ability of London to meet its own housing needs and the capital has consistently failed to meet its targets with regard to housing supply. As such we have asked LPAs across the East and the South East to either adjust their housing needs assessments to take account of likely increase in migration or include an increase in their housing requirements to take account of unmet needs in the capital. Whilst a few authorities, such as Ashford in Kent, have adjusted their OAN following consideration of the shortfalls in housing delivery in the capital the additional delivery remains woefully short of the growing number of additional homes required to address London's growing backlog of unmet housing needs.

The reason why the unmet needs of London has not been addressed by local plans in those areas with strong links to London was the consideration that London would consume its own smoke. It was expected that the new London Plan would address future needs and the back log of unmet needs by delivering over 60,000 homes per annum. However, following the examination of the London Plan it is now clear that this level of housing supply was not considered deliverable.

The examination report on new London Plan was published in October 2019 and outlines in paragraph 174 that the overestimation of the contribution of small sites reduces the supply of new homes from 65,000 to 52,000 homes per annum. This means that there is a shortfall of some 140,000 homes between 2018 and 2028 in the capital against its own assessment that the capital needs to deliver 66,000 homes each year across the plan period to meet future need and address the current backlog. However, there must also be a concern that the capital will struggle to meet the 52,000 homes identified in the examination report as being deliverable. London has consistently delivered fewer homes than it required with average delivery over the last five years of just under 33,000 additional dwellings¹ with the first year of the new London Plan delivering 36,000 new dwellings. Without a significant increase in delivery it is almost inevitable that the identified shortfalls will drive increased levels of out-migration from the capital to surrounding areas adding pressure in housing markets where affordability is already poor. One such area is Braintree which has had significant levels of positive net migration from the capital in recent years.

¹ Table 118 Annual net additional dwellings and components, England, and the regions (MHCLG)

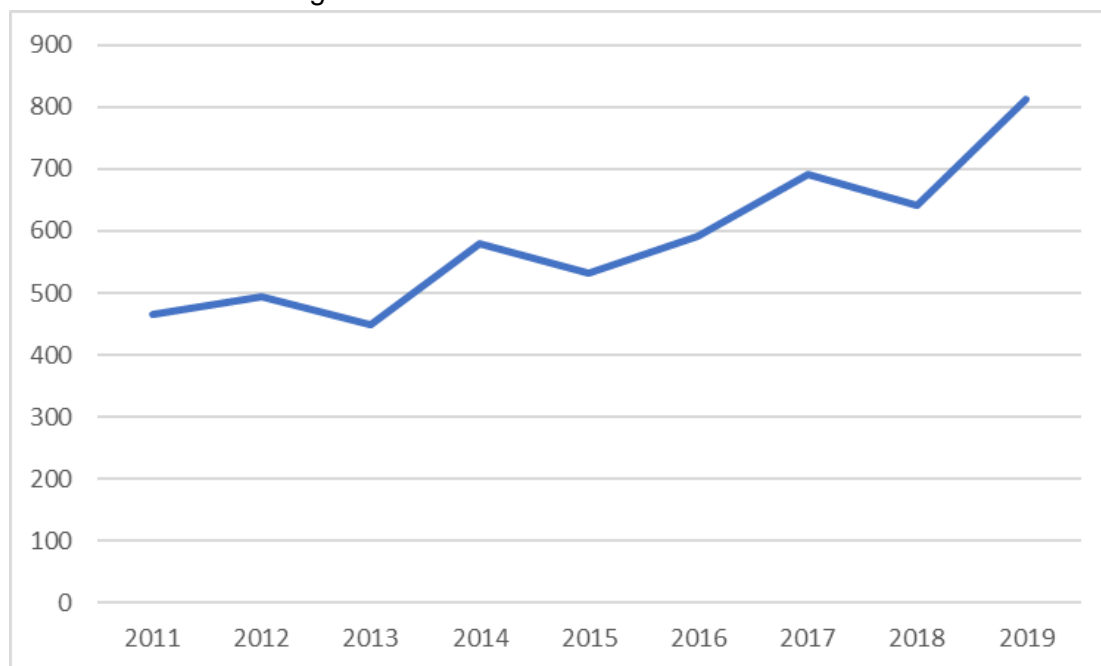
Table 1: Net Internal Migration

LPA	Net internal migration to Braintree 2011	Net Internal Migration to Braintree 2019
Basildon	77	137
Brentwood	57	102
Castle Point	25	40
Chelmsford	371	591
Colchester	-60	-125
Epping Forest	24	127
Harlow	54	88
Maldon	114	-17
Rochford	-17	12
Tendring	0	-113
Uttlesford	84	-1
London	465	811

Source: ONS Internal migration detailed estimates, HBF analysis

As can be seen in the table above positive net migration to Braintree from the capital was higher than from all the other Essex authorities and has increased substantially since 2011. Whilst, it must be noted that 2019 saw a sharp increase in net migration as the chart below shows, it must also be acknowledged that there is a clear upward trend of positive net migration from the capital to Braintree, a trend that is likely to continue if London cannot meet its own needs.

Chart 1: Net internal Migration Braintree and London



Source: ONS Internal migration detailed estimates, HBF analysis

The clear migratory patterns between London and Braintree indicate that any shortfalls in the capital could, and should, be addressed within Braintree. We would suggest that the substantial shortfall in supply within the capital is therefore an important consideration when assessing whether the housing situation has changed for Braintree and we consider that this is a further indication that the Council should not be looking to reduce its housing requirement.

Transitional period and national objectives

It is important to take account of the context within which this plan is being examined – namely under the transitional arrangements as set out in paragraph 214 of the 2019 NPPF when considering the HMAs housing situation. This transitional period was included in the NPPF to allow LPAs that had submitted plans, or were close to submission, to continue with their existing evidence base. The transitional period reflects the Government's desire for a plan led system and the drive to ensure all LPAs had local plans, and not require new evidence to be prepared which would inevitably slow the process for those caught between the changing policy framework. What the transitional period was not meant to lead to was a continued updating of the evidence of supporting local plans submitted prior to January 2019. It was, as outlined, meant to do the exact opposite – to ensure plans could come forward and be examined on the evidence as submitted. In particular it should not see submitted plans being amended were this would be inconsistent with the Government's restated ambition to boost housing supply² in order to deliver a minimum of 300,000 homes per year.

Indeed the continued reliance on the submitted evidence for transitional plans is supported in the November 2018 letter to Chief Planning Officers which states in its update on the use of the 2016-based household projections in the standard method that plans submitted on or before the 24 January 2019 can be based on existing assessments of housing need at the time of submission. This would suggest that the Government were not endorsing the use of the later household projections within transitional plans in the same way that they did not endorse their use in the current standard method. The Councils have, as required by PPG, considered the latest data but even where there has been a significant change it would be reasonable, in this instance, to continue with the housing requirement in the submitted local plan.

Conclusions

PPG states that local housing needs assessments should be informed by the latest available information and that meaningful change should be considered in this context. The household projections, whilst a principal element of such a consideration, are therefore not the only information that must be considered when assessing whether there has been a change in the housing situation. Consideration must also be given to the housing situation in other areas and the national context of boosting housing supply. What has not changed in the housing situation is the Government's long-

²Paragraph 6 'Changes to the current planning system' (MHCLG, 2020)

<https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

standing aim to deliver 300,000 homes per annum nor London's failure to meet its own needs.

Given that this is a plan that is being examined under the transitional arrangements and taking into account advice provided by MHCLG and the Government's continued goal of delivering 300,000 homes per year from the mid-2020s we do not consider that it is necessary to modify the housing requirement on the basis of the latest demographic projections.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

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