

Gladman Developments Ltd

Representations on the Maldon District Local Plan 2014

Main Modifications

October 2016



CONTENTS

1	Executive Summary	1
2	Introduction	2
2.1	<i>Context.....</i>	2
3	National Planning Policy	3
3.1	<i>National Planning Policy Framework and Planning Practice Guidance.....</i>	3
4	Objectively Assessed Housing Need.....	5
4.1	<i>Background.....</i>	5
5	Modifications	10
5.1	<i>Strategic Growth (Policy S2) – Modifications 098, 076 and 084.....</i>	10
5.2	<i>Strategic Growth (Policy S2) – Modifications 074, 116 and 077.....</i>	12
5.3	<i>Strategic Growth (Policy S2) – Modification 088 and 089.....</i>	13
5.4	<i>Strategic Growth (Policy S2) – Modification 078(a).....</i>	13
5.5	<i>Maldon and Heybridge (Policy S4) – Modifications 090 and 010.....</i>	14
5.6	<i>Burnham-on-Crouch (Policy S6) – Modification 091.....</i>	15
6	Sustainability Appraisal Report Update.....	16
6.1	<i>Context.....</i>	16
6.2	<i>S35: Nipsells Farm, Mayland.....</i>	16
6.3	<i>S51: Land off North End, Southminster.....</i>	17
6.4	<i>S52: Land off Southminster Road, Burnham-on-Crouch.....</i>	17
6.5	<i>Outcomes.....</i>	18
7	Conclusions	19

Appendix 1 Maldon District Objective Assessment of Housing Need – August 2016
 (Prepared by Barton Wilmore)

Appendix 2 Representations on 5 Year Housing Land Supply

1 EXECUTIVE SUMMARY

- i. This submission provides Gladman Development's written representations on the Maldon District Local Plan (MDLP) 2014 Main Modifications.
 - ii. Gladman specialise in the promotion of strategic land for residential development with associated community infrastructure and has previously been involved in the preparation of the MDLP as well as with site delivery in Maldon.
 - iii. These representations concern the following matters:
 - Strategic Growth (Policy S2)
 - Housing Land Supply (Policy S2)
 - Maldon and Heybridge (Policy S4)
 - Burnham-on-Crouch (Policy S6)
 - iv. The Council's current evidence on OAN is insufficient, unjustified and not robust. It is a flawed approach that focusses on the demographic element of OAN without updating the evidence on economic needs or market signals. Gladman commissioned Barton Willmore to undertake a Framework compliant assessment of OAN for Maldon (2016 Maldon District Objective Assessment of Housing Need) which is attached to this representation at Appendix 1. This concludes that the true OAN for Maldon across the Plan period is **370 – 380** dwellings per annum.
 - v. Gladman raise a number of concerns relating to the level of housing delivery projected by the Council both within the 5-year period and across the plan period, with the main area of disagreement revolving around the delivery of strategic allocations as identified within the LDP. Further details are found within Appendix 2 of these representations which contain Gladman's detailed comments on MDC's latest Five Year Housing Land Supply Position.
 - vi. Gladman object to the modification which introduces a monitoring and review mechanism for dealing with shortfalls in the housing land supply position. This is a wholly inadequate trigger clause for a local plan review mechanism as there has to be a significant shortfall in housing land supply, below the minimum 5 years required by the Framework, that would not be addressed in the following 5-year trajectory period before a review is commenced. This would mean that at worst, a review mechanism would not be triggered for at least 8 years (The three years from adoption of the plan plus the following 5-year trajectory period). The current review mechanism is therefore inadequate, contrary to the Framework and should be fundamentally revised.
-

2 INTRODUCTION

2.1 Context

2.1.1 Gladman Developments specialise in the promotion of strategic land for residential development with associated community infrastructure. This submission provides Gladman Development's representations on the MDLP Modifications.

2.1.2 The National Planning Policy Framework sets out four tests that must be met for Local Plans to be considered sound. In this regard we submit that in order to prepare a sound plan it is fundamental that it is:

- **Positively Prepared** – The Plan should be prepared on a strategy which seeks to meet objectively assessed development and infrastructure requirements including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.
 - **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on a proportionate evidence base.
 - **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
 - **Consistent with National Policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.
-

3 NATIONAL PLANNING POLICY

3.1 National Planning Policy Framework and Planning Practice Guidance

3.1.1 The National Planning Policy Framework has been with us now for over four years and the development industry has experience with its application and the fundamental changes it has brought about in relation to the way the planning system functions. The Framework sets out the Government's goal to 'significantly boost the supply of housing' and how this should be reflected through the preparation of Local Plans. In this regard, it sets out specific guidance that local planning authorities must take into account when identifying and meeting their objectively assessed housing needs:

"To boost significantly the supply of housing, local planning authorities should:

- Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area***
- Identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements..."***
- Identify a supply of specific, developable sites or broad locations for growth, for years 6-10, and where possible for years 11-15" (Paragraph 47)"***

3.1.2 The starting point of identifying objectively assessed housing needs is set out in paragraph 159 of the NPPF, which requires local planning authorities to prepare a Strategic Housing Market Assessment, working with neighbouring authorities where housing market areas cross administrative boundaries. It is clear from the Framework that the objective assessment of housing needs should take full account of up-to-date and relevant evidence about the economic and social characteristics and prospects of the area, with local planning authorities ensuring that their assessment of and strategies for housing and employment are integrated and take full account of relevant market and economic signals (paragraph 158).

3.1.3 Once a local authority has identified its objectively assessed needs for housing these needs should be met in full, unless any adverse impacts would significantly and demonstrably outweigh the benefits of doing so (paragraph 14). Local planning authorities should seek to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. Adverse impacts on any of these dimensions should be avoided. Where adverse impacts are unavoidable, mitigation or compensatory measures may be appropriate (paragraph 152).

3.1.4 As the Council will be aware the Government published its final suite of Planning Practice Guidance (PPG) on the 6th March 2014, clarifying how specific elements of the Framework should be interpreted when preparing their Local Plans. The PPG on the Housing and Economic Development Needs in particular provides a clear indication of how the Government expects the Framework to be taken into account when Councils are identifying their objectively assessed housing needs. Key points from this document include:

- Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need
 - Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic underperformance, infrastructure or environmental constraints.
 - Household projection based estimates of housing need may need adjusting to reflect factors affecting local demography and household formation rates which are not captured by past trends, for example historic suppression by under supply and worsening affordability of housing. The assessment will need to reflect the consequences of past under delivery and the extent to which household formation rates have been constrained by supply.
 - Plan makers need to consider increasing their housing numbers where the supply of working age population is less than projected job growth, to prevent unsustainable commuting patterns and reduced local business resilience.
 - Housing needs indicated by household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.
 - The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed, and the larger the additional supply response should be.
 - The total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help to deliver the required number of affordable homes.
-

4 OBJECTIVELY ASSESSED HOUSING NEED

4.1 Background

4.1.1 The process of undertaking an OAN is clearly set out in the Framework principally in §14, §47, §152 and §159 and should be undertaken in a systematic and transparent way to ensure that the plan is based on a robust evidence base.

4.1.2 The starting point for this assessment requires local planning authorities to have a clear understanding of housing needs in their area. This involves the preparation of a Strategic Housing Market Assessment (SHMA) working with neighbouring authorities where housing market areas cross administrative areas as detailed in §159 of the Framework. The Framework goes on to set out the factors that should be included in a SHMA including identifying:

“the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- ***Meets household and population projections taking account of migration and demographic change;***
- ***Addresses the need for all types of housing including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and***
- ***Caters for housing demand and the scale of housing supply necessary to meet this demand.”***

4.1.3 Key points that are worth noting from the above is that the objective assessment should identify the full need for housing **before** the Council consider undertaking any process of assessing the ability to deliver this figure. In addition, §159 specifically relates to catering for both housing need and housing demand within the authority area. It is worth pointing out that any assessment of housing need and demand within a SHMA must also consider the following factors; falling household formation rates, net inward migration, the need to address the under provision of housing from the previous local plan period, the results of the Census 2011, housing vacancy rates including the need to factor in a housing vacancy rate for churn in the housing market, economic factors to ensure that the economic forecasts for an area are supported by sufficient housing to deliver economic growth, off-setting a falling working age population by providing enough housing to ensure retiring workers can be replaced by incoming residents, addressing affordability and delivering the full need for affordable housing in an area.

4.1.4 Of particular importance is the need to consider market signals. The consideration of market signals is one of the core planning principles considered in §17 of the Framework, which states:

'..Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.'

- 4.1.5 Of critical importance is what the Framework goes onto say in §158 in the section discussing Plan Making. It states here:

'Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.'

- 4.1.6 Market signals are therefore at the very core of what the Framework is trying to achieve in promoting sustainable development and boosting the supply of housing land.

- 4.1.7 The formal publication of the Planning Practice Guidance in March 2014 gives further explanation to what the Framework means with regard to market signals, and sets out, in a range of paragraphs, the way in which local planning authorities should go about factoring in relevant market signals in arriving at their OAN. §19 and §20 of the PPG gives guidance on what market signals should be taken into account and how plan makers should respond to these market signals. The below extracts identify some particularly pertinent points.

'The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand.'

- 4.1.8 The paragraph goes on to indicate that these factors would include, but should not be limited to, land prices, house prices, rents, affordability, rates of development and overcrowding. However, given what the Framework says at §17, quoted above, it seems clear that particular consideration should be given to affordability.

- 4.1.9 In order to consider how market signals should be taken forward §20 identifies some key concepts:

'Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.'

- 4.1.10 It is therefore clear that where market signals are apparent (in any of the indicators assessed) there is an absolute and clear direction that an upward adjustment to housing numbers is required. It is
-

also clear that both the absolute level of change and the rates of change are considerations, and that local planning authorities need to carefully benchmark themselves against other areas. This should not simply be a case of considering neighbouring authorities but should look at, as well as these, local authorities on a national basis, if the demographic and economic indicators are relevant. Gladman are firmly of the view that considering comparisons purely against neighbouring authorities is not sufficiently robust and does not address the underlying issues which both the Framework and PPG are trying to tackle with regard to housing.

4.1.11 What is of further importance when considering these issues is the period of time analysed when considering both relative and absolute change. It has become apparent, in our consideration of a number of plans that many local authorities choose to look at periods of time which are not fully representative of the depth of the housing crisis which we are currently within.

4.1.12 The problems are noted in Fixing the Foundations: Creating a more prosperous nation published by HM Treasury in July 2015. In paragraph 9.7 the report states:

'There remains more to do. As the London School of Economics (LSE) Growth Commission found, 'under supply of housing, especially in high-growth areas of the country has pushed up house prices. The UK has been incapable of building enough homes to keep up with growing demand.'

4.1.13 Gladman are therefore of the view that local planning authorities must take a long term view when considering affordability and consider the relative and absolute change over a long term 15-20 year period, which coincides with the normal time span of a Local Plan. Authorities should assess, as a constituent part of their OAN, how they can improve affordability over the life time of a plan to a point where affordability is more in line with average earnings and affordable mortgage lending rates. They should assess a level of housing over the 15-20 year plan period which would enable this step change and consider its deliverability in the plan. Only through planning for significant housing growth can local authorities realistically tackle market signals in the way advocated by the PPG and tackle the affordability and housing crisis.

4.1.14 The need to identify the full OAN before considering any issues with the ability of a Local Planning Authority to accommodate that level of development has been confirmed in the High Court. Most notably in *Solihull Metropolitan Borough Council v (1) Gallagher Homes Limited (2) Lioncourt Homes Limited* where it was considered that arriving at a housing requirement was a two stage process and that first the unconstrained OAN must be arrived at. In the judgement it was stated:

"The NPPF indeed effected a radical change. It consisted in the two-step approach which paragraph 47 enjoined. The previous policy's methodology was essentially the striking of a balance. By contrast paragraph 47 required the OAN [objectively assessed need] to be made first, and to be given effect in the Local Plan save only to the extent that that would be inconsistent with other NPPF policies. [...] The two-

step approach is by no means barren or technical. It means that housing need is clearly and cleanly ascertained. And as the judge said at paragraph 94, “[h]ere, numbers matter; because the larger the need, the more pressure will or might be applied to [impinge] on other inconsistent policies”.

4.1.15 Therefore, following the exercise to identify the full, OAN for housing in an area,

“Local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. Significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued. Where adverse impacts are unavoidable, measures to mitigate the impact should be considered. Where adequate mitigation measures are not possible, compensatory measures may be appropriate.” (NPPF §152)

4.1.16 This statement clearly sets out that local planning authorities should seek to deliver the full OAN and that this should be tested through the evidence base. Only where the evidence shows that this is not achievable should they then test other options to see if any significant adverse impacts could be reduced or eliminated by pursuing these options. If this is not possible then they should test if the significant adverse impacts could be mitigated and where this is not possible, where compensatory measures may be appropriate.

4.1.17 The final stage of the process is outlined in §14 and involves a planning judgement as to whether, following all of the stages of the process outlined above,

“Local Plans should meet OAN, with sufficient flexibility to adapt to rapid change, unless:

- **any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this framework taken as a whole; or**
- **specific policies in this Framework indicate development should be restricted.”**

4.1.18 It is also worth noting that the final part of this sentence refers to footnote 9 of the Framework which sets out the types of policies that the Government consider to be restrictive. These include:

“sites protected under the Birds and Habitat Directive (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast

or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion”.

- 4.1.19 Although this list is not exhaustive it is clear that local landscape designations, intrinsic value of the countryside, the character of areas, green gaps etc. are not specifically mentioned as constraints by the Framework.
- 4.1.20 The National Planning Practice Guidance (NPPG) contains guidance to support local authorities in objectively assessing and evidencing development needs for housing (both market and affordable) and economic development. This document supports and provides further guidance on the process of undertaking such assessments, in addition to what is set out in the Framework.
-

5 MODIFICATIONS

5.1 Strategic Growth (Policy S2) – Modifications 098, 076 and 084

- 5.1.1 The Council's Modification (Ref: 098) sets a new housing requirement for the district of 4,650 dwellings between 2014 and 2029 (310 dwellings per annum). This is based on updated work requested by the Inspector and prepared by NMSS on the Implications of the DCLG 2014-based Household Projections for the Objectively Assessed Housing Needs of Maldon District (EB106) which suggests that the OAN for Maldon is 260 dwellings per annum.
- 5.1.2 The Council also published a Five Year Housing Land Supply Advisory Note in August 2016 which explains the calculation of the five-year supply against the new OAN in detail. However, Gladman have concerns with the way in which the Council has interpreted matters relating to the Local Plan Examination within this document.
- 5.1.3 Para2.3 states that the previous Inspector did not identify any policies in the Local Plan which were unsound apart from Policy H6. However, the Inspector did not reach any conclusions as to whether the policies (apart from H6) were sound or unsound and on many issues he did not hear any evidence at the Hearing Sessions. It would be entirely wrong of the Council to interpret this fact as the Inspector stating that the rest of the Local Plan was sound.
- 5.1.4 In addition, the Council state at para 2.7 that as the Inspector did not conclude that the housing target in the Local plan was unsound then this supports the Council in providing significant weight to policies within the Plan and supports the use of the housing target in the Local Plan for the calculation of the 5-year housing land supply. Again, this has been entirely misrepresented by the Council as the Inspector found the Plan unsound based on Policy H6 and did not conclude that the housing requirement was either sound or unsound.
- 5.1.5 The work prepared by NMSS (EB106) builds upon the 2015 NMSS report on OAN to take account of the ONS 2014-based Subnational Population Projections (2014 SNPPs), DCLG's 2014-based Population Projections (2014 HPs) and the ONS 2015 Mid-Year Population Estimates (2015 MYE).
- 5.1.6 Gladman has significant concerns regarding this evidence and do not consider it to be a robust and justified assessment of the OAN for Maldon District.
- 5.1.7 The NMSS update work does not consider that there is a need to adjust DCLG's Household Formation Rates (HHFRs) to move towards the 2008-based rates to address issues of suppression in the market. This is despite the fact that the 2014 HHFRs clearly predict lower household formation for those aged 25-34 and 35-44 than the previous 2012-based series (See Figures 3.1 and 3.2 of Objective Assessment of Housing Need – Barton Willmore (2016) attached as Appendix 1). It is clear from the work undertaken by Barton Willmore, that such suppression in household formation in
-

these age groups would justify an upward adjustment to the demographic starting point for the calculation of OAN in Maldon.

- 5.1.8 In addition, the NMSS Update report 2016 only considers the demographic element of the calculation of OAN. The Planning Practice Guidance (PPG) sets out a methodology for undertaking OAN assessments and suggests that job trends and or forecasts should also be taken into account when assessing overall housing need. This part of the methodology has not been addressed through the NMSS 2016 update work and the Council continue to rely on the 2015 OAN evidence which was underpinned by the East of England Forecasting Model (EEFM) 2014 data. This is clearly now out-of-date.
- 5.1.9 Similarly, the PPG sets out that a calculation of OAN should consider relevant market signals and their implications for overall housing need. Again, this task has not been updated by NMSS in the latest 2016 work (EB106) and the Council again rely on information from the 2015 OAN evidence which is derived from Market Signals data between 1997 and 2013. This data is now significantly out-of-date. For example, DCLG have published affordability data for both 2014 and 2015 which shows a significant increase in affordability issues in Maldon compared with the data relied upon by the Council.
- 5.1.10 Given the concerns detailed above, Gladman commissioned Barton Willmore to provide an update to the Objective Assessment of Housing Need report which they originally prepared for the Examination in Public back in 2014. The 2016 Maldon District Objective Assessment of Housing Need (2016 Maldon OAN) by Barton Willmore is attached to this representation at Appendix 1 for reference purposes. A summary of the main conclusions is set out below:
- (i) the 2014 DCLG Household Projections set the start point for the calculation of OAN for Maldon of 220 dwellings per annum (2014-2029);
 - (ii) for Maldon, the HHFRs for 25-34 and 35-44 years olds show a declining trend for household formation which is more acute than the 2012-based projections indicating suppression in the market. The 2016 Maldon OAN report therefore provides 3 sensitivity tests for HHFRs resulting in an uplift to the demographic start point to between 230 and 250 dwellings per annum;
 - (iii) the official DCLG projections are underpinned by a 5-year period of migration which was heavily influenced by the recession and therefore it is considered appropriate to base the OAN calculation on a 10-year migration trend (2005-2015). This suggests a further adjustment to the demographic start point to between 300 to 310 dwellings per annum;
 - (iv) the 2014 EEFM's job forecast model projects 147 jobs per annum will be created in the district between 2014 and 2029. The 2016 Maldon OAN uses an average of three jobs forecasts from three leading forecasting houses (Experian, Cambridge and Oxford Economics) which suggests 124 jobs per annum will be created over the same period.
-

However, the demographic starting point estimate from the 2014-based Household Projections would only support between 30 and 60 new jobs per annum. Therefore, to support 124 jobs per annum would require between 370 and 380 dwellings per annum;

- (v) the analysis of market signals shows how Maldon has a number of indicators that are worsening at a more acute rate than the HMA and national average. In particular, the affordability ratio peaked in the most recent year at 11.4 and based on a three year rolling average (9.9) was above the HMA (8.8) and national (6.9) averages;
- (vi) these indicators would require an uplift to the OAN to address these issues but as the uplift to account for job creation is between a 68%-73% increase on the starting point estimate of OAN, it is considered that the economic-led OAN (370-380 dwellings per annum) should be planned for as a minimum to ensure the acute affordability problems in Maldon are addressed.

5.1.11 Therefore, based on the assessment set out above and in the Barton Willmore Objective Assessment of Housing Need 2016, it is considered that the Council's current assessment of OAN (260 dwellings per annum) is not robust and the up-to-date robust assessment of OAN which should be planned for as a minimum is between 370 and 380 dwellings per annum.

5.2 Strategic Growth (Policy S2) – Modifications 074, 116 and 077

5.2.1 Gladman raise a number of concerns relating to the level of housing delivery projected by the Council both within the 5-year period and across the plan period, with the main area of disagreement revolving around the delivery of strategic allocations as identified within the LDP. Further details are found within Appendix 2 to these representations which contain Gladman's detailed comments on MDC's latest Five Year Housing Land Supply Position.

5.2.2 Gladman also raise concerns with the updated housing trajectory contained within modification 077 as this shows a significant increase in the number of dwellings which the Council project will be completed (from 180 dwellings in 2015/2016 to 533 dwellings in 2016/17 and 737 dwellings in 2017/18,) levels of housing completion which the Council have never reached in previous monitoring years.

5.2.3 As noted within each of the modifications listed above, Maldon District Council state that 300 windfall dwellings are expected to be delivered over the plan period. As noted within section 4.7 of Appendix 2, whilst Gladman do not contend the annualised rate of 20 windfall dwellings per annum across the plan period, it is not accepted that a windfall allowance should be included for the first 2 years of the 5 year period.

5.2.4 It is Gladman's view that it is highly unlikely that any actual completions requiring planning permission will be achieved from currently unidentified sites for at least 2 years and that the windfall allowance should be omitted for years 1 and 2 from the supply position. It was noted by the

Inspector for the Great Totham¹ appeal that the windfall allowance for MDC should be suspended for the first two years of the five year period, aligning with Gladman's stance on the matter.

- 5.2.5 Based on the foregoing, Gladman have concerns with MDC's claimed land supply position, particularly with regard to the reliance on the delivery of strategic allocations within the five year period and across the plan period and it is considered that additional sites will need to be identified to meet Maldon's housing requirements.

