

Committee: Local Plan Leadership Group
Title: Local Plan Housing Numbers
Portfolio Holder: Councillor J Evans, Portfolio Holder for Planning and the Local Plan
Report Author: Stephen Miles, Local Plans and New Communities Manager
smiles@uttlesford.gov.uk
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Key decision: N

Summary

1. The Council is working on a new Local Plan, one of the first tasks for the Council is to agree the housing requirement for the plan.

Recommendations

2. To consider the draft housing requirement for the new Local Plan and recommendation to Cabinet planning for 706 dwellings per annum.

Financial Implications

3. The approved budget for the Local Plan in 2021-22 includes sufficient provision for the work needed through to the end of March.

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

See paragraph 9 below.

Impact

- 5.

Communication/Consultation	The timetable builds in three stages for people to make representations on the draft Local Plan.
Community Safety	N/a
Equalities	Forthcoming policies will be subject to an Equalities and Healthy Impact Assessment (EqHIA).

Health and Safety	N/a
Human Rights/Legal Implications	Preparation of a local plan is a statutory duty. It needs to meet legal tests and comply with regulations.
Sustainability	Forthcoming policies will need to meet the sustainability objectives of the Council and the Local Plan will be subject to a Sustainability Appraisal.
Ward-specific impacts	All
Workforce/Workplace	N/a

Situation

6. The Council is working on a new Local Plan for the district. The Local Plan Leadership Group has a key role in this process – in providing clear direction during the preparation of the Draft Plan so that officers can carry out the technical work that is required to write the Draft Plan. The timetable is tight and it is vital that decisions are made in accordance with the agreed timetable so as to avoid slippage.
7. The timetable for the Local Plan was agreed at Cabinet in October 2020¹. At Local Plan Leadership Group (LPLG) on 29 April the Group considered the detailed work programme to December 2021. This programme sets out three key tasks for LPLG and Cabinet over the summer, the second of which is to agree the likely housing requirement for the Draft Plan.
8. In order to inform the officer assessment of sites it is necessary to understand the likely required number of homes the Council is planning for. This is identified as a role for the Cabinet informed by the deliberations of this Group.
9. Appended to this report is a paper that examines the policy situation regarding the likely housing requirement for the Draft Plan. In undertaking this analysis the paper takes into account:
 - a. National Policy;
 - b. Representations received during the first consultation;
 - c. Advice from the East of England Local Government Association Peer Review Team; and
 - d. Experience from other Local Authorities.

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■ ¹ The timetable for the Local Plan is contained in the Council's Local Development Scheme

10. The paper concludes that it is appropriate to plan for a housing requirement aligning with the figure identified in the government’s standard methodology. This currently calculates at **706** dwellings per annum, although is capable of and possibly likely to change as new material data is released over time.
11. Identifying the housing requirement for the plan is probably the most crucial early decision to take as this will shape key elements of the plan moving forward. If the Council doesn’t get this right at this stage in the process there is a risk that we compound issues for ourselves further on and undermine the soundness of the plan upon examination. The Council therefore needs to plan for flexibility to deal with the potential for rapid change. What this means for the housing requirement is that it should not plan for exactly the housing requirement. This means that delays on sites or unidentified problems arising could risk the Council being able successfully to demonstrate a 5 year housing land supply or meeting the requirement at all. The table after paragraph A11.30) in this report identifies the buffers adopted by neighbouring authorities as an indication of the levels some adopt. It is therefore recommended that a buffer of between 15% and 20% is identified for Uttlesford so that the plan is able to flexibly react to changing circumstances². This means identifying a supply of at least 16,238-16,944 homes to meet a housing requirement of 14,120 homes over the period.
12. The Council’s latest [five year supply statement](#) demonstrates that as at April 2020 there was a supply of 4,020 homes expected to be delivered post 2020. This means that the Council is likely to be required to identify around a further 11,600 homes to meet the potential housing requirement.
13. This figure will have reduced since April 2020, as further residential sites have achieved planning permission. The Council will publish an update to the housing supply later in the year.
14. Following the assessment of sites and development of the evidence base the Council should and will return to the housing requirement before publishing the preferred options plan in 2022.

Risk Analysis

15.

Risk	Likelihood	Impact	Mitigating actions
That Cabinet is unable to agree the housing requirement which will have implications for the development	2	3 – without a clear understanding of the housing requirement, officers will not know how	This report seeks to clearly set out the current evidence for the housing requirement for the district, transparently listening to

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- ² In accordance with NPPF paragraph 11, criterion a.

of the Local Plan		many sites are needed for the Local Plan	representations received on this subject
That the Council agrees a housing requirement for the Local Plan that does not stand up to the rigours of examination	2	4 – agreeing the wrong housing requirement will mean that the plan is found unsound. This may be capable of being remedied at examination or it may not.	This report seeks to clearly set out the current evidence for the housing requirement for the district, transparently listening to representations received on this subject
That the government radically changes the planning system, including how housing need is calculated	4 – the government has proposed to radically change the planning system but the timetable for these changes is unknown	3 – the Council will have to adapt to these changes as they occur. This is likely to result in delays to the process	The Council is keeping any eye on the government's proposals, so as to react to them appropriately
That too much effort is expended attempting to identify "exceptional circumstances"	2	3 – thereby delaying the plan and increasing the time the district is vulnerable to speculative development	That a clear commitment to the housing requirement is secured

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

A) Appendix 1 – Identifying a Housing Requirement

Contents covered

- A.1 Background
- A.2 Policy Context
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- A.9 Economic data – Labour Supply
- A.10 Economic data – Labour Demand
- A.11 Considering the evidence for a different housing requirement

Considering the level of self-employment in Uttlesford

Wokingham Local Plan – how others are attempting to demonstrate exceptional circumstances

Epping Forest Local Plan – how others are attempting to demonstrate a housing requirement lower than the objectively assessed need

There should be sufficient flexibility to adapt to rapid change

Regard should be had to the Felsted / Thaxted Neighbourhood Plan

The number and types of homes needed in Uttlesford depend on the source of demand – people already within the area have different needs to those coming from elsewhere. Different community types and locations may be needed to satisfy these different needs

The district’s main towns are reaching the limits of expansion

The government’s indicative minimum housing requirement is too high, being detrimental to the district’s character, agricultural productivity and stretched infrastructure

There is a strong case for Uttlesford to adopt a lower housing requirement than that indicated by the government, which only provides a figure as a starting point. Local planning authorities must determine the final figure, reflecting local circumstances and constraints

Climate change will exacerbate existing water shortages in the region, which need to be better understood before committing to the scale of housing growth suggested

Taking into account the indicative minimum housing requirement, no or very limited development is not an option

Strategic planning requires a shift due to changing pressures – population growth will peak in 20-30 years

