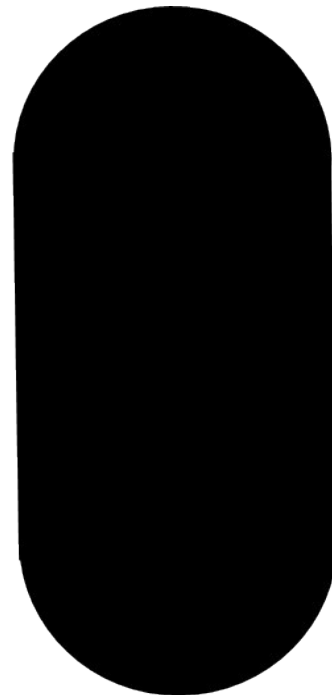
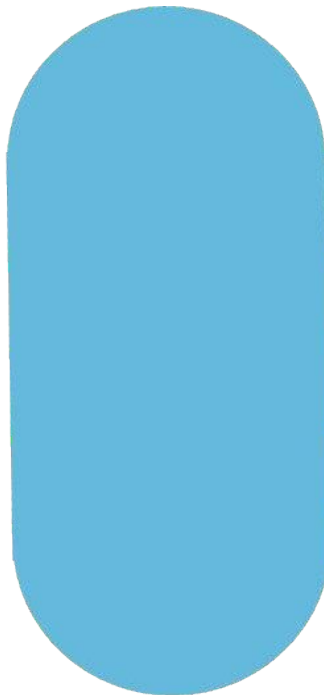




EAST HERTFORDSHIRE HOUSING NEED EVIDENCE BASE REVIEW

PREPARED ON BEHALF OF HALLAM LAND MANAGEMENT

MARCH 2024





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EXECUTIVE SUMMARY

- i. Planning Practice Guidance (PPG) requires local planning authorities to undertake an assessment of housing need. This assessment of housing need should be unconstrained and undertaken before considering constraints and land availability, and establishing a housing requirement.
 - ii. The PPG provides a 'standard method' for calculating housing need. But PPG is clear the Standard Method provides a minimum starting point for assessing unconstrained housing need, and there could be circumstances which mean unconstrained housing need is higher.
 - iii. The East Hertfordshire District Plan (EHDP) is now over five years old. The National Planning Policy Framework (NPPF) is clear that relevant strategic policies in Local Plans at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.
 - iv. The EHDP was underpinned by housing need of 839 dwellings per annum (dpa). The standard method minimum is 1,041 dpa as of late March 2024. This represents a significant increase, but there are reasons why unconstrained housing need is likely to be higher.
 - v. Since 2016/17, East Herts District Council's (EHDC) net affordable housing delivery has only been 60% to 64% of the need. Affordable completions account for 18.7%-19.9% of all delivery since 2016/17. If this were to continue to the end of the existing Plan period, between 1,779 and 1,893 dpa would be needed overall to deliver affordable housing need in full. The Council's housing waiting list has remained above 2,000 households since 2016.
 - vi. Affordability issues in East Herts are acute. A median affordability ratio of 10.92 (March 2023) and a lower quartile ratio of 12.17 (March 2022) means housing is out of reach for most. The Buntingford area had a median ratio of over 10.0 in 2018 which was significantly higher than many other areas within East Herts. Lower quartile and median house prices in Buntingford are higher in 2023 than the Hertfordshire, East of England, and England averages.
 - vii. EHDC has a responsibility to assist in addressing London's significant unmet housing need alongside the other local authorities of the Wider South East, and this should come into the consideration of unconstrained housing need. Nearly 7,000 people migrated out of Greater London to East Herts in the three years to mid-2020, with 70% of these people in the age group (25-44) most likely to be first-time buyers.
 - viii. The NPPF is clear that a lack of housing should not create a barrier to investment. In this context
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the assessment of unconstrained housing need should ensure that the level of homes needed would support labour force growth.

- ix. The assessment of need underpinning the EHDP was based on 476 jobs per annum (jpa) 2011-2033. This was taken from the 2014 East of England Forecasting Model (EEFM). Subsequent EEFMs forecast higher growth of 611, 829, and 1,729 jpa.
 - x. EHDC is in the core area of the London Stansted Cambridge Corridor (LSCC). The LSCC had the highest growth in skilled jobs of any comparative area in England, 2009 to 2019, and experienced 18% employment growth, 2012 to 2017, second only to the international comparator area of Shenzhen (22%) and well ahead of Greater Munich (9%) and Silicon Valley (3%).
 - xi. The 2021 Innovation Prospectus for the LSCC forecasts 58,000 jobs in the core area 2021-2033. If these 58,000 jobs are shared between the five authorities in the same way as was done in the District Plan's evidence base (i.e., share of job growth 2011-2033) then East Herts would need to support 12,266 jobs 2021-2033. This equates to approximately 1,000 jobs per annum, over double the job growth assumed in the District Plan (491 jobs per annum).
 - xii. An updated assessment of economic-led housing need is therefore imperative.
 - xiii. The need for older person's accommodation is clear from the demographic analysis of East Herts District, and more locally in Buntingford. The 2022-based Mid-Year Population Estimates (published on the 23rd November 2023) records the 65+ population as representing 18.7% of all residents in East Herts. This is higher than the average for Hertfordshire (17.3%).
 - xiv. The 2021 Census also recorded 89% of those aged 65+ lived in an under-occupied property in East Herts District, taking up much of the family sized housing stock. This is a 32% increase since the 2011 Census.
 - xv. The position in Buntingford is more acute than across East Herts District, with 73.5% of all households being under-occupied in Buntingford ward compared with 70.6% across the District. Furthermore the proportion of retirees recorded by the 2021 Census is higher in Buntingford ward (23.8%) than East Herts District (21.6%).
 - xvi. The analysis in this report indicates that unconstrained housing need exceeds the standard method minimum because of issues such as affordable housing need, affordability, unmet need from Greater London, economic growth, and older persons need. Affordability and older persons need are considered more acute in Buntingford than the wider District.
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1. INTRODUCTION AND NATIONAL PLANNING POLICY CONTEXT