5.3 Strategic Growth (Policy S2) – Modification 088 and 089

- 5.3.1 In each of the modifications listed above the Council state that any development proposal in excess of LDP (Local Development Plan) requirements will need to demonstrate that, amongst other things, it will not prejudice or delay the delivery of the Garden Suburbs, Strategic Allocations or infrastructure improvements. This statement is clearly contrary to the Framework as it is not positively worded and does not support the fundamental need to boost significantly the supply of housing.
- 5.3.2 The Policy introduces a form of sequential test which does not take account of the Framework's requirement to maintain at least a 5-year supply of housing land and it places the delivery of the strategic housing allocations above the maintenance of a 5-year supply which is also contrary to the Framework.
- 5.3.3 It would also be extremely difficult for an applicant to evidence that a proposal would have no effect on the delivery of a strategic allocation within the Local Plan. This means that the policy is unclear on how it will be used in the decision making process.
- 5.3.4 All references to prejudicing or delaying the delivery of the Garden Suburbs or Strategic Allocations in the above modifications should therefore be removed from the plan otherwise the Plan would be unsound.

5.4 Strategic Growth (Policy S2) – Modification 078(a)

- 5.4.1 Gladman object to the modification which introduces a monitoring and review mechanism for dealing with shortfalls in the housing land supply position. The modification, as drafted, states that if after three years of the adoption of the plan there is a **significant shortfall** in housing delivery **and** the expected housing completions in the following 5 years are insufficient to compensate for the shortfall then the Council will undertake a fast track partial review of the plan. However, for a number of reasons this Modification is considered to be unsound.

¹ APP/X1545/W/15/3032632 (Decision date: 25/01/2016)

- 5.4.2 Firstly, there is no definition of the term '**significant shortfall**'. Therefore, it is open to interpretation as to when any partial review will be triggered. This is not a clear and implementable policy as required by para 154 of the Framework.
- 5.4.3 In addition, in order to prompt a partial plan review, both parts of the policy need to be triggered. This is a wholly inadequate trigger clause for a local plan review mechanism as there has to be a significant shortfall in housing land supply, potentially well below the minimum 5 years required by the Framework, that would not be addressed in the following 5-year trajectory period before a review is commenced. This would mean that at worst a review mechanism would not be triggered for at least 8 years (the three years from adoption of the plan plus the following 5-year trajectory period). If this scenario occurred, it would mean that housing needs in the area would simply not be met for a significant period of time. This is an unsound review mechanism which is contrary to the Framework's objective of boosting significantly the supply of housing. The review mechanism should therefore be fundamentally revised.
- 5.4.4 It is suggested that one way to address this flaw is to include a plan review mechanism which states that if there is a housing undersupply, when comparing delivery to the annual housing requirement, in 3 consecutive years then this will trigger a fast tracked partial review of the plan.

5.5 Maldon and Heybridge (Policy S4) – Modifications 090 and 010

- 5.5.1 Gladman object to Modification 090 for the same reasons as set out in Section 5.4 above.
- 5.5.2 In addition, Gladman have significant concerns with the delivery rates and timeframes associated with the Strategic Allocations which are set out in detail in Appendix 2 of these representations.
- 5.5.3 Modification 010 sets out the position with regards to the North Heybridge and South Maldon sites and their potential impact upon heritage assets. Both of these allocations have the potential to impact on various heritage assets including Prehistoric / Roman settlements, a registered battlefield and a designated heritage asset of the highest significance. These are fundamental considerations that may have a considerable impact upon the deliverability of these schemes.
- 5.5.4 In light of the judgement in FODC v. SSCLG and Gladman Developments Ltd. [2016] EWHC 421 Admin, Gladman consider it is necessary for the MDLP to carry out an assessment of the potential impact of proposed development on heritage assets, as set out in paragraph 129 of the Framework. The Judgement concerns the interaction between paragraph 14 and paragraph 134 of the Framework, and the issues of the balancing exercise to be undertaken to assess the harm of any proposals against the benefits of the identified proposed development in accordance with paragraphs 133, 134 and 135 of the Framework. Gladman consider that the implications of the Judgement apply equally to both the decision making process and the plan making process.
- 5.5.5 The outcome of this work may then impinge upon the delivery timescales for these allocations which should then be taken into account through the preparation of the Local Plan.
-

5.6 Burnham-on-Crouch (Policy S6) – Modification 091

- 5.6.1 Gladman object to this modification for the same reasons as set out in Section 5.4 above.
- 5.6.2 In addition, there are sites which are available and deliverable within Burnham-on-Crouch which are not allocated for development in the Maldon Local Plan 2014 and which are not affected by the infrastructure constraints that exists within the settlement. Gladman are promoting a site at Land off Southminster Road, Burnham-on-Crouch for up to 80 new dwellings which is currently the subject of an appeal (APP/X1545/W/15/3009772). The only outstanding issue between the parties at the appeal is that of noise which is entirely unrelated to any of the infrastructure constraints listed in the Local Plan.
- 5.6.3 Therefore, there are sites which could come forward within Burnham-on-Crouch, which are not affected by the infrastructure constraints and which should not be prevented from coming forward simply because there may be an impact upon the delivery of the strategic allocations. This is highly unlikely in any event and extremely difficult to evidence.
-

6 SUSTAINABILITY APPRAISAL REPORT UPDATE

6.1 Context

6.1.1 As part of the Main Modifications consultation the Council have also sought comments on the Sustainability Appraisal Report Update (September 2016) which presents an update to the Sustainability Appraisal (SA) following the proposed modifications to the LDP. The SA update also provides an assessment of a number of alternative sites which have been promoted through the EIP.

6.1.2 This section of these representations provides comments on the alternative sites included within the SA which are being promoted by Gladman.

6.2 S35: Nipsells Farm, Mayland

6.2.1 Gladman support the inclusion of the above site as an alternative site within the SA update. Information regarding the deliverability of this site was submitted to MDC and can be found in the planning application (reference: OUT/MAL/15/00179) and the appeal submission (reference: APP/X1545/W/15/3139154) which is yet to be determined. Gladman have the following comments to make on the alternative site assessment table (found at Appendix 3 to the SA Update):

- Under objective 1 it is stated that the site is over 800m from public transport provision. However, the closest bus stops to the site are found on Wembley Avenue, approximately 690m walking distance from the centre of the site.
 - It is stated under objectives 3, 5, 11 and 12 that the development of the site would result in a greater requirement for private vehicle use due to its remoteness. However, it must be noted that it is stated within the Committee Report for the application, that having regard to the facilities and services located within Mayland and the bus services available, the site is considered acceptable in terms of access to services and facilities. Locational sustainability was not an issue which was pursued by the Council at the recent public Inquiry.
 - Under objective 5 it is stated that there is uncertainty over transport infrastructure and whether works would be required. As noted within the Committee Report for the application, Essex County Council as the Highway Authority consider that the application will have minimal impact in terms of safety and capacity and that the proposal will not be detrimental to highway safety, capacity of efficiency in this location or the wider highway network.
 - Objectives 7, 10 and 13 state that the area is agricultural land. However, as demonstrated within the evidence submitted in relation to the appeal, the site consists solely of grade 3b
-

agricultural land and therefore does not constitute best and most versatile agricultural land.

- It is also stated under objective 7 that there is potential for significant indirect impacts on the nearby Blackwater Estuary Special Protection Area (SPA) and Ramsar site which could arise as a result of recreational disturbance. Throughout the determination of the planning application, additional information was submitted which allowed Natural England to come to a conclusion of 'no likely significant effect' on the SPA / Ramsar site.

6.3 S51: Land off North End, Southminster

6.3.1 Gladman support the inclusion of the above site as an alternative site within the SA update. Information regarding the deliverability of this site was submitted to MDC and can be found in the planning application for 120 dwellings submitted by Gladman (reference: OUT/MAL/16/00302.) This planning application addresses the comments of the Inspector of the previous appeals on this site for 240 and 220 dwellings (references: APP/X1545/A/14/2224678 & APP/X1545/W/15/3004973.) Gladman have the following comments to make on the alternative site assessment table (found at Appendix 3 to the SA Update):

- Under objective 5 it is stated that the site is over 600m from public transport provision. However, the closest bus stops to the site are found on North End, approximately 450m walking distance from the centre of the site.
- It is stated under objectives 5, 11 and 12 that there will be an increase in dependence on transport, particularly private car use. As noted by the Inspector in the decisions noted above for 220 and 240 dwellings, the proposals would be located where there is physical and environmental capacity to accommodate the type and amount of traffic generated and the proposals would also improve walking and cycling routes to nearby services, facilities and public transport.
- Objective 6 states that as the site is adjacent to two Scheduled Monuments there is the potential for an impact on their setting. Gladman consider that the planning application submitted for 120 dwellings take the considerations of the Inspector into account with regards to this matter due to the reduced site size and dwelling numbers and the fact that there are no additional connections to the area and that the site is separated by a substantial ditch to the south which is across private land.

6.4 S52: Land off Southminster Road, Burnham-on-Crouch

6.4.1 Gladman support the inclusion of the above site as an alternative site within the SA update. Information regarding the deliverability of this site was submitted to MDC and can be found in the planning application submitted by Gladman (reference: OUT/MAL/14/00845.) Gladman have the

following comments to make on the alternative site assessment table (found at Appendix 3 to the SA Update):

- Objectives 5, 11 and 12 state that the development of this site would result in a greater requirement for private vehicle use. However, it must be noted that as part of the ongoing appeal for Gladman's proposals (reference: APP/X1545/W/15/3009772) neither highways nor locational sustainability have been raised as part of the Council's case.
- It is noted within objective 14 that the Council consider that local character could be affected in particular nearby receptors. However, as part of the ongoing appeal landscape or visual impacts have not been raised as part of the Council's case.

6.5 Outcomes

- 6.5.1 Gladman consider that the true OAN for Maldon is 370-380 dwellings per annum (as concluded within the Barton Willmore OAN, found at Appendix 1) and the deliverability of the strategic allocations is questionable (as demonstrated within Gladman's representations on the Council's Five Year Housing Land Supply position, found at Appendix 2).
- 6.5.2 Gladman consider that in order to allow sufficient flexibility within the LDP to respond to changing circumstances such as the non-delivery of strategic allocations and in order for the MDLP to meet its true full OAN (370-380 dwellings per annum), sustainable and suitable sites such as those listed above should be allocated in the Plan.
- 6.5.3 The sites are all suitable, available and deliverable and would make a valuable contribution both to the 5 year housing land supply and to the provision of affordable housing, a need which the Council is currently failing to deliver.
-

7 CONCLUSIONS

- 7.1.1 Having considered the MDLP, Gladman are concerned about a range of matters including housing needs, housing supply, spatial strategy, and historic environment.
- 7.1.2 The plan must be positively prepared, effective, justified and consistent with national policy to be found sound at examination. In the first instance, the Council must start with clearly defining an NPPF and PPG compliant OAN by developing an unconstrained requirement which properly follows the guidelines set out at the national level. The Council should then develop a robust housing requirement using this OAN as a starting point.
- 7.1.3 The Council's current evidence on OAN is insufficient, unjustified and not robust. It is a flawed approach that focusses on the demographic element of OAN without updating the evidence on economic needs or market signals. Gladman commissioned Barton Willmore to undertake a Framework compliant assessment of OAN for Maldon (2016 Maldon District Objective Assessment of Housing Need) which is attached to this representation at Appendix 1. This concludes that the true OAN for Maldon across the Plan period is **370 – 380** dwellings per annum.
- 7.1.4 Gladman raise a number of concerns relating to the level of housing delivery projected by the Council both within the 5-year period and across the plan period, with the main area of disagreement revolving around the delivery of strategic allocations as identified within the LDP. Further details are found within Appendix 2 to these representations which contain Gladman's detailed comments on MDC's latest Five Year Housing Land Supply Position.
- 7.1.5 Gladman also raise concerns with the updated housing trajectory contained within modification 077 as this shows a significant increase in the number of dwellings which the Council project will be completed (from 180 dwellings in 2015/2016 to 533 dwellings in 2016/17 and 737 dwellings in 2017/18,) levels of housing completions which the Council have never reached in previous monitoring years.
- 7.1.6 Gladman object to the modification which introduces a monitoring and review mechanism for dealing with shortfalls in the housing land supply position. Firstly, there is no definition of the term 'significant shortfall', which is not a clear and implementable policy as required by para 154 of the Framework. In addition, in order to prompt a partial plan review, both parts of the policy need to be triggered i.e. there needs to be a significant shortfall in housing supply and the following 5-year trajectory is insufficient to compensate for that shortfall. This is a wholly inadequate trigger clause for a local plan review mechanism as at worst, a local plan review may not be commenced for at least 8 years (The three years from adoption of the plan plus the following 5-year trajectory period). The review mechanism should therefore be fundamentally amended.
-

Appendix 1

Maldon District
Objective Assessment of Housing Need
August 2016
Barton Willmore

MALDON DISTRICT

OBJECTIVE ASSESSMENT OF HOUSING NEED

AUGUST 2016

MALDON DISTRICT
OBJECTIVE ASSESSMENT OF HOUSING NEED

Project Ref:	23609/A5/DU
Status:	Final
Issue/Rev:	02
Date:	13/09/2016
Prepared by:	DU
Checked by:	JD/DM
Authorised by:	JD

Barton Willmore LLP
The Observatory
Southfleet Road
Ebbsfleet
Dartford
DA10 0DF

Tel: (01322) 374660
Fax: (01322) 374661
E-mail: research@bartonwillmore.co.uk

Ref: 23609/A5/DU
Date: August 2016

COPYRIGHT

The contents of this document must not be copied or reproduced in whole or in part without the written consent of Barton Willmore LLP.

All Barton Willmore stationery is produced using recycled or FSC paper and vegetable oil based inks.

CONTENTS

PAGE NO

EXECUTIVE SUMMARY

1.0	INTRODUCTION	01
2.0	NATIONAL OAN POLICY CONTEXT AND GUIDANCE SUMMARY	03
3.0	HOUSEHOLD DEMOGRAPHICS	09
4.0	DEMOGRAPHIC MODELLING SCENARIOS AND ASSUMPTIONS	11
5.0	RESULTS: MODELLED HOUSING NEED	18
6.0	MARKET SIGNALS UPDATE	21
7.0	LOCAL PLANS EXPERT GROUP OAN CALCULATION	40
8.0	SUMMARY AND CONCLUSIONS	43

1.0 INTRODUCTION

- 1.1 This Objective Assessment of Housing Need (OAN) for Maldon District has been prepared by Barton Willmore LLP on behalf of Gladman Developments Limited, and follows on from previous OAN reports covering Maldon District and the surrounding Colchester HMA. The study complies with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) requirements regarding the full Objective Assessment of Overall Housing Need (OAN).
- 1.2 The Study assesses need for Maldon District in isolation, although Barton Willmore acknowledge in previous OAN reports that Maldon District falls within the wider Colchester HMA which includes the additional authorities of Braintree, Maldon, Colchester, and Tendring. This definition is based on research from the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University and updated in light of more recent commuting and migration flow data from the 2011 Census.
- 1.3 Maldon District Council's (MDC) Local Plan was submitted for examination by the Secretary of State in April 2014. Following initial hearings in January 2015, interim findings were released in May 2015. Following this the Local Plan was 'called in' by the Secretary of State (June 2015), and the examination resumed in April 2016.
- 1.4 At the time of writing the main modifications for the Local Plan are due to be consulted on between August and September 2016, with resumed hearings scheduled for November 2016. The Council's most recent OAN evidence is from March 2015 and is due to be updated by the Council in order to take account of the 2014-based CLG household projections and 2014-based ONS sub national population projections (SNPP).
- 1.5 This report is focusses on Maldon District, and covers the following overarching topics:
- Impact of the 2014-based ONS Sub National Population Projections, 2014-based CLG Household Projections, and 2015-based Mid-Year Population Estimates;
 - Latest policy-off job growth forecasts from Experian Economics, Cambridge Econometrics, and Oxford Economics.
 - Updated Market Signals data analysis;
 - Local Plans Expert Group (LPEG) recommendations for OAN;
- 1.5 In this context the report presented here follows the structure set out below:

Report Structure:

- 1.6 The report is structured as follows:
- 1.7 Chapter 2, **National OAN Policy Context**, summarises the key aspects of national planning policy and guidance set out by the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), demonstrating how this study meets the required standard for an OAN.
- 1.8 Chapter 3, **Household Demographics** summarises the CLG 2014-based household projections for Maldon which provide the starting point for assessing housing need. This section also considers the underlying assumptions regarding household formation and migration.
- 1.9 Chapter 4, **Outline of the scenarios and modelling assumptions**, provides an outline of the POPGROUP forecasting model, along with an explanation of the scenarios that have been run through the POPGROUP model for Maldon District. It also sets out the data assumptions and sources that have been used.
- 1.10 Chapter 5, **Results: Modelled Housing Need**, presents updated outputs from the POPGROUP model for each of the OAN scenarios for Maldon, with appropriate commentary.
- 1.11 Chapter 6, **Market Signals Update** provides an update to previous analysis of market signals in Maldon District. The analysis is compared with the other four authorities of the HMA (Braintree, Colchester, Chelmsford, and Tendring), the HMA average, and national average.
- 1.12 Chapter 7, **Local Plans Expert Group (LPEG)**, considers the recommendations presented by LPEG in respect of their proposed changes to the Housing and Economic Development Needs Assessment (HEDNA) section of PPG. A calculation of OAN for Maldon District based on LPEG's recommendations is provided.
- 1.13 Chapter 8, **Summary and Conclusions** brings together the modelled need established in Chapter 5 and provides the full OAN for Maldon District for the Council's proposed Plan period (2014-2029).
- 1.14 Key supporting tables and documents are also provided as appendices.

2.0 NATIONAL OAN POLICY CONTEXT AND GUIDANCE SUMMARY

2.1 This section does not provide a full outline of the planning policy relevant to assessing objectively assessed housing need. This was set out in the original November 2014 report. Rather this section focuses specifically on the policy which requires local authorities to take account of the most recent data available, and hence the reason for this focused OAN review, and the minor changes to the relevant policy which has been made since the November 2014 report was published.

National Planning Policy Framework (NPPF, 27 March 2012)

2.2 The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these are expected to be applied. The presumption in favour of sustainable development is said to sit at the heart of the NPPF, and this requires that local planning authorities should positively seek opportunities to meet the development needs of their area, and that local plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change.

2.3 In respect of Local Plan preparation, the NPPF states;

"Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals."¹

2.4 The approach taken in the preparation of this study is consistent with the NPPF's assertion that the evidence is adequate, up-to-date and relevant.

2.5 In referring to the need for Local Planning Authorities to prepare a Strategic Housing Market Assessment (SHMA), the NPPF outlines what the SHMA should contain. It states;

"The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change."²

¹ Paragraph 158, page 38, National Planning Policy Framework, 27 March 2012

² Paragraph 159, page 38 National Planning Policy Framework, 27 March 2012

- 2.6 By considering the latest household and population projections produced by Central Government and the assumptions which underpin them, this study is complying with the NPPF requirements.

Planning Practice Guidance (PPG, 06 March 2014)

- 2.7 The Planning Practice Guidance (PPG) on Housing and Economic Development Needs Assessments (HEDNA) guides Councils in how to assess their housing and economic development needs. As of 15th August 2016 the PPG had not been updated to reference the newly published 2014-based CLG household projections. Paragraph ID2a-015 reads as follows:

“Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.”³ (Our emphasis)

- 2.8 Paragraph ID2a-015 moves on to explain why the official CLG household projections should only be considered as a ‘starting point estimate’ of OAN:

“The household projections are trend based, ie they provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”

“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply.”⁴ (Our emphasis)

- 2.9 The HEDNA PPG is very clear that the starting point estimate may require adjustment for the effects of the under-supply of housing and the impacts of the worsening affordability of housing.

³ Paragraph ID 2a-015-20150227, Planning Practice Guidance, 06 March 2014

⁴ Paragraph ID 2a-015-20150227, Planning Practice Guidance, 06 March 2014

- 2.10 Paragraph ID2a-016 moves on to consider the publication of new household projections, as follows:

“Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.”⁵

- 2.11 Whilst the PPG states that housing assessments are not automatically rendered outdated every time new projections are issued, it is necessary to take account of what the new projections show and if there is a meaningful change then this should be considered. By reviewing the recently published CLG 2014-based household projections, this study is complying with PPG guidance.

- 2.12 Paragraph ID2a-017 moves on to state how the OAN should consider sensitivity testing in respect of alternative household formation rates (HFRs) and alternative migration rate assumptions:

“The household projections produced by the Department for Communities and Local Government are statistically robust and are based on nationally consistent assumptions. However, plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates.”⁶

- 2.13 This focused review considers the underlying household formation rates of the CLG 2014-based household projections and proposes an alternative assumptions to account for worsening affordability and household formation suppression.

- 2.14 In addition to taking into account demographic evidence the methodology states that job trends and or forecasts should also be taken into account when assessing overall housing need. The implication is that housing numbers should be increased where this will enable labour force supply to match projected job growth.

“Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns ... and could reduce the resilience of local businesses. In such circumstances,

⁵ Paragraph ID 2a-016-20150227, Planning Practice Guidance, 27 February 2015

⁶ Paragraph ID 2a-017-20150227, Planning Practice Guidance, 06 March 2014

plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.”⁷

- 2.15 In this context we consider the three most recent job growth forecasts for Maldon, and provide an assessment of economic-led OAN based on the average level of forecast job growth.
- 2.15 The final part of the methodology regarding overall housing need is concerned with market signals and their implications for housing supply.

“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of homes.”⁸

- 2.16 Assessment of market signals is a further test intended to inform whether the starting point estimate of overall housing need (the household projections) should be adjusted upwards. Particular attention is given to the issue of affordability.

“The more significant the affordability constraints ... and the stronger other indicators of high demand ... the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”⁹

- 2.17 An objective assessment of overall housing need is therefore a test of whether the household projection based starting point can be reconciled with a) the latest demographic evidence, b) the ability to accommodate projected job demand, c) the requirement to address worsening market signals. If it cannot be reconciled, then an adjustment should be made.
- 2.18 The extent of any adjustment should be based on the extent to which it passes each test. That is:
- It will at least equal the housing need number implied by the latest demographic evidence;
 - It will at least accommodate projected job demand; and,
 - On reasonable assumptions, it could be expected to improve affordability.

