

2. EXECUTIVE SUMMARY AND KEY RECOMMENDATIONS

1.4 INTRODUCTION

This Study was commissioned by Uttlesford and Braintree District Councils in 2019. At that time the councils were planning four new Garden Communities and it was intended that an employment Study would be commissioned to sit alongside this Housing Study and together inform a new Development Plan Document. The situation is now different, and therefore the Study has a new dual purpose:

- To recommend strategic and operational changes that both councils can make in the short to medium term
- To recommend approaches to be applied when planning, determining and developing new communities and other strategic scale developments.

In this Study, the term strategic scale development refers to sites that will deliver more than 1,000 new homes. This is roughly the number of new homes required for a new primary school, and a development of this size would also be expected to provide other resources such as local shops and community centre. There is no upper limit for the size of a strategic scale development, but it is rare for any single development site to provide more than 10,000 homes, which is the size of a market town.

Strategic scale developments need to be designed to fit within the local context and may be built on the edge of an existing settlement or as a new community. Whatever the setting, it is important that there is a comprehensive plan for the whole site that covers housing, employment, community and connectivity, and other aspects such as character and addressing climate change, both within the site and in the wider area.

This Study has been informed by two Listening Events that were held in October 2019 and takes account of evidence provided the councils and others. Interviews were conducted with the promoters of North Uttlesford Garden Community, Easton Park and West of Braintree; and with the operators of Chesterford Research Park, Stansted Airport and Stansted Chamber of Commerce. We would like to thank everyone for sharing their views and exploring ideas so positively.

1.5 NEW HOMES

Housing is expensive in Braintree and Uttlesford, both to buy and rent. This picture is the same in surrounding areas, and therefore we have used some employee feedback from South Cambridgeshire to supplement the evidence and information about Braintree and Uttlesford. It is important that any strategy or policy for new homes should encompass the housing needs and preferences of everyone. We provide some examples of households and their preferred housing options in the Housing Need and Demand chapter. Many factors influence people's choices including age, income and whether the person or family want a short- or long-term accommodation option, and how flexible they might want tenure to be.

At the beginning of the housing ladder are households with low incomes who do not have suitable accommodation. The option for these households is generally an affordable, social or private rented home, perhaps financed in part or whole by Universal Credit. Most of these households will qualify for Affordable Housing in Braintree but may not meet the eligibility criteria for the Uttlesford Housing Register which has more restrictive rules. There is an ongoing need for Rented Affordable Housing, and this should be part of all new housing

schemes, unless there are sound reasons for a departure from policy. We suggest that the Councils encourage community-led housing schemes to come forward to provide Rented Affordable Housing as part of locally based solutions but anticipate that this will meet only an element of the overall need. As a stock-holding council, Uttlesford can play a significant part in the delivery of new Rented Affordable Housing. Both councils have enabling roles to play in working with housing associations and developers to bring forward new Rented Affordable Homes.

Those with higher incomes who are at the other end of the housing ladder are households who can afford to rent or buy a home paying open market prices. Many people opt to move into homeownership when their finances permit. They may purchase a home outright or with a mortgage funded through their income and with a deposit that they have raised. Often homeowners gradually move into larger homes as their income and family size grows, and then may opt to downsize as they age perhaps releasing equity to help their own children buy their first home. We recommend that diversity is encouraged in this sector: diversity of provider and design in order to provide greater choice to home buyers. We also advise that the councils play a stronger role in bringing forward custom and self-build housing including co-housing in order to meet identified demand and also to stimulate more diversity in new and existing communities.

There is considerable debate about whether more people would opt for long term market rented options if there was a better rental offer. We have been told that there is a shortage of market rented housing in Uttlesford, including for families and for single people who want to share with others. We therefore think that market rented accommodation should be part of the overall mix.

There is growing interest in Build to Rent which includes both apartments and family housing, funded by Institutional Investors, and with designs that particularly suit the rental market. Build to Rent provides more security than traditional private rented homes as the investors are looking for long term returns. Build to Rent housing can be an option for households with a wide range of incomes as schemes can include market rented and discount market rented homes, which is a form of Affordable Housing. It can meet both short- and long-term accommodation needs. We advise that the councils approach this sector either directly or with interested developers, in order to seriously test the market. It is likely that demand will be highest near the largest employment sites.

