



TPA/004

East Herts District Plan: Topic Papers

March 2017

Housing





1 Introduction	2
2 Objectively Assessed Housing Need (OAHN)	2
3 Housing Land Supply	13
4 Conclusion	18
Appendix A - Updated Strategy Worksheet	19



1 Introduction

1.1 The purpose of this Topic Paper is to set out the evidence relating to the identification of the District's objectively assessed housing need (OAHN) and to demonstrate how the OAHN will be delivered through an explanation of each of the components of the housing land supply. An explanation of the evidence relating to the accommodation needs of Gypsies and Travellers and Travelling Showpeople in East Herts can be found in the Gypsies and Travellers and Travelling Showpeople Topic Paper (TPA/007).

1.2 Section 2 provides a summary of the evidence used in establishing the District's objectively assessed housing need for the Pre-Submission version of the District Plan and discussion of the implications of the release of more up-to-date population and household projections on the OAHN identified in the Strategic Housing Market Assessment 2015.

1.3 Section 3 shows how East Herts' overall needs for housing will be met, setting out the updated assumptions behind each of the components of housing land supply and the Council's current five-year land supply position. An updated Strategy Worksheet is included at Appendix A.

2 Objectively Assessed Housing Need (OAHN)

Strategic Housing Market Assessment

2.1 The requirement to prepare a Strategic Housing Market Assessment (SHMA) is set out at paragraph 159 of the National Planning Policy Framework (NPPF):

'Local planning authorities should have a clear understanding of housing needs in their area. They should:

- *Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries...'*

2.2 Opinion Research Services (ORS) was jointly commissioned in July 2014 by the local authorities of West Essex (Epping Forest, Harlow and Uttlesford) and East Herts to undertake a Strategic Housing Market Assessment (SHMA). The SHMA was subsequently published in September 2015 (HOP/001). The purpose of the SHMA is to identify the level of objectively assessed housing need within the Housing Market Area (HMA) and to provide information on the appropriate mix of housing and range of tenures needed.

The Strategic Housing Market Assessment (SHMA) can be viewed here: www.eastherts.gov.uk/shma



Demographic Projections

2.3 The Planning Practice Guidance (PPG) places emphasis on the role of CLG Household Projections as the appropriate starting point for determining a local authority's OAHN. The most up to date household projections available at the time of the preparation of the SHMA were the 2012-based projections. The 2012-based projections showed higher likely rates of growth than previous national projections with a likely increase from 175,189 to 224,827 households in the HMA over the Plan period 2011-2033. This established that the 'starting point estimate of overall housing need' for the HMA should be for overall growth of 49,638 households (equivalent to around 2,256 households per year; 779 households in East Herts).

2.4 However, whilst the projections are identified as the appropriate starting point, the PPG does allow for the use of sensitivity testing, specific to local circumstances, to determine whether the projections are appropriate. The 2012 CLG Household Projections are largely derived from the 2012 Sub-National Population Projections (SNPP) produced by the Office of National Statistics (ONS), which were published in May 2014. The increase in the 2012-based household projections compared to those previously published is largely due to changes in the ONS Population Projections, and specifically due to the assumed migration rates included within them. These migration rates are based on recent trends, using 5-year averages, which results in short term changes in migration patterns significantly affecting the projected population growth and consequently, projected household growth.

2.5 In addition to the use of short term trends to produce the population projections, another reason for the increase in the 2012-based household projections compared to those previously published is the failure of the population projections to take account of the corrections that ONS make to reconcile the Mid-Year Estimate (MYE) component of change data with that evidenced in the Census. Whilst the Census is considered to be the most accurate population data available, as it is only undertaken once every 10 years, the ONS produce an annual MYE of population to provide an on-going set of population data. However, the further away from a Census year each MYE is, the more potential there is for that data to become less robust as the data is based on a range of inputs which can be subject to discrepancies when applied at a local authority level.