- 2.19 The approach used by Barton Willmore to objectively assess overall housing need follows the methodology set out in CD H03, and summarised above. The result is a ‘policy off’ assessment

⁷ Paragraph ID 2a-018-20150227, Planning Practice Guidance, 06 March 2014

⁸ Paragraph ID 2a-019-20150227, Planning Practice Guidance, 06 March 2014

⁹ Paragraph ID 2a-020-20150227, Planning Practice Guidance, 06 March 2014

of housing need that takes no account of the impact of planned interventions strategies and policies.

Assessing Affordable Housing Need

2.20 The methodology for assessing affordable housing need is largely unchanged from the methodology it supersedes (SHMA 2007). In summary, total affordable need is estimated by subtracting total available stock from total gross need. Whilst it has no bearing on the assessment of overall housing need, delivering the required number of affordable homes can be used to justify an increase in planned housing supply.

“The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments ... An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.”¹⁰

Local Plans Expert Group (LPEG) - Report to the Communities Secretary and to the Minister of Housing and Planning (March 2016)

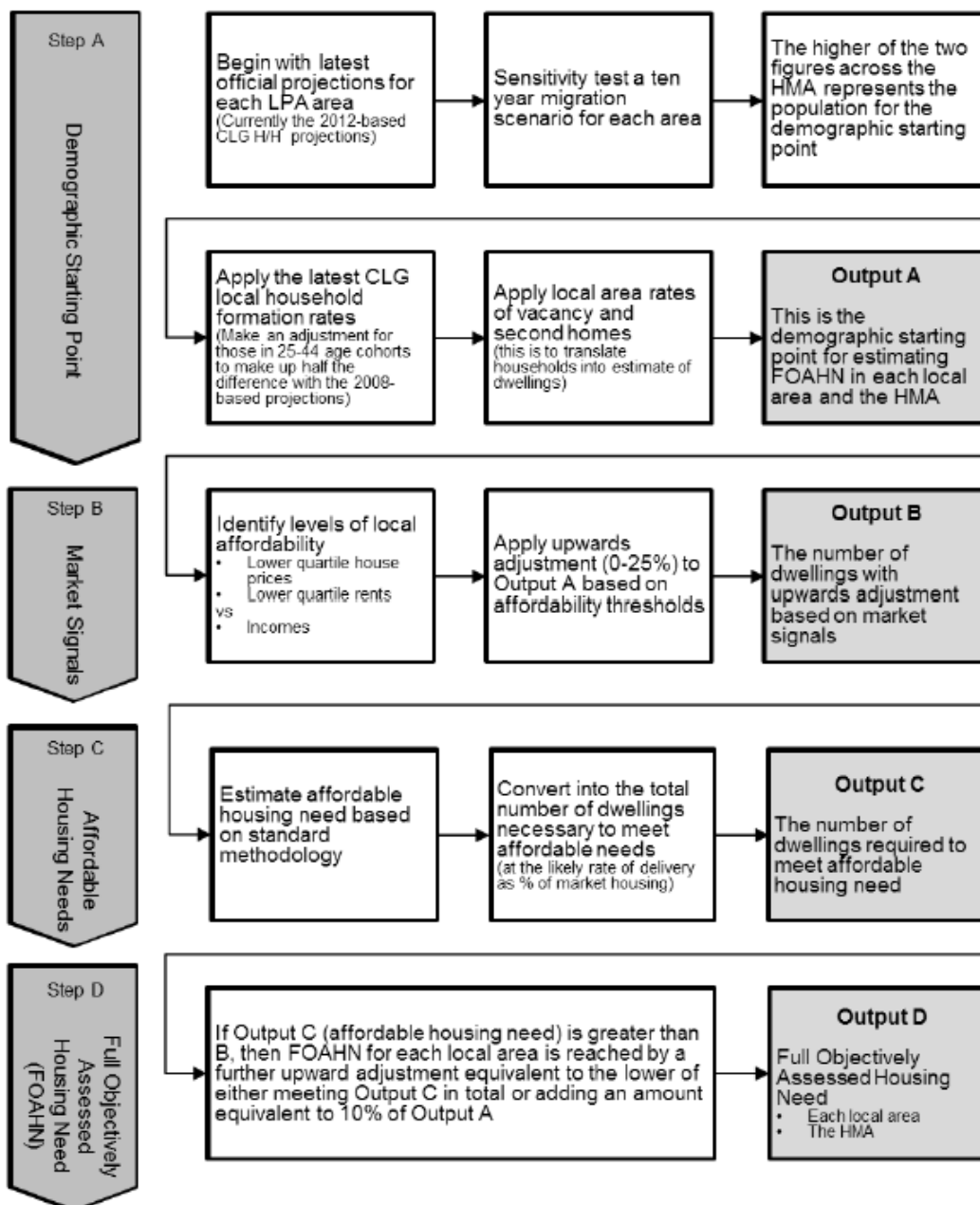
2.21 The LPEG was established by the Communities Secretary, Greg Clark and the Minister for Housing and Planning, Brandon Lewis MP, in September 2015, with a remit to consider how local plan making can be made more efficient and effective.

2.22 In short, the LPEG identified two main problems for local authorities, as follows:

- There is no pre-set determination of the boundaries of Housing Market Areas;
- There is no definitive guidance on the way in which to prepare a SHMA, leading to significant disagreement and uncertainty over housing numbers, which then affects every stage of the plan making progress.

2.23 In respect of the second point, the LPEG report includes Appendix 6, which recommends changes to the Housing and Economic Development Needs Assessment (HEDNA) section of PPG in order to establish OAN. The recommended methodology is summarised as follows:

¹⁰ Paragraph ID 2a-029-20150227, Planning Practice Guidance, 06 March 2014



Source: Page 22, Local Plans Expert Group Appendices, March 2016

2.24 The LPEG recommendations are currently being consulted on, and it is important to emphasise how they do not, at the present time, hold any weight in the determination of OAN. However for completeness and for information purposes only, we have included a calculation of OAN based on the recommendations of LPEG (see section 7).

3.0 HOUSEHOLD DEMOGRAPHICS

3.1 This section of the study addresses the first stage in objectively assessing overall housing need – the latest official demographic projections and estimates published by ONS and CLG. In the intervening period since Barton Willmore’s previous OAN reports in respect of Maldon District, ONS have published the 2014-based ONS Sub National Population Projections (May 2016, SNPP) and the 2015-based Mid-Year Population Estimates (June 2016, MYPE). Following the 2014-based ONS SNPP, CLG have published the 2014-based household projections (July 2016). We consider the effect of these data releases on OAN in Maldon District, below.

a) Office for National Statistics (ONS) Sub National Population Projections (SNPP)

3.2 Table 3.1 sets out the official ONS SNPP in chronological order from the 2008-based series to the most recent 2014-based series (published in May 2016) for Maldon District.

Table 3.1: Sub National Population Projections – Maldon District

	2014	2019	2024	2029	2014-2029 (per annum)
2014-based	62,800	64,100	65,800	67,600	4,800 (320)
2012-based	62,400	63,900	65,800	67,500	5,100 (340)
2008-based	66,200	69,500	73,000	76,300	10,100 (670)

Source: Office for National Statistics. Figures have been rounded to the nearest hundred and may not sum

3.3 The latest 2014-based ONS SNPP for Maldon District shows a broadly comparable projection to the previous 2012-based series. However, it is important to note that the 2014-based projections are based on demographic trends captured over a period heavily impacted by the recession (2009-2014).

3.4 These latest 2014-based population projections represent an important piece of information in determining future population growth, and associated demands on housing. There are, however, two fundamental issues which cast doubt on the reliability of these projections:

- They are based upon recent trends in population change which have been heavily influenced by the recent recession. The extent to which the projections are representative of longer term population change over a series of economic cycles is questionable.

- They reflect the 2014-based national projections in assuming net international migration of 185,000 people per annum across England. However, as a consequence of the recently revised international migration estimates, both the 2014-based national and sub national population projections are considered to significantly underestimate net international migration trends. The latest quarterly net international migration estimates suggest that net international migration totalled 333,000 people per annum in the year ending December 2016, with the 10-year average equating to 240,000 people per annum. Based on the lower 10-year trend figure this is still 75,000 higher than the latest Sub National Population Projections assume.

3.5 For these reasons it is considered that the 2014-based ONS SNPP are a conservative projection, and should be approached with some caution and regarded as a minimum. The reflective 2014-based CLG household projections are underpinned by the population growth projected in the 2014-based ONS SNPP and are also considered to be conservative.

b) Communities and Local Government (CLG) Household Projections

3.6 Table 3.2 sets out the official CLG household projections in chronological order from the 2008-based series to the most recent 2014-based series (published in July 2016) for Maldon District.

Table 3.2: Household projections – Maldon District

	2014	2019	2024	2029	2014-2029 (per annum)
2014-based	26,500	27,600	28,600	29,700	3,200 (210)
2012-based	26,500	27,600	28,800	29,900	3,400 (230)
2008-based	28,500	30,600	32,500	34,300	5,800 (390)

Source: Department for Communities and Local Government. Figures have been rounded to the nearest hundred and may not sum

3.7 The 2014-based household projections show the lowest level of household growth of the past three series' which follows the same pattern as the SNPP outlined above in Table 3.1. However, this is expected given that the SNPP underpin the household projections. As we have highlighted above, the ONS 2014-based SNPP are based on recessionary trends and are considered to significantly underestimate net international migration to the UK over the 25-year projection period (2014-2039). This underestimate in projected population growth therefore directly affects the household projections, and it is therefore considered that the 2014-based household projection for Maldon can be considered conservative in nature.

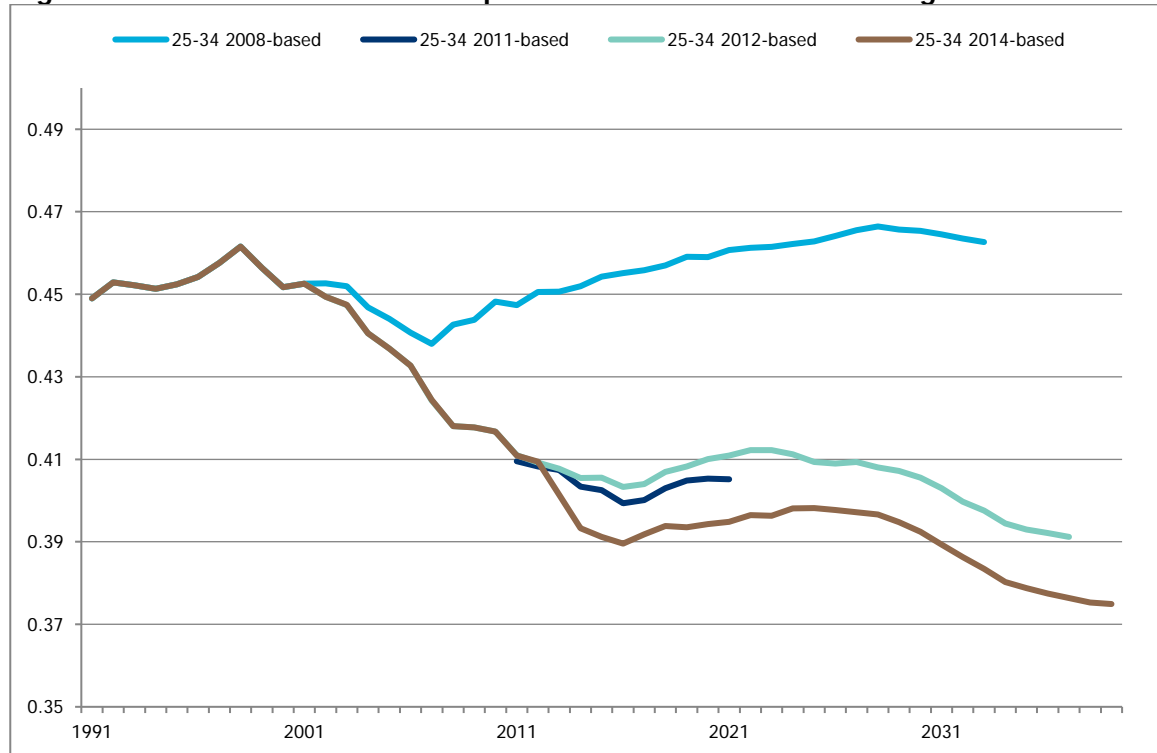
Household Formation Rates (HFRs)

- 3.8 Furthermore, the CLG have published stage one household formation data for the 2014-based household projections (household representative rates by age and gender). As we have outlined in section 2 of this study, the HEDNA PPG (paragraphs 015-017) provides guidance on how demographic-led OAN should be established and specifically refers to the HFRs underpinning official CLG projections.
- 3.9 The PPG states how the CLG household projections, as published, are only the starting point estimate of OAN. The PPG is very clear that alternative HFR assumptions may be tested due to HFRs being affected by the worsening affordability of housing and the undersupply of housing.
- 3.10 The previous 2012-based HFRs were considered to project suppression in HFRs in the 25-34 and 35-44 age groups. At a national level, the inadequacy of planning on the basis of the 2012-based CLG household projections (as published) was identified by Professor Christine Whitehead. In a press release by the Town and Country Planning Association (TCPA), Professor Whitehead commented as follows:

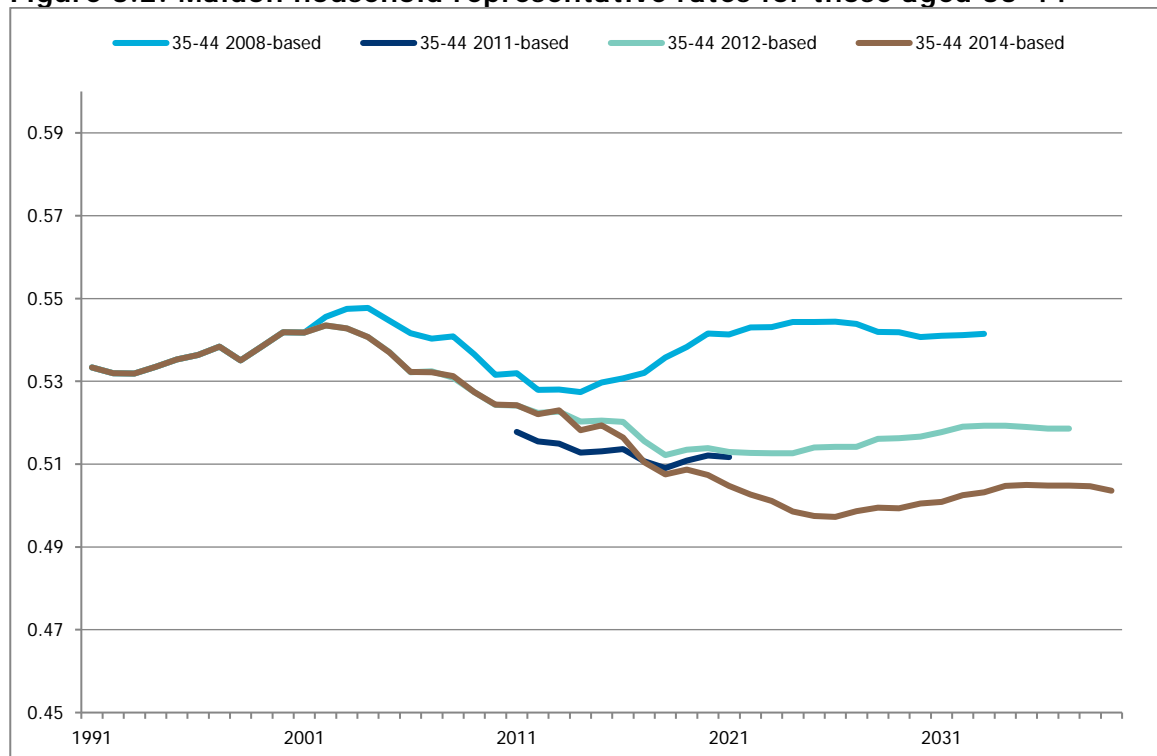
“One of the biggest concerns is that couples aged between 25 and 34 – at the time when family formation is at its highest - are expected to be less well housed in 2031 than their counterparts in 2011. And if house building cannot be increased at least to the projected levels other household groups will find themselves in the same boat.”¹¹

- 3.11 At a local level, the HFRs for Maldon are reproduced for the 25-34 and 35-44 age groups, below. This includes the 2012-based HFRs referred to by Professor Whitehead, and the most recent 2014-based HFRs released in June 2016.

¹¹ We are only building half the homes we need - and younger couples are suffering most (press release), Town & Country Planning Association, 04 November 2015, <http://www.tcpa.org.uk/resources.php?action=resource&id=1273>

Figure 3.1: Maldon household representative rates for those aged 25-34

Source: CLG

Figure 3.2: Maldon household representative rates for those aged 35-44

Source: CLG

3.12 Figures 3.1 and 3.2 show how the most recent 2014-based HFRs project lower household formation in the 25-34 and 35-44 age groups than the previous 2012-based series. In both

age groups the HFRs are noticeably lower. In the context of Professor Whitehead's comments, and the guidance of PPG, it is considered to be clear that an upward adjustment to the 2014-based HFRs needs to be made in both age groups. Planning on the basis of the 2014-based HFRs as published would only serve to compound the suppression identified above.

- 3.13 The constrained 2014-based CLG household projections would not therefore be a prudent basis from which to set a housing target in Local Plan preparation, as it would not be considered to be 'positively prepared' in the context of the NPPF (paragraph 182) or to 'significantly boost' housing supply.
- 3.14 Given the recommendation set out in PPG, this report has considered the 2014-based household formation rates as published, but has also tested alternative assumptions regarding household formation for 25-34 and 35-44 year olds. All other age groups remain at the 2014-based rates.
- 3.15 Notwithstanding the caution which should be applied to them, 2014-based CLG household projections show growth of 210 households per annum in Maldon District, 2014-2029. Application of vacancy rates (3.37%) would result in a dwelling requirement of 217 homes per annum. This is the 'starting point' in objectively assessing overall housing need.

Migration

- 3.16 The second sensitivity scenario suggested by PPG (ID2a-017) relates to migration, and information that can be obtained from ONS MYPEs, the latest of which were published in June 2016 and provide an additional year of population data beyond the 2014-based ONS SNPP (May 2015). This most recent year's data enables calculation of a more recent 5-year trend (2010-2015) than that which underpinned the 2014-based ONS SNPP (2009-2014).
- 3.17 Notwithstanding this the 5-year trend data underpinning the 2014-based ONS SNPP, and the more recent 5-year trend are both underpinned by some years of recession. The difficulties in using data which covers the recession are well documented in the PAS Technical advice note – Objectively Assessed Need and Housing Targets produced by PBA in July 2015. Paragraph 6.23 of the advisory note states that:

'The base period used in the latest official projections, 2007-2012, is especially problematic. The period covers all of the last recession, in which migration was severely suppressed as many households were unable to move due to falling incomes and tight credit. Therefore the official projections may underestimate future migration – so that they show too little population growth for the more prosperous parts of the country, which have been recipients of net migration in the past. If so, by the same token the

projections will also overestimate population growth for areas with a history of net out migration.'

3.18 Although the PAS Guidance relates to the 2007-2012 period, the principles remain the same; i.e. the five year trend is influenced significantly by the economic recession. Table 3.3 summarises the key components of population change for Maldon between 2005/6 and 2014/15, based on detailed data from the ONS Mid-Year Population Estimates.

Table 3.3: ONS components of population change: Maldon

	Natural change	Net Migration	Other changes		Total change
			Total	UPC	
2001/02	43	193	-75	-78	161
2002/03	62	273	-89	-80	246
2003/04	-91	483	-85	-89	307
2004/05	30	435	-106	-105	359
2005/06	49	385	-103	-97	331
2006/07	-54	589	-130	-116	405
2007/08	-33	423	-128	-122	262
2008/09	62	220	-127	-127	155
2009/10	17	185	-172	-164	30
2010/11	30	31	-186	-194	-125
2011/12	-59	256	1	0	198
2012/13	-30	266	12	0	248
2013/14	-58	661	-2	0	601
2014/15	-169	143	2	0	-24
Total 2001-15	-201	4,543	-1,188	-1,172	3,154
Average 2001/15	-14	325	-85	-84	225
Average 2007/12	3	223	-122	-121	104
Average 2010/15	-57	271	-35	-39	180
Average 2005/15	-25	316	-83	-82	208

Source: ONS

3.19 It is evident from Table 3.3 that net in-migration to Maldon post-2011 has remained at a consistently higher level than the recessionary years between 2008/09 and 2010/11. A more recent 5-year trend taken from the period 2005-2015 therefore generates a higher per annum average (316 compared to 280 net migrants per annum) than the period underpinning the 2014-based ONS SNPP. As PAS guidance (above) says, those areas with historic in-migration may be underestimated.

3.20 Net migration to Maldon has varied widely over the last 10-years. To cancel out fluctuations, the PAS Guidance suggests sensitivity testing a longer trend.

