



North Essex Authorities Section 1 Local Plan

Examination Hearing Statement – Further Response

Matter 3 – Housing Requirement

Prepared by Strutt & Parker on behalf of Bloor Homes and City & Country

November 2019

Introduction and background

1. This Hearing Statement is made on behalf of Bloor Homes and City & Country.
2. It is made in response to the invitation to provide further comments on points raised within hearing statements submitted in respect of further examination hearing sessions on the North Essex Authorities (NEA) Section 1 Local Plan.
3. Additional hearing sessions are taking place in respect of the NEA Section 1 Local Plan examination following consultation on the NEA Suggested Amendments to the Publication Draft Section 1 (July 2019) ('the Proposed Modifications').
4. The Inspector has set out the Matters, Issues and Questions (MIQs) for these additional hearing sessions. Matter 3 of the MIQs concerns the proposed housing requirements in the NEA Section 1 Local Plan.
5. This Hearing Statement is primary focussed on the Hearing Statement submitted by the North Essex Authorities (NEA) in relation to Matter 3 ('the NEA Response').
6. In our view, the NEA Response fails to address a number of the issues in relation to the MIQs necessary to provide confidence that the proposed approach is soundly based. Our concerns our outlined in this response.

The NEA Response to Matter 3 Question 1

7. Question 1 of Matter 3 read as follows:

“Is there evidence to demonstrate that there been a meaningful change since June 2018 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?”*

NEA Response Summary

8. The NEA Response provides a summary which seeks to suggest there has been no meaningful change since June 2018 regarding housing need in North Essex.
9. We would refer to the wealth of evidence provided in respect of both our response to the Proposed Modifications and in our Hearing Statement on Matter 3 which confirms there has been change in relation to a number of indicators.
10. We consider the key issue to be what the consequences of these changes are for the Section 1 Local Plan – whether such changes render the currently proposed approach unsound. We are somewhat surprised that the NEA have sought to take the stance that there has been no meaningful change, rather than acknowledge the new evidence and seek to explain how this does not impact on the soundness of the proposed approach / propose main modifications to address these where necessary.

NEA Response to 1a)

11. The NEA Response acknowledges that the 2016-based subnational household (SNHP) projections are considered to understate the true scale of housing need (paragraph 3.1.4).

12. Given this, one may well have expected the 2016-based SNHP to suggest a lower increase in household growth for the NEA than the 2014-based SNHP used to inform the NEA Section 1 Local Plan.
13. Conversely, the 2016-based SNHP suggest a *greater* increase in household growth for Colchester, and for the NEA overall, than the 2014-based SNHP did. We are surprised the NEA Response did not seek to address the potential implications of this for the NEA Section 1 Local Plan housing requirements.

NEA Response to 1b)

14. As noted at paragraph 9 of our Matter 3 Hearing Statement, the NEA’s consultants previously suggested that Tendring’s housing requirement would be kept under review.
15. However, there is nothing with the NEA Response to suggest this has been the case.
16. Instead, the NEA appear to rely on the findings of Section 78 appeal decisions. Such an approach is wholly misplaced. Such appeal decisions were determined having regard to the existing and emerging Local Plans, with the weight to be attributed to the latter being a key point of debate. It was not the role of these Section 78 appeals to consider a sound housing requirement for the Section 1 Local Plan. Indeed, in the case of APP/P1560/W/16/3164169¹ and APP/P1560/W/18/3201067² cited by the Council, the Inspectors expressly confirmed this.
17. If the NEA have evidence to suggest UPC continues to distort official projections, we consider this must be presented as part of the Section 1 Local Plan examination.
18. In any case, even if the NEA are able to produce evidence that UPC continues to distort official projections, we cannot see how the NEA have addressed the separate issue of the wider impact on the region of reducing Tendring District’s housing

¹ Paragraph 9 of Decision Letter: “*It is not my place in determining a section 78 appeal to undertake a detailed assessment of housing requirements or supply. Such matters are best left for the Local Plan process. However, what follows is a broad assessment based upon the evidence before me at the time of my determination*”

² Paragraph 134 of the Decision Letter: “*The [housing] needs of the emerging strategy in the eLP are matters for the Local Plan Examination*”.

requirement to a number substantially below that suggested by official projections on housing provision. This despite the NEA having been alerted to this issue, including through our Proposed Modifications representations.

