Epping Forest District Council
Housing Implementation Strategy Update: Discussion Paper
12th December 2018

Introduction

1. Local Planning Authorities (LPAs) are required by the National Planning Policy Framework (NPPF) to identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement. This also means that Local Plans need to ensure that there is a reasonable prospect of a five-year land supply being achieved upon adoption and throughout the lifetime of the Plan. To support the Epping Forest District Local Plan Submission Version (LPSV), the Council published a Housing Implementation Strategy (EB410) (HIS) in 2017 setting out how the LPSV will maintain an adequate five-year supply of deliverable housing land against its housing requirement. The HIS also includes a housing trajectory which illustrates the expected rate of housing delivery throughout the plan period.

2. With new monitoring data available for the 2017/18 monitoring year, the Council is updating the Housing Implementation Strategy and the Housing Trajectory. The Council is also looking to review the assumptions that are being used to calculate the future local housing supply, in particular the types of sites that should be included in calculating the Five Year Land Supply (FYLS), timescales and phasing of individual housing sites, and the non-implementation rate that should be applied.

3. Engagement with, and inputs from landowners, agents and the development industry are vital to ensure that the HIS update and the new housing trajectory is as robust, realistic and justified as possible. This briefing paper sets out the assumptions that are currently being used in assessing future housing delivery. This paper also outlines the Council's proposed approach to formulating a new stepped housing requirement for the emerging Local Plan, which reflects guidance, best practice and local circumstances.

4. **A set of questions has been included at the end of each sections to guide responses. The Council is seeking responses from the Developer Forum in response to these questions or any other element of this discussion paper by no later than noon on Monday 7th January 2019.**

5. Following the receipt of responses, the Council will produce an updated HIS taking into account the representations received. It is anticipated that the updated HIS will be published before the end of January 2019 and will be used to inform the on-going Local Plan examination.

Local Plan Housing Delivery Assumptions

6. Table 1 below sets out the types of sites that are currently included in the housing trajectory as well as general assumptions on their phasing arrangements. In considering these assumptions, the Council has taken into account local monitoring data, latest national guidance, and the two widely cited reports looking into build-out rate for housing development i.e. the Nathaniel Lichfield and Partners' report[1] which looked at lead-in times and delivery rates of large-scale housing schemes; and the independent review

[1] Start to Finish: How Quickly do Large-Scale Housing Sites Deliver? by NLP, November 2016 https://lichfields.uk/media/1728/start-to-finish.pdf

conducted by Sir Oliver Letwin[2] which focuses on build-out rates. The projected delivery rate for individual housing sites informed by these general assumptions is included in Appendix 1 (for sites with planning permission) and Appendix 2 (for housing allocations in the LPSV). Please note that phasing arrangements on individual housing site is still subject to on-going internal review.

Type of housing sites to be included in the Housing Trajectory

7. The NPPF includes guidance on what kinds of site could be deemed to be 'deliverable'. Footnote 11 of the NPPF 2012 states that a 'deliverable' site *'…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….*'. The NPPF 2018 added to this definition by stating that non-major development and sites with detailed planning permission should generally be deemed as deliverable unless there is clear evidence to suggest otherwise, while sites with outline permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years. In its recent consultation[3], the Government proposed further clarification to this definition to make it clear that minor development with outline permission is also deemed to be deliverable. The Council agrees with these general principles and has embedded them into the assumptions set out in Table 1.

Lead-in time and Build-out rate

8. In terms of lead-in time, the NLP report indicates that on average it takes 3.9 years from first formal identification of the site for housing (e.g. in a LPA policy document) to the submission of the initial planning application, although the report does acknowledge that the sample size in this case is too small to reach any conclusive findings, and that there are significant variations between different sites. The NLP report also found that the larger the site in terms of housing number, the longer it takes from planning approval to first delivery. On average, it takes less than five years for smaller sites (less than 500 units) to come forward, this increases to between 5.3 to 6.9 years for sites larger than 500 units. Again, the report indicates that there are significant variations between sample sites with some coming forward under two years and some others taking upwards of 15-20 years.

9. The Council has also undertaken a high-level analysis on the progress of some 19 major development schemes (ranging from 10 units to 105 units) across the District approved in the last five years. The result of the analysis shows that on average it takes 36 weeks between validation and the granting of planning permission. The data also suggests that 16 out of 19 sites have either been commenced or completed within four years from when the planning application was first validated by the Council, which is not dissimilar to the timescale identified in the NLP report.

10. The recently published Letwin Review examined the built-out rate for 15 large housing sites ranging from over 1,000 homes to over 15,000 homes in areas of very high housing demand (5 in Greater London, 9 in the south of England, and 1 in the Northwest). The review found that the medium build-out rate for these large sites was

[2] Independent Review of Build Out: Final Report by Sir Oliver Letwin MP, October 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752124/Letwin_review_web_version.pdf

[3] Technical consultation on updates to national planning policy and guidance, MHCLG, October 2018 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/751810/LHN_Consultation.pdf

6.5% (of the total number of new homes permitted on site) per annum, which equates to a medium build out period of 15.5 years. The report concluded that the homogeneity of the types and tenures of the homes on offer on these sites is the fundamental drivers of the slow rate of build out. A number of recommendations have also been made in the report to improve the build out rate for large housing schemes, including requiring large housing sites to provide a diversity of offerings on the site which are able to address the various categories of demand within the local housing market.

