

Planning Policy Working Group 22 February 2017

OBJECTIVELY ASSESSED HOUSING NEED FOR UTTLESFORD - UPDATE

Purpose of this Paper

This Paper provides an update on the current position with the Objectively Assessed Housing Need (OAHN) for the Local Plan for Uttlesford and sets out the recommended way forward.

Housing White Paper

It was anticipated that specific further guidance would be given in the White Paper about the OAHN for local authorities. In the event no figures have been provided but there will be a consultation in the coming months on a standardised methodology. A separate report on this agenda provides an initial analysis of the Housing White Paper.

Background –The Strategic Housing Market Area (SHMA) and Objectively Assessed Housing Need (OAHN or OAN)

PPWG was briefed on the OAHN position at the meeting on 28 November 2016 when the following context was given:

Paragraph 47 of the National Planning Policy Framework (NPPF) states:- “To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period.”

Strategic housing market areas do not generally fit local authority boundaries neatly. This is because they are based on demographics, travel to work patterns etc. Generally, there is more than one SHMA in each local authority area. The agreed SHMA is that which is the “best fit” for the Council. In Uttlesford’s case it is the West Essex and East Herts SHMA, loosely centred on Harlow. Significant parts of north Uttlesford fall within the Cambridge HMA. However, to assess OAN only one SHMA is used as a basis. The other SHMA authorities are East Herts, Epping Forest and Harlow.

The process for reaching an OAHN figure for the SHMA is extremely complicated. **The starting point is the CLG population projections derived from the Sub National Housing Population Projections produced by the Office of National Statistics (ONS) and Government advice in the Planning Practice Guidance is that these figures should form the baseline for calculating projections.**

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

The household projections are produced by applying projected household representative rates to the population projections published by the Office of National Statistics.

Planning Practice Guidance March 2014

The population projections are then adjusted for local circumstances which include factors such as house price affordability, commuting patterns, economic activity levels, age profiles etc. This adjusted figure is the Objectively Assessed Housing Need for the SHMA. This is frequently referred to as the “policy off” figure because the actual housing numbers that can be provided in a local plan may be higher or lower depending on local circumstances. (Please refer to the ORS presentation to PPWG of 27 January 2016 on the committee website for a fuller exposition).

Based on the 2012 population projections for the West Essex and East Herts SHMA this figure was 46,100 from 2011-2033. Taking into account district wide factors, the Uttlesford component of this figure was 12,500 dwellings. This is in the 2015 published SHMA report.

In July 2016 CLG published the new 2014 based population projections which showed an increase in the overall projected numbers. The SHMA authorities have modelled the 2014 projections on a ‘policy off’ basis (ie OAN for a SHMA and local authority areas purely based on population statistics, demographics, household formation rates, migration, market signals etc.). The 2014 projections set the need (2011 – 2033) at 54,600 new homes rather than 46,100 new homes with the 2012 projections. **Uttlesford’s component of the 54,600 figure is 14,100 new homes.**

Distribution of OAN within the SHMA on 2012 Need

The SHMA authorities tested a range of potential distribution options taking into consideration the 2012 need with the support of the consultants, AECOM . Having undertaken a Sustainability Appraisal (September 2016).of the potential options the authorities agreed a preferred strategy of 51,000 new homes (2011- 2033) based on environmental capacity and infrastructure constraints (the “policy on” basis).

The SHMA authorities considered the distribution of 51,000 new homes across the individual authorities and proposed a preferred strategy based on what was considered sound planning reasons as shown in the following table:

| | Need identified – 2012 Projections | Preferred Distribution following AECOM study |
|----------------------|---|---|
| East Herts | 16,400 | 18,100 |
| Epping Forest | 11,300 | 11,400 |
| Harlow | 5,900 | 9,000 |
| Uttlesford | 12,500 | 12,500 |
| Total | 46,100 | 51,000 |

The differences in identified need and preferred distribution reflect the focus on Harlow as the preferred growth location. It is proposed that the eventual preferred distribution strategy will be delivered in line with a Memorandum of Understanding (MOU) signed by all four districts. This has been discussed at the Co-op Member Board.

OAHN within the SHMA on 2014 Need

The SHMA authorities then assessed the OAHN based on 2014 projection figures on a district basis and the current position is set out below.

| | Need identified – 2014 Projections | Housing numbers currently under consideration by each District |
|----------------------|---|---|
| East Herts | 19,400 | 18,100 |
| Epping Forest | 13,300 | 11,400 |
| Harlow | 7,800 | 9,000 |
| Uttlesford | 14,100 | 14,100 |
| Total | 54,600 | 52,600 |

East Herts and Epping Forest District Councils have recently concluded consultation exercises on their draft local plans (Regulation 19 and Regulation 18 respectively). Both authorities decided to include the housing figures based on the AECOM distribution strategy rather than the 2014 projections given their more advanced stage in preparing their local plans. It is clear that this approach will be tested through the Examination process.

At the Local Plan Inspector's Advisory Visit to Uttlesford on 1 November 2016 the Inspector, Simon Emerson, focussed on the figure of 12,500 new homes for the district (this figure is based on the agreed spatial distribution strategy for the entire SHMA) . **His informal advice was that the Council should be taking the higher 14,100 new homes figure** derived from 2014 Population Projections as a "policy off" starting point.

The Inspector at the Advisory Visit indicated that the AECOM work will be robustly challenged at the Examination and if it is to be relied on then the local authorities need to be confident that the work can be effectively defended. Michael Bedford QC (our Local Plan Counsel) has also advised that the AECOM work needs to be strengthened to make more explicit how the preferred spatial distribution was derived at. AECOM have been commissioned to explain the continuing relevance of the preferred distribution strategy (51,000 new homes) in the light of the 2014 projections.

Conclusion

In the light of the above it is considered that the most prudent course of action will be to continue to plan to take the 2014 OAHN figure which is 14,100 new homes for Uttlesford as the baseline for the spatial strategy. This will be subject to completion of the evidence base which will include the Sustainability Appraisal.

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17 February 2017