“In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census (further back in history may be unreliable). Other things being equal, a 10-15 year base period should provide more stable and more robust projections than the ONS’ five years. But sometimes other things will not be equal, because the early years of this long period included untypical one-off events as described earlier. If so, a shorter base period despite its disadvantages could be preferable.”¹² (Our emphasis)

- 3.21 Barton Willmore concur with this view, in that a 10-year period provides a more representative period of migration, underpinned by years of recession and buoyancy. As Table 3.3 shows, the average net-migration trend for the 10 years between 2005/6 and 2014/15 shows average net in-migration of 316 people per annum, and we therefore model this 10-year period in the following sections of this report.
- 3.22 It should be noted that Barton Willmore’s approach is to exclude ‘Unattributable Population Change’ (UPC) from the calculation of net migration trends. This is due to the following reasons:

Unattributable Population Change (UPC)

- 3.23 Table 3.3 illustrates that over the period 2001-2011 Unattributable Population Change (UPC) in Maldon was equivalent to -1,172 people. UPC relates to the level of difference between the rolled forward 2011 MYPE and the 2011 Census based MYPE that cannot be attributed to any particular component.
- 3.24 UPC of -1,178 people indicates that there was an overestimation of Maldon’s population between 2001 and 2011 and following the 2011 Census results Maldon’s population was revised downwards. The ONS distribute the effect of UPC across the period 2001-2011.
- 3.25 When calculating the 2012 and 2014-based SNPP the ONS have not made any adjustment for UPC because it could not be demonstrated to measure a bias in the trend data that would continue into the future. The ONS has stated:

“It was proposed not to make an adjustment for UPC in the 2012-based (or, subsequently, the 2014-based) subnational population projections or in the series of population estimates based on the 2011 Census since the UPC is unlikely to be seen in continuing subnational trends as:

- **it is unclear what proportion of the UPC is due to sampling error in the 2001 Census, adjustments made to population**

¹² Paragraph 6.24, Planning Advisory Service (PAS) Objectively Assessed Need and Housing Targets Technical Advice Note, produced by Peter Brett Associates, July 2015

estimates following the 2001 Census, sampling error in the 2011 Census and/or error in the intercensal components (mainly migration);

- **if it is caused by either the 2001 Census or 2011 Census, then the components of population change will be unaffected;**
- **if it is caused by international migration, it is likely that the biggest impacts will be seen earlier in the decade between 2001 and 2011 and will have less of an impact in the later years when improvements were introduced to migration estimates.”¹³**

3.26 Following the approach of ONS, Barton Willmore’s approach is to exclude UPC from the assessment of alternative migration trends whether UPC is positive or negative. UPC by the nature of its name is not attributable to any particular component of population change and therefore to include UPC along with migration trends is not considered appropriate.

3.27 This approach is supported by a number of Local Plan Examination findings, and section 78 planning appeal decision notices including the following:

- West Oxfordshire Local Plan Examination (December 2015);
- Newark and Sherwood section 78 appeal (January 2016);¹⁴
- Sefton Local Plan Examination (February 2016);¹⁵
- Arun Local Plan Examination (February 2016).¹⁶

3.28 Furthermore, it is clear from the ONS statement accompanying the 2014-based SNPP (see paragraph 3.24 above) that the effect of UPC is likely to have been greater towards the start of the decade. As the ONS state:

“The effect of UPC would have less of an effect on the 2014-based subnational population projections since three years of the trend data are not affected by UPC.”¹⁷

¹³ Page 7, Quality and Methodology Information Paper, Sub National Population Projections, 27 May 2016, Office for National Statistics

¹⁴ Appeal Ref: APP/B3030/W/15/3006252

¹⁵ Paragraph 9, page 2, Inspectors Initial Findings, Sefton Local Plan Examination, February 2016

¹⁶ Paragraph 1.12, Inspectors Conclusions, Arun Local Plan Examination, February 2016

¹⁷ 2014-based Subnational Population Projections: Questions and Answers, 25 May 2016, Office for National Statistics

3.29 Therefore as account is taken of more recent migration trends, the issue of UPC becomes less relevant as fewer years within the trend are likely to have been affected by UPC.

4.0 DEMOGRAPHIC MODELLING SCENARIOS AND ASSUMPTIONS

4.1 This chapter of the report sets out the scenarios for growth considered, and the reasons for doing so. Chapter 5 sets out the results.

4.2 This study uses POPGROUP, an industry standard demographic model used to forecast population, households and the labour force. POPGROUP has over 90 users, including academic and public service organisations in housing, planning, health, policy, research, economic development, and social services.

4.3 The main POPGROUP model uses standard demographic methods of cohort component modelling that enables the development of population forecasts based on births, deaths and migration inputs and assumptions. In summary, this methodology adopts the following approach:

- take a base population by single year of age and gender;
- add births and 'in' migration (by age and gender) for year 1;
- subtract deaths and 'out' migration (by age and gender) for year 1;
- age the entire population by one year;
- results for year 1 can be noted;
- repeat the process above for each subsequent year of the forecast

4.4 The POPGROUP model can be used in conjunction with the DF model to produce household and labour force projections and subsequently to use housing and jobs as additional assumptions and constraints in further population projections.

4.5 More information about POPGROUP can be found at <http://www.ccsr.ac.uk/popgroup/>.

i) Outline of the scenarios and sensitivities

4.6 Three scenarios have been produced using the POPGROUP forecasting model:

- **Demographic scenario: ONS 2014-based SNPP** replicates the ONS 2014-based Sub National Population Projections (SNPP);
- **Demographic scenario: Long Term Migration 2005-15** provides an alternative population projection to the SNPP based on Long-Term Migration (LTM) trends from the most recent 10-year period (2005-2015). The alternative trend has been

calculated using the rates approach whereby the average migrant count per year is divided by the reference population, by age and gender for each migration flow over the 10-year period 2005-2015. The reference population is taken to be the UK population minus the Borough population for in flows and Borough population for out flows;

- **Economic-led scenario:** provides an economic-led forecast based on the most recent average job growth (124 jobs per annum, 2014-2029) forecast by Experian Economics, Oxford Economics, and Cambridge Econometrics. The forecasts are reproduced in Table 4.1 below.

Table 4.1: Job Growth: Past Trends and Forecasts

Source	Past Trends (1999-2014)	Forecasts (2014-2029)
Cambridge Econometrics	4,717	3,153
Oxford Economics	3,323	934
Experian Economics	3,200	1,500
Average Job Growth (per annum)	3,747 (250)	1,862 (124)

Source: Experian Economics, Cambridge Econometrics, and Oxford Economics

- 4.7 This 'policy off' forecast should also be considered in the context of the East of England Forecasting Model (EEFM) which forecast 2,200 jobs in Maldon District over the Plan period, equating to 147 jobs per annum. The Council's 'Employment Evidence and Policy Update' (July 2015) considers the EEFM forecast as a "reasonable target",¹⁸ and in this context it is considered the policy off average forecast set out in Table 4.1 is a prudent assumption.
- 4.8 Furthermore Table 4.1 shows how past trends in job growth over the preceding 15 years (1999-2014) have been higher than the forecasts for the next 15 years (2014-2029), further emphasising the prudence of the assumption (124 jobs per annum) we consider in the OAN presented in the report.
- 4.9 Four sensitivity tests in relation to household formation (to address the issues discussed in Chapter 3 of this report) have been applied to each of the three scenarios outlined above:

¹⁸ Page ii, Maldon District Council LDP: Employment Evidence and Policy Update, July 2015

- **2014 HFRs** – applies the 2014-based household formation rates (HFRs) as published;
- **HFR Sensitivity: 50% return 25-44** – this scenario follows the proposed amendments to the methodology of establishing OAN set out in the Local Plans Expert Group report. The recommendation is that a 50% return to 2008-based household formation rates in the 25-44 age group is applied over a 20-year period. Barton Willmore apply this over the 2011-2031 period and report the findings for the proposed Maldon Plan (2014-2029);
- **HFR Sensitivity – 2001** gradually returns the household formation rates for males and females aged 25-34 and 35-44 years back to the 2001 rates by 2031, only where the 2014 HFRs are projected to decline below the 2001 rates by 2031. All other age groups remain at the 2014-based rates throughout.
- **HFR Sensitivity – 2011** maintains the household formation rates for males and females aged 25-34 and 35-44 at 2011 levels where the household formation rates are projected to decline below this level by 2031.

4.10 To determine the economically active (labour force) population, we have applied the economic activity rate projections published by the Office for Budget Responsibility (OBR). This takes the economic activity rates by age and gender specific for Maldon from the 2011 Census and projects them forward following the trend in the Office for Budget Responsibility (OBR) November 2015 forecast. The OBR sensitivity has been introduced because the OBR rates are used by Central Government and therefore provide an independent assessment of economic activity. Furthermore, the OBR rates have been recommended by the Local Plans Expert Group (LPEG) and have been supported in recent section 78 planning appeal decisions.

ii) Summary

4.11 This section has provided a summary of the assumptions underpinning the Popgroup demographic modelling we have undertaken to establish OAN in Maldon District. The following section presents a summary of this process, with full modelling outputs in the appendices to the report.

5.0 RESULTS: MODELLED HOUSING NEED

Introduction

- 5.1 As discussed in Chapter 3, the 2014-based CLG household projections provide the 'starting point estimate' of overall housing need. The 2014-based projection shows growth of 217 homes per annum (hpa) for Maldon District.
- 5.2 In this section we provide three scenarios for growth in Maldon; 2014-based ONS SNPP; long-term migration trends; and employment forecasts. These three forecasts are sensitivity tested against the four approaches to household formation set out in the previous section of this report.
- 5.3 This approach follows the HEDNA PPG in establishing the starting point estimate of OAN, and then sensitivity testing for household formation suppression, migration, and economic growth.

ONS 2014-based SNPP

- 5.4 Table 5.1 summarises the population, household and dwelling growth associated with the ONS 2014-based Sub National Population Projections (SNPP) for Maldon District, on the basis of the 2014-based Household Formation Rates (HFRs) as published, and the HFR sensitivity scenarios outlined in section 4 of this report.

Table 5.1: ONS 2014-based SNPP – Maldon District (2014-2029)

Population	Household Formation Rate scenario	Households (per annum)	Homes (per annum)	Labour Force	Jobs Supported
4,840 (320)	2014-based HFRs	3,150 (210)	3,260 (220)	-170 (-10)	430 (30)
	2011 Constant 25-44	3,390 (230)	3,510 (230)		
	50% 2008-based return 25-44	3,420 (230)	3,540 (240)		
	2001 Return 25-44	3,590 (240)	3,720 (250)		

Figures rounded to nearest 10;

- 5.5 Table 5.1 shows how the HFR sensitivity scenarios provide for an increase of between 8% and 14% from the starting point estimate of OAN, when underpinned by the official ONS SNPP. This highlights the suppressed nature of the projected household formation rates underpinning the 2014-based CLG projections.

5.6 However Table 5.1 shows how the 2014-based SNPP would lead to a small decline in the economically active (labour force) population, whilst supporting a small increase in jobs. However the number of jobs that would be supported is lower than that required to support the average 'policy off' forecast outlined in Table 4.1 of this report (124 jobs per annum), and the East of England Forecasting Model (EEFM) forecast (147 jobs per annum) considered as a "reasonable target" in the Council's 'Employment Evidence and Policy Update'.¹⁹ It is therefore considered that a further upward adjustment will be necessary to balance homes with jobs.

Long Term Migration

5.7 As discussed earlier in this report, PPG advises how sensitivity testing for more recent migration trends may be undertaken when establishing OAN. The following Table 5.2 therefore sets out the growth resulting from applying the 2005/6-2014/15 average net migration trend.

Table 5.2: LTNM Migration – Maldon District (2014-2029)

Population	Household Formation Rate scenario	Households (per annum)	Homes (per annum)	Labour Force	Jobs Supported
6,670 (450)	2014-based HFRs	4,030 (270)	4,170 (280)	390 (30)	840 (60)
	2011 Constant 25-44	4,280 (290)	4,430 (300)		
	50% 2008-based return 25-44	4,310 (290)	4,462 (300)		
	2001 Return 25-44	4,490 (300)	4,650 (310)		

Figures rounded to nearest 10;

5.8 Table 5.2 shows how a continuation of long term migration rates would result in a 38% increase in population growth from the official 2014-based ONS SNPP. This highlights the cautionary approach we consider should be applied to the official projections, as outlined in section 3 of this report.

5.9 The long term migration scenario would lead to a 28% increase in the number of homes required, based on the 2014-based HFRs across all age groups as published (280 homes per annum). However the three adjustments for HFR suppression would lead to a range of between 300 and 310 homes per annum, 2014-2029.

5.10 However in respect of balancing homes with jobs, the long term migration scenario would only support half (60 jobs per annum) of the most recent 'policy off' forecasts average (124 jobs

¹⁹ Page ii, Maldon District Council LDP: Employment Evidence and Policy Update, July 2015

per annum). It is also lower than the EEFM forecast (147 jobs per annum) considered as a “reasonable target” in the Council’s ‘Employment Evidence and Policy Update’.²⁰

5.11 In this context it is considered a further uplift is required to balance homes with jobs.

Balancing Homes and Jobs

5.12 As discussed earlier in this report, the HEDNA PPG (paragraph ID2a-018) advises how homes and jobs should be in balance to ensure that the resilience of local businesses is not adversely affected. The following Table 5.3 therefore sets out the growth resulting from constraining the demographic modelling to growth of 124 jobs per annum, 2014-2029.

Table 5.2: Jobs Growth (124 jobs per annum) – Maldon District (2014-2029)

Population	Household Formation Rate scenario	Households (per annum)	Homes (per annum)	Labour Force	Jobs Supported
9,250 (620)	2014-based HFRs	5,080 (340)	5,260 (350)	1,780 (120)	1,860 (120)
	2011 Constant 25-44	5,340 (360)	5,530 (370)		
	50% 2008-based return 25-44	5,370 (360)	5,560 (370)		
	2001 Return 25-44	5,570 (370)	5,760 (380)		

Figures rounded to nearest 10;

5.13 To balance homes with the most recent average policy off job forecast, population growth of 620 people per annum would be required in Maldon District. This is considered to be a realistic level of population growth based on the ONS Mid-Year Population Estimates which recorded growth of 601 people between mid-2013 and mid-2014.

5.14 The level of homes required to support 124 jobs per annum, 2014-2029, would be 350 homes per annum based on the 2014 CLG HFRs as published. However in accounting for HFR suppression, the three sensitivity scenarios we have applied would require a range of between 370 and 380 homes per annum. Over the 15-year Plan period this equates to a total of 1,000 more homes than is being planned for in the Local Plan.

5.15 For the reasons given above, growth of 124 jobs per annum is considered both prudent and realistic.

²⁰ Page ii, Maldon District Council LDP: Employment Evidence and Policy Update, July 2015

Summary

5.16 In summary, this section has established the following key points:

- The inadequacy of the starting point estimate of OAN (the 2014-based household projection) is highlighted by the long term migration sensitivity scenario;
- Notwithstanding the long term migration scenario showing a significant uplift from the starting point estimate of OAN (circa 26% increase), the long term migration scenario would only support half (60 jobs per annum) of the average job growth forecast by the three leading forecasting houses (124 jobs per annum);
- The 'policy off' average job growth forecast is considered a prudent assumption in the context of the East of England Forecasting Model forecasting growth of 147 jobs per annum over the same period, and past trends showing significantly higher job growth than both forecasts;
- Notwithstanding the prudent nature of the 'policy off' job growth forecast, growth of between 370 and 380 homes per annum is required to balance homes with jobs and alleviate household formation suppression projected by the 2014-based CLG household projections.

5.17 The following section of this report provides analysis of relevant market signals, as required by the HEDNA PPG (paragraphs ID2a-019 and 020). An evaluation of whether an uplift for worsening market signals is required is then made.

6.0 MARKET SIGNALS UPDATE

Introduction

- 6.1 This chapter analyses in detail the key housing market characteristics and trends relating to Maldon District, and identifies the extent to which the supply of homes over recent years has kept pace with demand. The findings of this analysis inform the extent to which the OAN may need to be adjusted to take into account market dysfunction observed through analysis of market signals.
- 6.2 The problems arising from historic under-delivery of housing across the country can be observed locally through analysis of market signals. Five key market signals have been taken into consideration – Rate of Development, House Prices, Affordability, Residential Rents and Overcrowding.

Rate of Development

- 6.3 The PPG states how a meaningful period should be used to measure supply. If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likely under-delivery of a plan.
- 6.4 Table 6.1 sets out the annual net completions recorded in Maldon and the HMA over the period 2004/05 to 2014/15 against the development plan requirement, identifying any surplus or shortfall.
- 6.5 It is evident from Table 7.1 that the number of completions in Maldon District over the period 2004/05 to 2014/15 has kept up with the Development Plan target. However the target (120 hpa) which completions have been assessed against is the revoked East of England Plan (EEP) target. The number completions therefore has to be considered in the context of official CLG household projections.
- 6.6 For example, the 2004-based CLG household projections (published February 2008) were released prior to the EEP (May 2008) and projected growth of 400 households per annum, nearly three times the EEP target for Maldon. The subsequent 2006-based and 2008-based projections (370 and 350 households per annum respectively) showed similarly high levels of projected household growth in Maldon.

- 6.7 Set against the official CLG household projections, net completions in Maldon would have fallen significantly short of targets. Furthermore our analysis shows how completions across the wider HMA fell below Plan targets over the same period assessed for Maldon.

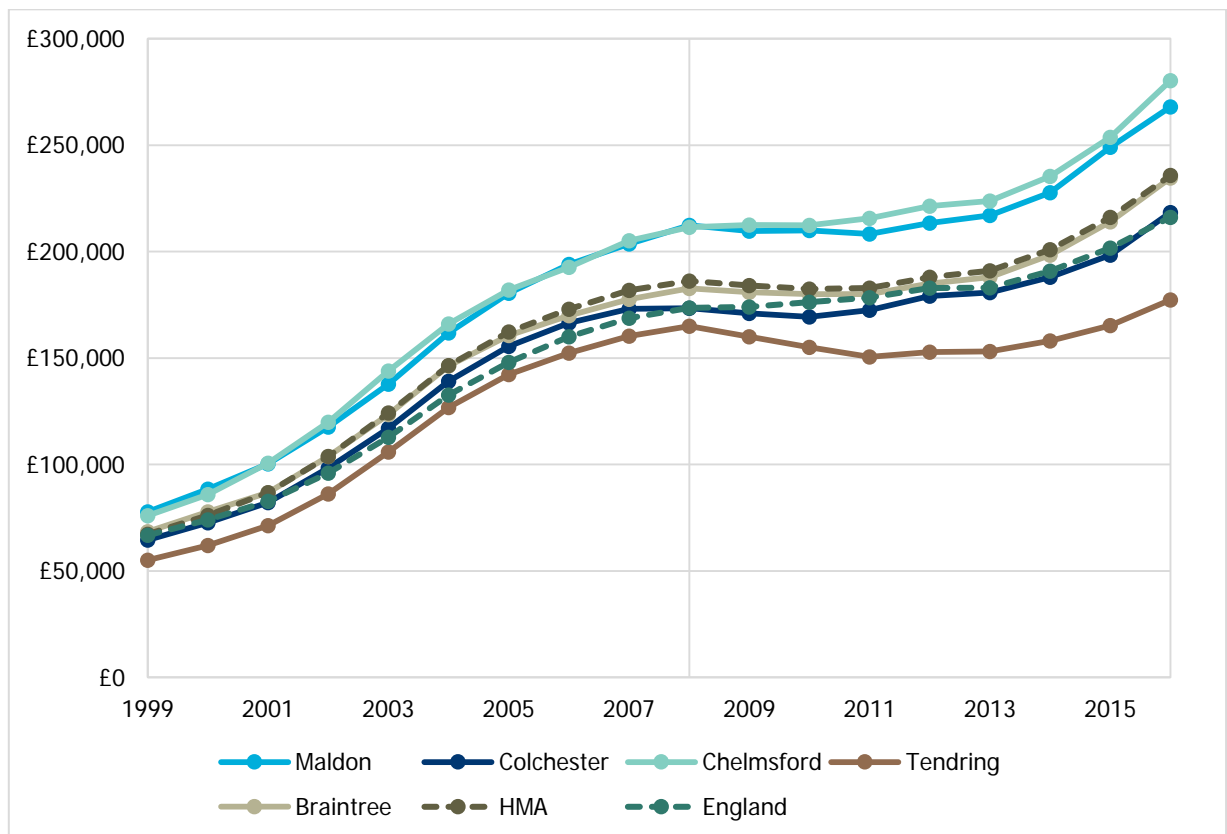
Table 6.1: Net Completions Vs Development Plan Requirements, 2004-2015

Year	Maldon	HMA
04/05	181	3,344
05/06	168	2,611
06/07	143	3,127
07/08	160	3,282
08/09	161	2,545
09/10	108	1,570
10/11	36	1,608
11/12	96	1,876
12/13	124	1,435
13/14	76	1,662
14/15	69	2,523
Total completions	1,322	25,583
Total requirement	1,320	32,044
Surplus/ shortfall	+2	-6,461

Source: Annual Monitoring Reports/ Five Year Supply Reports

House Prices

- 6.8 The second indicator taken into account is median house price. House prices are influenced by a wide variety of factors and can vary significantly within a district; the median house price has been used to limit the influence of extreme high and low values. Figure 6.1 tracks the median house price over the period 1997-2016, based on a three year rolling average, whilst Table 6.2 summarises absolute and rates of change over the same period.

Figure 6.1: Median House Price 1997-2016 (Index 100 = 1997 prices)

Source: Office for National Statistics/Land Registry, via CLG Live Table 586

Table 6.2: Increases in Median House Price 1997-2016

	Absolute Change 1997-2016	% Change 1997-2016	Peak	Peak Year
Maldon	£213,000	304%	£283,000	2016
Colchester	£181,500	310%	£240,000	2016
Chelmsford	£241,000	354%	£309,000	2016
Tendring	£142,000	284%	£192,000	2016
Braintree	£196,000	327%	£256,000	2016
HMA	£196,000	325%	£236,000	2016
England	£169,000	281%	£216,000	2016

Source: Office for National Statistics/Land Registry, via CLG Live Table 586

6.9 Maldon has the second highest median house price of all of the authorities within the Colchester HMA, with the median house price being £283,000 in 2016. This is significantly higher than the HMA average (£236,000), and the national average (£216,000).