2.6 Therefore, ORS undertook further analysis of the detailed information that 'sits behind' the nationally produced population projections. This indicated that whilst projections for natural growth (the difference between the number of births and number of deaths) were consistent with locally based past trends, there was far more variability when the projections for net migration (both internal and international) were considered. As the future projections are particularly sensitive to the period on which migration trends are based, ORS considered that it is more appropriate to adopt a longer base period, 10 years, to establish more robust migration trends to be used in the assessment of housing need across the HMA. In addition as the Census is recognised as being the most reliable population estimate at a local level, the SHMA produced independent population projections based on 10-year migration trends

Topic Paper- Housing



using Census data for the most recent intercensal period 2001-2011, considering this to be the most robust approach to ensure that local circumstances within the HMA are more accurately reflected in the assessment of housing need.

2.7 The outputs from this approach (see Table 2.1 below) show that whilst the nationally produced 2012 SNPP suggested that the population of the HMA would increase by 98,000 persons by 2033, the projections based on the 10-year intercensal migration trend suggest that the increase would be around 65,000 persons. This population projection identified an increase of 36,899 households across the HMA (an average annual growth of 1,677 households per year). For East Herts the average annual growth of households was projected to be 603. It should be noted that population and household projections were calculated separately for each of the four local authorities based on the individual demographic trends for each area, and this evidence provided the basis for establishing the housing need figure across the HMA based on household projections.

Table 2.1 Projected households and dwellings over the 22-year period for 2011-33 for West Essex and East Hertfordshire (SHMA 2015, Figure 41)

Scenario	Households				Dwellings			
	2011	2033	Net change 2011-33	Average annual change	2011	2033	Net change 2011-33	Average annual change
East Hertfordshire	56,813	70,086	13,272	603	58,600	72,290	13,690	622
Epping Forest	52,093	61,089	8,996	409	54,540	63,958	9,418	428
Harlow	34,701	39,455	4,754	216	35,835	40,745	4,910	223
Uttlesford	31,579	41,456	9,877	449	33,138	43,503	10,365	471
TOTAL	175,186	212,086	36,899	1,677	182,113	220,495	38,382	1,745

2.8 Whilst these figures were lower than the CLG 2012-based projections for the same period, the SHMA analysis reflects good practice and provided a stable projection based on the most reliable data available. ORS therefore concluded that the projected household growth of 1,677 households each year provided the most appropriate demographic projection on which to base the OAHN for the HMA.

Affordable Housing Need

2.9 Demographic projections provide the basis for identifying the OAHN for all types of housing, including both market and affordable housing. PPG notes that affordable housing need is based on households *‘who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market’* (paragraph 22) and identifies a number of different types of household which may be included.



2.10 The PPG sets out the framework for calculating affordable housing need, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock.

2.11 The SHMA identified that there will be a need to provide affordable housing to support 13,291 further households over the 2011-2033 period. This is equivalent to 604 households per year. Figure 62 of the SHMA indicates that for East Herts the affordable housing need as a percentage of overall housing need is 31%.

Market Signals

2.12 Whilst demographic trends are key to the assessment of OAHN, Planning Practice Guidance (PPG) states that where market signals point to affordability problems, including access to affordable homes, an upwards adjustment should be made to increase housing numbers above that required by housing projections in isolation. This is to ensure that an appropriate balance is achieved between the demand for and the supply of dwellings.

2.13 Figure 74 of the SHMA indicated that whilst house prices have remained relatively stable in the HMA, they are still notably higher than the average for England (although lower than for most of Greater London). Furthermore, rents have increased significantly and there are higher levels of overcrowding than the level recorded in 2001.

2.14 In deriving the District's objectively assessed housing need, the SHMA taking account of market signals, concluded that the OAHN should be higher than suggested by the household projections based on local trends, in order to provide more homes and thus improve affordability. Whilst there is no definitive guidance on what uplift is appropriate, ORS considered the approaches taken elsewhere, and the SHMA recommended that there should be an overall uplift of 20%. This would represent an additional 7,676 dwellings over the 2011-2033 period. However, as a specific uplift of 641 dwellings had already been incorporated into the assessment of OAHN to take account of concealed families and homeless households (and the uplift should not be made twice) the net uplift would equate to an additional 7,009 dwellings in response to market signals.

Provision of sufficient housing to meet economic needs

2.15 It is also important in the assessment of OAHN to understand the potential interaction between the housing market and economy and to consider whether, in broad terms, the anticipated change in the workforce over the Plan period fits with the future changes in forecast job numbers.