There must be clarity on the housing requirements for areas with a Neighbourhood Plan in place

The housing requirement should be revised upwards to take account of strong economic growth in the London-Stansted-Cambridge Corridor and increased affordable housing needs

Past delivery (as a proxy for demand) over 2017/18-2019/20 indicates demand is higher than the capped LHN

The Council should resist the government's housing figure. More people means more disturbance and destruction

In setting a minimum housing requirement, regard must be had to meeting unmet needs in neighbouring areas

It is important to note that the housing requirement is a minimum, not a maximum, number

Other Factors: Covid

Other Factors: EU Exit

A.12 Summary and a cursory look at housing supply

A.1) Background

A.1.1) This paper examines the likely housing requirements that should be planned for in Uttlesford District Council's new Local Plan. The paper supports early work on the new Uttlesford Local Plan, and it is necessary to have an understanding of the number of homes and jobs to plan for in the new Local Plan to inform the drafting of the preferred options version of the draft Local Plan. The factors discussed will be kept under review as work on the plan progresses. The paper also looks at the jobs numbers, as they are highly relevant to understand when identifying the number of homes to plan for. However, consultants are undertaking a more sophisticated analysis of job requirements and this will replace the work on jobs within this paper.

A.2) Policy Context

A.2.1) The [National Planning Policy Framework](#) (NPPF) sets out the government's planning policies for England and how they should be applied. The NPPF sets out a framework which local planning authorities must take into account when preparing the local plans for their areas.

A.2.2) The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development. Paragraph 8 of the NPPF sets out the three overarching and interdependent objectives which define sustainable development in the planning context. These are:

- (1) An economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure;
- (2) A social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being; and
- (3) An environmental objective – to contribute to protecting and enhancing our natural, built and historic environment; including making effective use of land, helping to improve biodiversity, using natural resources prudently, minimising waste and pollution and mitigating and adapting to climate change, including moving to a low carbon economy.

A.2.3) Paragraph 11 of the NPPF states that local plans should positively seek opportunities to meet the development needs of the area, and be sufficiently flexible to adapt to rapid change. Furthermore, strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas.

A.2.4) Section 5 of the NPPF sets out the government's objective of significantly boosting the supply of homes and how planning can support this by ensuring a sufficient amount and variety of land can come forward where it is needed. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard methodology, unless exceptional circumstances justify an alternative approach which reflects current and future demographic trends and market signals. In addition to meeting local needs, any needs that cannot be met within neighbouring areas should also be taken into account.

A.2.5) Section 6 of the NPPF sets out how the planning system should help create the conditions in which businesses can invest, expand and adapt, and how significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.

A.2.6) Local Plans must be submitted to the Secretary of State to be examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. Plans are 'sound' if they are:

- (1) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
- (2) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
- (3) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
- (4) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework.

A.3) The Planning Practice Guidance Housing

A.3.1) The NPPF is supported by a series of Planning Practice Guidance (PPG) notes. The PPG: [Housing and economic needs assessment](#) reinforces that the NPPF expects local authorities to take into account the standard method for assessing local housing needs, this method is clearly set out in the [guidance](#). The standard method identifies a minimum annual housing need figure. It does not produce a housing requirement figure. The PPG does state that the standard methodology is not mandatory, but there is an expectation that the standard methodology will be used and that any other method will be used only in "exceptional circumstances".

A.3.2) The PPG states that where an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future

demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.

A.3.3) Where an alternative approach results in a lower housing need figure than that identified using the standard method, the local authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method.

A.3.4) The PPG specifically states that any method which relies on using the more recent household projections, rather than the older 2014-based household projections, will not be considered to be following the standard method.

A.3.5) The PPG confirms that under the standard method, it is not necessary to factor in any previous under delivery into the calculation of local housing need, since this will be reflected in the affordability adjustment.

A.4) The Planning Practice Guidance – Jobs

A.4.1) The PPG suggests that a range of data that is robust and current will need to inform the assessment of future employment needs. Such as:

- (1) sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- (2) demographically derived assessments of current and future local labour supply (labour supply techniques)
- (3) analysis based on the past take-up of employment land and property and/or future property market requirements
- (4) consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

A.4.2) This paper takes a cursory look at the first and second of these areas, recognising that the work undertaken on employment by consultants will be more thorough.

A.5) Standard method – Local Housing Need

A.5.1) The standard method for calculating Local Housing Need (LHN) in the PPG sets out a four stage process:

- (1) Step 1 – Setting the baseline
- (2) Step 2 – An adjustment to take account of affordability
- (3) Step 3 – Capping the level of any increase

(4) Step 4 – Cities and urban centres uplift

Step 1 – Setting the baseline

A.5.2) Step 1 calculates the demographic baseline.

A.5.3) This is defined as the annual average increase in the number of households projected over a 10 year period, with the current year being the first year. It is calculated using the 2014-based subnational household projections. These projections are published on the [Office for National Statistics website](#).

A.5.4) Subnational household projections are published by the Office for National Statistics (ONS) every two years. The most recent projection is the 2018-based projections, published in 2020. For the purposes of the standard method, however, government guidance is to apply the older 2014-based sub-national projections published in 2016.

Step 2 – An adjustment to take account of affordability

A.5.5) Step 2 is the application of an adjustment factor to the annual increase in the number of households (Step 1), based on the affordability ratio of the area.

A.5.6) The affordability ratio is defined as the ratio of median house prices to median workplace earnings. Information on median workplace-based, median house prices and the resulting affordability ratio, is published on the [ONS website](#) at a local authority level, usually in March each year³.

A.5.7) The adjustment factor is calculated by applying the below formula:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

A.5.8) This average household growth over the next ten years multiplied by this adjustment factor represents the uncapped Local Housing Need.

Step 3 – Capping the level of any increase

A.5.9) Step 3 is to apply a cap which limits the increase a local authority might face, depending on the status of current policy.

A.5.10) For plans adopted in the last 5 years the cap is 40% above the average adopted plan requirement.

A.5.11) For plans adopted over 5 years ago, the cap is 40% above which ever is higher between:

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■ ³ Median workplace earnings is that of employees whose place of employment is located within the district. This data does not include the earnings of the self-employed. This is discussed later in this paper.

- (1) 40% above the average adopted plan requirement, or
- (2) 40% above the projected annual average increase in the number of households.

A.5.12) The PPG confirms that the cap reduces the minimum number generated by the standard method, but does not reduce housing need itself. Where the minimum annual local housing need figure is subject to a cap, consideration can still be given to whether a higher level of need could realistically be delivered.

Step 4 – Cities and urban centres uplift

A.5.13) A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list. This final step does not affect the identification of housing need in Uttlesford.