11. The Council acknowledges that slow build out rates on large sites could be a potential risk to the timely delivery of large-scale housing allocations in the LPSV. To improve delivery rates, the LPSV already requires all new development to maximise densities on housing sites, whilst recognising that different density levels will be appropriate for different sites in different locations. Policy H 1 of the LPSV requires new development to provide a range of house types and sizes to address local need which is in line with the recommendations from the Letwin Review.

12. The Council is working closely with partners to facilitate timely (and where possible accelerated) delivery of allocations that form part of identified Masterplan Areas and Concept Framework Areas which will contribute significantly to the Council housing supply in the middle to long term.

Non-implementation rate

13. While this is not a specific requirement in national planning policy, the Council considers that it is good practice and pragmatic to deduct a percentage of dwellings from their projected supply to take into account the fact that not all planning permissions will ultimately be implemented. The Council has applied a 10% non-implementation rate accordingly to all sites identified in the future supply, which is regarded to represent a suitable allowance for the District.

Q1 Do you have any comments on the housing delivery assumptions in Table 1?

Q2 Do you have any comments on the phasing arrangement for individual housing sites/allocations detailed in Appendix 1 and 2? Please provide any specific comments on proposed phasing arrangements as clearly as possible.

Q3 Is the 10% non-implementation rate realistic and justified? If not, please provide evidence where possible to explain why not.

Table 1 – General assumptions on housing delivery

General assumptions	Justification
1. Minor residential development schemes (sites less than 10 units and less than 0.5 hectares) with detailed or outline planning permission, are deemed to be deliverable within five years from the data of permission.	NPPF guidance suggests that this type of site should generally be deemed as deliverable unless there is clear evidence to suggest otherwise.
2. Larger developments not allocated within the Local Plan with detailed permission are deemed to be at least partially deliverable within the next five years from the date of permission. Build out rates for this kind of development are not expected to be more than 50 units per annum.	The Council's own analysis indicates that it is reasonable to assume that small to medium sized housing sites can come forward relatively quickly once planning permission is received. Most of the sites under this category will be readily available and suitable for delivery. Planning applications on these sites are likely to be submitted soon after the local plan is adopted with at least some new homes being completed within the next five years.
3. For smaller Local Plan allocations (<50 units), it is expected that a large proportion of the allocation will be delivered towards the end of the first five-year period. Build out rates for this type of development site are not expected to exceed more than 50 units per annum.	
4. For medium sized allocations (>50 units), it is expected that at least a proportion of the allocation will start to deliver within the next five year period. Build out rates for this kind of development are not expected to exceed more than 50 units per annum.	
5. For larger allocations requiring the production of a Strategic Masterplan, including the Garden Town Sites,	The Council acknowledges the fact that lead in-times for larger allocations will be longer than small housing sites/allocations, and that the vast majority

small parcels may be delivered within the first five years subject to ongoing discussions with site promoters, where delivery will not prejudice the cohesive delivery of the wider masterplan, in accordance with Local Plan policies. Build out rates are not expected to exceed 50 units per outlet per annum.	of homes under this category will not be delivered in the next five years. That being said, it is still reasonable to assume that in some cases a small number of new homes could be delivered within these masterplan areas as long as they are in compliance with the Masterplan and will not prejudice future development across the whole Masterplan area.
6. Sites with prior approval granted for conversion from other uses into residential use will be delivered within the next five years.	While delivery timescales for prior approval developments vary depending on the nature of the proposal, local monitoring data seems to indicate that this type of development will generally be implemented within two to three years.
7. Sites with Lawful Development Certificate issued for residential use will be delivered in the next five years.	Generally speaking, these sites are already being used for residential purposes.

A case for a Stepped Housing Trajectory

14. The Housing Implementation Strategy published in late 2017 indicates that, with the adoption of the LPSV, the Council would be able to demonstrate 5.3 years' worth of deliverable land against identified housing requirement using 2016/17 monitoring data. The Council's FYLS position has since deteriorated due to the delay in Local Plan adoption caused by the Judicial Review which has a knock-on impact on the delivery of local plan housing allocations and commitments. There is also uncertainty around how the temporary 'moratorium' on planning permissions (to be lifted pending the adoption of a mitigation strategy for the Epping Forest Special Area of Conservation) may affect housing delivery in the short term[4]. Given the circumstances, and the growing shortfall in housing delivery in the early years of the plan period brought about by the delay in Local Plan adoption, there is little prospect that the Local Plan can maintain FYLS post adoption with the current housing trajectory. It is therefore necessary for the Council to consider a pragmatic approach in the form of a stepped requirement.

