



Planning Policy Team
Brentwood Borough Council
Town Hall
Brentwood
Essex
CM15 8AY

21 March 2016

Dear Sir / Madam

**BRENTWOOD BOROUGH COUNCIL: DRAFT LOCAL PLAN:
2013-2033**

Thank you for consulting with the Home Builders Federation (HBF) on Brentwood's new draft Local Plan.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

We would like to submit the following representations on the Local Plan and we would welcome, in due course, participating in hearings of the Examination in Public.

Duty to cooperate

The notion that Brentwood is a self-contained district, as expressed in the OAN report of December 2014 (paragraph 2.8), really lacks credibility. The local plan and the OAN report attest to the district's strong inter-connectivity with London and Essex (e.g. paragraphs 2.22 and 2.23). The district is located within the London Arc as Figure 2.3 illustrates. Figure 8.1 illustrates

the economic and transport links. The construction of Crossrail (strategic objective S07) will only increase this connectivity with London and Essex (Chelmsford especially). This is discussed in paragraph 8.7 and illustrated in figure 8.1.

We consider that Brentwood should be considering a joint-SHMA based on an HMA with Basildon, Chelmsford and Epping Forest. Figure 2.3 shows strong commuting flows with Basildon and Chelmsford. An HMA based on this area could use a SHMA that applies consistent assumptions relating to migration to and from London, reflecting the Mayor of London's demographic assumptions that have shaped the London Plan (what was the Further Alterations to the London Plan). The local plan must make allowance for above trend household formation in Brentwood as a consequence of the London Plan.

The local plan would benefit from a more detailed discussion of the duty to cooperate issues. While we acknowledge the statement in paragraph 2.10 of the OAN report that 'no potential HMA partner has requested that the Borough help meet their unmet need', this situation may change over the next few months as more of the Essex local authorities bring forward new plans. We know, however, from recently commenting on its draft plan that Chelmsford is likely to be able to accommodate its housing needs in full.

It is unclear from the local plan and supporting documentation how the Council has engaged with the Mayor of London and the London boroughs on the matter of migration. The inspector for the London Plan, in his report (dated 18 November 2014), does refer to this effect. He notes that the Mayor's SHMA *"includes assumptions relating to migration...likely to be material to the preparation of local plans outside London."* (See paragraph 8 of the report).

Paragraph 2.10 of the OAN report does acknowledge the potential problem of London but states that it is unable to assess the implications of the Mayor's new plan until this adopted (paragraph 6.18). The report therefore implies that the OAN figure of 360 dpa is very much a provisional one. The Council also observes in its report that the figure has been prepared without the benefit of the DCLG 2012 Household Projections and therefore the Council is likely to need to do more work on the OAN, taking into account more recent household projections as well as the implications of the London Plan. The report does observe that the GLA has advised that local authorities to plan on the basis of outward flows being likely to revert to the longer term trends – i.e. trends that do not reflect the recession as much as trends based on the last five years (see paragraph 6.19). However, the report does correctly note that the 2012 SNPP, which uses data from the last five years (2007-2012), was showing higher levels of inward migration into Brentwood than even the longer term trend had indicated (see paragraphs 5.48 and 6.19). For many commentators this was unexpected: it is generally assumed that the recession had dampened out migration. Contrary to expectations this does not appear to be what has happened in the south east – out migration has remained strong and even increased in some cases, like Brentwood. This possibly reflects the relative economic resilience of the south east of England and the acute supply/need problems in London.

The question then is whether the 2012 SNPP does provide adequate compensation for the Mayor's migration assumptions. We think not, because of the size of the difference between the Mayor's own baseline demographic starting point - which is 39,500 households per year for London as a whole - and the DCLG's 2011-interim Household Projections that indicated that 52,000 households would form each year. This is explained in the GLA's 2013 SHMA that was produced to support the new London Plan (see paragraph 3.69 and figure 29 of the GLA SHMA 2013). Moreover, the projections are trend-based so there would still need to be an increase in supply above the trend level in Brentwood to compensate for potentially higher numbers of people moving to the borough as well as fewer people leaving to live in London (because the demographics of the London Plan also assume fewer people moving to London – see the demographic Central Variant C, paragraph 1.10C of the London Plan).

We are also unpersuaded by the Council's argument that the ONS has built-in a higher migration propensity. There is no evidence to support this claim. We note that neighbouring Basildon Council is not advancing this claim. Instead it has increased its OAN above the 2012 SNPP by some 60 dwellings per year to accommodate increased migration from London, using the Mayor of London's migration assumptions as the basis for the calculation. We consider that Brentwood should do likewise.

In addition to this there is also the issue of the unmet housing need in London. This is at least 7,000 dwellings a year and is rising as a consequence of some of the London boroughs gradually declaring that they are unable to match the London Plan benchmark targets or do more to help close the gap (Southwark, Croydon, Tower Hamlets, Enfield). Therefore, even if migration with London is accounted for by the latest projections, there is still the problem of London's unmet need. Planning authorities outside of London may choose to ignore this but it will ultimately rebound on them.