A.6) Standard method – Local Housing Need for Uttlesford

Step 1 – Setting the baseline

A.6.1) Set the baseline using [national household growth projections](#) (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).

Number of households 2020	36,550
Number of households 2030	41,593
Household growth 2020 - 2030	5,043
Average annual household growth	504.3 per year
Source: 2014-based Live Tables on household projections: Table 406: Household projections by District, England, 1991 - 2039	

Step 2 – An adjustment to take account of affordability

A.6.2) Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

A.6.3) The most recent [median workplace-based affordability ratios](#), published by the Office for National Statistics at a local authority level, should be used.

A.6.4) For each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a percent. No adjustment is applied where the ratio is 4 or below. Where an adjustment is to be made, the precise formula is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Uttlesford's most recent median workplace based affordability ratio		13.54
Adjustment factor	$((13.54 - 4) / 4) \times 0.25 =$	0.59625
Minimum annual local housing need figure	$(1 + 0.59625) \times 504.3 =$	804.98
Source: Housing affordability in England and Wales: 2019, Table 5c Ratio of median house price to median gross annual (where available) workplace-based earnings by local authority district, England and Wales, 1997 to 2018		

Step 3 – Capping the level of any increase

- A.6.5) A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.
- A.6.6) Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.
- A.6.7) This also applies where the relevant strategic policies have been reviewed by the authority within the 5 year period and found to not require updating.
- A.6.8) For areas covered by spatial development strategies, the relevant strategic policies are those contained within the spatial development strategy. For example, where a requirement figure for an authority in a spatial development strategy differs from that in a local plan, the figure in the spatial development strategy should be used.
- A.6.9) Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:
- (1) the projected household growth for the area over the 10 year period identified in step 1; or
 - (2) the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists)

Average annual housing requirement in existing		N/a
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relevant policies		
Average annual household growth over ten years	As per step 1	504.3
The minimum annual local housing need figure	As per step 2	804.98
The cap is set at 40% above the projected household growth for the area over the 10 year period identified in step 1	$504.3 + (40\% \times 504.3) = 504.3 + 201.72$	706.02
Average annual household requirement		706

A.7) The sources for the standard methodology

A.7.1) The data sources for the standard methodology are clearly set out in the Planning Practice Guidance.

A.7.2) To set the baseline the 2014-based household growth projections are used. The PPG provides a [link](#) to this dataset. For Uttlesford they estimate 36,550 homes in 2020.

A.7.3) To inform the affordability adjustment the most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used. The PPG provides a [link](#) to this dataset. For Uttlesford the most recent ratio is that the median cost of a home in the district is 13.54 that of workplace-based earnings.

A.8) Uttlesford's housing requirement in the past

A.8.1) As set out above, the current local housing need for Uttlesford is 706 dwellings per annum. This represents a figure that is capped to 40% above the average annual household growth over the next ten years. In line with the guidance the Council should consider whether the higher uncapped need could realistically be delivered, for Uttlesford this is 805 dwellings per annum, see above.

A.8.2) This figure has changed since it was calculated in 2019, where the respective figures were: 715 dwellings per annum (capped) and 819 dwellings per annum (uncapped). The details of this calculation can be found [here](#). The different result is due to changes in the inputs as the base year is now 2021, where it was previously 2019. This highlights that the figure is likely to change further as plan-making continues, even if the methodology remains unchanged.

A.8.3) The standard methodology replaces all previous methodologies as the government's favoured approach to determine a minimum housing requirement

for local planning authorities. Nevertheless, to assist in understanding the historical context this paper compares this to past figures that the Council has sought to plan for. The below table compares this figure with levels of growth that have been planned for in the past:

Annual housing figure	Period covered	Source
706	2020-2040 ²	Minimum Local Housing Need (capped) – 2020 base date
715	2020-2040	Minimum Local Housing Need (capped) – 2019 base date
636	2011-2033	Draft Local Plan withdrawn 2020
523	2011-2031	Draft Local Plan withdrawn 2014
400	2011-2031	Draft East of England Plan 2010
400	2001-2021	East of England Plan 2008
505	2001-2011	Local Plan adopted 2005

A.8.4) The paper examines how the housing need figure immediately prior to the introduction of the standard methodology was developed.

A.8.5) The local planning authorities in west Essex and east Hertfordshire (East Hertfordshire, Epping Forest, Harlow and Uttlesford) commissioned Opinion Research Services (ORS) to undertake a Strategic Housing Market Assessment to identify the functional Housing Market Area (HMA) and Objectively Assessed Housing Need (OAHN). The SHMA was published in 2015, and updated a number of times to reflect the publication of new information.

A.8.6) The [final SHMA published in 2017](#) and based on the 2014-based household projections resulted in the following OAHN for the authorities in the HMA:

Local Planning Authority	OAHN
East Hertfordshire	836
Epping Forest	572
Harlow	337

Uttlesford	606
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A.8.7) The SHMA included an adjustment to respond to market signals increasing the need by 14%. This OAHN for East Hertfordshire was confirmed as correct through the examination in 2019 into the East Hertfordshire Local Plan, with a very minor uplift as the adjustment included in the SHMA actually fell slightly below 14%. The examinations into Epping Forest and Harlow draft Local Plans, while not yet concluded, do not identify any significant issues with the OAHN in their areas. The examination into Uttlesford’s draft Local Plan in 2019 concluded with the withdrawal of the Local Plan due to a number of significant concerns that the Inspectors identified. However, insofar as the Inspectors identified any concerns relating to the OAHN and housing requirement, these were relatively small and linked to how the draft plan dealt with need for growth in communal establishments. Overall, the four local plan examinations for authorities in the HMA did not identify any significant issues with the calculation of OAHN in the SHMA. However, as stated above the government’s standard methodology has subsequently replaced this method.

A.9) Economic data – Labour Supply

A.9.1) To look at a ‘business as usual’ scenario of Uttlesford’s economic future this paper considers a number of different data sources. Firstly, it looks back at job growth in the past in Uttlesford utilising labour market statistics from the Office of National Statistics. As the table below indicates, from 2000 to 2019 the number of jobs in Uttlesford has grown from 40,000 to 56,000, approximately 840 jobs per annum. Between 2000 and 2011 the number of jobs in the district fluctuated slightly, but remained broadly stable. Almost all of this job growth has occurred in the last five years. This data does not account for job growth and losses during the pandemic.

A.9.2) Over that same time the population has increased by 22,700, approximately 1,195 people per annum. Again, this growth is not even, between 2000 and 2005 the rate was approx. 600 new people a year, between 2005 and 2019 the rate was approx. 1,410 new people a year.

