

## 1. MATTER 2: STRATEGIC HOUSING GROWTH – OVERALL NUMBERS

### Response to Questions 1, 5 and 6

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- 1.1 The new evidence prepared by the Council regarding housing needs is not compliant with the requirements of national policy regarding the identification of OAN.
- 1.2 In particular, the failure to identify clearly, and in sufficient time to allow for full consideration of the relevant methodology and assumptions, the matters identified in Question 1 renders the proposed housing provision policies non-compliant with the NPPF.
- 1.3 Paragraphs 17 and 47 of the NPPF sets out the requirement to meet OANs and Paragraph 159 sets out the requirements for Local Planning Authorities, to have a clear understanding of housing needs in their area. Specifically, this requires Local Authorities to prepare a Strategic Housing Market Assessment to assess their full housing needs, and should plan to meet household and population projections, taking account of migration and demographic change.
- 1.4 In support of the NPPF, the Government in March 2014 published the National Planning Policy Guidance. This sets out the requirements for the methodology of OANs. In summary, this states that OANs should:
- Use the DCLG household projections as the starting point of estimating overall housing need. [para 015]
  - Reflect the consequences of past under-delivery of housing. [para 015]
  - Consider whether household formation rates have been constrained by supply. [para 015]
  - Take account of the most recent demographic evidence. [para 017]
  - Take account of economic growth assumptions. [para 018]
  - Take account of market signals, which may indicate an undersupply (ie land / house prices). [para 019]
  - Consider worsening trends will require an upward adjustment to planned numbers. [para 020]
- 1.5 The NPPG also allows OAN assessments to:
- Make adjustment to reflect factors affecting local demography and household formation rates, such as migration levels due to changes in employment growth (but needs to be fully justified). [para 017]
  - Local housing needs surveys are suggested as a way to assess the affordable housing requirements particularly within rural areas [para 017].

1.6 Following the Exploratory Meeting, the Council commissioned the production of an OAN assessment by NMSS which concluded that the Council has a requirement to provide 310 homes per annum.

1.7 However, we would like to raise our serious concern with these matters. In presenting the methodology for the assessment, the NMSS Report states [para 6] that:

*'...adjustments **may** then need to be made to ensure that there is sufficient housing to support any aspirations for economic growth; address market factors; respond to past undersupply and cater for any existing unmet need. Those issues are not, however, dealt with in this report, apart from a brief mention of out migration from London.'* [our emphasis].

1.8 However, the NPPG is clear, as set out at Paragraphs 1.4 that these matters **should** be taken into account. As such, we would argue that the scope of the assessment does not meet the criteria.

1.9 The NMSS report states at the Executive Summary conclusions that for various reasons, the 2014 SHMA is not an appropriate basis to identify the OANs for Maldon. In summary it considered that the SHMA includes a series of uncertainties in the estimates which are too great:

- The number of households moving into market homes from outside the area appears to have been underestimated.
- Over-optimism by survey respondents resulting in the over-estimation of concealed households.
- The model does not make an allowance for homes released onto the market as a result of deaths or people moving into care homes.
- The number of households likely to leave the area may have been under-estimated; and
- The treatment of planned new affordable housing appears inappropriate and to have caused the annual affordable housing requirement to have been over estimated.

1.10 It appears that the main difference in the level of need between the NMSS Report and the SHMA relates to the level of concealed households (primarily adult offspring living with parents, but wishing to move out). The SHMA methodology included the use of a household survey which considered the demand for market housing from concealed households. The NMSS Report states that the housing survey used to provide this report are likely to be over optimistic, and drastically lowered the estimated level from 224 to 147 households a year [para 86]. There appears to be no evidence or justification for this, and it is contrary to paragraphs 015 and 019 of the NPPG.