2.16 Forecasts of jobs growth are regularly produced for each local authority in the East of England from the East of England Forecasting Model (EEFM). The baseline forecast from the model in January 2015 and further economic evidence



prepared by Hardisty Jones Associates (**EER/002**) concluded that the overall increase in employment (taking account of growth of Stansted Airport) would likely be 41,700 jobs growth, over the Plan period.

2.17 When all factors were considered (including out-commuting (38.3%), in-commuting (28.7%) and 'double jobbing' (ie. where employed individuals have a second job) (12.9% of workers)) ORS concluded that the demographic projections (without any uplift for market signals) would provide 18,600 extra workers locally whereas 26,400 extra workers would be needed. This indicated a shortfall of 7,800 workers based on the increase of jobs currently forecast.

2.18 An extra 7,800 workers would need a further 5,600 dwellings to be provided over the period 2011-2033, increasing the housing need from 38,400 dwellings to 44,000 dwellings (equivalent to an uplift of 14.6%).

SHMA conclusions for OAHN

2.19 Whilst the SHMA acknowledges that the 'starting point' estimate for OAHN is the CLG household projections, these projections are particularly sensitive to the period on which migration trends are based and therefore, the SHMA has developed independent household projections using a 10-year migration trend based on Census data. On the basis of 10-year migration trends, household numbers across the HMA are projected to increase by 36,899 households over the 22-year period 2011-2033, an average of 1,677 households per year.

2.20 The SHMA identified that the baseline household projections should be increased by 641 households to take account of concealed families and homeless households that would otherwise not be captured. On this basis, the demographic projections identified a total increase of 37,540 households over the 22-year period 2011-2033. This adjustment responds to identified un-met need for affordable housing and also addresses suppressed household formation rates. Providing for an increase of 37,540 households yields a baseline housing need of 39,049 dwellings over the 22-year period 2011-2033, equivalent to an average of 1,775 dwellings per year.

2.21 Whilst demographic projections form the starting point for OAHN calculations, it is necessary to consider whether a higher rate of housing delivery may be needed to help address housing market pressures, to balance jobs and workers, and to address any backlog of housing provision. However, these adjustments do not need to be made cumulatively; the calculation of OAHN in the SHMA therefore considered them collectively.

2.22 The evidence from planned jobs and workers identified a need to increase housing delivery by 5,600 dwellings to provide enough workers for the likely increase in jobs in the area.



2.23 However, as the assessment of market signal indicators concluded that an uplift of 7,009 dwellings should be made to increase housing affordability, increasing the baseline housing need of 39,049 dwellings by this figure yields an overall total of 46,058 dwellings over the Plan period. This uplift would provide sufficient housing to balance future jobs and workers.

2.24 Figure 75 of the SHMA (shown in Table 2.2 below) summarises each of the stages for establishing the OAHN. The study concluded that, at that time, the level of housing need across the four authorities was for 46,058 homes for the period 2011 - 2033. For East Herts the level of need was identified as being 16,390 homes between 2011 and 2033, which equated to a need for 745 homes per year.

Table 2.2 Full objectively assessed need for housing across West Essex and East Hertfordshire HMA 2011-33 (SHMA 2015, Figure 75)

Stage		Households	Dwellings
Demographic starting point			
CLG household projections 2011-33		49,638	-
Adjustment for long-term migration trends			
10-year migration trend 2001-11		-12,739	-
Baseline household projections taking account of local circumstances		36,899	38,382
Adjustment for suppressed household formation rates			
Concealed families and homeless households		+641	+667
Baseline housing need based on demographic projections		37,540	39,049
Further adjustments needed...	In response to balance jobs and workers		
	Projected growth in workers exceeds forecast jobs growth and planned jobs growth therefore no further adjustment needed	-	+5,600
	In response to market signals	-	+7,009

Topic Paper- Housing



8

Stage	Households	Dwellings
7,009 dwellings needed (in addition to the 667 dwellings for concealed families and homeless households) to deliver the overall uplift of 7,676 dwellings proposed		
Combined impact of the identified adjustments	-	+7,009
Full Objectively Assessed Need for Housing 2011-33	-	46,058

Memorandum of Understanding on Distribution of Objectively Assessed Housing Need across the West Essex/East Hertfordshire Housing Market Area

2.25 A Memorandum of Understanding (MoU) has been signed that commits all four Councils within the HMA to meeting their individual housing needs (as identified in the SHMA 2015) within their own administrative boundaries. The preparation of the MoU follows the completion of work from consultants AECOM, which assessed the sustainability of strategic spatial options for meeting the overall OAHN within the HMA. The conclusion of this study was that the 'Spatial Option' set out in Table 2.3 below represented the most sustainable spatial distribution of the OAHN identified in the SHMA 2015.