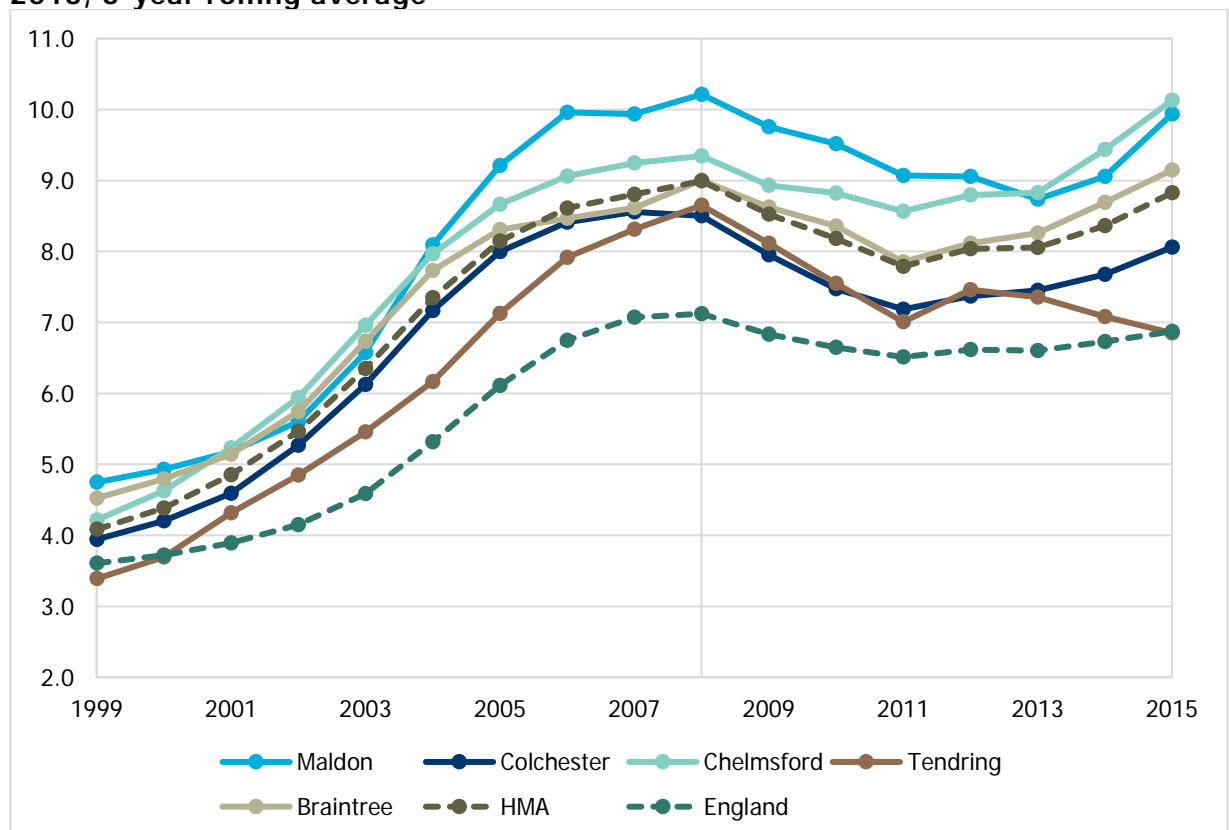
6.10 Median house prices have increased by 304% in Maldon over the last 20 years, higher than the HMA average.

- 6.11 Alongside the rate of change, the PPG requires the absolute levels of change to be analysed. This shows Maldon's median house price to have increased by £213,000 over 20 years. Again, this is the second highest level of absolute change experienced in the five Colchester HMA authorities, higher than the HMA average (£196,000), and national average (£169,000).

Affordability – Lower Quartile

- 6.12 The third indicator taken into account is affordability, assessed using the ratio between lower quartile house prices and lower quartile earnings. This indicator is particularly salient given the well-publicised barriers to ownership faced by many first time buyers and low-earners.
- 6.13 Figure 6.2 tracks the affordability ratio over the period 1997-2015. Given that the ratio is a product of two independent data sources, a three year rolling average has been used to limit the effects of volatility in either data source. Table 6.3 shows the absolute levels and rates of change.

Figure 6.2: Ratio of Lower Quartile House Prices to Lower Quartile Earnings 1997-2013, 3-year rolling average



Source: Office for National Statistics/Land Registry, via CLG Live Table 57

Table 6.3: Affordability ratio change 1997-2013

	Absolute Change 1997-2015	% Change 1997-2015	Peak	Peak Year
Maldon	7.0	157%	11.4	2015
Colchester	4.7	120%	8.7	2007
Chelmsford	7.0	177%	10.9	2015
Tendring	4.2	125%	9.0	2008
Braintree	5.3	119%	9.7	2015
HMA	5.7	144%	9.6	2015
England	3.5	97%	7.2	2007

Source: Office for National Statistics/Land Registry, via CLG Live Table 576

- 6.14 The affordability ratio has worsened for all five local authority areas within the Colchester HMA, including England as a whole, as a result of lower quartile house prices rising more quickly than lower quartile earnings. However the situation in Maldon is more acute than all the neighbouring authorities analysed, and nationally.
- 6.15 Maldon's ratio has peaked in 2015 at 11.4, higher than Chelmsford's peak (10.4 in 2015) and all other neighbouring authorities. It is also imperative to highlight how the pre-recession peak is yet to be reached again nationally, and in the case of Colchester and Tendring. Furthermore the national average peak (7.2) is significantly lower than that experienced in Maldon.
- 6.16 The PPG does not prescribe the level of increase necessary to address worsening market signals, but does say how the increase should be reasonable and should improve affordability. In the context of Planning Inspectorate decisions on reasonable market signals uplifts, the Eastleigh decision is of use. In this example the Inspector noted the affordability ratio as a "crucial" indicator. He noted evidence which showed a 97% increase in the affordability ratio in Eastleigh, 1997-2012 compared with a national increase of 85%. On this basis the Inspector recommended a 10% uplift to the level of housing need derived from demographic projections.²¹
- 6.17 The evidence set out in this report covers three further years than the period covered in Eastleigh, however it is considered that the significant increase in both absolute levels and rates of change in Maldon, and the clear worsening in recent years means that an adjustment of similar magnitude in Maldon is more than enough to justify a significant upward adjustment

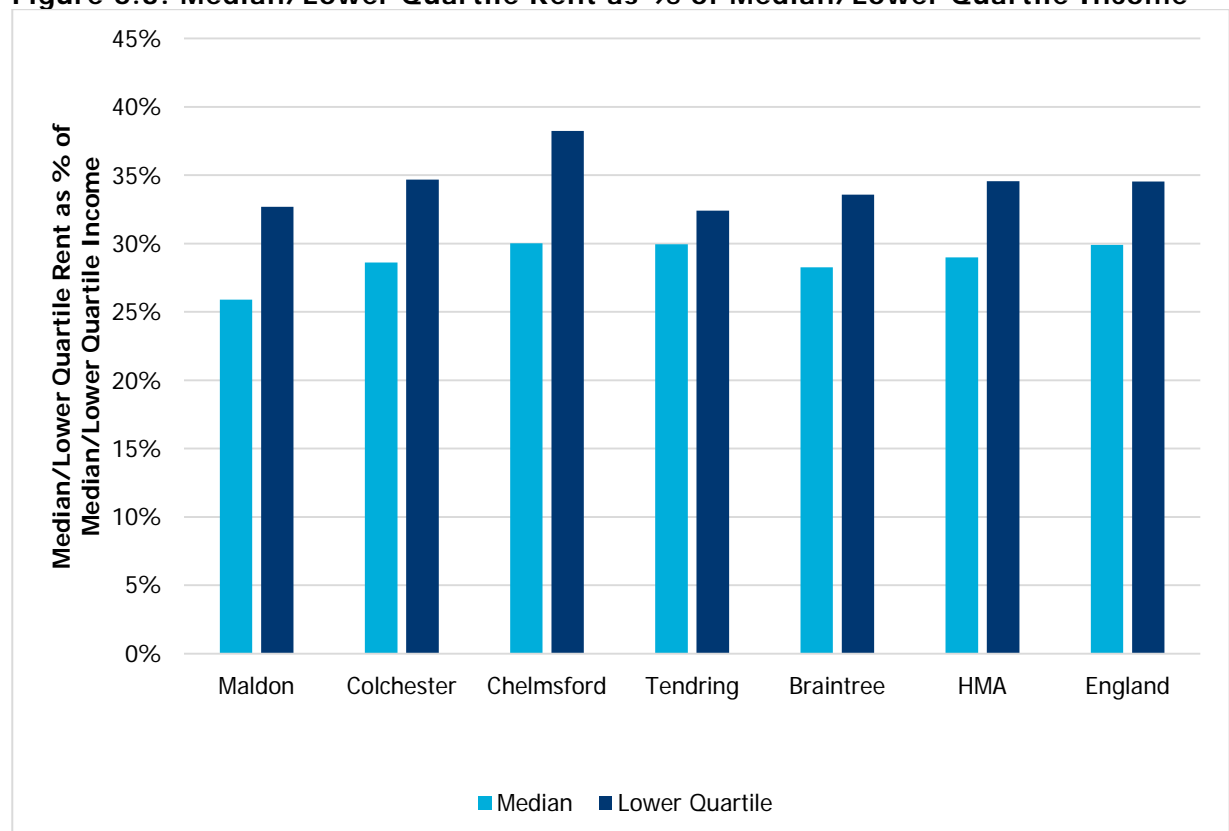
²¹ Paragraphs 40-41, page 11-12, Eastleigh Borough Local Plan, Inspector's Report, February 2015

in order to address the worsening affordability in Maldon when compared to the national average and neighbouring authorities.

i) Residential Rents

6.18 The fourth indicator taken into account is residential rent. Figure 6.3 below shows the ratio between Median/Lower Quartile personal income and Median/Lower Quartile private rent, both annualised.

Figure 6.3: Median/Lower Quartile Rent as % of Median/Lower Quartile Income



Source: Valuation Office Agency

6.19 In Maldon, a Lower Quartile private rented property costs (on average) 33% of Lower Quartile Earnings (on the same basis as the purchase affordability calculation shown in Figure 6.2) – lower than the HMA average and the lowest in the HMA with exception of Tendring.

6.20 Table 6.4 analyses growth in lower quartile/ median residential rents between 2010/11 and 2014/15.

Table 7.4: Residential Rents (per month) 2010/11 – 2014/15

	Lower Quartile				Median			
	2010/11	2014/15	Change		2010/11	2014/15	Change	
Chelmsford	£595	£675	£80	13.4%	£725	£775	£50	6.9%
Braintree	£525	£600	£75	14.3%	£625	£695	£70	11.2%
Colchester	£513	£565	£52	10.2%	£625	£650	£25	4.0%
Maldon	£575	£620	£45	7.8%	£695	£725	£30	4.3%
Tendring	£495	£525	£30	6.1%	£595	£625	£30	5.0%
HMA average	£527	£588	£61	11.5%	£638	£682	£44	6.9%
England	£450	£475	£25	5.6%	£570	£600	£30	5.3%

Source: Valuation Office Agency, Private Rental Market Statistics – All property types, data for year ending 30th September.

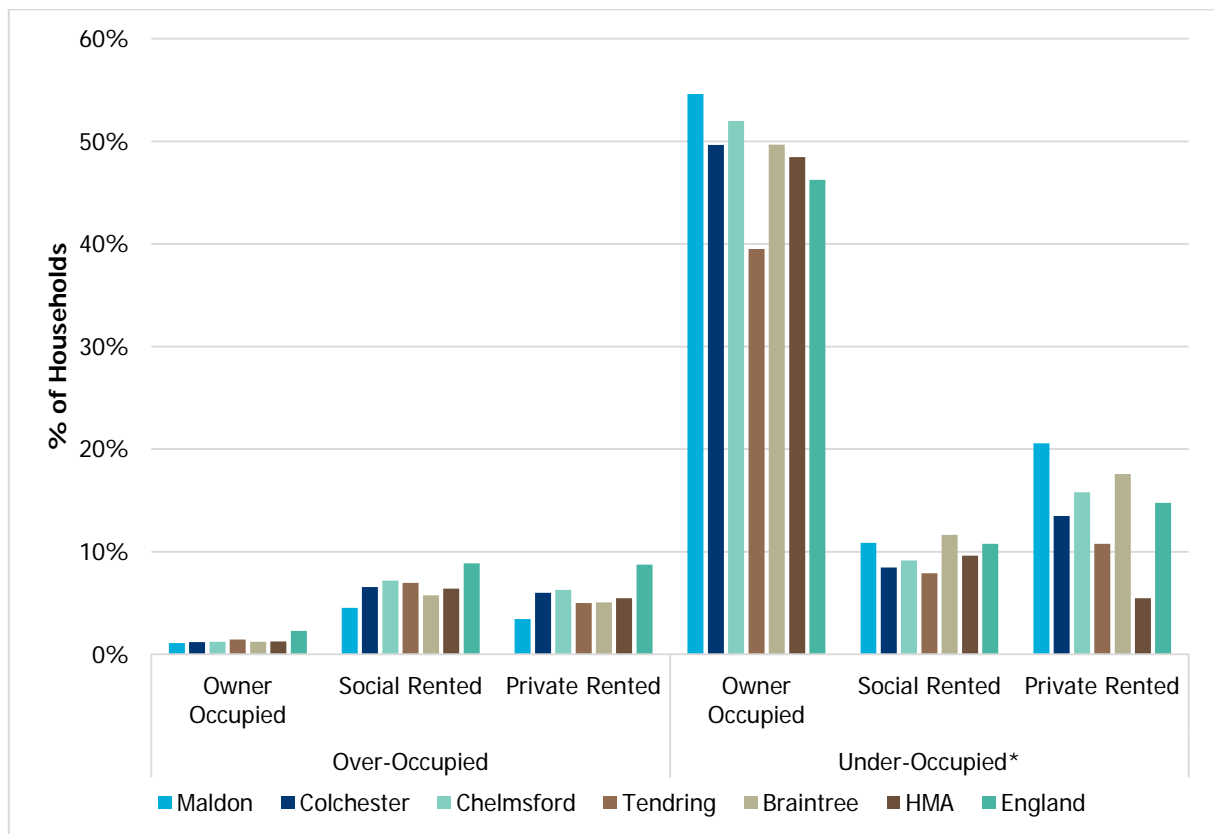
6.21 Although Maldon experienced lower change in both lower quartile and median rental change than the HMA averages, it is noticeable that absolute cost of both is the highest in the HMA (with the exception of Chelmsford). The absolute rate of change (7.8%) in lower quartile rents is also higher than the national average (5.6%).

ii) Overcrowding

6.22 The final indicator is overcrowding, taking into account the proportion of households which are over-occupied (i.e. having fewer rooms than required for the number of usual residents) and concealed households (multiple households living in a single dwelling). This market signal is considered to illustrate the problems created by the worsening affordability situation indicated earlier in this section of the study.

6.23 Figure 6.4 below compares the proportion of households classified as over and under occupied in the 2011 Census.

Figure 6.4: Over and under-occupation, 2011



Source: Office for National Statistics, Census 2011

*Under-occupied by 2+ bedrooms

6.24 As Figure 6.4 shows, Chelmsford’s level of over-occupation – where there are fewer bedrooms than required – is lower than surrounding geographical areas and the national average.

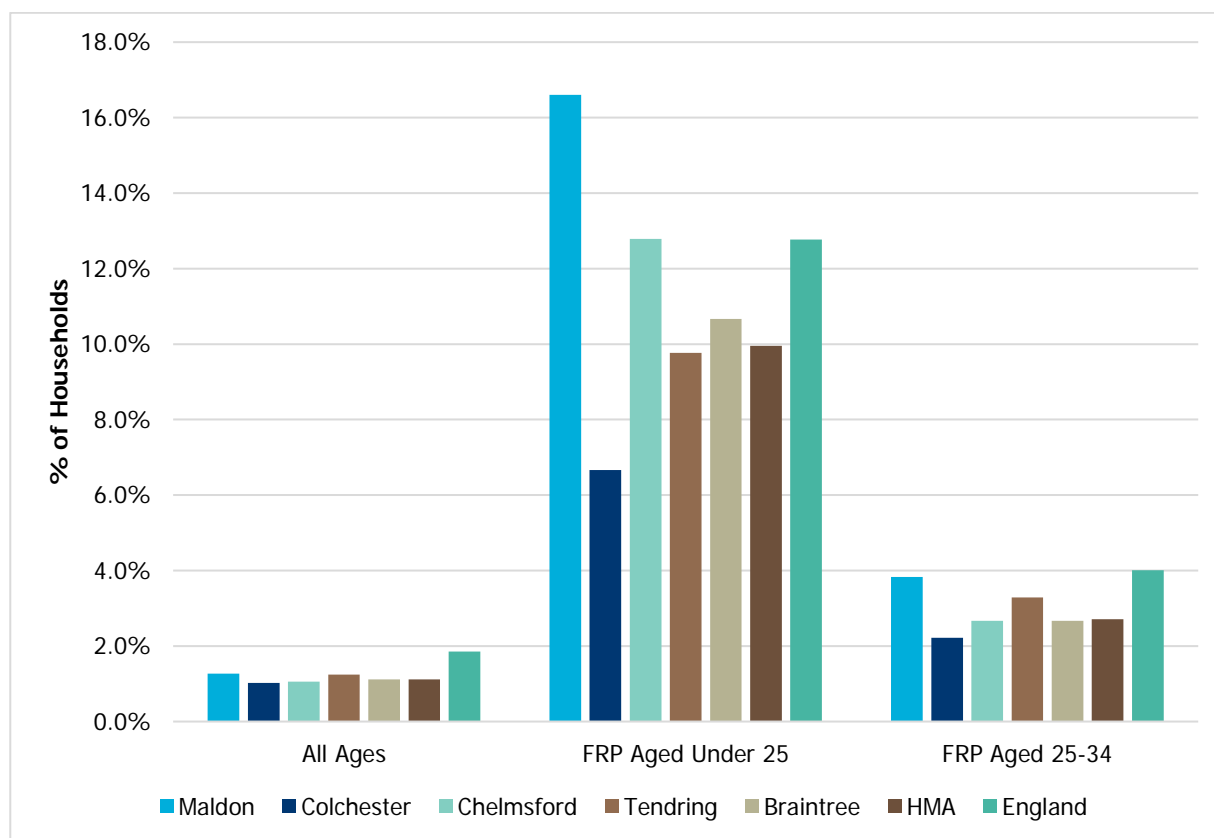
6.25 In terms of overcrowding, the ONS published data in 2014 to show a 71% increase in concealed households across the country between 2001 and 2011. Table 6.5 summarises the number of concealed families within the Colchester HMA compared with the region, and nationally.

Table 6.5: Concealed Households, 2001-2011

	Concealed Families 2001	Concealed Families 2011	% Change	Absolute Change
Maldon	141	238	69%	97
Colchester	283	498	76%	215
Chelmsford	293	523	78%	230
Tendring	352	510	45%	158
Braintree	202	491	143%	289
HMA	1,271	2,260	78%	989
England	161,254	275,954	71%	114,700

Source: ONS, Census 2001/11

- 6.26 The number of concealed households in Maldon increased by 69% between 2001 and 2011. This is one of the lowest in the HMA, and is lower than the HMA average and national average. However the increase remains at 69% over 10 years, and the continuation of such a trend is not considered to represent positive planning.
- 6.27 Figure 6.5 provides more detail for the authorities set out in Table 6.5, in respect of the proportion of concealed households in specific age groups.

Figure 6.5: Concealed families, 2011

Source: ONS

- 6.28 Figure 6.5 illustrates how the highest proportion of concealed families in Maldon is within younger households where the age of the family reference person is under the age of 25 years. 16.6% of all households where the FRP is under 25 years are concealed. This is the highest proportion of all five HMA authorities by a significant margin. The HMA and national averages are only 10% and 12.8% in comparison.
- 6.29 Figure 6.5 also shows how Maldon has the highest percentage of concealed households in the 25-34 age group (3.8%) when compared to the other HMA authorities. The comparative HMA average is only 2.7%, and the national average marginally higher at 4.0%.
- 6.30 The worsening affordability of housing is leading to a much larger number of people having to share with others, and not being able to form their own households. This is particularly so in younger age groups where the housing market is inaccessible to first time buyers. The evidence in Table 6.5 and Figures 6.4 and 6.5 shows how this issue is more acute in Maldon in these younger age groups than for the HMA as a whole, and nationally.
- 6.31 In addition to concealed families, there are many concealed *individuals* who would like to form their own household but have not been able to due to the recession. Whilst it is not possible to derive the number of these individuals from the Census, research by Bramley et al. (2010) suggests that single adults account for around half of concealed households²².

iii) Summary of Market Signals

- 6.32 The market signals issues within Maldon are summarised in Table 6.6.

²² Bramley et al. (2010), Estimating housing need, Department for Communities and Local Government

Table 6.6: Summary of market signals within Maldon

Worsening trend?			Market Signal					
			Rate of development	House prices	Affordability	Residential rents	Overcrowding	Concealed Households under 35
Absolute	Maldon		X	Y	Y	Y	X	Y
	Comparison with	HMA average	X	Y	Y	X	n/a	
		England	n/a	Y	Y	Y	n/a	
Rate	Maldon		X	Y	Y	Y	X	Y
	Comparison with	HMA average	X	X	Y	X	X	Y
		England	n/a	Y	Y	Y	X	Y

6.33 Adverse market signals issues have been identified in Chelmsford and can be summarised as follows:

- Rate of development:** Dwelling completions in Maldon between 2004/05 and 2014/15 have been level with growth of 120 homes per annum set out in the now revoked East of England Plan. However it is important to note that completions have fallen significantly short of all official CLG household projections dating back to the publication of the East of England Plan (May 2008);
- House prices:** Prices have risen significantly in Maldon (by £213,000 between 1997 and 2016); higher in absolute terms than all other authorities within the HMA apart from Chelmsford, and higher than the national average. In terms of rate of change, prices have risen by 304% over the same period. This is higher than the national average (281%);
- Affordability:** Housing is now significantly less affordable than in the late 1990s, which has caused some suppression in household formation. The affordability ratio is currently 11.4 in Maldon, higher than any of the neighbouring authorities, the HMA average (8.8), and the national average (6.9). This means that a lower quartile priced house costs 11.4 times more than lower quartile earnings in Maldon. This is unsustainable. This indicator is crucial in Maldon, and is now higher than at any time before the recession. In comparison the average ratio for England had its peak prior to the recession, further emphasising the acute affordability problems in Maldon;

- **Private Rents:** Both lower quartile and median private residential rents are higher in Chelmsford than the national average, although lower than the HMA average;
- **Overcrowding and Concealed Families:** A 69% increase in the number of concealed families between censuses is broadly comparable with the national average of 71% but is not the highest within the HMA. However Maldon has the highest percentage of concealed families in the under 25 and 25-34 age groups than all other authorities in the HMA, and higher than the national average in those aged under 25.