Year	Jobs	Population	Economically Active⁴	Unemployed⁵
2000	40,000	68,600	No data	No data
2001	39,000	69,000	No data	No data
2002	41,000	69,500	No data	No data

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■ ⁴ Data for the period January-December shown; numbers are for those 16+, % is for those 16-64

■ ⁵ Data for the period January-December shown; numbers are for those 16+, % is for those 16-64

2003	41,000	70,300	No data	No data
2004	41,000	70,900	36,300 (79.8%)	900 (2.4%)
2005	42,000	71,600	38,700 (83.7%)	1,000 (2.5%)
2006	42,000	72,900	40,100 (82.7%)	1,100 (2.7%)
2007	41,000	74,200	41,800 (83.3%)	1,100 (2.5%)
2008	43,000	75,500	41,300 (82.1%)	1,200 (2.9%)
2009	40,000	76,800	41,700 (82.4%)	1,600 (3.8%)
2010	40,000	78,600	40,600 (79.9%)	1,800 (4.5%)
2011	42,000	80,000	40,500 (81.8%)	1,800 (4.4%)
2012	46,000	81,200	44,800 (84.0%)	1,700 (3.6%)
2013	42,000	82,700	45,200 (86.2%)	1,400 (3.0%)
2014	43,000	84,100	43,300 (81.7%)	1,400 (3.1%)
2015	46,000	85,200	43,900 (80.3%)	1,100 (2.7%)
2016	50,000	86,300	45,500 (80.8%)	1,000 (2.1%)
2017	53,000	87,700	48,000 (82.0%)	1,200 (2.4%)
2018	55,000	89,200	43,200 (77.2%)	1,300 (3.0%)
2019	56,000	91,300	47,600 (84.2%)	1,000 (2.2%)

Source: <https://www.nomisweb.co.uk/reports/lmp/la/1946157221/report.aspx#abempunemp>

A.9.3) The latest reliable data on commuting relates to the 2011 census, the below table shows the top commuting inflows and outflows for the district. The data indicates that in 2011 approx. half the economically active residents of the district commute outside of the district for work. These were “matched” by approx. the same number of in-commuters coming into the district for work.

Inflow		Outflow	
Usual residence	No. of commuters	Place of work	No. of commuters
Braintree	3,830	East Hertfordshire	2,972
East Hertfordshire	3,418	Westminster & City of London	1,978
South Cambridgeshire	1,178	Harlow	1,412
Harlow	1,002	Cambridge	1,383
Chelmsford	962	South Cambridgeshire	1,321
St Edmundsbury	777	Chelmsford	979
Colchester	483	Braintree	886
Epping Forest	480	Epping Forest	785
Cambridge	392	Tower Hamlets	603
Tendring	254	Broxbourne	285
Other	4,842	Other	5,506
Total	17,618	Total	18,110

Source: <https://www.nomisweb.co.uk/census/2011/WU03UK/chart/1132462189>

A.9.4) Excluding the ‘other’ category, approx. 21% of out-commuters are heading north into Cambridge or South Cambridgeshire; 20% are heading into central London; 26% are heading westwards into East Hertfordshire and Broxbourne; and 32% are heading in a dispersed way across Essex.

A.9.5) Again, excluding the ‘other’ category, approx. 36% of in-commuters are coming from the east (Braintree, Colchester and Tendring); 18% are coming from

the north (Cambridge, South Cambridgeshire and St Edmundsbury); 27% are coming from the west (East Hertfordshire); and 19% are coming from the south in Essex (Chelmsford, Epping Forest and Harlow).

A.9.6) The 2014-based household forecasts that have been used to determine the minimum annual housing need figure of 706 dwellings per annum are informed by the 2014-based population forecasts. These population forecasts indicate an increase in population of 19,500 between 2020 and 2039, or 1,030 people per year. Adjusting this increase to match the potential end of plan period of 2040, would result in a population increase of 20,530.

A.9.7) The household projections are adjusted to reflect the affordability issues in the district by a factor of 0.59625 to reach the uncapped housing need, and a further factor of 0.4 to reach the capped housing need figure. This affordability adjustment does not necessarily mean that more people want to move into the district, it could mean that 'hidden households'⁶ are able to move into their own homes. However, it could also mean that people who want to move into the district, for example to be near family or their jobs are now able to afford to.

A.9.8) At this stage it is therefore prudent to consider a range of populations associated with the minimum annual housing need figure of 706 dwellings per annum: 20,530-28,740⁷. The upper range reflects the fact that the adjustment for affordability to the number of homes is an increase of 40%.

A.9.9) The population forecasts indicate a declining percentage of the population being within the normally economically active age of 16-64. In 2020, 55,600 are in this age range (or 60.7%) and by 2039, 61,200 are in this age range (or 55.0%). This final percentage figure is used to calculate the number of number of economically active people in Uttlesford in 2040. If 55.0% of the new population are economically active then in Uttlesford, an initial range of jobs to plan for could be 11,292-15,807⁸.

A.9.10) To consider appropriate calculations for housing growth of 805 dwellings per annum. Using the above assumptions, this would result in population growth of 20,530-32,771⁹; and a ranges of jobs 11,292-18,024. The upper range reflects the fact that the adjustment for affordability to the number of homes is an increase of 59.625%.

A.9.11) It is recognised that these calculations are quite crude and further analysis will be undertaken by the consultants looking at employment needs.

A.10) Economic data – Labour Demand

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- ⁶ For example young people currently living with parents who want to move out, but currently cannot afford to
- ⁷ 20,530 x 1.4
- ⁸ [20,530 x 0.55] – [28,740 x 0.55]
- ⁹ 20,530 x 1.59625

A.10.1) The latest forecasts from the East of England Forecasting Model (EEFM) are the EEFM 2019 baseline forecasts, published in August 2020.

A.10.2) These baseline forecasts indicate total employment rising in the district from approx. 52,100 in 2020 to approx. 61,600 in 2040.