15. The Planning Practice Guidance states that '*A stepped requirement may be appropriate where there is to be a significant change in the level of housing requirement between emerging and previous policies and/or where strategic sites will have a phased delivery or are likely to be delivered later in the plan period. Strategic policy-makers will need to set out evidence to support using stepped requirement figures, and not seek to unnecessarily delay meeting identified development needs….*(Paragraph: 034 Reference ID: 3-034-20180913)'

16. For the Epping District, there is a significant difference between the housing requirement set out in the LPSV (518 new homes per annum) and previous housing target (175 new homes per annum) based on the now abolished East of England Plan. As mentioned above, the majority of new homes from strategic allocations will only come forward later in the plan period. Together with the concerns over short term supply and the extensive Green Belt coverage in the District, there is a clear case for the Council to develop a stepped housing trajectory.

Q4 Is the Council justified in introducing a stepped housing trajectory for the Local Plan?

17. It should be noted that the Council has explored a number of other possible options to boost short term housing supply before reaching the conclusion that a stepped trajectory is the only realistic option. These actions include:

To seek assistance from neighbouring authorities.

18. The Council sought assistance from neighbouring authorities through Duty to Cooperate discussions in order to address identified undersupply within the next five years. Discussions prior to the Regulation 19 publication with other LPAs in the same HMA i.e. Harlow, Uttlesford and East Herts District Councils confirmed that that none of the them were able to contribute towards EFDC's undersupply as they too need to achieve a challenging housing requirement through their Local Plans and are likely to struggle to meet their own undersupply. We consulted with neighbouring authorities again in December 2018 and their position remains unchanged.

To bring forward housing sites earlier

[4] The draft stepped trajectory in Appendix 3 has taken in account these delivery constraints

19. To provide planning certainty, EFDC agreed to apply material weight to policies in the LPSV in decision making, and a number of smaller allocations have received planning permission. A dedicated Implementation Team has been put in place to ensure that there is sufficient resource and expertise in the Council to deal with planning applications on strategic allocations in a timely manner. The Council also actively encourages developers to have pre-application discussions to ensure any planning and delivery issues can be addressed early in the process, and Planning Performance Agreements are being utilised to frontload the planning process and streamline decision-making. However, the effect of these measures has already been accounted for in the Council's assumptions towards future housing delivery.

To identify new deliverable sites and introduce new policies to increase short-term supply

20. This option would require a significant amount of new evidence and public consultation to be carried out to justify the quantum and location of any proposed new allocations. This would significantly delay the Local Plan process, leaving the District without an up to date Local Plan for a longer period, extending the shortfall and delaying the delivery of housing allocations in the Plan.

21. In addition, the District has a number of considerable constraints that significantly restrict the potential to accommodate additional growth. These constraints include:
    - Availability of land outside of the Green Belt;
    - The need to ensure the ongoing protection of environmental assets, including the Epping Forest Special Area of Conservation; and
    - The capacity of the transport network.

22. The Council must ensure that the Local Plan as a whole is realistic, deliverable and sustainable. In this case, the Council considered it will neither be appropriate nor realistic to attempt to increase short term housing supply through further allocations.

Q5 Are there other *realistic* ways for the Council to significantly boost short term housing supply?

The Stepped Trajectory

23. The draft Stepped Trajectory is included in Appendix 3. The three main 'steps' in this draft trajectory are:

    i. Previous years (2011-2017) – the housing requirement for this period is being set at a level that reflects the actual delivery rate during the same period. This will help to ensure that Local Plan housing delivery target over the remaining plan period is realistic.

    ii. Years 1-5 (2018/19 – 2022/23) – housing target for the five-year period starting 2018/19 is proposed at 425 per annum. This is considered by the Council to be a realistic and achievable target. If applied with a 20% buffer (brought forward from later plan period), the total FYLS requirement for this period would be 2,550, meaning that the Council could demonstrate 5.5year of land supply on adoption of the Plan based on revised housing delivery assumptions.

iii. Years 6-15 (2023/24 – 2032/33) –the Council will need to deliver 742 new homes per annum during the last 10 years of the plan period in order to meet the overall Local Plan housing requirement of 11,400 new homes. Most of the strategic allocations are anticipated to commence delivery from 2023 onward, which makes the target challenging but achievable.

Q6 Has the draft stepped trajectory been set at the right levels and is it justified by the evidence? If not, please explain why.

Q7 Please provide any other comments on the proposed approach set out within this discussion paper.

Please provide your written response to LDFconsult@eppingforestdc.gov.uk**, by no later than noon on Monday 7th January 2019.**

Your comments will be greatly appreciated, and assist in informing the updated Housing Implementation Strategy for the Local Plan Examination.

Appendix 1 – Phasing arrangements for sites with planning permission (attached separately)

Appendix 2 – Phasing arrangements for Local Plan allocations (attached separately)

Appendix 3 – EFDC Local Plan Housing Trajectory update