Uplift for Market Signals?

6.34 In light of the market signals analysis and the identification of a worsening trend in several market signals indicators, there is considered strong justification for a market signals increase to demographic projections in order to improve affordability in Maldon. Affordability is a crucial indicator, and the lower quartile affordability ratio has worsened significantly in recent years and is now the highest in the HMA, and significantly higher than the national average. This alone is considered to justify a significant adjustment for worsening market signals

6.35 PPG states:

“The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of homes.” (PPG ID: 2a-019)

“A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.....In areas where an upward adjustment is required plan makers should set this adjustment as a level that is reasonable.....should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability” (PPG ID: 2a-020)

6.36 A ‘reasonable’ adjustment is not quantified in the PPG and therefore in the absence of clear guidance from Government on how much of an uplift to OAN should be applied to account for adverse market signals Barton Willmore has given consideration to this in respect of:

- Inspectors recommendations for market signals uplifts; and
- The Barker Review threshold, which identified an 86% increase in housebuilding would be required to bring house price inflation down to the European average (1.1%).

Inspector's recommendations

- 6.37 There have been a number of Inspectors recommendations for a market signals adjustment ranging from between 10 and 20%.
- 6.38 The Uttlesford Local Plan Inspector (December 2014) concluded that an uplift for market signals was required to the Council's proposed housing number and considered it 'appropriate to examine an overall increase of around 10%' ²³. This was to be applied alongside the headship rate adjustment.
- 6.39 The Eastleigh Local Plan Inspector (February 2015) recommended a 10% increase to the demographic-led OAN figure to address the 'modest' pressure of market signals:

"I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only a part of a much larger HMA. Exploration of an uplift of, say, 10% would be compatible with the "modest" pressure of market signals recognised in the SHMA itself." ²⁴ (Our emphasis)

- 6.40 In this example the affordability ratio had only increased by 97% (Eastleigh Borough) and 92% (HMA), significantly lower than in Maldon (157%) and the Colchester HMA (144%) albeit this report addresses three further years (2013-2015).
- 6.41 In the context of the comparatively higher worsening of affordability in Maldon District and the HMA it is considered that an uplift of at least 10% is required to help alleviate the worsening affordability. This view is supported by the more recent EiP decision in Canterbury (August 2015), in which the Inspector concluded as follows:

"An uplift of 10% to reflect a modest pressure of market signals has been used by Inspectors in other examinations. However, here NLP conclude that the scale of market signal pressure is greater than modest, such that on reasonable assumptions the uplift should be more than 10% with 20% used by way of illustration to give a need figure of 744 dpa." ²⁵ (Our emphasis)

- 6.42 In this context it is considered that an increase of up to 20% should be considered in Maldon and the Colchester HMA.

²³ Paragraph 1.10, page 3, Examination of the Uttlesford Local Plan: Inspector's conclusions, December 2014

²⁴ Paragraph 41, page 12, Eastleigh Borough Local Plan, Inspector's Report February 2015

²⁵ Paragraph 20, Canterbury District Local Plan, Note on main outcomes of Stage 1 hearings, August 2015

The Barker Review Threshold

- 6.43 The Barker Review of Housing Supply (2004) indicated that an 86% increase in house building would be required to bring house price inflation down to the European average (1.1%):

“Achieving the desired improvement in the housing market would, it was asserted, require an additional 120,000 housing starts per year on top of the 140,000 in 2002/3, taking the annual total to 260,000. According to the Review’s modelling, this scenario would see between 5,000 and 15,000 newly formed households priced into the market in each year between 2011 and 2021.”²⁶

- 6.44 Barton Willmore have considered how much of an uplift the proposed OAN (in this instance the starting point, plus adjustments for HFRs and Migration, plus adjustment to accommodate employment growth) provides compared with the starting point (see Table 6.7) and recent delivery performance (see Table 6.8).

Table 6.7: Proposed OAN vs. Starting Point (2014-29)

	Starting Point (dpa)	Proposed OAN (dpa)	Uplift (%)
Maldon	3,260 (220)	5,530 – 5,760 (370-380)	68-73%

Source: ONS/CLG, Barton Willmore modelling

Table 6.8: Proposed OAN vs. Past Delivery Performance

	Delivery Performance (dpa)*	Proposed OAN	Uplift (%)
Maldon	1,322 (120 pa)	5,530 – 5,760 (370-380)	320-336%

Source: ONS/CLG, Barton Willmore modelling

* Average completions over the period 2004/05 – 2014/15

- 6.45 The OAN for Maldon of 370-380 homes per annum provides a 68-73% uplift against the starting point estimate of 220 homes per annum, and a 320-336% uplift against past delivery performance (120 homes per annum).

²⁶ Home Builders Federation (2014), ‘Barker Review – a decade on’, p.7

- 6.46 However as we have identified in this study, it is important to emphasise how the East of England Plan target for Maldon (120 homes per annum) was significantly lower than historic CLG household projections for the District. The Plan target was therefore significantly lower than need, evidenced by the 2004-based CLG household projections (February 2008) which projected growth three times that of the East of England Plan and were published prior to the Plan. Successive CLG projections (2006, 2008, interim 2011-based, 2012-based, and 2014-based) have all shown a starting point estimate of need at least double that of the Plan target. In this context, although the Council have delivered against 120 homes per annum on average over the past 10 years, the target of the East of England Plan is considered to have been very low and very likely to have fallen below actual need.
- 6.47 In the case of Maldon, a more appropriate benchmark is considered to be the latest official 2014-based CLG household projection (220 dpa). The OAN established by Barton Willmore in this report would equate to a 68-73% uplift from the starting point estimate. The Barker Review requires an uplift from past delivery of at least 86% to improve affordability. Given the significant worsening of affordability outlined in this study (lower quartile ratio of 11.4 in 2015), it is considered that delivery of at least the 370-380 homes per annum, 2014-2029, established in this report is required to address affordability issues.

7.0 LOCAL PLANS EXPERT GROUP OAN CALCULATION

7.1 The LPEG was established by the Communities Secretary, Greg Clark and the Minister for Housing and Planning, Brandon Lewis MP, in September 2015, with a remit to consider how local plan making can be made more efficient and effective.

7.2 In short, the LPEG report identified two main problems for local authorities, as follows:

- There is no pre-set determination of the boundaries of Housing Market Areas;
- There is no definitive guidance on the way in which to prepare a SHMA, leading to significant disagreement and uncertainty over housing numbers, which then affects every stage of the plan making progress.

7.3 In respect of the second point, the LPEG report includes Appendix 6, which recommends changes to the Housing and Economic Development Needs Assessment (HEDNA) section of PPG in order to establish OAN. The recommended methodology is summarised in Figure 7.1.

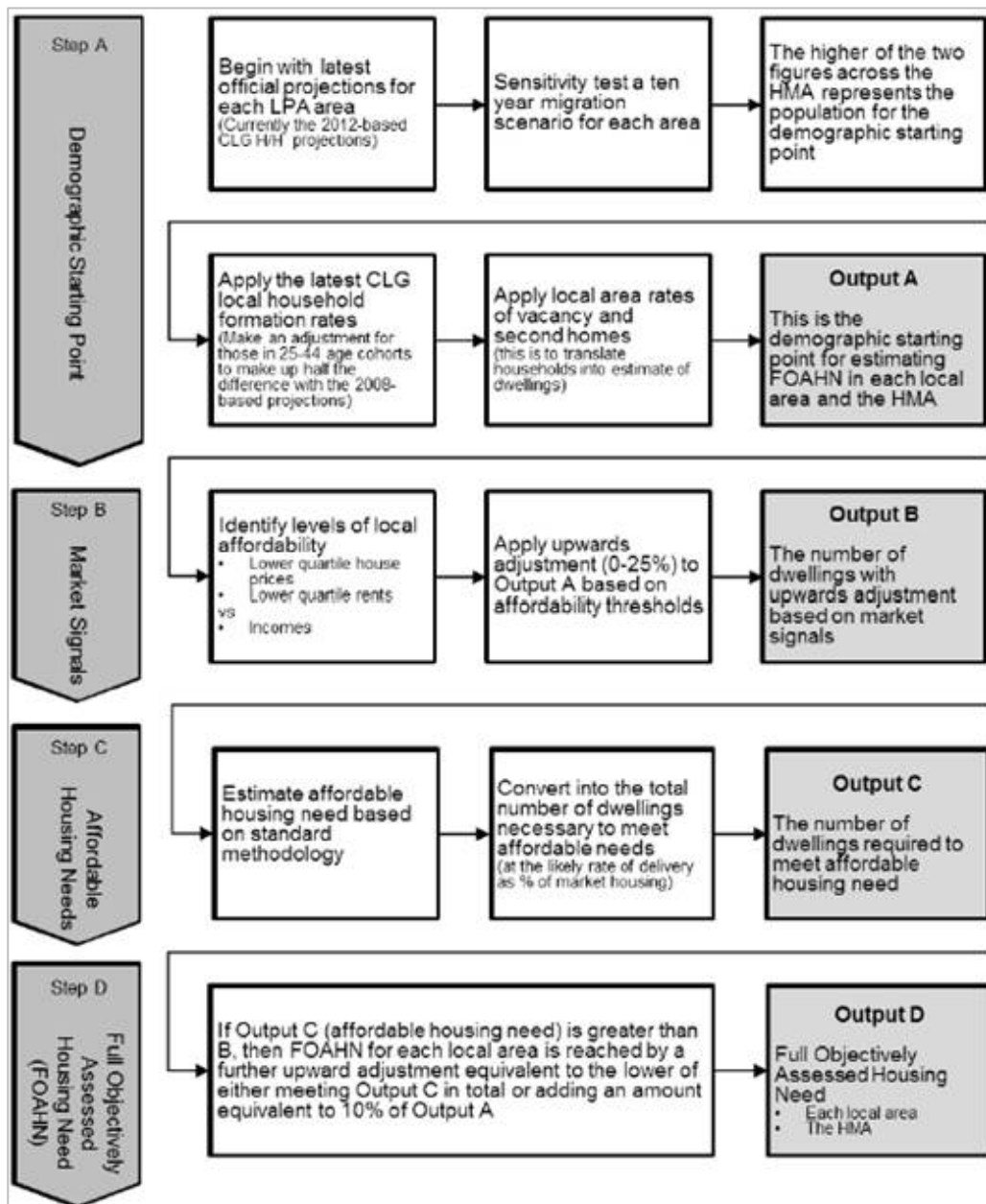
7.4 The LPEG recommendations are currently being consulted on, and it is important to emphasise how they do not, at the present time, hold any weight in the determination of OAN. However for completeness and for information purposes only, we have included a calculation of OAN based on the recommendations of LPEG in Table 7.1 below.

7.5 Barton Willmore have calculated the recommended methodology to result in OAN of **between 5,810 and 6,390 new homes, 2014-2029 (390 – 430 homes per annum)**. This is a slight increase to the OAN established by Barton Willmore in this report, which is based on the PPG methodology.

7.6 It should also be noted that LPEG's recommendations include many of the same assumptions already included in Barton Willmore's OAN methodology, as follows:

- 50% return to 2008-based household formation rates in the 25-44 age group;
- The use of Office for Budget Responsibility (OBR) economic activity rates;
- The use of a 10-year net-migration trend scenario;
- Uplift for market signals based on affordability ratios.

Figure 5.1: LPEG recommended OAN methodology



Source: Page 22, Local Plans Expert Group Appendices, March 2016

Table 5.1: LPEG OAN calculation for Maldon District, 2014-2029

Stage	Step	OAN Process	Growth 2014-2029 (per annum)
A. Demographic Starting Point	1.	Latest CLG household projection <u>population</u> (2014-based ONS SNPP)	4,840 (320)
	2.	10-year net-migration scenario <u>population</u>	6,670 (450)
	3.	Highest <u>population</u> (CLG projection or 10-year Migration)	6,670 (450)
	4.	10-year net-migration scenario (2014 HFRs unadjusted) <u>households</u>	4,030 (270)
	5.	10-year net-migration scenario (50% 25-44 HFR return to 2008-based HFRs) <u>households</u>	4,310 (290)
	6.	Vacant and second homes adjustment	3.37%
	7.	OUTPUT A: Demographic starting point (Homes)	4,650 (310)
B. Market Signals	1.	Ratio of median quartile house prices to median earnings (3 year average)	9.0
	2.	Upward adjustment required to Output A	25%
	3.	OUTPUT B: Demographic starting point plus market signals adjustment - <u>homes</u>	5,810 (390)
C. Affordable Housing Need	1.	Estimate affordable need based on standard methodology (<u>homes</u>)	1,275 – 1,950 (85-130)
	2.	Total number of homes necessary to meet affordable needs (as the likely rate of delivery as % of market housing) <u>homes</u> .	3,190 – 7,800* (210 – 520)
	3.	OUTPUT C: Number of homes required to meet affordable housing need (<u>homes</u>)	3,190 – 7,800 (210 – 520)
Is Output C greater than Output B?			NO/YES**
D. FULL OAN	FULL OBJECTIVELY ASSESSED HOUSING NEED FOR MALDON 2014-2029		5,810 – 6,390 (390 – 430)

*Based on the range of affordable housing need determined in the Council's OAN document EB098a, and the range of affordable housing provision (25%-40%) proposed in policy H1 of the submitted Local Plan;

**Based on the average of the range (210-520 dpa).

8.0 SUMMARY AND CONCLUSIONS

- 8.1 This report provides an updated OAN for Maldon District, and follows on from previous reports produced for the Colchester HMA in which Maldon District is located. The report is focussed on Maldon District, and whilst we acknowledge it is part of the wider Colchester HMA, the OAN in this report concerns Maldon District in isolation.
- 8.2 In this context, the report presented here considers the steps required by section ID2a – ‘Housing and Economic Development Needs Assessments’ (HEDNA) of the PPG, and reaches a conclusion on what the full OAN for Maldon District should be, based on the most up-to-date evidence available. Table 8.1 (below) provides a step-by-step guide to full OAN for Maldon District.
- 8.3 The key points to note from this report are as follows:

Demographic factors

- Official CLG household projections represent the ‘starting point estimate’ of OAN, as required by PPG. For Maldon, the starting point estimate (2014-based CLG household projection) is **220 homes per annum (hpa), 2014-2029**;
- The HEDNA PPG (paragraphs ID2a-015-017) states that demographic adjustments may be made in respect of more recent demographic data, and for household formation rates (HFRs). In respect of HFRs, where it can be shown that past trends in HFRs have been suppressed by a lack of delivery and the worsening affordability of housing, adjustment may be necessary;
- For Maldon, this report shows how rates in the 25-34 and 35-44 age groups are projected to decline over the next 15 years by the most recent 2014-based CLG household projections (July 2016). The latest projections declining trends that are more acute than the previous 2012-based CLG household projections, or the interim 2011-based series before them;
- This decline is due to significantly worsening affordability in Maldon. As of 2015, Maldon had the most acute lower quartile affordability ratio in the HMA (11.4), and an adjustment for more positive rates of household formation is required in the 25-34 and 35-44 age groups. This report provides three sensitivity scenarios for HFRs, resulting in an uplift to the starting point estimate to **between 230 and 250 hpa**;

- The HEDNA PPG advises that sensitivity testing for different assumptions in respect of migration levels may be appropriate. The official ONS and CLG projections are underpinned by a five-year period of migration (2009-2014) which was heavily influenced by the recession.
- A 10-year period (2005/6 – 2014/15) is considered to be more representative, and a sensitivity scenario based on this period has been undertaken. This provides an uplift to OAN of **between 300 and 310 hpa, 2014-2029**.

Balancing homes with jobs

- The Council's Employment Evidence and Policy Update report (July 2015) considers the East of England Forecasting Model's (EEFM) job growth forecast of 147 jobs per annum, 2014-2029, to be a reasonable assumption. Furthermore Policy E1 of the emerging Local Plan identifies that a minimum of 2,000 net additional jobs, 2014-2029 (133 jobs per annum) will be created in the District.
- The OAN for Maldon should be based on 'policy-off' job forecasts. Barton Willmore have therefore obtained the most recent forecasts from the three leading forecasting houses (Experian, Cambridge, and Oxford Economics). Due to the difference in the forecasts, Barton Willmore have assumed an average of the three forecasts to inform the OAN. The average is 124 jobs per annum, 2014-2029. In the context of the EEFM and emerging Plan targets, this is considered prudent.
- The two demographic-led scenarios for growth; the starting point estimate (2014-based CLG household projections) and long term migration; would support 30 and 60 jobs per annum respectively, thereby only supplying half of the policy off job forecasts. A further uplift to support job growth of 124 jobs per annum is therefore required;
- The jobs-constrained scenario shows a range of between 370 and 380 hpa, 2014-2029, is required to support the policy-off forecast (124 jobs per annum). Support for the jobs outlined in policy E1 of the emerging Plan (133 jobs per annum) or the EEFM (147 jobs per annum) would require a further uplift.

Market Signals

- The analysis of market signals shows how Maldon has a number of indicators that are worsening at a more acute rate than the HMA average and nationally;

- The affordability ratio (ratio of lower quartile wages to lower quartile house price) is often considered the most crucial indicator, and this peaked in the most recent year (2015) at 11.4, meaning that lower quartile house prices were 11.4 times wages in Maldon District. This is higher than the peak in any of the other HMA authorities, or nationally. Based on a 3-year rolling average, the ratio in 2015 was 9.9 for Maldon, higher than the HMA (8.8) and national (6.9) averages.
- Maldon also has the highest percentage of concealed households in the under 34 age group when compared to the other HMA authorities, a result of the increasingly acute affordability problems in the District.
- The Barker Review threshold to improve affordability (an 86% increase on past delivery) will be met by the economic-led OAN (370-380 hpa, 2014-2029) established in this report by Barton Willmore.
- However this is based on delivery of 120 hpa, which aligns with the target established in the (revoked) East of England Plan (EEP, 120 hpa). However it is considered imperative to note how 120 hpa was significantly lower than the CLG household projections available at the time (circa 350-400 hpa). The EEP was therefore unlikely to have reflected housing need in Maldon.
- The economic-led OAN is a 68%-73% increase on the starting point estimate of OAN, the 2014-based CLG household projections, and in this context it is considered that the economic-led OAN should be planned for as a minimum, to ensure the acute affordability problems are addressed in Maldon.

Local Plans Expert Group

- Although we identify that the LPEG's proposed changes to OAN methodology are yet to be adopted, they provide a useful sensitivity test against the PPG compliant OAN provided by Barton Willmore in this report;
- LPEG recommend use of a number of assumptions used by Barton Willmore in this report, and our calculation of OAN based on LPEG methodology is **between 390 and 430 hpa, 2014-2029**, slightly higher than the economic-led OAN determined in this report.

Table 8.1: Objective Assessment of Housing Need – Maldon District, 2014-2029

STAGE		HFR adjustment range (per annum)
A	2014-based CLG household projection (Households)	3,150 (210)
	Vacant/Second Homes Adjustment	3.37%
	OAN STARTING POINT (Homes)	3,260 (220)
B	OAN Starting Point – Household Formation Rate sensitivity testing (Homes)	3,510 – 3,720 (230 – 250)
	Adjustment to A	250 – 460 (20 – 30)
C	Long-Term Migration Trend (Homes)	4,430 – 4,650 (300 – 310)
=	DEMOGRAPHIC-LED HOUSING NEED (A+B+C)	4,430 – 4,650 (300 – 310)
D	Jobs supported by demographic-led OAN (Step C)	840 (60)
	Average jobs growth forecast	1,860 (120)
	Job Surplus/Deficit	-1,020 (-70 pa)
=	ECONOMIC-LED HOUSING NEED	5,530 – 5,760 (370 – 380)
E	(Adjustment to Demographic-led)	+1,100 – 1,110 (+70)
	MARKET SIGNALS	
F	Adverse Market Signals Observed?	Y
	Subtotal OAN	5,530 – 5,760 (370 – 380)
	Average Delivery Rate 2004/5 – 2014/15	1,322 (120)
	Subtotal OAN vs. Recent Performance (%)	320-336%
	Subtotal OAN vs. Starting Point (%)	68-73%
	Further Increase Recommended? (Y/N)	N
=	FULL OBJECTIVELY ASSESSED HOUSING NEED	5,530 – 5,760 (370 – 380)

Source: Barton Willmore modelling (see attached appendices)

Appendix 2

Maldon District Representations on 5 Year Housing Land Supply August 2016

Maldon District Council – Local Development Plan 2014

Main Modifications Consultation

Appendix 2

Representations on 5 Year Housing Land Supply



October 2016

1 INTRODUCTION

- 1.1.1 This statement contains the comments of Gladman Developments (Gladman) in respect of Maldon District Council's (MDC) updated 5 Year Housing Land Supply Statement 2015/16 (dated August 2016), for which the Council are seeking comments as part of the consultation on the Main Modifications of the Maldon District Council Local Development Plan (LDP) 2014.
- 1.1.2 Through our previous representations to the Council and the EiP, Gladman has questioned the plans ability to adequately deliver a 5 year housing land supply and the ability of the plan to deliver its development needs over the plan period. MDC has now prepared a list of main modifications which seek to make the plan 'sound'. Whilst welcoming the preparation of this work, Gladman still have serious concerns about the plan and the Council's ability to demonstrate a deliverable five year housing land supply.
- 1.1.3 Within these representations, a brief summary of MDC's claimed housing land supply position, as set out in its most recently published 5 Year Housing Land Supply Statement 2015/16 is provided (published August 2016). These representations will then comment on the key elements of the 5 year land supply in turn.