A.10.3) The below table examines how job growth across the district looks on a sector by sector basis:

Sector	Jobs 2020	Jobs 2040	Job growth 2020-2040	Jobs in 2040 as a % of Jobs in 2017
Agriculture	615	440	-175	71.6%
Mining & quarrying	110	63	-46	57.6%
Manufacturing - food	98	99	+1	101.3%
Manufacturing - general	1,417	903	-513	63.8%
Manufacturing - chemicals only	348	253	-95	72.7%
Manufacturing - pharmaceuticals	0	0	0	100%
Manufacturing - metals	378	333	-45	88.2%
Manufacturing - transport equipment	366	346	-19	94.7%
Manufacturing - electronics	312	228	-84	73.2%
Utilities	98	114	+16	116.8%
Waste & remediation	116	140	+24	120.9%
Construction	4,477	5,687	+1,210	127.0%
Wholesale	3,394	3,828	+434	112.8%
Retail	3,213	4,038	+826	125.7%
Land transport	7,871	8,635	+764	109.7%
Water & air transport	2,652	3,218	+565	121.3%

Accommodation & food services	4,329	6,749	+2,421	155.9%
Publishing & broadcasting	301	321	+20	106.7%
Telecoms	35	43	+8	123.4%
Computer related activity	995	1,275	+279	128.0%
Finance	765	718	-46	-94.0%
Real estate	517	633	+115	122.3%
Professional services	3,525	3,987	+462	113.1%
Research & development	1,554	1,858	+304	119.6%
Business services	2,792	3,033	+241	108.6%
Employment activities	654	729	+74	111.4%
Public administration	2,281	2,544	+263	111.5%
Education	3,321	3,928	+607	118.3%
Health & care	3,088	4,447	+1,359	144.0%
Arts & entertainment	1,356	1,730	+374	127.6%
Other services	1,121	1,238	+117	110.4%
Total	52,100	61,561	+9,461	118.2%

A.10.4) These forecasts do not take account of the pandemic and the employment consultants looking at this in more detail will be obtaining more up to date forecasts

A.10.5) The EEFM gives a potential third scenario of jobs growth to plan for, i.e. an increase of 9,500 jobs in the plan period. This is lower than the jobs increases associated with the standard methodology; this is not surprising as the EEFM is based on past trends while the standard methodology includes an adjustment to take account of affordability. Therefore this job requirement by not 'matching' with an associated housing requirement does not appear to be a reasonable scenario to plan for. The analysis by sector does also give some indication as to where job growth could be expected for the population based scenarios. For example construction is expected to see a large absolute and percentage increase, as is

retail and accommodation & food services. Further analysis of these trends is needed, including a more detailed comparison with the population projections and the impact of coronavirus (COVID 19).

A.10.6) At this point in time however, the anticipated level of job growth does not indicate a need to plan to meet the uncapped housing need. Furthermore, seeking to plan to meet this higher number of homes may lead to a mismatch between homes and jobs in the district. The purpose of the cap is to assist Local Planning Authorities in managing the increase in home building in a way that is as deliverable as possible. The cap reduces the minimum number generated by the standard method, but does not reduce housing need itself.

A.11) Considering the evidence for a different housing requirement

A.11.1) This paper considers whether there are exceptional local circumstances justifying planning for a different housing requirement than that calculated using the standard methodology.

A.11.2) In looking at whether there are exceptional circumstances, this means that any case should not seek to argue against the principle of the standard methodology; nor it is suggested should any case be equally applicable to many other Local Planning Authorities. Any case sought to be made should be “exceptional” and should reflect genuine, evidenced local circumstances that suggest there is an exceptional reason to depart from the standard methodology and plan to meet Uttlesford’s local housing need using a different basis of calculation.

A.11.3) Furthermore, any case to be made should at this stage be looking at the ‘need’ side of the housing equation, and not the supply side. It could be that when the Council comes to look for sites to meet the housing requirement there are issues that mean this cannot be met, for example if not enough suitable sites can be identified or if there is an overriding issue that makes identifying sites problematic. One example of such a potential overriding issue that has been suggested to the Council relates to the supply of water. The Council will have to wait until the evidence on water supply is available before this issue can be understood and appreciated fully, as it will.

A.11.4) If the Council is unable to meet its housing requirement it must turn to its neighbours to ensure that enough homes are planned for to meet the needs of the growing population.

Considering the level of self-employment in Uttlesford

A.11.5) One area of investigation is the level of self-employed people working in Uttlesford.

A.11.6) In the period January 2020 to December 2020 there were 44,000 economically active residents in Uttlesford¹⁰. 43,000 of these people were in

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■ ¹⁰ Source: <https://www.nomisweb.co.uk/reports/lmp/la/1946157221/report.aspx#tabempunemp>

employment, of which 31,500 were employees and 11,500 self-employed¹¹. After taking account of rounding, this means that 18.7% of Uttlesford residents are self-employed. This compares with 10.1%, 12.3% and 9.0% in Braintree¹², East Herts¹³ and South Cambs¹⁴ respectively, 10.4% in the East of England and 9.9% in Great Britain.

A.11.7) Labour demand¹⁵ in the same period only shows ‘employee jobs’ and no data for the self-employed, one suspects this is due to the fact that it is difficult, or impossible, to determine in which district, or districts, a self-employed person “works”.

A.11.8) The difference in the percentage of self-employed residents in Uttlesford is a local circumstance which is not accounted for in the standard methodology. However, the standard methodology is calculated using the workplace-based earnings ratio to determine an affordability adjustment, i.e. the earnings of people working in Uttlesford whether or not they live there. This means that the fact that a higher percentage of Uttlesford residents are self-employed does not necessarily mean that the standard methodology is incorrect, as this is looking at the wrong data source. Nevertheless, this paper investigates this further.

A.11.9) A [report](#) produced by the Department for Business, Innovation & Skills in 2016 looks at the income of the self-employed. Page 7 of the report notes that:

“It is notoriously difficult to collect income data and self-employed earnings are perhaps the hardest type to collect reliably. Self-employed earnings are often complex (they can come in different forms and can be irregular over time) and can be blurred in with day to day spending.”

A.11.10) Despite these difficulties the report does present data for the earnings of the self-employed as compared to employees, between the years 2007/08 and 2013/14¹⁶. This information indicates that the self-employed on average earn less than employees, and this difference appears to be accelerating over time. This data does not relate to Uttlesford specifically but appears to indicate that higher levels of self-employment would imply lower incomes.

A.11.11) The implications for the calculation of housing need using the standard methodology are not clear. This is due to the fact that while the percentage of residents in Uttlesford who are self-employed is higher than normal, it is not known what the percentage of workers in Uttlesford who are self-employed are. If the percentage of workers in Uttlesford are similarly higher than normal, then the fact that they are on average earning less would imply that the affordability

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- ¹¹ <https://www.nomisweb.co.uk/reports/lmp/la/1946157221/report.aspx>
- ¹² <https://www.nomisweb.co.uk/reports/lmp/la/1946157211/report.aspx>
- ¹³ <https://www.nomisweb.co.uk/reports/lmp/la/1946157224/report.aspx?town=east%20hertfordshire>
- ¹⁴ <https://www.nomisweb.co.uk/reports/lmp/la/1946157209/report.aspx>
- ¹⁵ I.e. jobs in Uttlesford whether or not they are worked by Uttlesford residents
- ¹⁶ See table 1 page 8

adjustment in the standard methodology may not be large enough. However, the paucity of the evidence on the income of the self-employed (noted in the BIS report) and the fact that it is not known what percentage of workers in Uttlesford are self-employed means that this is not considered to be a compelling reason to deviate from the standard methodology.