Table 2.3 The 'Spatial Option' of OAHN 2011-2033 (Figure 5 of the MoU)

Local Authority	Net new dwellings 2011-2033
East Hertfordshire District Council	~18,000
Epping Forest District Council	~11,400
Harlow District Council	~9,200
Uttlesford District Council	~12,500
Total across the HMA	~51,100
<i>...Of which the area in and around Harlow ⁽¹⁾ will provide</i>	~16,100

2.26 The MoU confirms that the four authorities are committed to delivering 51,100 dwellings across the HMA in the period 2011-2033. The MoU considers that this represents 'planning positively for growth', as it is higher than the identified OAHN within the SHMA 2015.

¹ In and around Harlow' refers to Harlow town as well as around Harlow in adjoining districts



Implications of the 2014–based population and household projections

2.27 Having been prepared in 2015, the SHMA utilised the 2012-based household projections as a starting point in considering housing need. Whilst, this represented the most up to date position at the time, in July 2016, shortly before the Council agreed the Pre-Submission version of the District Plan in September 2016, the Government released updated 2014-based household projections.

2.28 As PPG states that the most up-to-date household projections should provide the starting point estimate of overall housing need, the conclusions of the SHMA 2015 are considered to be based on out-of-date evidence. Therefore, in August 2016, ORS were commissioned to carry out an interim assessment of the implications of the 2014-based population and household projections on the OAHN for the four authorities (Updating the Overall Housing Need, August 2016 (**HOP/011**)).

2.29 The ONS 2014-based Sub-National Population Projections (SNPP) show a higher level of projected population growth across the HMA in comparison to the 2012 data. Across the combined area, the population growth projected by the 2014-based SNPP is 7.8% higher than the 2012-based projection, with a difference in projected population change of 6.9% being shown for East Herts between the two sets of data. Whilst natural change (the difference between the number of births and number of deaths) accounts for 10.9% of the difference in projected population across the HMA, changes associated with net migration account for 89.1% of the difference.

2.30 The CLG 2014-based household projections also show a higher level of projected household growth across all four local authority areas in comparison to the 2012 data. The overall increase over the 22-year period 2011-2033 is now projected to be 50,697 households, compared to the growth of 49,638 households projected by the 2012-based data – an overall increase of 2.1%.

2.31 The difference between the increase in projected population (7.8%) and the increase in projected households (2.1%) is due to household trends suggesting that average household sizes in 2033 will be fractionally larger than what was anticipated in the 2012-based projection thereby offsetting some of the additional population growth.

2.32 This initial assessment of the data, using a 10-year migration trend over the period 2005-2015 rather than the intercensal period 2001-2011, indicates that the OAHN for the HMA has risen from 46,058 dwellings to 54,608 dwellings. For East Herts, the level of need was identified as being 19,427 dwellings between 2011 and 2033, which equates to a need for 883 dwellings per year.

Topic Paper- Housing



Table 2.4 Full objectively assessed need for housing by local authority 2011-33 (Figure 8 of Updating the Overall Housing Need, August 2016)

Stage	OAN Update			
	East Herts	Epping Forest	Harlow	Uttlesford
HOUSEHOLDS				
Demographic starting point: CLG 2014-based household projections 2011-33	17,243	14,374	7,653	11,427
Adjustment for local demographic factors and migration trends 10-year migration trend	-1,547	-3,806	-1,340	-246
Baseline household projections taking account of local circumstances	15,696	10,568	6,313	11,181
DWELLINGS				
Housing need based on household projections taking account of local circumstance	16,189	11,065	6,520	11,733
Adjustment for suppressed household formation rates Concealed families and homeless households with allowance for vacancies	169 + 5 = 174	173 + 8 = 181	167 + 6 = 173	132 + 7 = 139
Baseline housing need based on demographic projections	16,363	11,246	6,693	11,872
Further adjustments needed...	In response to balancing jobs and workers Projected growth in workers exceeds forecast jobs growth and planned jobs	-	-	-