2 THE COUNCIL'S POSITION – A SUMMARY

2.1.1 MDC's most recent position on 5 year supply is set out in the Five Year Housing Land Supply Statement 2015/2016, issued August 2016.

2.1.2 MDC's latest statement sets out its claimed 5 year land supply position in the context of the emerging Local Development Plan. As such, it has a base date of 01 April 2014 (to align with the base date of the LDP), and assesses the claimed deliverable supply against the currently proposed LDP housing requirement (i.e. 310dpa).

2.1.3 It sets out a claimed 5 year supply position for the period 01 April 2016 – 31 March 2021. It identifies a deliverable supply of 2,353 dwellings over this period; uses the Sedgefield approach to addressing backlog; and uses a 5% buffer. This results in a total housing land supply of 6.04 years.

Affordable Housing Delivery

2.1.4 §50 of the Framework states that local authorities should seek to deliver a wide choice of quality homes and widen opportunities for home ownership, planning for a mix of housing based on current and future demographic needs.

2.1.5 The Strategic Housing Market Assessment (SHMA) 2014 recommended an affordable housing requirement of 154 affordable homes per annum. Completions in recent years have been significantly lower as identified within the published AMRs and replicated within Table 1 below:

Table 1 – Affordable Housing Delivery

Year	Affordable Housing Completions	% of MDC emerging Housing Requirement
2014/15	0	0%
2015/16	35	11%

2.1.6 It is clear that the Council are catastrophically failing to provide a sufficient amount of new affordable dwellings within the district. There is an entrenched need that currently exists and the policies and mechanisms for the provision of affordable housing have thus far failed to deliver. There is also no basis for considering that this failure will be reversed.

3 REQUIREMENT

3.1 The Appropriate Base Requirement

MDC Position

- 3.1.1 MDC uses the emerging (currently untested) LDP policy requirement for the basis for its calculation. It identifies its requirement to be 4,650 dwellings for the period 2014-2029 (i.e. 310dpa).
- 3.1.2 This produces a basic forward requirement of 1,550 dwellings (i.e. 310dpa x 5).

Gladman's Position

- 3.1.3 As noted within the main body of Gladman's representations on the schedule of main modifications to the LDP, the Council's current evidence on OAN is insufficient, unjustified and not robust. It is a flawed approach that focusses on the demographic element of OAN without updating the evidence on economic needs or market signals. Gladman commissioned Barton Wilmore to undertake a Framework compliant assessment of OAN for Maldon, which is attached as Appendix 1 to the representations. This concludes that the true OAN for Maldon across the Plan period is 370-380 dwellings per annum.

3.2 Backlog and How to Address It

- 3.2.1 The issue of past under performance in delivery and how this should be accounted for in calculating the 5 year requirement has previously been the subject of debate in appeal cases within Maldon District. Specifically, the issue is whether a shortfall in delivery since the start of a plan period should be addressed within the forward 5 year period (i.e. the 'Sedgefield' approach); or, whether it should be spread out over the remaining plan period (i.e. the 'Liverpool' approach).
- 3.2.2 Gladman are strongly of the view that the correct approach is to apply the Sedgefield method to addressing any shortfall, so that unmet needs are met urgently. The failure to do this, by taking a residual (or Liverpool) approach, means that the social problems arising from the unmet need (for example overcrowding and severe affordability issues), will simply be allowed to persist for longer or get worse, for years after the actual need has arisen. Furthermore, we consider that the Sedgefield approach better reflects the objective of the Framework [§47] to 'boost significantly' the supply of housing.
- 3.2.3 Support is drawn for the position that a Sedgefield approach should be taken to addressing past delivery failures from:
1. The overwhelming majority of post Framework appeal decisions. In this respect, it has generally been accepted that the Sedgefield approach aligns with the Framework objective to 'boost significantly' the supply of housing.

2. The PPG [ID 3-035] which makes clear that local planning authorities should aim to deal with any under supply in the first 5 years (i.e. it advocates a Sedgefield approach).
3. Within MDC’s position it is noted that a Sedgefield approach is adopted.

3.2.4 For the purposes of calculating the backlog, MDC’s completions information is used. This is set out in Five Year Housing Land Supply Statement 2015/2016 for the 2 year period up to 01 April 2014 - 2016.

3.2.5 Table 2 identifies the extent of the backlog against MDC’s requirement, since 01 April 2014. It shows a backlog of 303 dwellings at 01 April 2016 against the 310 dpa requirement. This amounts to almost 1 years’ worth of undersupply which has accrued in only 2 years.

Table 2 Backlog (2014-2016) – MDC Requirement

Period	Requirement	Delivery	Shortfall (-)
2014/15	310	69	(-) 241
2015/16	310	248	(-) 62
Backlog	620	317	(-) 303

3.2.6 Gladman (informed by the accompanying work of Barton Willmore) considers the OAN to be 370-380 dpa. Even if we take the lower end of this range, the backlog that needs to be accounted for in the 5 year requirement is considerably higher than assumed by the Council. The backlog against the Barton Willmore OAN is set out in Table 3 below.

Table 3 Backlog (2014-2016) – Barton Willmore OAN

Period	Requirement	Delivery	Shortfall (-)
2014/15	370	69	(-) 301
2015/16	370	248	(-) 112
Backlog	740	317	(-) 423

3.3 Framework [§47] Buffer

3.3.1 The Council also apply the 5% buffer as advised by §47 of the Framework, including the shortfall from the period starting 2014/15. Decisions on whether to apply a 5% or a 20% buffer in the context of Framework §47 turn on whether or not there is a record of persistent under delivery in the authority area.

3.3.2 It is fair to say that MDC’s performance in terms of delivering requirements has been variable. Furthermore, it is the case that the past policy requirements (i.e. the RLP and the RSS) that MDC uses to measure its performance against were constrained requirements (i.e. they did not reflect full housing needs). In this context, the fact that there were delivery failures at all is surprising.

3.3.3 The appropriate buffer to apply has been subject to scrutiny in appeal cases in Maldon. In particular, the Inspector for the Former Timber Yard, Basin Road, Heybridge Basin appeal¹§49-52 states:

“The Council submits that it does not have a persistent record of under-delivery and therefore the additional buffer required by the NPPF should be 5% rather than 20% as advocated by the Appellant.

The Council provided evidence of completions for the 12 year period from 2001/2002. These were assessed against the annualised requirement for 120 dpa within the East of England Plan which was adopted in 2008 and covered the period from 2001 up to its revocation in 2013. In the period following the adoption of the East of England Plan the Council has failed to reach its annual housing requirement in all but one year from 2008/2009 onwards. However, when assessed over the entire plan period there were 93 more dwellings delivered than required by the East of England Plan.

The appellant submits that for the period prior to the adoption of the East of England Plan housing completions should be assessed against the requirement within the MDRLP. This was adopted in 2005 and would have been the relevant development plan for that period. When assessed against this requirement the Council failed to meet the target in all three years. When considered together with the shortfalls in recent years this could be considered to represent a persistent record of under-delivery.

*Although the Council would have been working to the target within the MDRLP prior to the adoption of the East of England Plan, it remains the case that following the adoption of the East of England Plan housing delivery would have been assessed over the entire plan period from 2001 onwards. **Therefore having regard to the total number of dwellings delivered when assessed against the East of England Plan requirement it is debateable whether there has been a record of persistent under-delivery given that the shortfalls in recent years would be offset by over-delivery in earlier years.** I therefore conclude that on balance the Council does not have a persistent record of under-delivery and that the 5% buffer should apply.”*

3.3.4 Inspector Coffey clearly paused for thought in considering this issue. Whilst, on balance, the conclusion was reached that there was not a record of persistent under delivery, it was clearly a finely balanced issue. In this context, it is noted that the Former Timber Yard Inquiry took place in September and October 2015 (i.e. over a year ago). Since this date, MDC has continued to fail (by some margin) to meet its proposed LDP housing requirement (against both its own and Barton Wilmore’s assessment of OAN). Completions have failed to meet proposed LDP requirements since the base date of the emerging plan (i.e. 2014). Furthermore, even if MDC’s housing delivery trajectory (as set out in its supply statement) is accepted, completions will continue to fail to meet

¹ APP/X1545/W/15/3003795 (Decision date: 6th November 2015)

proposed policy requirements in the current 2016-17 monitoring year. These recent circumstances make the judgement call on persistent under delivery more debatable.

3.4 Buffer to Backlog

- 3.4.1 It is noted that in MDC's assessment of 5 year supply, the Framework buffer is applied to both the forward requirement and the backlog. This aligns with Gladman's approach.

4 DELIVERABLE SUPPLY

4.1.1 This section of the representations provides a critique of MDC’s claimed supply position, as set out in its latest position statement dated August 2016. Firstly, a summary of MDC’s claimed position is provided, before setting out Gladman’s views.

4.2 Summary of MDC Position

4.2.1 MDC’s latest position claims a deliverable supply of 2,353 dwellings for the 5 year period. This position is summarised in Table 4 below.

Table 4 MDC Supply Position

Components of Supply	No. of Dwellings
Sites with Extant Planning Permission	1,929
Other Strategic Allocations	448
Windfall Allowance (20 dpa)	100
Minus 5% Slippage	-124
Total	2,353

4.3 5 Year Period

4.3.1 It must be noted that the 5 year period for the latest Housing Land Supply position produced by the Council covers the period from April 2016 to March 2021, however the supply position includes planning approvals up to the end of August 2016 (i.e. half way into the monitoring year) without taking account of any lapses in this period. It must also be noted that this could give rise to double counting if windfall allowances are made within the first two years of the five year period. Further consideration is given to this within section 4.8 of this document

4.4 Assessment of Deliverable Supply

4.4.1 Gladman have undertaken a high level assessment of the Council’s deliverable supply position for the purposes of these representations. This assessment has focused on the emerging LDP strategic allocations² although the appropriateness of MDC’s windfall allowance is also considered. The assessment involved the following:

1. Reviewing the planning status of the sites using the MDC online database and other available information.

² It is noted that these sites feature in both the ‘Sites with Planning Permission or A Resolution to Grant Planning Permission Subject to S106’ and the ‘Other Strategic Allocations’ categories in the supply statement, depending on their planning status.

2. Reviewing available, site specific, technical information to understand any issues or constraints.
3. Sense checking delivery assumptions used by MDC for the purposes of the trajectory and assessing whether assumed start dates are realistic, having regard to the ownership position of sites (i.e. whether they are within the control of a developer or not); the stage that the sites have reached in the planning process; and any constraints. In respect of the delivery assumptions, it is noted that there is little in the way of local empirical evidence to support MDC's claims, particularly for large urban extensions. In respect of lead in times, this assessment will first set out what Gladman consider to be reasonable timescales for various stages of the planning process to be completed, before considering these timescales against the strategic sites. However, the use of these timescales for the delivery of the majority of the strategic allocations is dependent upon very optimistic assumptions (on for example the signing of s106 agreements).

4.4.2 The main area of disagreement with the Council come from the assessment of lead in times and build out rates for the strategic allocations within the LDP. It is acknowledged that the Council has attempted to make contact with landowners and developers to establish the delivery rates and lead in times associated with a number of the sites which make up the supply. However, whilst this is a starting point to assessing delivery, these assumptions ought to be published and made open to review by respondents to the Plan. In this regard we note the findings of the Local Plan Expert Group³, which states:

“Significant debate over supply revolves around the assumed lead in time and build rates of larger sites. This is complicated by the fact that LPAs tend to use assumptions provided to them by the developers of the site, as the PPG suggests. However, this information can satisfy the best interests of the developer and is not always realistic, and the PPG should confirm that evidence on likely timescales drawn from experience on comparable sites may be highly relevant.”

4.4.3 As we will set out in more detail below, there is little in the way of local empirical evidence available to support the delivery rates and lead in times assumed by the Council. Furthermore, there is currently a lack of transparency in how they have arrived at their assumptions (for example the number of sales outlet assumed to achieve annual yields and the time taken to complete key stages of the planning process). Whilst the Council draw support from Statements of Common Ground with developers on the Garden Suburb urban extensions, these provide no commitment to achieving claimed delivery rates or explanation as to how the claimed quantities of development have been calculated.

³ LPEG – Appendix 13 - <http://lpeg.org/wp-content/uploads/2016/02/Appendices-local-plans-report-to-government.pdf> - retrieved 07/09/16

4.4.4 Before providing comment on the deliverable supply position, this assessment will briefly assess what can appropriately be considered a deliverable site, for the purposes of assessing land supply.

What Constitutes a 'Deliverable' Site?

4.4.5 The Framework provides guidance on what comprises a 'deliverable' site for the purposes of identifying land supply. It states (Footnote 11) that:

"To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years"

4.4.6 This definition has been subject to scrutiny within appeal decisions. It is considered to be a fair interpretation of the mainstream of appeal decisions that sites with planning permission should be included in the supply (unless there is a good reason to exclude them). Conversely, sites without permission should only be included where there is compelling evidence available to demonstrate that the site is deliverable. In the absence of compelling site specific evidence, it has to be assumed that the site is not deliverable. Support for this position is drawn from the High Court judgement on *Wainhomes (South West) Holdings Ltd v Secretary of State for Communities and Local Government*. It is stated within this judgement (at paragraph 35) that:

"... in the absence of site specific evidence, it cannot be either assumed or guaranteed that sites so included are deliverable when they do not have planning permission and are known to be subject to objections. The contrary, in the absence of site specific evidence, the only safe assumption is that not all such sites are deliverable."

4.4.7 The principle is corroborated by the PPG⁴, which provides additional qualification on what constitutes a 'deliverable site', in the context of the Framework (footnote 11). It indicates that deliverable sites could include development plan allocations and sites with planning permission. It goes on to state that:

"Planning permission of allocations in a development plan is not a prerequisite for a site being deliverable in terms of the five year supply. Local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out."

⁴ ID 3-031-20140306

4.4.8 In the context of the foregoing, Table 5 identifies the proportion of MDC’s claimed deliverable supply that has planning permission.

Table 5 Proportion of MDC Sites with Planning Permission

Components of Supply	No. of Dwellings	Dwellings with planning permission	Dwellings with resolution to grant subj. to s106	Dwellings with no planning status
Sites with Extant Planning Permission	1,929	1,025 (53.1%)	904 (46.9%)	0
Other Strategic Allocations	448	0	0	448 (100%)
Windfall Allowance	100	0	0	100 (100%)
Total Supply	2,477	1,025	904	548
Proportion of Total Supply	-	41.4%	36.5%	22.1%

4.4.9 It is noted that 58.6% (36.5% + 22.1%) of the claimed supply does not benefit from a formal grant of planning permission. Whilst some of these do have resolutions to grant planning permission (as will be set out in more detail below), a considerable amount of time has lapsed since these resolutions were made in many cases. This points to particular problems in converting resolutions to deliverable permissions.

4.4.10 Following the Wainhomes case, the burden is firmly on the Council to demonstrate, with reference to clear and compelling evidence, that there is a good prospect of this claimed supply without planning permission being delivered within the 5 year period. This burden relates to 58.6% of the claimed supply. Given the planning status of the majority of sites within MDC’s claimed supply, there has to be *considerable* uncertainty over whether housing will be delivered in accordance with the trajectory.

4.5 Delivery Rates

4.5.1 The Council’s housing land supply statement draws support from the Homes & Communities Agency ‘Notes on Build out Rates from Strategic Sites’ document dated July 2013 (which is contained at appendix 29 to the Five Year Housing Land Supply Advisory Note), in which it is stated that forecast trajectories for ‘smaller strategic sites’ (i.e. less than 4,000 units) could deliver 150-300 dwellings per annum. The Advisory Note states that the rates of delivery proposed by the Council do not exceed 88 dwellings per annum on any strategic or large scale site and are therefore considered to be highly conservative by MDC(\$4.76).

4.5.2 Gladman considers this assertion to be disingenuous, particularly in respect of the North Heybridge and South Maldon Garden Suburbs. Whilst these Garden Suburbs are split into three separate sites

within the trajectory, they essentially represent single urban extensions, subject to the same masterplans and infrastructure requirements.

- 4.5.3 As demonstrated within Table 6 below, the trajectory shows that the individual sites for the South of Maldon Garden Suburb urban extension are forecast to deliver up to 174 dwellings per annum and the North of Heybridge Garden Suburb sites are to deliver up to 166 dwellings per annum, both which substantially exceeds 88 dwellings per annum as referred to within the Advisory Note. Gladman consider these delivery rates to be highly ambitious.

Table 6 – Delivery of South of Maldon and North of Heybridge Garden Suburbs

Site	2016/17	2017/18	2018/19	2019/20	2020/21
S2(a) – South of Maldon (South of Limebrook Way)	0	25	40	85	85
S2(b) – South of Maldon (Wycke Hill North)	0	0	50	50	50
S2(c) – South of Maldon (Wycke Hill South)	0	0	39	39	39
South of Maldon Total	0	25	129	174	174
S2(d) – North of Heybridge	0	0	62	88	88
S2(e) – Land to the North of Holloway Road, Heybridge	0	0	34	33	33
S2(f) – West of Broad Street Green Road, Heybridge	0	50	50	45	0
North of Heybridge Total	0	50	146	166	121

- 4.5.4 It is clear from the Homes & Communities Agency Notes on Build out Rates from Strategic Sites that the delivery rates for greenfield urban extensions are dependent upon the number of sales outlets on each site, with 30 units per annum per sales outlet. However, it is caveated within this note that doubling the number of sales outlets will not result in a direct multiplication to build out rates. The note also comments that the build out rate may have been higher when the market was stronger. However, Gladman do not consider that this is the case at present with market uncertainty and a weak pound following Brexit.

- 4.5.5 In order to meet the 174 dpa delivery rates on the South of Maldon Garden Suburb, or 166 dpa delivery rates on the North of Heybridge Garden Suburb, 6 developers would have to be working at full capacity, all in direct competition with each other to meet these build out rates (based on the 30dpa assumption set out in the HCA note). There has been no explanation from the Council as to how this is likely to happen or empirical evidence provided to demonstrate that the market has been able to support this level of growth from a single site in the past (or that it is likely to happen in the near future).

4.5.6 In light of the above, Gladman consider that it is extremely plausible that the delivery rates of these sites will be significantly lower than that assumed by the Council.

4.6 Lead-in Times

4.6.1 Based on Gladman’s experience of managing housing applications through the planning process and on empirical evidence, it is considered that the lead-in times assumed by MDC potentially underestimate the inherent delays in the planning process (e.g. the approval of reserved matters, discharge of planning conditions and the time taken to complete legal agreements) as well as the time taken to implement development (e.g. marketing land and completing land purchase; preparing detailed design for infrastructure; mobilising statutory utilities; and commencing development).

4.6.2 Strategic Allocation S2(g) has been used as an example by the Council within the 5 year housing land supply advisory note (August 2016) in an attempt to demonstrate that large scale strategic sites could see a turnaround from the submission of a reserved matters or full planning application to the delivery of dwellings on site of approximately 15 months. Gladman do not consider this to be the appropriate position to take for all sites as site S2(g) is not typical of all allocated sites in terms of scale and infrastructure requirements. Site S2(g) has delivered at such a rate due to the lack of any infrastructure constraints and that fact that it is substantially smaller in scale than other allocations such as S2(a) (1,000 units), S2(b) (350 units) and S2(d) (1,035 units) for which more conservative lead in times would be appropriate. It must also be considered that site S2(g) is the only major site with full planning permission and a signed legal agreement around Maldon or Heybridge, therefore dwellings will have delivered rapidly on this scheme due to an increased market demand for housing around central Maldon.

4.6.3 As demonstrated within table 7 below, Gladman considers the absolute minimum timescale for this process to be approximately 18 months, with Table 8 below showing that it is Gladman’s position with regards to the delivery of dwellings from a full application being approximately 25 months from its submission. It must be noted that Gladman’s lead in time assumptions are considered to be highly conservative and involve a number of key stages which need to be met within the timescales identified within the tables below.

4.6.4 The lead in time assumptions that Gladman consider to be more appropriate (although still highly conservative for the reasons set out below) are set out in Tables 7 and 8. These lead in times do not take account of any issues associated with the marketing of a site when an application is made by a landowner. If marketing and formal transfer of a site from a landowner to a housebuilder (or housebuilders) is taken into account, these lead in times could be extended by a further 6 to 12 months, depending on the circumstances. For larger sites where infrastructure development is more extensive, the site preparation periods could also be significantly longer than set out below. These lead in times also only allow for 3 months for the completion of s106 agreements. Based on

recent experiences in Maldon, this is a highly optimistic position. The lead in times are considered to be the minimums *potentially* achievable, without any delays arising during the planning process.

Table 7 Lead-in Times for Sites with Outline Permission

Time (in months)						
Key Stages	Preparation of Application	Consideration of Application	S106	Preparation of Site	First Completion	Total Time
Outline Application	3	4	3			10
Reserved Matters and Discharge Pre-Commencement Conditions	3	4				7
Site Commencement				5	6	11
Overall Time from Preparation to Start of Completions						28

Table 8 Lead-in Times for Sites with Detailed Planning Permission

Time (in months)						
Key Stages	Preparation of Application	Consideration of Application	S106	Preparation of Site	First Completion	Total Time
Full Application	3	4	3			10
Discharge Pre-Commencement Conditions	2	2				4
Site Commencement				5	6	11
Overall Time from Preparation to Start of Completions						25

4.6.5 The following paragraphs consider each key stage of the lead in times identified above, and provide justification as to why Gladman consider that these timescales are more appropriate, yet still highly optimistic in the context of Maldon District Council. Given the clear potential for delays in the planning process, even these lead in times should be used with caution.