Between those who need Affordable Housing and those who can afford market housing are people on 'intermediate' incomes who do not have the need or vulnerability required for priority access to Social housing (such as dependent children, overcrowded housing, physical impairment or medical need). As with other income groups, there are a wide range of people in this category and they will have a range of housing preferences. Some would like a rented offer and may be interested in an intermediate rental product. Others will aspire to home ownership and be interested in shared ownership, equity share or Rent to Buy. This group might benefit most from a Local Living Rent. A Local Living Rent would be approximately 70% of the Average Market Rent and would be a policy change to be developed over time through discussion with Homes England, Government and housing providers. A Local Living Rent reduces the need for public subsidy through Housing Benefit and is affordable to everyone on average incomes. Affordable local rent levels allow people, to save for a deposit to buy into shared ownership or equity, if their circumstances permit and if they want to become homeowners. Shared ownership is the most common form of low-cost home ownership, and is accessible with deposit as low as £5,000. Equity share is an alternative and this has been a

very attractive option for all those who have taken advantage of the Government's Help to Buy Scheme. The study outlines a range of options, and we advise that the councils carefully encourage a wider range of intermediate housing options in order to test the market for new products and to better match the offer with people's diverse preferences.

People with specialist housing needs generally have low incomes and will access social rented options, but this is not always the case particularly with regard to retirement housing and housing with care options. Essex County Council is producing a new Housing Strategy that will include provision for people with specialist housing needs, and we recommend that the development of this Strategy is accompanied by engagement with these needs groups to better understand their housing preferences.

Accommodation for Gypsies and Travellers can be provided in different ways. Some opt for sites managed by the Local Authority or a Housing Association, and others would prefer to have the opportunity to buy land to privately own and manage their sites. Braintree and Uttlesford both have some additional need for Gypsy and Traveller provision, and we recommend that local Gypsies and Travellers are consulted on any proposals at an early stage.

1.6 HOUSING NEED AND DEMAND

There is much in common between Uttlesford and Braintree, however Braintree is a little poorer than Uttlesford across a range of socio-economic factors, including household income, educational attainment and health outcomes. Housing is expensive in both districts, with the cost of an average house being 10 times the average income in Braintree and 12 times the average income in Uttlesford.

In both districts, there is a need for Affordable Housing including rented homes. The market for shared ownership and intermediate housing products is smaller in Braintree, but this may not hold true in the future. In terms of affordable rented accommodation, the highest need in both districts is for homes with one or two bedrooms. The delivery of new homes, particularly the Affordable Housing, should be aligned to the delivery of community infrastructure, public transport and new jobs.

Reflecting the national picture, the number of older people is increasing in Braintree and Uttlesford. Many older people want to remain living in their own community, but some will choose to move into more suitable accommodation or to live near family members. Strategic sites can be good places for older people to live because new housing can be designed to be adaptable, and the wider environment will be designed so that it is easy to move around by foot, cycle or mobility scooter.

There is strong value in early engagement between the councils and the site promoters to discuss housing mix in order to develop shared approaches and ensure that any particular needs are incorporated early in the design process.

Employment

In both Uttlesford and Braintree, a high number of people who live in the district, commute out of the district for work. In both districts, there are a significant number of small and medium sized businesses, and people who work in local services including health, education and retail.

Uttlesford has two large employment sites, Stansted Airport and Chesterford Research Park, which are both projected to create hundreds of new jobs. There is a demand for private rented

accommodation from people working at these sites who do not want a long-term housing option.

Several employers including Cambridge University Hospitals (CUH) and the Wellcome Institute have recently consulted employees on their housing needs and preferences. They found that there is demand from younger people for private rented housing, and that many younger people are comfortable to have shared accommodation. As young people want to form settled households, they will want access to more secure housing, and many are interested in low cost home ownership if their annual household earnings are £32,000 – £50,000. The Government's proposals for First Homes are expected to be attractive, but other low-cost home ownership options may also be popular.

CUH and the Wellcome Institute found interest in innovative tenures and we advise that these are tested on strategic sites, perhaps with a cascade mechanism so that the tenure can be changed if necessary. CUH found that some people who are eligible for Affordable Housing are not aware of this and may falsely believe that they would be part of a very long waiting list. We suggest that a new Housing Advice and Options service be developed that promotes and explains the full range of housing options available to everyone. This should include information about the new homes available in the districts, and the range of tenures.

The planning of new communities and strategic developments should include clear employment strategies that consider the job opportunities and housing needs of people who will live and work locally. This should include 'key workers' working in vital services including education, health, social care and emergency services, and food retail.

Accelerating Delivery

Developments should build out at pace in order to create sustainable new communities and meet demand for new homes. The Letwin review found that diversity is the key to delivery and therefore new planning and housing policies should encourage innovation in tenure and construction, whilst being clear about the expectations for Affordable Housing.