Stage	OAN Update			
growth, therefore no further adjustment required				
In response to market signals	20% x 16,189=3,238	20% x 11,065 =	20% x 6,520 =	20% x 11,733 = 2,347
Dwellings needed (in addition to the adjustment for concealed families and homeless households) to deliver the overall percentage uplift proposed	3,238 - 174 = 3,064	2,213 2,213 - 181 = 2,032	1,304 1,304 - 173 = 1,131	2,347 - 139 = 2,208
Combined impact of the identified adjustments	+3,064	+2,032	+1,131	+2,208
Full Objectively Assessed Need for Housing 2011-33	19,427	13,278	7,824	14,080

2.33 It is considered important to recognise that the migration data for mid-2012 onwards is based exclusively on the estimated components of population change from MYE, whereas data for the period from 2005-2011 is informed by Census data. This data indicates that the population of the HMA increased by over 10,300 persons due to migration over the 3-year period 2012-2014. ORS consider that as this level of growth exceeds growth previously recorded for many 10-year periods, it is likely that there are some data quality issues. Therefore, ORS continue to believe that data for the most recent intercensal period provides the most reliable basis for future population projections as the evidence suggests that this rate represents the long-term norm.

Impact of Formation Rates on OAHN

2.34 Responsibility for the production of household projections has recently been transferred from DCLG to ONS (January 2017). Subsequently, ONS have launched a technical consultation on changing the methodology used to produce household projections (Impact of Formation Rates on OAN (**HOP/012**)) and ORS have, therefore, considered how the proposed changes would impact on the calculation of OAHN across the HMA.

2.35 The key proposed change to the methodology relates to only using household formation rates from the latest intercensal period 2001-2011, rather than using Census data from 1971 to 2011, when formulating household projections. The proposed



changes to the methodology result in a reduction of 16.7% in the projected household growth across the HMA over the 22-year period 2011-2033 based on exactly the same population projections. This is due to the average household size recorded in 2001 and 2011 being the same at 2.40 persons. On this basis, the ONS proposed method suggests that average household sizes will remain stable over the period 2011-2033, reducing from 2.40 to 2.39 persons over the 22-year period.

2.36 ORS state that as the household formation trends from 2001 to 2011 provide the sole basis for the household projection, it will be important to take proper account of any suppressed household formation when assessing overall housing need.

2.37 Figure 3 of the analysis sets out the projected household growth for each of the local authority areas based on the latest population projections from the interim assessment (**HOP/011**) and a range of different assumptions relating to household representative rates. Alternative scenarios show the impact of preventing the household representative rates for younger age groups from falling over the period 2011-2033 (implies a need for 48,700 dwellings across the HMA) and the impact of household representative rates returning to the levels recorded in 2001 (implies a need for 50,700 dwellings across the HMA).

2.38 ORS conclude that it seems likely that there will be a need to plan for more than 46,100 dwellings (SHMA 2015) across the HMA over the Plan period; however, it is considered unlikely that the housing need will be as high as the 54,600 dwellings originally identified in the interim update of the OAHN. The analysis suggests that the OAHN is likely to be around 48,700 - 50,700 dwellings. This represents an OAHN of between 16,895 – 17,211 dwellings for East Herts.

Conclusion

2.39 The Council acknowledges that further work is required to identify an up-to-date OAHN figure, and is committed to undertaking this work prior to the Examination Hearing sessions. The District Plan proposes to deliver 18,142 homes between 2011 and 2033. This is in excess of the level of need identified by the SHMA (16,390 homes), the starting point presented by the 2014 Household Projections (17,243 homes), and the OAHN range identified by the application of the proposed methodological change to the calculation of household projections by ONS (16,895 – 17,211 dwellings). The only assessment of need that is in excess of this figure is that presented by the calculation of need using the 2014-based CLG household projections and a 10-year migration trend between 2005-2015 (19,427 dwellings). Should further work identify that the level of need is in excess of 18,142 dwellings⁽²⁾, a partial review of the District Plan may be required in order to identify additional sites for development.

² The Pre-Submission version of the District Plan identified a housing land supply of 18,040 dwellings. The figure of 18,142 dwellings reflects an updated position explained in Section 3 below.