Consideration of Application

4.6.6 As detailed within Tables 7 and 8 above, Gladman considers that 4 months for the consideration of an outline or full application is an appropriate, yet highly conservative timescale for this stage as there are very few previous examples of sites within MDC which have achieved this. Strategic Allocation S2(a) took 7.5 months from validation to receiving a resolution to grant planning permission and Strategic Allocation S2(b) was validated on 14th January 2016 and has still not been

considered by the planning committee. The latest information provided by the Council states that this site S2(b) is to be considered at committee in December 2016, almost a year on from its validation.

Section 106 Agreements

4.6.7 Particular problems have been experienced in Maldon with completing S106 agreements and converting resolutions to grant permission to planning permissions. Some examples (for a range of site sizes) are:

1. A resolution to grant planning permission, subject to a s106 agreement, was made on strategic allocation site S2(a) South of Limebrook Way in June 2015. The S106 agreement has not yet been completed 15 months on from the resolution. At present, it is not clear how the legal agreement is progressing. A similar position is noted for Strategic Allocation site S2(e) North of Holloway Road which received a resolution to grant planning permission subject to s106 in March 2016 and no further information is publically available to demonstrate significant progress with this 6 months on from the resolution.
2. Application reference 14/01016/OUT for 75 residential units was considered by Committee on 1st March 2014 and received a resolution to grant planning permission subject to s106 obligations. The legal agreement was signed on 18th March 2016, 24 months after a resolution was granted on this scheme.
3. An application for 30 dwellings (under reference 14/01018/OUT) received a resolution to grant subject to s106 on 1st December 2014. The s106 agreement was signed on 11th January 2016, indicating a period of over 12 months for the legal agreement to be completed.
4. Application reference 13/01151/FUL for 27 dwellings received a resolution to grant planning permission subject to a signed s106 agreement on 5th August 2014. The legal agreement was signed on 26th March 2015 over 6 months on from the resolution.

4.6.8 Therefore, Gladman's assumption that S106 agreements would be resolved within 3 months from receiving a resolution to grant is to be considered a highly conservative approach when considered against previous examples within Maldon.

Discharge of pre-commencement Conditions and Consideration of Reserved Matters

4.6.9 Gladman consider that 7 months is a suitable timescale for the preparation and determination of Reserved Matters applications and the discharge of all pre-commencement conditions. Although, once again, this is considered to be a highly conservative timescale when compared against previous examples within MDC. Gladman are unable to source any examples within Maldon District where this process has taken less than 7 months.

4.6.10 It is stated at §4.68 - 4.69 of the Five Year Housing Land Supply Advisory Note that Strategic Masterplan Frameworks and Statements of Common Ground in relation to the South of Maldon and North of Heybridge Garden Suburbs help speed up the production and determination of planning applications within the Garden Suburbs. However, these documents do not provide any evidence that these sites will deliver quickly. On the contrary, the applicant for Strategic Allocation site S2(c) (part of the South of Maldon Garden Suburb) has been attempting to gain Reserved Matters approval since the end of 2014, with 2 applications refused by MDC and 1 dismissed at appeal. There is no further indication of when this site will progress.

Preparation of Site and First Completions

4.6.11 As noted above, Gladman consider that 11 months is a reasonable assumption for the preparation of a site and first completions to take place. It is noted at §4.77 of the Five Year Housing Land Supply Advisory Note that site S2(g) took 11 months between the completion of the s106 agreement and development starting on site. However, this does not provide any details on timescales for the first completions of dwellings.

4.6.12 Gladman accepts that there may be cases where the timescales set out in Tables 7 and 8 could be marginally reduced. However, when assessing a 5 year supply position it is important to be cautious in relation to the likelihood of sites delivering and the scale of that delivery. This is because the purpose of the assessment is to provide a realistic view of whether there is sufficient land available to meet the community's need for housing. If those needs are to be met a cautious approach must be taken.

4.7 Assessment of LDP Strategic Allocations

4.7.1 The Council rely on the delivery of housing on the Strategic Allocations identified within the emerging LDP in order to meet their housing requirements. In an attempt to bring forward these sites, the Council has invited developers to submit applications in advance of the LDP examination process being completed.

4.7.2 This section of the representations reviews each of the Strategic Allocations and provides Gladman's view on the expected lead in times for each site.

S2(a) South of Maldon – South of Limebrook Way

4.7.3 An outline planning application for "up to 1000 dwellings, an employment area of 3.4 hectares (Use Classes B1, B2 and B8 uses), a local centre (Use Classes A1-A5, B1a, C2, C3, D1 and D2 uses), a primary school, two early years and childcare facilities, general amenity areas and formal open space including allotments, sports playing fields, landscaping, sustainable drainage measures including landscaped storage basins and SuDs features, vehicle accesses onto the existing highway network and associated infrastructure" was taken to Committee in June 2015 and a resolution to grant planning permission made, subject to signing a s106 agreement. This application forms part of the South Maldon Garden

-
- Suburb (SMGS). The legal agreement requires contributions towards the South Maldon Relief Road and education provision. The s106 agreement remains uncompleted and it is unknown when any agreement will be signed and planning permission issued.
- 4.7.4 Urban extensions by their nature can encounter significant lead in times before the delivery of the first units. A report by Savills⁵ into the assessment of delivery rates from SUEs found on average that delivery took over four years from submission of an initial application, with signing of s106 agreements taking anywhere between 6 to 15 months. The experience in Maldon is that agreements are taking longer than this to complete.
- 4.7.5 Once approved, the developer (CEG) will need to discharge conditions which will require the preparation, submission and approval of further information. There are 86 conditions attached to the outline approval. Following this, a reserved matters application for phase 1 of the development will need to be prepared, submitted and approved by the Council. Once the reserved matters application has been determined and the conditions have been discharged, initial works will be able to commence on site. The delivery of initial on-site infrastructure including potential gas and electricity reinforcements along with access will further delay the delivery of the units on site.
- 4.7.6 The Maldon District Infrastructure Delivery Plan (IDP) Update (May 2014) states within table 11 that the South Maldon Relief road is to be developed in line with the phasing of this site and site S2(b). The IDP update marks the completion of work on the South Maldon Relief Road for the year 2021/22.
- 4.7.7 It is noted within the Planning Statement submitted alongside the application, that the submitted Viability Assessment concludes that with the levels of infrastructure costs outlined in the IDP the proposed development would only be viable with a reduced commitment to affordable housing. This situation could lead to a prolonged discussion on the S106 agreement, potentially causing further delays.
- 4.7.8 The applicant in this case is a land promoter and therefore the marketing and disposal of the site will have an effect on the timescales for the delivery of first completions on this site.
- 4.7.9 Based on the foregoing and when taking into account Gladman's views on lead-in times and delivery rates, it is considered that the Council's forecast delivery of 235 dwellings coming forward within the first five years, with first completions within 2017/18 to be overly ambitious. There are still several key stages which must be completed prior to the delivery of first dwellings on this site including the finalisation of the s106 agreement (for which there is no evidence of when this may occur), the submission of Reserved Matters application(s), the discharge of all pre-commencement conditions, the disposal of the site, site preparation and commencement of development.

⁵ Urban Extensions – Assessment of Delivery Rates (31st October 2014)

S2(b) Wycke Hill North

- 4.7.10 An outline planning application has been validated in January 2016 on this site for “C3 residential development (up to 370 new homes) of mixed form, size and tenure, small scale B1 employment, development (up to 2,000sqm), C2 / D1 community uses, a new relief road to the north of the A414, strategic landscaping, pedestrian and cycle linkages, estate roads, open space, drainage and sewerage (including SUDS) and other associated development.” The determination deadline for this application has passed and there is no indication of when this application will go to committee.
- 4.7.11 Following receipt of a resolution to grant planning permission, the Council will need to negotiate the s106 agreement, which has held up other approved schemes forming park of the SMGS (i.e. S2(a) discussed above).
- 4.7.12 The Maldon District Infrastructure Delivery Plan (IDP) Update (May 2014) states within table 11 that the South Maldon Relief road is to be developed in line with the phasing of this site and site S2(a). The IDP update marks the completion of work on the South Maldon Relief road for the year 2021/22.
- 4.7.13 Similar to S2(a) referred to above, the Planning Statement submitted alongside this application confirms that the IDP derived s106 package could only be achieved if the scheme delivers less than 30% affordable housing. This again, causes further uncertainty with regard to the speed at which the s106 agreement will progress.
- 4.7.14 The applicant in this case is a land promoter (Dartmouth Park Estates Ltd) and therefore the marketing and disposal of the site will have to be taken into consideration when assessing the timescales for when dwellings will be delivered on this site.
- 4.7.15 Gladman consider that the Council’s forecast delivery of 150 dwellings within the five year period, with first completions within 2018/19 to be overly ambitious. The latest information from the Council indicates that this application will be considered by the planning committee in December 2016, however this has not yet been formally confirmed. Following on from receiving a resolution to grant planning permission, the finalisation of the s106 agreement (for which there is no evidence of when this may occur), the submission of Reserved Matters application(s), the discharge of all pre-commencement conditions, the disposal of the site, site preparation and commencement of development all must take place before the first completion of dwellings on this site.

S2(c) Wycke Hill South

- 4.7.16 Outline planning permission for up to 120 residential dwellings with associated vehicular access was approved at appeal (ref: APP/X1545/A/14/2213988) in December 2014. A subsequent reserved matters application was refused by the Council in September 2015 on design grounds. In response the developers lodged an appeal (ref: APP/X1545/W/15/3129842) and also twin-tracked the appeal with a new reserved matters application (15/01055/RES). The second-go application was refused by

the Council in February 2016 and the appeal was dismissed in May 2016, both schemes were refused on design grounds.

- 4.7.17 There are clear issues with the delivery of this site, which support Gladman’s view that delays in the planning process are not unusual within Maldon. At present, there is no indication when a further application on this site may come forward.

S2(d) North of Heybridge

- 4.7.18 A hybrid planning application was submitted on the above site in May 2015 for a mixed use development including 1,000 new dwellings. The proposals give rise to significant infrastructure requirements and costs, which could give rise to viability issues and protracted negotiations on the s106 obligations. Obligations sought by the Council include strategic flood alleviation works (totalling around £7.7m), 25% affordable housing, off site highway works, financial contributions towards primary and secondary education, provision of allotments and a financial contribution towards GP capacity.
- 4.7.19 The application’s determination deadline has now passed and is still pending consideration by MDC. Should the Council resolve to grant approval then lengthy negotiations on s106 contributions are expected. The developer will also need to discharge a number of conditions which will require the submission of additional information prior to development commencing.
- 4.7.20 The May 2014 update to the IDP states in Table 11 that the North Heybridge Relief Road is required to be delivered in line with the phasing of this application, and that roads are to be delivered as close to the start of development as possible as junctions in Heybridge are already at capacity. The IDP update suggests that construction of the relief road is to be completed by 2018/19. Furthermore, the IDP update also demonstrates within Table 11 that the Heybridge Strategic Flood Alleviation works are to be developed in line with the phasing of this site and the relief road with these works also timescaled for completion in 2018/19 (although delays are possible).
- 4.7.21 Gladman consider that the position given in the Council’s latest housing land supply statement is ambitious. In order to achieve the lead in times suggested by MDC for this site a resolution to grant planning permission will need to be issued imminently and the site must progress in line with the conservative timescales identified within table 7 above. This would require that there are no delays with the progression of the s106 agreement, discharging pre-commencement conditions, the consideration of the Reserved Matters application and the site preparation and commencement of development before the first completion of dwellings will take place.

S2(e) Land North of Holloway Road

- 4.7.22 A planning application for “*outline planning application with all matters reserved other than access for a residential development of up to 100 dwellings, with associated public open space and infrastructure*” was given a resolution to grant planning permission subject to s106 at planning committee in

March 2016. Once the legal agreement has been signed and permission granted, the developer will need to discharge a number of conditions which will require the submission of further information and assessments. Following this, a reserved matters application for phase 1 of the development will need to be prepared, submitted and approved by the Council. Once the reserved matters application has been determined and the conditions have been discharged initial works will be able to commence on site.

- 4.7.23 There has been no progression towards securing the legal agreement since the resolution was made in March 2016 and it is unknown when negotiations will be finalised. Gladman raise doubts that the full 100 dwellings as claimed by the Council could be delivered within the 5 year period as stated within the Council's statement.

S2(f) West of Broad Street

- 4.7.24 A resolution to grant full planning permission for 145 dwellings was made, subject to s106 agreement at planning committee in May 2016. However, the s106 agreement remains outstanding 5 months later.
- 4.7.25 A significant level of infrastructure needs to be delivered in order for the site to come forward. The draft heads of terms prepared by the applicant suggests a s106 infrastructure contribution of around £1.6 million (including £900,000 towards the North Heybridge relief road) alongside a payment of up to £770,000 to Essex County Council (subject to agreement) and 40% affordable housing provision.
- 4.7.26 Following finalisation of the legal agreement (for which there is no evidence with regard to its progression), conditions will need to be discharged and initial site works will need to be completed for the delivery of first dwellings.
- 4.7.27 Gladman consider that the projected delivery of 145 dwellings on this site could potentially be delayed if the s106 negotiations become protracted (as is not uncommon within Maldon) and if the highly conservative lead in time assumptions as highlighted in table 8 above are not met.

S2(g) Park Drive

- 4.7.28 Construction works at this site are underway and construction should be completed in 2018/19. Gladman take no issue with MDC's projected delivery from this site.

S2(h) Heybirdge Swifts

- 4.7.29 An application was validated on this site in March 2016 for *"development of the existing Heybridge Swifts Football ground for 104 dwellings, public open space, landscaping, highways & ancillary and associated development. Raising of the ground level across the site by up to a maximum of 0.8m."* The site is currently used by Heybridge Swifts FC and an alternative site for the relocation of the football

club has yet to be secured. A community consultation event in March 2015 regarding a proposed new site at Goldhanger Road attracted significant local opposition.

- 4.7.30 In accordance with footnote 11 of the Framework, the site cannot be considered available or achievable until the football club have relocated to a new stadium and therefore the site should not contribute towards the five year housing land supply. This position is agreed by MDC.

S2(i) West of Burnham on Crouch

- 4.7.31 A full application for *“180 homes (including 20 bungalows), new vehicular access onto Maldon Road, the spine road through the development, green space, and associated infrastructure. Outline planning permission with all matters reserved (except for access) is sought for a 50-60 bed care home, a nursery school, 3.4 hectares of B1, B2 and B8 with 1.7 hectares of temporary private amenity space, and 0.5 hectares of allotments”* was minded to be approved subject to a signed s106 agreement in August 2016.
- 4.7.32 Following finalisation of the legal agreement (for which there is no evidence with regard to its progression), conditions will need to be discharged and initial site works will need to be completed for the delivery of first dwellings.
- 4.7.33 Gladman consider that it is optimistic of the Council to forecast the delivery of 150 dwellings from this site within the 5 year period. This is dependent upon the s106 agreement being signed within 3 months of the resolution (for which there is no evidence to suggest this is the case), and the conservative timescales highlighted within table 8 being adhered to.

S2(j) North of Burnham on Crouch (West)

- 4.7.34 A full planning application for 173 dwellings and associated infrastructure was refused by MDC on design grounds in July 2015. A subsequent appeal was lodged alongside a ‘second go’ full planning application for 180 dwellings (ref 16/00093/FUL). The second go application was approved at planning committee subject to s106 agreement in May 2016.
- 4.7.35 Following on from this recent resolution to grant permission, there are a number of conditions which require discharge. Furthermore, the s106 agreement will need to be agreed and signed.
- 4.7.36 Again, it is Gladman’s view that the Council’s projected delivery rates for this site are somewhat optimistic and are dependent upon the expedient finalisation of the s106 agreement (for which there is no evidence to suggest that this will be completed imminently). Following on from this, conditions will need to be discharged and initial site works will need to be completed for the delivery of the first dwellings.
- 4.7.37 Gladman consider that it is optimistic of the Council to forecast the delivery of 180 dwellings from this site within the 5-year period.

S2(k) North of Burnham on Crouch (East)

- 4.7.38 To date there has been no planning application submitted on this strategic allocation and Gladman is unaware if there is any immediate intention for the landowner to do so. The Council consider that housing could be delivered on this site in the year 2019/20. However, it must be noted that an outline planning application will need to be prepared, submitted and approved; a s106 agreement signed; reserved matters prepared and approved and conditions discharged within this time before the first dwellings would be delivered on site.
- 4.7.39 It is Gladman’s view that 60 dwellings from this site could potentially be achieved within the 5 year period, aligning with the Council’s projections, subject to the various steps that must be taken in order to achieve permission on this site as identified above. This aligns with the view of the Council in their latest housing land supply statement.

4.8 Supply arising from Windfall Sites

- 4.8.1 MDC claims a deliverable supply of 100 dwellings in the five year period, based on an annual windfall allowance of 20 dwellings. It applies the windfall allowance for the full 5 year period.
- 4.8.2 Having regard to Framework §48, Gladman accept that the Council can make an allowance for windfalls in their 5 year supply assessment, if they have:

*“...**compelling evidence** that such sites have consistently become available in the local area and **will continue to provide a reliable source of supply**. Any allowance should be realistic having regard to the Strategic Housing Land Supply Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens.”*

- 4.8.3 MDC attempts to justify its claimed windfall allowance within the Five Year Housing Land Supply Advisory Note (August 2016) [§4.60-4.63]. This indicates that windfall development has contributed consistently towards housing delivery in the past. In this respect, it is noted that MDC has been without an up to date development plan since 2011 and therefore the majority of development has been windfall. In this context, it is Gladman’s view that trends in the recent past are of limited assistance in predicting future windfall delivery.
- 4.8.4 It also indicates that the large number of substantial detached houses in the district are a good indicator of a steady supply of windfall sites, through intensification. Gladman is not convinced by this and note that the Framework [§48] makes clear that windfall allowances should not include residential gardens.
- 4.8.5 MDC claims that the windfall allowance of 20 dwellings should apply from the start of the 5-year period (i.e. from 01 April 2016). Gladman do not accept that this is appropriate. It is untenable that windfall sites (i.e. sites that have not yet been identified, let alone gone through the planning process) will deliver completions from the very start of the 5 year period. Windfall sites are those

that have not yet been identified and where no specific interest or intent to bring forward housing is known. In this context, lead in times for unidentified windfall sites should reasonably be extended to 2 years to reflect the time taken to carry out requisite technical work, undertake consultations and prepare a planning application submission. MDC's justification [S4.63] refers to the potential for windfalls from changes of use from office uses (brought about through changes in the GDPO). However, there is still a prior approval process to go through (where information must be submitted to the LPA in respect of transport and highway impacts; contamination risks; flood risk; and potential noise impacts).

4.8.6 Having regard to the foregoing, Gladman's view is that it is highly unlikely that any actual completions will be achieved from currently unidentified sites for at least 2 years. It follows that an adjustment should be made to the supply trajectory to omit 2 years (i.e. years 1 and 2) of projected windfall completions from the supply position.

4.8.7 Gladman raise further concerns with regard to the inclusion of a windfall allowance within the first year of the five-year period as the August 2016 MDC housing land supply position includes planning approvals up to the end of August 2016 (i.e. half way into the monitoring year). This potentially gives rise to double counting if a windfall allowance is included in the first year as actually windfall permissions within this year would be added to the annualised windfall allowance.

4.8.8 It must be noted that the Inspector for the Great Totham⁶ appeal noted in the appeal decision that the windfall allowance for MDC should be suspended for the first two years of the five year period, aligning with Gladman's stance on the matter.

4.8.9 Notwithstanding the above, Gladman accept the annual rate of 20 dpa, but consider that it should only apply for the last 3 years of the 5 year period, resulting in the removal of 40 dwellings.

4.9 Assessment of Reduction for Potential Slippage and Non-Implementation

4.9.1 The Council apply a reduction of 5% for non-implemented sites and slippages (i.e. 124 dwellings across the 5 year period). Gladman take no issue with this. However, it must be noted that within the Great Totham appeal decision⁷ the Inspector notes at paragraph 57 that a higher lapse rate would be reasonable where the robustness of data may be in question.

⁶ APP/X1545/W/15/3032632 (Decision date: 25/01/2016)

⁷ APP/X1545/W/15/3032632 (Decision date 25/01/2016):

5 CONCLUSIONS

- 5.1.1 As stated within the main body of these representations and as evidenced within the Barton Wilmore Framework compliant assessment of OAN for Maldon (which is attached as Appendix 1 to the representations), the OAN put forward by the Council does not constitute a full objective assessment of housing need. The Barton Wilmore report demonstrates that the true OAN for Maldon across the Plan period is 370-380 dwellings per annum.
- 5.1.2 In terms of the 5-year housing land supply position, the main areas of disagreement with the Council come from the assessment of delivery rates and lead in times for the Strategic Allocations identified within the LDP. It is acknowledged that the Council has attempted to provide evidence of the claimed delivery rates and lead in times. However, Gladman dispute the 5 year land supply position put forward by the Council and consider that there is a clear lack of empirical evidence to justify MDC's position on the supply of deliverable sites. Gladman would expect some further detail on the following matters in order to substantiate these figures:
- a. Further justification regarding the delivery rates of the Strategic Allocations;
 - b. Evidence of the number of sales outlets assumed on Strategic Allocations to provide further justification of the delivery rates;
 - c. A clear update on the progression of s106 agreements for the Strategic Allocations; and,
 - d. Reassurance from the developers or land promoters involved with each Strategic Allocation that the trajectories are on track.
- 5.1.3 Based on the experiences of Strategic Allocations within Maldon, there have been substantial delays to the progression of applications, especially with regard to their consideration by the Council and in the finalisation of s106 agreements.
- 5.1.4 Based on the foregoing, Gladman dispute the 5 year land supply position put forward by the Council as there is a clear lack of empirical evidence to suggest that sites will deliver at the identified rates.
- 5.1.5 Whilst Gladman accept the annual rate of 20 windfall dwellings per annum, for the reasons set out within section 4.8 of these representations, the windfall allowance should only apply for the last 3 years of the 5 year period, resulting in the removal of 40 dwellings.