Even if there is no agreement in place between London and the local planning authorities of the south east as to how this issue will be dealt with, it does not mean that the issue will go away. The paucity of supply in London relative to the need will mean that relatively more affluent households will move to Brentwood (helped by the good transport communications as the 'Vision' section of the plan observes) and will acquire homes at the expense of local residents. As a consequence the local affordable housing need will probably increase more sharply than the SHMA evidence currently suggests.

Policy 5.2: Housing Growth

The plan will make provision for 7,240 homes over the period 2013 to 2033. This equates to an annual average of 362 homes.

National policy and guidance requires local planning authorities to consider the most recent household projections and these should provide the starting point for the demographic element of the objective assessment of housing

need. The Council has considered the demographic evidence in its report entitled *Objectively Assessed Housing Needs for Brentwood: Moving Towards a Housing Target* (December 2014 – hereafter referred to as the 2014 OAN report). This report was published before the release of the DCLG 2012 Household Projections.

The DCLG 2012 Household Projections indicate that some 300 households will form each year for the period 2013-2033. This is the benchmark baseline position against which to scrutinise the other scenarios modelled by the Council. The 2014 OAN report considers the 2012 SNPP as a scenario. The SNPP provides the raw population data by district which is then converted into household projections by the DCLG. Since the report pre-dates the release of the 2012 Household Projections the Council has made an attempt to model what these most recent 2012 population projections might indicate (see pages 21-22). Under the Council's modelling using the 2012 SNPP, it generates a demographic projection of 340 households per annum (hpa). This is the average after applying the different headship rate assumptions implicit in the two previous 2008-based and 2011-interim based sets of household projections (see table 5.2). Using the 2012 SNPP, and then modelling different headship rates from the household projections, is a reasonable methodological approach.

Like the Council we, therefore, tend to favour the SNPP-derived scenarios rather than the other demographic scenarios that have been modelled.

The Council states in paragraph 5.30 of its report that it expects the 2012 Household Projections will be in line with the 2011-interim projections, i.e. 330 hpa. This is actually a little higher than what the now released 2012 projections are indicating – which is 320 hpa on the basis of a 25 year period. Against this longer period, the 2012 projections do actually indicate 320 hpa. The Council, therefore, has proved broadly right in its modelling.

We agree that a figure of 330 hpa should be adopted as the starting point for Brentwood (as established in paragraph 5.30 of the OAN report).

We note paragraph 5.28 of the OAN report. In this paragraph the Council observes that the SNPP 2012 is projecting significantly higher internal migration than in the past 5 and 10 year periods. The Council suspects that the reason is down to how the ONS distributes London migration. It suspects that the ONS has given Brentwood a *higher migration propensity* than the longer term trends may suggest. The Council goes on to observe that the typical critique that the 2012 projections may reflect 'recessionary' influences may not apply here. If this is true then it is possible that compensation is being built into the projections by the ONS to account for London. However, we do not know this to be the case, and it is more likely that the projections merely model established trends observed by the 2011 Census. There is, therefore, a possibility that the projection favoured by the Council is still just a trend-based projection, albeit one showing increased net internal migration, but one that would still require adjustment upwards to compensate for the Mayor of London's own demographic assumptions – i.e. that an upward adjustment to

this baseline figure is still necessary. Consequently, there may be no uplift for internal migration over and above past trends implicit in the figure of 330 hpa despite what paragraph 5.30 suggests.

It is not entirely clear from the OAN report how the Council alighted upon the figure of 362 dwellings per annum (dpa) as being representative of the OAN. We note paragraphs 5.62 and 5.68. According to paragraph 5.68 the figure of 362 dpa appears to relate to an 'NLP Scenario B' although these scenarios don't appear to be explained in the report.

Employment

We note paragraph 5.69. Providing jobs in line with the past long-term trend would generate a need for 411 dpa. To our mind this would represent a more appropriate OAN for Brentwood as it would align housing supply in accordance with the long-term trends in the economy. It would also provide more by way of contingency just in case the Council's assumptions relating to migration from London prove to have underestimated the problem (e.g. the 2012 SNPP does not include a higher migration propensity for Brentwood).

Market signals

The report considers that no adjustment for market signals is warranted because prices in Brentwood are no worse than the national and local indicators. We question the Council's decision not to adjust its supply to help counter issues of affordability in view of the observation in the draft plan about the problems of housing affordability. A housing requirement that is based on a trend projection would merely allow these problems to continue. It wouldn't help to counter these problems.

Affordable housing needs

The OAN report is not a SHMA. It does not include an assessment of the affordable housing need. We would expect to see an updated assessment of the OAN, including the need for affordable housing, through a SHMA. Evidence of a high need for affordable homes is evidence of strain in the local housing market. In turn this would suggest the need for an increase in supply above the trend (e.g. a market signals adjustment and boosting supply to facilitate the supply of more affordable homes). Page 14 of the local plan notes that housing affordability is a pressing issue in Brentwood. Consequently, it is questionable whether the trend-derived figure of 362 dpa does represent the full OAN and whether it would provide the 'significant boost' to supply that is sought by the Government through the NPPF.

Policy 7.8: Housing Space Standards

We note the Council's wish to adopt the nationally described space standard through the new local plan. The Council will need to justify this by meeting the tests set out in the relevant section of the NPPG. The tests are ones of

necessity, viability, and the impact on affordability including the supply of starter homes.

Yours faithfully,

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Strategic Planner