- 1.1 This Technical Report has been prepared by Marrons National Socio Economics Team on behalf of Hallam Land Management Limited in support of their proposed development in Buntingford, East Hertfordshire District.
- 1.2 The objective of the report is to determine whether unconstrained housing need in East Hertfordshire District is higher than the starting point for assessing housing need, i.e., the calculation of minimum housing need provided by the Government's 'Standard Method'.
- 1.3 The policy and guidance which should be considered when assessing the housing need for local authorities is set out in the 2023 National Planning Policy Framework (NPPF) and its accompanying Planning Practice Guidance (PPG).
- 1.3 The PPG's Housing and Economic Needs Assessment (HENA) section is very clear that the assessment of housing *need* should be unconstrained and undertaken prior to and independently from the consideration of constraints and the determination of a housing requirement. It is therefore important that full housing need is established before the process of determining a requirement begins.
- 1.4 In this section we summarise the policies of the NPPF and PPG.

National Planning Policy Framework (NPPF, 2023)

- 1.5 The NPPF states the following in respect of establishing overall housing need:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”¹ (Our emphasis)

- 1.6 The NPPF is clear that the standard method set out in its supporting PPG provides the minimum number of homes needed.
- 1.7 In respect of how economic growth and housing delivery dovetail, the NPPF also states that

¹ Paragraph 61, NPPF, 2023

“planning policies should seek to address potential barriers to investment, such as inadequate housing.” The link between housing growth and economic growth is clearly acknowledged by the NPPF.

Planning Practice Guidance (PPG)

- 1.8 The method by which housing need should be established, and an explanation of the ‘Standard Method’ (SM) referred to in the NPPF is set out in detail in the HENA section of PPG (section ID2a).
- 1.9 At the outset the PPG states, *“Housing need is an unconstrained assessment of the number of homes needed in an area”* and goes on to state *“Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.* ² (Our emphasis).
- 1.11 The PPG is very clear that the assessment of need should be unconstrained and is an entirely separate exercise from establishing the housing requirement.
- 1.12 The PPG then moves on to explain what the SM provides. It states *“The standard method uses a formula to identify the minimum number of homes expected to be planned for. The standard method...identifies a minimum annual housing need figure. It does not produce a housing requirement figure.”* ³ (Our emphasis).
- 1.13 This section emphasises how the SM provides the minimum housing need figure and highlights how the SM does not produce a housing requirement figure. A separate part of PPG addresses housing requirement.
- 1.14 The PPG also makes a very clear distinction as to the tests which will be applied if local authorities seek to justify housing need higher or lower than the SM minimum.
- 1.15 In respect of a housing need figure lower than the standard method minimum, the PPG states *“where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional*

² Paragraph ID:2a-001, PPG, 2019

³ Paragraph ID:2a-001, PPG, 2019

local circumstances that justify deviating from the standard method. This will be tested at examination.”⁴ (Our emphasis).

- 1.16 In contrast, in terms of establishing housing need which is above the Standard Method, PPG states “Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”⁵ (Our emphasis).
- 1.17 Having established that SM represents minimum need, and that actual housing need may be higher, the PPG moves to discuss when it might be appropriate to plan for a higher housing need figure than the SM indicates.
- 1.18 PPG therefore states that “there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.”⁶ (Our emphasis)
- 1.19 In discussing these circumstances PPG reiterates how the standard method only represents minimum need, stating “The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”⁷ (Our emphasis)
- 1.20 The PPG then moves on to discuss what circumstances might lead to an increase in housing need, but confirms at the outset that the circumstances it refers to are not exhaustive and there may be other reasons as to why overall housing need exceeds the Standard Method’s minimum calculation:

“Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- **growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g., Housing Deals);**
- **strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or**
- **an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;**

⁴ Paragraph ID:2a-015, PPG, 2019

⁵ Paragraph ID:2a-015, PPG, 2019

⁶ Paragraph ID:2a-010, PPG, 2019

⁷ Paragraph ID:2a-010, PPG, 2019

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more homes. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”⁸

- 1.21 The delivery of much needed affordable housing can also have an impact on the assessment of overall need. In this respect the Planning Practice Guidance (PPG) states *“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”*⁹
- 1.22 The PPG also reiterates that this assessment of need is separate to the process of establishing a housing requirement, stating that the circumstances which may lead to a higher need figure *“will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan)*”¹⁰ (Our emphasis).