NEA Response to 1c)

19. The NEA Response suggests that the purpose of considering market signals is to determine if official projections are distorted by market imbalances, and suggests that the Objectively Assessed Housing Need Study (November 2016 update) (EB/018) (OAHNS (2016)) used market signal data from dates close to 2014 to reflect that the SNHP used being 2014-based.
20. The NEA Response appears to suggest it would have been inappropriate to use data from after 2014 stating (paragraph 3.1.15):
- “This new information has no bearing to the existing market signals analysis. The reason is that changes that occurred after 2014 cannot have distorted the 2014-based projection, because the projection does not take account of them.”*
21. However, it is incorrect to suggest that the OAHNS (2016) used data from dates close to 2014. The OAHNS (2016) uses data from after 2014 and clearly attempted to use the most recent data available at the time. Examples of where it has used data from later than 2014, when data from 2014 would have been available, include the following:
- 2015 affordability ratios (latest data cited in figures in Section 5 of the report).
 - 2016 Q1 mean house prices (e.g. Table 5.2 of the report)
 - ONS House Price Statistics for Small Areas – up until first quarter of 2016.
 - Average monthly market rents – May 2016 (VOA Private Market Rent Statistics).
22. Indeed, Table 5.2 of the OAHNS (2016) is introduced at paragraph 5.98 as follows:
- “The table below summarises market indicators for the **latest available dates**, comparing the four districts to national averages.”* [Emphasis added].
23. If it were the case that the OAHNS (2016) *should* have used 2014 market signal data to consider the extent of any uplifts required, then the OAHNS (2016) would have been very much flawed in this respect.

24. However, it is *not* the case that the OAHNS (2016) should have used data from dates close to 2014 to reflect the SNHP being 2014-based. Instead, it was entirely appropriate that it used the most recent data available at the time.
25. The NPPF (2012) is clear (paragraph 158) that Local Plans should be underpinned by up-to-date evidence.
26. Within the PPG³ on considering market signals in the calculation of objectively assessed need, there is nothing to suggest that the market signals data should not be the most up-to-date available. Similarly, there is nothing to suggest that the market signal data used should be close to the data on which the SNHP are based. The purpose of considering the market signals is to determine whether an uplift to the demographic starting point suggested by the official projections should be applied. Clearly in such circumstances the most up-to-date evidence should be used.
27. The appropriateness of using the most up-to-date market signals is perhaps best exemplified by the current approach under the NPPF 2019 and accompanying guidance. Whilst we appreciate the Section 1 Local Plan is not being examined in relation to the NPPF 2019, it is nevertheless relevant to note that it and its accompanying guidance's expressly require the *most recent* affordability ratios to be used in conjunction with the 2014-based SNHP in order to establish housing requirements. There is nothing to suggest that one should revert back to 2014 data on affordability.
28. In overview, the OAHNS (2016) appears to have used the most recent market signal data available to it at the time. It did not use data from 2014. We consider this approach was appropriate. However, given that market signals now suggest a greater uplift to the demographic starting point than previous evidence suggested is required, then it would be wholly illogical and inappropriate to ignore this and to instead rely on out-of-date data.

³ Paragraph: 019 Reference ID: 2a-019-20140306

The NEA Response to Matter 3 Question 2

29. The NEA Response to Question 2 is very brief and, in our view, dismissive of the issue and the Inspector's questions.
30. We consider it is important the NEA recognise current evidence which indicates the NEA Section 1 Local Plan housing requirements currently proposed are no longer soundly based, and look to take a positive and constructive approach to address this.
31. To simply try to suggest that there have not been meaningful changes when the evidence clearly suggests otherwise is, in our review, neither a feasible nor a helpful stance to take.