Wokingham Local Plan – how others are attempting to demonstrate exceptional circumstances

A.11.12) The Council's attention has been drawn to Wokingham's Local Plan, who are proposing that there are exceptional circumstances justifying a different approach from that put forward in the standard methodology.

A.11.13) Wokingham Borough Council consulted on a regulation 18 Local Plan in the spring of 2020, and have published a [summary representations received](#) during the consultation in January 2021. It is not clear how they intend to respond to the points made on their approach to housing need.

A.11.14) In the regulation 18 Local Plan Wokingham Borough Council state that:

“Analysis of the housing market shows however that in the context of Wokingham Borough there several failings with the government's standard method. These include the upwards impact of substantial house building on the median house price (contrary to the premise of the standard method that higher house building will stabilise or lower house prices) and the failure to recognise the functional economic relationship with Reading Borough.”

A.11.15) A [topic paper](#) published on their website in January 2020 sets out the detail behind their case. The case in section 5 of this report boils down to the following chain(s) of logic:

House prices and the standard method

- (1) The standard method proposes to over supply housing in order to influence price;
- (2) In Wokingham there has recently been a historic high in house building;
- (3) House prices in Wokingham have not reduced recently;
- (4) Statement (2) and Statement (3) implies statement (1) is false in Wokingham;

Earnings and the standard method

- (5) The standard methodology uses workplace earnings;
- (6) People who live in Wokingham generally earn more than people who work in Wokingham;

Past housing allocation and the standard method

- (7) The cap on any increase applies to the increase, but not the originally identified need in the methodology;
- (8) Wokingham's need has been increased in past plans due to it being within the 'Reading growth point';
- (9) Statement (7) + Statement (8) implies that Wokingham's starting point is artificially increased and not an assessment of need consistent with other authorities.

A.11.16) These papers then propose an alternative starting point for the standard methodology to use based on different data inputs into the standard methodology calculation. This is further justified with 'checks' against the policy aim to boost the supply of homes; the sufficiency of the labour supply; and uncertainty around population forecasts.

A.11.17) There appear to be a number of flaws in the logic proposed by Wokingham. Firstly, in relation to a historic high in housebuilding in the district not leading to a fall in house prices, this is not a convincing argument for the policy not working for the following reasons:

- (1) Housing is a wider market than just Wokingham, or indeed the wider area around Wokingham. The purpose of the government policy is to increase house building across the whole country, focussed on those areas with more affordability problems. Until the country as a whole is building the level of homes the government is aiming for, it cannot be said building more homes does not affect prices. The government is aiming to build 300,000 homes a year; in 2019/20 (the last 'normal' year) 243,770 homes were built.
- (2) It is not clear within what timescale Wokingham are indicating the increased level of housebuilding has occurred, but the topic paper at this point give completion figures for the last three years. However, housing completions in England have been relatively low for about forty years. In the fifties, sixties and seventies on average between 250,000 and 350,000 homes were built a year. Since the 1980's the number of homes built a year has rarely gone above 200,000, and in the recessions of the late noughties dropped to nearly 100,000. A few years of increased completions are not going to fix a problem decades in the making; and as indicated before the increased completions are not across the board and the government is still a way off its target.
- (3) These arguments appear to be made against the principle of the standard methodology as a whole. If a council wants to challenge or change the standard methodology the appropriate route it is suggested would be to lobby the government to change the policy, not to apply it in an incorrect manner because they disagree with it or the justification behind it.

A.11.18) Secondly, in relation to earnings and the standard methodology, this is not a convincing argument for the following reason:

(1) The government had a choice to use residents' earnings in the calculation, but it made a policy choice to use workers' earnings. One can speculate on the reasons for this: for example, it could be to try and allow anyone who works in a place also to be better able to afford to live there. Fundamentally though, there will be many places where residents generally earn more than workers (e.g. like in Uttlesford), and this does not indicate an exceptional circumstance (for Uttlesford uniquely or exceptionally, as distinct from elsewhere) that would justify deviating from the standard methodology.

A.11.19) Thirdly, in relation to past housing completions and the standard methodology and the fact that the cap only applies to the affordability increase not the 'starting point'. However, it does not appear to indicate an exceptional circumstance for the following reasons:

(1) How previous Local Plan requirements will each depend on the local circumstances of each area. In almost all instances this is likely to have involved homes being 'moved around' as regional planning allowed for this in a far easier way than the current planning system. Therefore, this does not appear to be an argument of exceptional circumstances specific to Wokingham.

(2) The purpose of the cap, as set out in the PPG is to help Local Planning Authorities to manage the increase in home building in a way that is as deliverable as possible. The cap reduces the minimum number generated by the standard method, but does not reduce housing need itself. The government is explicit on the purpose of the cap and the reason why it is applied to any increase not the 'starting point'.

A.11.20) Wokingham has received numerous representations on this issue, and it is not clear how it will be addressed in their regulation 19 Local Plan. Due to the reasons given above there does not appear to be any justified reason for Uttlesford to deviate from the standard methodology as a result of what Wokingham are proposing.

Epping Forest Local Plan – how others are attempting to demonstrate a housing requirement lower than the objectively assessed need

A.11.21) The Epping Forest Local Plan is not yet adopted but it is progressing towards adoption. The Epping Forest Local Plan identifies a housing requirement of 11,400 new homes, despite the Objectively Assessed Housing Need for the district being identified as 12,573 in the 2017 SHMA. Despite this discrepancy, their Local Plan still identifies a supply of 13,152 homes to meet this requirement.

A.11.22) The post hearing advice of the Inspector examining this plan says on this subject:

“The submitted Plan in fact claims a total housing supply of 13,152 new dwellings and so, on the face of it, setting the requirement below the OAN seems rather unambitious. However, Epping Forest is part of a wider HMA comprising four local authority areas and the delivery of a minimum of 11,400

dwellings would help enable the full OAN for market and affordable housing to be met within the Housing Market Area (HMA) as a whole, as required by paragraph 47 of the 2012 Framework. Given the significant constraints upon development in the District, including the SAC and Green Belt; and in light of my concerns about some of the Plan's allocated housing sites (see below), the requirement for Epping Forest should not be increased further."

A.11.23) This housing requirement was developed under the NPPF 2012, which does not set out the same housing requirements as the NPPF 2019. One of the purposes of introducing the standard methodology into national policy was to simplify the setting of housing requirements, and reduce resources spent arguing over this topic

A.11.24) The NPPF 2012 required the production of a SHMA to understand the housing needs of an area, and stated that Local Planning Authorities should plan to meet those needs. It did not include any reference to requiring exceptional circumstances.