New housing models are being delivered in different parts of the country. Braintree and Uttlesford will be attractive locations because they are areas with high housing demand. Examples of more varied housing include: Net Zero Carbon schemes, mixed tenure retirement living, Rent to Buy, Build to Rent including family housing, and self or custom build housing. A further way to create diversity is to sell smaller plots to small and medium sized local builders, as well as larger plots to the major housebuilders. Small builders often struggle to find land, and therefore would probably keen to take advantage of opportunities in New Communities. The wider choice provides an element of competition between providers and this can also help to drive the market.

There is growing interest in Modern Methods of Construction (MMC) generated by concern about shortages of skilled labour and interest in ways to speed up construction whilst ensuring quality. The term MMC covers a range of products from components and sub-components to modular housing. Quality can be assured as each item can be checked before leaving the factory. There is local expertise and interest, including from housing associations such as Greenfields and Swan Housing, and it is recommended that the councils deepen their understanding through some site visits, and through discussions with interested housing associations and developers. Uttlesford should consider the value of using MMC in its council-house building programme.

Self and Custom Build Housing

There is significant demand for self and custom build housing in Braintree and Uttlesford, as identified by the Self and Custom Build Registers. The councils have taken a relatively passive approach towards this sector, and there is potential for Braintree and Uttlesford to work together to identify and bring forward schemes to meet and stimulate demand, engaging with developers, landowners and those on the Self and Custom Build Register.

Delivery of New Council Homes

Uttlesford District Council has completed an investment programme that has seen a comprehensive refurbishment and redevelopment programme of its sheltered housing schemes, and the development of new council homes on a number of small council-owned sites. To date, the majority of schemes have been planned and tendered separately. The Council is now ready to plan a new investment programme and wants to deliver around 200 homes over the next three years. We believe that target is achievable and could be exceeded. The Study sets out a route-map that includes renewing the business plan to ensure maximum benefits are achieved, reviewing the council's objectives to be clear about priorities, developing strategic partnerships to secure land and deliver new council homes. The council is also asked to consider 'strip lease arrangements' and the creation of a dedicated housing company to either increase the provision of affordable rented homes or deliver market rented homes that generate a long term revenue stream for the council.

Uttlesford and Braintree Housing Registers and Allocations Policies

Uttlesford has its own Allocations Policy whilst Braintree has a shared Allocations Policy with a group of seven councils in Essex and Suffolk.

Uttlesford and Braintree have similar approaches towards assessing 'reasonable preference' based upon national legislation and guidance regarding priority needs, and more varied approaches when assessing eligibility in terms of 'local connection'. Uttlesford requires applicants to have lived or worked in the district for at least three years, whilst Braintree has no such requirement. Having assessed the impact of different criteria upon demand, we suggest that Uttlesford reviews its current eligibility criteria in order to widen access to Affordable Housing.

Local Authorities have powers to use Local Lettings Policies in certain circumstances, and we advise the Councils to develop shared Local Lettings Policy for any new community that straddles their boundaries. This is so that there will be a single, joined-up approach towards the letting of affordable homes in these communities.

Implications for new Uttlesford Housing Strategy

Uttlesford's current Housing Strategy was published in 2016 for the period to 2021. We have considered the implications for the proposed new Strategy arising from our Study. We recommend three key themes for the new Strategy:

- (i) **Choice** – pro-active housing options and advice service, new allocations policy and local lettings plans, innovation and variety in tenure and design
- (ii) **Engagement, collaboration and partnership** – early engagement with promoters/applicants of major developments, ongoing engagement with

communities and residents, engagement with employers to promote and understand housing preferences, and effective partnership working

- (iii) **Delivery** – of high-quality new homes to include a new, expanded council-house programme, pro-active facilitation of custom/self and community housing and new joint ventures.

Housing and Technology

The study includes a section on housing and technology which draws from two major reports that considered future working patterns. Digital infrastructure is also fundamental for children and young people to study at home, and for older people and others to live independently with the help of assistive technology.

Over recent months during the Coronavirus pandemic, there has been a huge increase in home-working and in the use of communications platforms such as Zoom, Microsoft Teams and WhatsApp. For many people, their homes have become their offices and also the place for their social lives. People have used the same communications platforms for work and leisure, whether to keep in touch with family, participate in community activities or do exercise classes. At the same time, the vast majority of children have been home-schooled, communicating with their teachers through their laptops or phones. There is a sense that this will create lasting change. Therefore, it is very clear that all New Communities should have digital infrastructure strategies. Homes should be designed to provide space for work and study, by adults and children.