1.11 The NMSS Report, at paragraph 56 acknowledges that, in relation to the headship levels of young adults, it is probable that most changes caused by the economic situation, the cost of housing and the difficulty in obtaining a mortgage without a sizeable deposit. It goes on to suggest that as the

trend of lowering headship rates appeared to commence well before the credit crunch and recession, better economic conditions alone will not be sufficient on their own. However, this ignores the possibility that headship rates may be caused by an undersupply of housing in previous years, as required by Paragraph 019 of the NPPG.

- 1.12 Despite recognising the fact that the 2008 based rate is likely to be constrained by an undersupply of housing itself, the models used within the NMSS Report do not return to this level fully as the 2008 based rate is also considered to be exaggerated due to international migration [para 57].
- 1.13 In summary, by its own admission, the NMSS Report does not take account of market factors, address the issue of undersupply, or the impact that past undersupply has had on increasing the level of concealed units. Moreover, it disregards a household survey as used as part of the evidence to inform the SHMA. As such, the report does not comprise an OAN, as required by the NPPF and NPPG, and therefore the LDP cannot be considered to be sound.

#### **Response to Questions 2, 3 and 9**

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- 1.14 In the context of the above, the strategy for the distribution of growth should be determined once the full OAN has been established. Furthermore, the strategy for the distribution of growth should take account of the relevant evidence base as to the sustainability of the options. In particular, we would note the conclusions of the Sustainability Appraisals regarding the capacity for, and benefits of, increased housing provision to North Fambridge, noting that it is one of the few rail served settlements in the District and is capable of being expanded without harm to highway or flooding constraints elsewhere in the District.

#### **Response to Question 4**

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- 1.15 EA Strategic has not previously identified concerns with the deliverability of the preferred strategic growth locations, yet experience of delivery in neighbouring areas – in particular the strategic growth proposals at Beaulieu Park in Chelmsford – is relevant to Maldon. In the case of Beaulieu Park, the proposals have been in the planning pipeline for over 10 years, yet no housing units have been delivered.

#### **Response to Question 7**

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- 1.16 In the context of the importance of the 2012-based housing projections, the examination of these matters should await the publication of the household projections. In the event that the examination continues in advance of the publication, it should be kept open pending the publication, and be capable of being reconvened to address the outcomes.

**Response to Question 10**

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- 1.17 In response to Question 10, the proposed alteration in the housing requirement from 294 homes to 310 homes per annum (or from 4,410 homes to 4,650 homes over the plan period) would require the delivery of reserve housing sites, and as such must be considered as a major alteration to the LDP.
- 1.18 It is unclear whether the proposed increase from 294 to 310 homes is proposed as a main modification.
- 1.19 Notwithstanding the issue of whether the Council's figure of 310 homes per annum meets the OANs for the district, it is not considered suitable that increasing the requirement from 294 to 310 homes, particularly given that reserve sites would then be required to come forward, should be considered as a minor alteration.

**Response to Question 11**

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- 1.20 The Council has failed to provide sufficient and compelling evidence regarding the level of windfall housing delivery. As a consequence it has failed to satisfy paragraph 48 and the Council's suggested modification is not considered capable of overcoming the shortcomings of the evidence.

**Response to Question 13**

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- 1.21 The Council's Five Year Land Supply Statement May 2014 (EB096b) indicates that in the period 01/02 – 11/12, the Council had met their target in 8 of 12 years.

**Response to Question 16**

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- 1.22 In addition to the matters identified, it is notable that the revised trajectory includes 27 dwellings per annum to come forward from RADPD allocations in 2016/17, then 63 in 2017/18, and 64 in 18/19. The identification of these delivery figures is not justified by any evidence.

**Response to Questions 21 and 22**

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- 1.23 For the reasons set out in its previous representations, EA Strategic considers that the land it controls in North Farnbridge should be allocated for housing. Development of the land would provide a sustainable form of development that would provide significant benefits to the local community and would meet the sustainability and deliverability requirements of the NPPF.

## **Response to Various Questions**

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- 1.24 It is significant that there are a number of matters to which the Council is required to respond under Matter 2. Pending a response to these Matters by the Council, EA Strategic reserves the right to provide a further response, either in the form of further written submissions, or in person at the Examination.