A.11.25) The introduction of the standard methodology and the requirement to demonstrate exceptional circumstances to deviate from the housing requirement identified, means the policy context that Epping Forest is operating in is not the same as Uttlesford faces.

A.11.26) Furthermore, the fact that despite the lower housing requirement, Epping Forest is more than meeting the OAN identified in the SHMA means that there is no need for Epping Forest to ask assistance from its neighbours.

There should be sufficient flexibility to adapt to rapid change

A.11.27) Paragraph 11, criterion (a) of the NPPF states:

"plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change"

A.11.28) While this does not impact on the housing requirement for the Local Plan, it does impact on the supply of homes the plan should identify. To allow for the fact that some sites may be delayed or as a result of currently unknown issues may not come forward at all, it is considered that an appropriate buffer of homes are planned for.

A.11.29) In considering this issue it is worth recalling that, in relation to the withdrawn Local Plan, Uttlesford published the plan at the pre-submission stage to invite comments with a buffer of 5%, this diminished in the time between this period and by the time the Council got to the hearings.

A.11.30) It is therefore considered that a buffer of between 15% and 20% is considered appropriate to plan for, this compares well with how neighbouring authorities have approached this issue. The below table looks at how our immediate neighbours have provided flexibility and all but one have a buffer of over 10%, while three go between 15% and 20%. Councillors are not being

asked to make a decision on this buffer at the present time, but it is considered relevant to bring it to members' attention.

A.11.31) East Herts' buffer is so low because their housing requirement changed during the examination of their Local Plan. At the time of submission the buffer was 9.89%.

Local Authority	Housing Requirement	Total supply	Buffer
Braintree	14,320	15,772	1,452 (10.14%)
Chelmsford	18,515	21,843	3,328 (17.97%)
East Herts	18,458	18,913	455 (2.47%)
Epping Forest ¹⁷	11,400	13,152	1,752 (15.37%)
South Cambridgeshire	19,500	23,586	4,086 (20.95%)

Regard should be had to the Felsted / Thaxted Neighbourhood Plan

A.11.32) It is agreed that regard should be had to recently made Neighbourhood Plans. However, it should be noted that there is no guarantee that those parishes who have recently 'made' a Neighbourhood Plan will not receive additional allocations, however the review of sites undertaken for their suitability to inform a recently made Neighbourhood Plan mean there is recent consideration of local evidence that can be taken into account. This is because the Inspectors examining the previous Local Plan recommended that more small and medium sized sites be considered. Also, it should be noted that the Examiner's report into the Newport, Quendon & Rickling Neighbourhood Plan, when considering the Inspectors' letter regarding the now withdrawn Uttlesford Local Plan, noted

"I believe it is inevitable that the District Council will need to allocate more sites in towns and villages such as Newport".

The number and types of homes needed in Uttlesford depend on the source of demand – people already within the area have different needs to those coming from elsewhere. Different community types and locations may be needed to satisfy these different needs

A.11.33) It is agreed that the detail of the demand (who is moving into the new houses) will impact on the type and potentially location of homes required, and further evidence will examine this more closely.

The district's main towns are reaching the limits of expansion

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- ¹⁷ Local Plan not yet adopted

A.11.34) Representations received suggest that issues such as traffic volumes, infrastructure deficiencies and extended walking distances to key facilities from edge-of-town developments.

A.11.35) The NPPF states:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.” (added emphasis)

A.11.36) By stating that deviations from the standard methodology must be based on demographic trends and market signals, the NPPF is saying that deviations must be based on the ‘demand side’ of the equation. I.e. is there evidence that indicates that the population growth identified for the district is not correct or that the affordability adjustment is flawed in some way specific to Uttlesford.

A.11.37) Existing traffic volumes, infrastructure deficiencies and extended walking distances to key facilities do not relate to demographic trends or market signals. These are ‘supply side’ issues that should be taken into account when determining whether the housing requirement can be met. The Council will be assessing the sites identified in the Strategic Land Availability Assessment (SLAA) to determine if the housing requirement can be met, in doing so it will look at traffic, infrastructure, walking distances and other issues.

A.11.38) Furthermore, these points are not unique to Uttlesford and do not point towards ‘exceptional circumstances’ since it is suggested that many towns in other districts are of a similar size or larger and have similar constraining issues relating to traffic, infrastructure and walking distances.

The government’s indicative minimum housing requirement is too high, being detrimental to the district’s landscape and historic character, agricultural productivity and stretched infrastructure

A.11.39) Representations received to the first consultation on the Local Plan have suggested that the Council should not plan to meet the housing requirement identified by the standard methodology due to impacts on the district’s character in terms of landscape and heritage, the resulting loss of agricultural land, or infrastructure deficits.

A.11.40) Similar to the points made earlier these are ‘supply side’ issues and they do not indicate that the population growth identified for the district is not correct or that the affordability adjustment is flawed in some way specific to Uttlesford. Furthermore, these points are not unique to Uttlesford and do not point towards exceptional circumstances.

There is a strong case for Uttlesford to adopt a lower housing requirement than that indicated by the government, which only provides a figure as a starting point.

Local planning authorities must determine the final figure, reflecting local circumstances and constraints

A.11.41) The representation refers to the government's response to the consultation on the standard methodology last year, which as the representations notes states:

“the standard method does not present a ‘target’ in planmaking’ and goes on to say ‘but instead provides a starting point for determining the level of need for the area, and it is only after consideration of this, alongside what constraints areas face, such as the Green Belt, and the land that is actually available for development, that the decision on how many homes should be planned for is made”

“It is for local authorities to determine precisely how many homes to plan for and where those homes most appropriately located (sic). In doing this they should take into account their local circumstances and constraints.”

A.11.42) As the representation notes, this is a response to a consultation on potential changes to the standard methodology. The government's response is correct in that 'supply side' issues do go into determining the decision on how many homes should be planned in an area. However, these issues are not used to determine the initial housing requirement, since as stated above, the NPPF is clear that deviation from the standard methodology requires demonstrating exceptional circumstances relating to demographic trends or market signals.

A.11.43) 'Supply side' issues including the constraints an area faces are taken into account when determining if that housing requirement can be met. If it cannot be met, the Council must turn to its neighbours and ask them if they can accommodate our need.

Climate change will exacerbate existing water shortages in the region, which need to be better understood before committing to the scale of housing growth suggested

A.11.44) Evidence is underway looking at future water supply for the district. If this indicates that Uttlesford is unable to meet our housing need, this will require that the Council returns to this issue. However, as with above points, this is a 'supply side' issue, and does not indicate that there is anything incorrect about the demographic trends or market signals for Uttlesford.

Taking into account the indicative minimum housing requirement, no or very limited development is not an option

A.11.45) The standard methodology indicates a level of growth that is substantial for the district. Planning for the needs of the people associated with this figure is a key role of the Local Plan.