3 Housing Land Supply

3.1 Table 3.1 below updates Table 3.1 (page 32) of the Pre-Submission version (Regulation 19) of the District Plan and sets out the Council’s housing land supply position over the 22-year plan period 2011-2033. Amendments to the table have been required due to publication of a more up-to-date housing trajectory in the Authority Monitoring Report 2015-16 (**IDM/006**) and the identification of double counting between the components of land supply identified as ‘commitments’ and ‘villages’. These amendments are also reflected in an updated Strategy Worksheet which is contained at Appendix A. It should be noted that a further update of the table and Strategy Worksheet should be available for the Examination hearing sessions, which will update the ‘completions’ and ‘commitments’ data from a base date of 1 April 2016 to 1 April 2017 following the annual survey of sites.

3.2 Table 3.1 below demonstrates that East Herts has a housing land supply of 18,142 dwellings (a surplus of 1,752 dwellings when measured against the OAHN of 16,390 identified in the SHMA 2015).

3.3 The Council’s housing land supply comprises dwellings completed between 1 April 2011 (the base date of the District Plan) and 31 March 2016; extant planning permissions together with those granted permission subject to the signing of Section 106 Agreements (commitments); a housing requirement for development within the District’s villages; deliverable sites in existing urban areas identified within the Strategic Land Availability Assessment; sites allocated in the District Plan; and an allowance from windfall sites. Care has been taken to avoid double counting across the various elements of supply.

Table 3.1 Update to Table 3.1 Housing Supply

Supply Source	Housing supply: First five years 2017-2022	Housing supply: Total 2011-2033
Completions	0	2,625
Commitments	2,878	5,274
Villages	343	500
Deliverable sites in existing urban areas as identified by Strategic Land Availability Assessment	43	43
Site Allocations	2,560	8,900
Windfall Allowance	250	800
TOTAL	6,074	18,142



Completions

3.4 The total number of dwellings completed (net of losses) between 1 April 2011 and 31 March 2016 is 2,625 dwellings. It is anticipated that a further 482 dwellings will be completed in the current monitoring year, resulting in a total of 3,107 dwellings being delivered in the period 2011-2017 (the 'pre-plan' period).

Commitments

3.5 In the Pre-Submission version of the District Plan, the total capacity of sites with extant planning permissions was identified as being 2,435 dwellings. Due to the publication of a more up-to-date housing trajectory, the addition of committed site allocations (Bishop's Stortford North & Land south of Hadham Road) and the removal of commitments which would be classed as contributing to the component of land supply identified as 'villages' to avoid double counting (see paragraph 3.6 below), this figure has been amended to 5,274 dwellings. This figure includes dwellings on approved prior notification applications and a small number of sites approved subject to Section 106 Agreements (70 dwellings).

Village Housing Requirement

3.6 Policy VILL4 of the District Plan requires that at least 500 homes are delivered in the villages over the course of the Plan period. Dwellings that are completed from a base date of 1 April 2017 will contribute towards the village housing requirement of 500 dwellings. Therefore, it has been necessary to analyse the commitments data to ascertain which commitments that fall within villages, are likely to be completed after this date to avoid double counting in the data. The analysis shows that 302 commitments are expected to contribute to the village housing requirement.

3.7 Rather than allocating sites through the District Plan, Parish Councils are encouraged to prepare Neighbourhood Plans to deliver growth to meet the overall village housing requirement of at least 500 dwellings. In particular, the most sustainable villages (Group 1) located within the Rural Area Beyond the Green Belt are required to provide for a minimum 10% increase in housing stock from 2017 onwards. Having regard to the number of commitments expected to contribute to the village housing requirement and the progress being made on Neighbourhood Plans across the District which seek to deliver additional housing growth (further information can be found in the Development Strategy Topic Paper (TPA/001)), the Council is confident that the overall village housing requirement of at least 500 dwellings will be delivered over the plan period.

Strategic Land Availability Assessment (SLAA)

3.8 The Council has prepared a SLAA (HOP/004) which was published in September 2016 and subsequently updated in March 2017. The report sets out the methodology for the identification and assessment of potential development sites, and includes detailed site appraisals. The SLAA identified a limited number of deliverable housing sites within the existing built up areas of the District's settlements.