People enjoy working for short periods in coffee shops or similar as a break from working at home, or to make use of time between other commitments. There is also an expansion of co-working spaces offering flexible tenancies, hot-desking and meeting space. The delivery of these sorts of facilities should be planned as part of the phasing strategies for New Communities.

Leadership and Collaboration

New Communities are long-term projects. Milton Keynes was started in 1967 and achieved its original goal of 250,000 residents around 2011. Smaller new communities of 2,000 or 3,000 homes usually take 10 -15 years to build out. These timescales do not include the time needed to design the new developments and take them through the planning process. The creation of these communities requires civic leadership and long-term relationships between councils, promoters and housebuilders, and others. The councils should create formal and informal working arrangements to ensure effective engagement between key parties. This could include a New Communities Strategic Development Board, perhaps within the framework of North Essex Garden Communities, to develop and co-ordinate place-shaping and community-building for all ages. The agendas should have two parts: one for internal public sector discussions and one with the developer(s) for the sites under discussion. The Board could be supported by a multi-disciplinary team whose members may combine their work on strategic sites with other duties. The purpose would be to ensure an organisational approach that encourages creativity, rounded debate and active learning.

Effective engagement with local people, including new residents, is a key element of successful community-building. It enables local people to help shape the new development, and they will bring a unique perspective rooted in their local knowledge. It is important to listen and develop mutual understanding, and also to nurture connections between new and existing communities. Local ward councillors, parish councillors and other community leaders can play

a very constructive role in facilitating two-way communication if they are kept up to date with technical discussions.

1.7 KEY RECOMMENDATIONS

Key recommendations are noted here and included in the Executive Summary. There is further detail in the body of the Study. The recommended actions fall into two categories:

- Operational changes for the short to medium term
- Approaches to be applied when planning, determining and delivering New Communities and other strategic scale developments.

The councils should develop an Action Plan with monitoring arrangements for the recommendations that they adopt. Braintree and Uttlesford could work together to deliver projects or operate independently.

Operational Changes

1. Create a one-stop shop housing options service to promote the full range of housing choices and tenures, alongside homelessness prevention
2. Review housing partnership working arrangements in order to deliver greater choice of homes and include developers and housebuilders in strategic housing conversations.
3. Engage with 'target customers' to understand their housing preferences including older residents and people working in Braintree and Uttlesford
4. Publish a Prospectus that sets out your priorities for mainstream and specialist housing.
5. Create a custom/self-build and community housing service with a dedicated officer or commissioned service to develop and bring forward schemes. A business case could be developed by the Council or third parties for the service to be self-financing with income through management fees for delivering each project.
6. Develop an Innovation Demonstrator Project through purchasing land on a large site. The project should be shaped by a local working group but, as an example, could include serviced plots for self-build or custom build, plots for local builders and land for affordable homes all to be built to Zero Carbon standards. The intention would be to generate a return whilst taking a patient approach to payments in order to facilitate flow for self/customer builders and local builders.

For Uttlesford Council Only

- a. Ensure the new Housing Strategy considers the housing needs and preferences of all those who live and work in the district, including a framework for Affordable, Sub-Market and Market Housing Options based on the Homes outlined in the Executive Summary
- b. Develop a Business and Delivery Plan for New Council Homes based on the steps outlined in this study
- c. Develop your approach towards the use of Modern Methods of Construction, through site visits and discussion with Swan and other local housing associations
- d. Assess the monetary and non-monetary value of a long-term lease arrangement with an institutional investor for delivery of social rented homes
- e. Evaluate direct delivery or management of market rented homes by the council through a wholly owned company
- f. Amend the Allocations Policy to widen access to affordable housing, through easing the local connection requirements.
- g. Adopt the themes of choice, engagement, collaboration, partnership and delivery for the new Housing Strategy, lifting work from this study as appropriate.

Planning, determining, and delivering new communities

7. Ensure the governance structures for New Communities enable both internal public sector discussion and strategic dialogue with the promoter or developer
8. Ensure planning policies encourage diversity of tenure and welcome innovation
9. Set aspirational goals for accessibility, adaptability and connectivity to ensure your homes are fit for people of all ages and abilities; and enable home working and study
10. Encourage very early engagement to share information on the identified needs of particular groups including those with specialist housing needs, and Gypsies and Travellers
11. Agree Local Lettings Policies for New Communities in order to create balanced communities
12. Ensure a monitoring and review system is in place for each New Community in order to collect the evidence to underpin future planning decisions