Strategic planning requires a shift due to changing pressures – population growth will peak in 20-30 years

A.11.46) The representation makes the point that this is a relatively short term pressure. Population forecasts change over time and how they will change over the next 20-30 years is not known. However, 20 years is not an appropriate time period to not meet housing needs just because they are anticipated to lower in the future. This would mean a generation of people would not be having their housing needs met. The government policy is clear that we should be seeking to meet the anticipated needs for at least 15 years from the point of adoption of the Local Plan.

There must be clarity on the housing requirements for areas with a Neighbourhood Plan in place

A.11.47) Agreed, the Council will develop a Preliminary Outline Strategy (POS), taking into account representations received during the first consultation, and use this POS to assist with the assessment of sites in the SLAA. By the time of the consultation on the preferred options plan in 2022 this will include draft allocations across the district, providing clarity for all parishes.

A.11.48) It should be noted that there is no guarantee that those parishes who have recently 'made' a Neighbourhood Plan will not receive additional allocations, however the review of sites undertaken for their suitability to inform a recently made Neighbourhood Plan mean there is recent consideration of local evidence that can be taken into account. This is because the Inspectors examining the previous Local Plan recommended that more small and medium sized sites were to be considered. Also, it should be noted that the Examiner's report into the Newport, Quendon & Rickling Neighbourhood Plan, when considering the Inspectors' letter regarding the now withdrawn Uttlesford Local Plan, noted

"I believe it is inevitable that the District Council will need to allocate more sites in towns and villages such as Newport".

The housing requirement should be revised upwards to take account of strong economic growth in the London-Stansted-Cambridge Corridor and increased affordable housing needs

A.11.49) Initial indications are that job growth in Uttlesford does not point toward a higher level of housing need than that identified in the standard methodology (see 'A.10 Economic Data – Labour Demand' in this paper). However, evidence relating to employment need is underway, and if this indicates a level of job growth requiring additional homes then this issue should be returned to.

A.11.50) As the representation notes, affordable housing needs identified in the SHMA informing withdrawn Local Plan were for 2,167 affordable homes between 2016-33 (or 127 a year / 26% of total homes). The Council will be looking at this figure in more detail, however initial indications are that the Council will not need to include a boost to meet affordable housing requirements for the following reason:

- (1) Looking back at delivery between 2011/12 and 2019/20, of the 5,641 homes build in this period 4,126 were built on sites of 15 or greater homes, i.e. were eligible to provide 40% affordable houses. This

means that up to 1,650 homes¹⁸ were affordable, or 165 a year. Not all of these homes will have been affordable, as site specific reasons for lowering affordable provision may have been made and some sites were legacy sites that received planning permission in a different policy context.

A.11.51) Further work is needed in this area to look at the need for affordable homes and the potential for an upward adjustment to the housing requirement for the district.

Past delivery (as a proxy for demand) over 2017/18-2019/20 indicates demand is higher than the capped LHN

A.11.52) It is not disputed that the capped LHN does not indicate demand in the district. Indeed, the government's standard methodology states that the cap reduces the minimum number generated by the standard method, but does not reduce housing need itself. The purpose of the cap is to assist Local Planning Authorities in managing the increase in home building in a way that is as deliverable as possible.

A.11.53) While delivery in period 2017/18-2019/20 has been significantly above past delivery in the district, this is not necessarily an indication that it can be sustained over a longer period. 2019/20 is the lowest of these three years and indicates a drop off after a short burst of increased supply. In the years prior to this delivery averaged around 500 dpa. The government's policy of a cap to allow Local Planning Authorities to manage the increase in house building seems like a sensible precaution in the district.

The Council should resist the government's housing figure. More people means more disturbance and destruction

A.11.54) The new Local Plan must be developed in the context of legislation and national policy. Deviating from the local housing need figure identified through the standard methodology requires exceptional circumstances relating to demographic trends or market signals.

In setting a minimum housing requirement, regard must be had to meeting unmet needs in neighbouring areas

A.11.55) Agreed, this is a key element of government policy. At this point in time the only request to assist with meeting the housing needs of other local authorities has come from the London Borough of Enfield. The letter by sent by Enfield in January 2021 to Uttlesford mentions helping meet unmet housing and employment needs.

A.11.56) In a meeting, officers from Enfield Council have explained that they are seeking assistance with meeting their housing and employment needs as they have not been able to identify sites in their area to meet their needs. A review of

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■ ¹⁸ 4,126 x 0.4

Local Planning Authorities 'nearby' identified the potential of land north of Stansted Airport as being capable of meeting their employment needs.

A.11.57) Officers from Uttlesford Council noted concerns relating to the distance between the two districts and the appropriateness of meeting Enfield's housing and employment needs in Uttlesford. Uttlesford's officers asked for further evidence to justify this request. Uttlesford's response to the letter also noted that the Uttlesford Local Plan was at a formative stage and the request would be considered following the close of the first consultation.

A.11.58) Further dialogue with Enfield will be required to explore this issue in the future.

It is important to note that the housing requirement is a minimum, not a maximum, number

A.11.59) Agreed. This reflects the NPPF policy aim of significantly boosting the supply of homes.

Other Factors: Covid

A.11.60) In the press there has been some discussion of people moving out of the cities reflecting the increased ability to work from home. However, other commentators note the enduring agglomeration advantages of cities over thousands of years, and predict their continued importance.

A.11.61) The Covid pandemic is still ongoing and the long-term impacts of Covid are unknown at this point in time. At this point in time, no long term trends can be said to have developed to inform future demand for housing in Uttlesford. Nonetheless, the Council should keep an eye any emerging trends.

Other Factors: EU Exit

A.11.62) The long-term impacts EU Exit (also known as Brexit), are similarly unknown at this stage.

A.12) Summary and a cursory look at housing supply

A.12.1) This paper has identified the likely housing requirement to consider planning for in the Local Plan as being that associated with the standard methodology, i.e. 706 dwellings per annum, or 14,120 homes between 2020 and 2040.

A.12.2) If the Local Plan includes a buffer of at least 15% to 20%) to allow for flexibility, this would imply a supply of 16,250-16,950 homes to meet this requirement.

A.12.3) The Council's latest [five year supply statement](#) demonstrates that as at April 2020 there was a supply of 4,020 homes expected to be delivered post 2020. This means that the Council is likely to have to identify around a further 12,230-12,930 homes to meet the housing requirement.

A.12.4) This figure will have reduced since April last year, as further residential sites have achieved planning permission. The Council will publish an update to the housing supply later in the year.

A.12.5) Following the assessment of sites and development of the evidence base, the Council should return to the housing requirement before publishing the preferred options plan in 2022.