It is anticipated that delivery of these sites would yield approximately 43 dwellings. This figure has reduced slightly from the capacity of 88 dwellings identified in the Pre-Submission version of the Plan, due to the SLAA sites identified within villages now being included within the figure for the overall village housing requirement.

Site allocations

3.9 A number of strategic sites are allocated for development in the District Plan. The site allocations consist of a limited number of brownfield sites located within the existing urban areas, a number of urban extensions to town's both within the district and in neighbouring districts and a significant site allocation in the Gilston Area. It is anticipated that these site allocations will deliver 8,900 dwellings within the Plan period (up to 2033) with two of the allocations (Land north and east of Ware & the Gilston Area) contributing to housing land supply beyond the Plan period. Further information on the site allocations can be found in the Development Strategy Topic Paper (**TPA/001**).

Windfall allowance

3.10 In accordance with paragraph 48 of the NPPF, local planning authorities may make an allowance for windfall sites if there is 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 Availability Assessment (SHLAA), historic windfall delivery rates and expected future trends, and should not include residential garden land.

3.11 The Authority Monitoring Report 2015-16 (**IDM/006**) contains analysis of housing delivery on windfall sites across the district since 2011. Based on an examination of completed dwellings on small (1 to 4 units) and large windfall sites (5+ units) there is strong evidence of a regular and continuing supply of windfall sites in the district.

Table 3.2 Extract of Table 25 of the Annual Monitoring Report 2015-16

Year	2011/12	2012/13	2013/14	2014/15	2015/16	Annual Average
Small Sites	58	57	68	95	104	76.4
Large Sites	173	323	161	218	559	286.8

3.12 Table 3.2 demonstrates that, over the past five years, the average annual windfall rate from small sites has been 76.4 dwellings and from large sites 286.8 dwellings. The supply from small sites has been fairly consistent and, since sites below five units are not allocated in the District Plan, it is reasonable to expect this rate to continue during the Plan period.



3.13 For large sites, there are a number of factors that affect the setting of a realistic future rate for large windfall sites. The rate is currently very high as the majority of allocated sites in the Local Plan Second Review 2007 have already been bought forward for development. Therefore, until the District Plan is adopted and development begins to come forward on the sites allocated for development the average annual windfall rate for large sites is likely to remain at a high level. In addition, large sites should usually be identified through the SLAA process. However, it is reasonable to assume that the Call for Sites exercise that informed the SLAA would not have revealed all medium to long term opportunities for development and it is considered that further large windfall sites will come forward over the Plan period.

3.14 There is strong evidence that previously unidentified sites (windfalls) will continue to contribute towards the housing land supply over the period 2017-2033 and an allowance of 800 dwellings from this source is therefore included within the calculation.

5 year land supply

3.15 Paragraph 47 of the NPPF is clear that local authorities should identify and update annually a five –year housing land supply of deliverable sites. There is no standard methodology for this calculation, and the Council’s current approach to establishing its five year supply is based on the OAHN identified in the SHMA 2015.

3.16 For East Herts, the first five year period is 2017-2022. Since 2011, there has not been sufficient development to meet the annual target of 745 homes, with 3,107 dwellings estimated to be delivered against a housing requirement of 4,470 dwellings. This leaves a shortfall of 1,363 dwellings. In accordance with national policy, the Plan seeks to make up this shortfall in the first five year period (2017-2022).

3.17 The NPPF also requires local authorities to provide an additional buffer (of at least 5%) in the first five year period (moved forward from later in the Plan period) to ensure choice and competition in the market for land. In local authority areas where there is deemed to have been a persistent record of under delivery of housing, the NPPF states that the buffer should be increased to 20%. Given the significant shortfall in housing delivery since 2011, the Council accepts that a 20% buffer should be applied. Taking into account identified need (based on the OAHN identified in the SHMA 2015), the shortfall and the 20% buffer, the total housing requirement for the first five year period is 6,106 dwellings.



Table 3.3 Five-year housing land supply calculation

	Dwellings
Housing requirement 2017-2022 (745 dwellings x 5 years)	3,725
Housing shortfall 2011-2017 (4,470 - 3,107)	1,363
Housing requirement plus shortfall (3,725 + 1,363)	5,088
20% buffer	1,018
Total housing requirement	6,106

3.18 The housing land supply phased for the five year period from 1 April 2017 to 31 March 2022 totals 6,074 dwellings. Whilst this falls just short of the total housing requirement identified in Table 3.3 above, it does seek to ensure that the housing shortfall is made up in the first five year period. This position will need to be reviewed following the receipt of completion and commitment data for the current monitoring year.

3.19 However, as acknowledged at paragraph 2.26 above, the SHMA 2015 is based on out-of-date household projections and further work will be undertaken to establish an updated OAHN figure prior to the Examination hearings. If a higher OAHN is identified, it may not be possible for the Council to deliver the under-supply of dwellings from 2011-2017 (currently estimated to be 1,363 dwellings), over the next five years as is advised by PPG. If this is the case, the Council would seek to either make up the shortfall over the whole Plan period (the Liverpool method) or adopt a stepped housing trajectory with a higher housing requirement in the middle and later stages of the Plan period. The appropriate method would be determined following completion of further work to identify an updated OAHN prior to the Examination hearing sessions.



4 Conclusion

4.1 This Topic Paper has sought to set out the evidence relating to the identification of the District's objectively assessed housing need (OAHN) and to demonstrate how the OAHN will be delivered through an explanation of each of the components of the housing land supply and the Council's current five-year land supply position.

4.2 The Council recognises that, in light of the publication of the 2014-based Household projections published in July 2016, the OAHN presented in the SHMA cannot be considered to be based on up-to-date evidence. As such, the Council is committed to undertake further work prior to the Examination Hearing sessions in order to identify the most up-to-date objectively assessed housing figure. This work will have regard to the CLG 2014-based household projections, the proposed changes to the methodology used to formulate household projections, GLA household projections and, if published for consultation, the proposals for a standardised methodology for calculating OAHN as outlined in the Government's recent Housing White Paper.



Appendix A - Updated Strategy Worksheet

		2011-2017	2017-2022	2022-2027	2027-2033	2011-2033
Other	Windfall Allowance - Small Sites and Conversions	0	250	250	300	800
Other	Completions - as at 31/03/2016	2,625	0	0	0	2,625
Other	Commitments - as at 31/03/2016	482	2,878	1,614	300	5,274
Other	Villages	0	343	157	0	500
SLAA	SLAA Sites - large sited over 10 dwellings	0	43	0	0	43
Allocation: BISH7	The Goods Yard, Bishop's Stortford	0	250	150	0	400
Allocation: BISH8	The Causeway/Old River Lane, Bishop's Stortford	0	0	100	0	100
Allocation: BISH6	Bishop's Stortford High School Site, London Road	0	150	0	0	150
Allocation: BISH5	Bishop's Stortford South	0	250	500	0	750
Allocation: BISH9	East of Manor Links, Bishop's Stortford	0	50	0	0	50
Allocation: HERT2	Mead Lane area, Hertford	0	100	100	0	200
Allocation: HERT4	North of Hertford	0	50	100	0	150
Allocation: HERT5	South of Hertford	0	50	0	0	50
Allocation: HERT3	West of Hertford	0	550	0	0	550
Allocation: SAWB2	Land to the North of West Road, Sawbridgeworth	0	125	0	0	125

Topic Paper- Housing



		2011-2017	2017-2022	2022-2027	2027-2033	2011-2033
Allocation: SAWB3	Land to the South of West Road, Sawbridgeworth	0	175	0	0	175
Allocation: SAWB4	Land to the North of Sawbridgeworth	0	0	200	0	200
Allocation: EOS1	East of Stevenage	0	600	0	0	600
Allocation: WARE2	Land North and East of Ware	0	0	300	700	1,000
Allocation: GA1	The Gilston Area	0	0	1,250	1,800	3,050
Allocation: EWEL1	Land East of Welwyn Garden City	0	210	850	290	1,350
	TOTAL SUPPLY	3,107	6,074	5,571	3,390	18,142
	Objectively Assessed Housing Need (745 dwellings per year)	4,470	3,725	3,725	4,470	16,390
	Shortfall addressed in first 5 years		1,363	0	0	
	OAHN plus shortfall		5,088	3,725	4,470	
	20% buffer moved forward from 2022-2033 to 2017-2022		1,018	-509	-509	
	TOTAL REQUIREMENT		6,106	3,222	3,967	16,390