Summary

- 1.23 Therefore, to summarise, both the NPPF and PPG emphasise that the SM determines the minimum number of homes needed for each local authority. Consideration must be given to whether other circumstances warrant an increase to the minimum need, and in this context and to comply with PPG the assessment of need must be unconstrained.
- 1.24 Furthermore the PPG emphasises throughout how the assessment of need must be carried out separately and prior to the determination of a housing requirement.
- 1.25 Furthermore, the PPG refers to exceptional circumstances being required to justify housing need which is below the Standard Method minimum.
- 1.26 In contrast the PPG states how a range of circumstances may justify the determination of housing need which exceeds the SM minimum, and that an assessment of need which establishes a figure which is higher than the SM minimum will be considered sound if it *“adequately reflects current and future demographic trends and market signals.”*

⁸ Ibid

⁹ Paragraph ID2a:024, PPG, 2019

¹⁰ Paragraph ID:2a-010, PPG, 2019

- 1.27 It is therefore important to consider whether any factors justify an increase in the SM minimum when determining housing need.

2.0 LOCAL PLANNING POLICY

Introduction

- 2.1 The previous section of this report outlined the national policy and guidance context for determining housing need. This section considers how the planning policies for East Hertfordshire District Council (EHDC) align with these policies in respect of housing need.

Adopted East Herts District Plan (October 2018)

- 2.2 The Adopted East Herts District Plan (EHDP) plans for the 2011-2033 period, and replaced the 2007 Local Plan. The Plan was adopted on 23rd October 2018.
- 2.3 The EHDP set a housing requirement of 18,458 dwellings 2011-2033 (839 dwellings per annum – dpa) for East Herts. This figure was drawn from an assessment of housing need for the wider area of East Herts, Harlow, Epping Forest, and Uttlesford. This combined area was found to have housing need of 51,878 dwellings 2011-2033 (2,358 dpa).
- 2.4 At the time of this assessment of housing need, the 2012 National Planning Policy Framework (NPPF) remained in force. The assessment of housing need was therefore made under provisions of the 2012 NPPF which required an ‘Objective Assessment of Housing Need’ (OAHN) to be undertaken.
- 2.5 The 18,458 dwellings determined for EHDC were considered to accommodate demographic projections, and adjustments for market signals, affordable housing need, and to align job growth with homes, as required by the 2014 Planning Practice Guidance (PPG).
- 2.6 In respect of jobs growth, the evidence base underpinning the EHDP assumed there would be 10,800 new jobs 2011-2033 (491 jobs per annum). The housing requirement was determined to be of a quantum which could accommodate this job growth and the labour growth which would need to be accommodated in East Herts District.
- 2.7 The Adopted Plan was also underpinned by evidence from a July 2017 Strategic Housing Market Assessment (SHMA) update which determined there to be an affordable housing need of 217 affordable dwellings per annum.¹¹ This was also set out in the EHDP on page 182.

¹¹ Figure 21, page 33, West Essex and East Hertfordshire SHMA – Affordable Housing Update, July 2017

The Adopted Plan and its Evidence Base

- 2.8 The EHDP is now over five years old. This means that in accordance with paragraph 33 of the NPPF a review of the Local Plan should have been completed by now.
- 2.9 Much of the evidence underpinning the EHDP is much older than the Plan itself and needs updating. The economic evidence produced to underpin the decision to base the Plan on the provision of 10,800 jobs 2011-2033 was published in 2015, and the most recent assessment of overall housing need was the evidence used to underpin the Plan (2017).

The Standard Method Calculation of Housing Need

- 2.10 In respect of housing need the NPPF states *“Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.* ¹²
- 2.11 In this context it is important to note how minimum housing need in East Herts is now 1,041 dwellings per annum. This represents a 24% increase in housing need from the OAN (839 dpa), which we consider to represent a significant change in housing need.
- 2.12 Furthermore, 1,041 dpa is the minimum starting point in determining unconstrained housing need for East Herts. As we have summarised earlier in this report, a range of factors must be considered to determine whether unconstrained need exceeds the minimum starting point.
- 2.13 It is within local authorities’ gift to present a housing need figure which is higher or lower than the standard method calculation. However, it is imperative to emphasise PPG’s contrasting approaches for testing a housing need figure which is higher or lower than the SM minimum. This has been explained in detail in the previous section of this report.
- 2.14 In short, PPG explains ‘circumstances’ must exist supporting a higher figure, whereas ‘exceptional circumstances’ must exist for a lower figure. There is a clear difference in the test when an alternative housing need figure is presented.
- 2.15 PPG (ID2a-015) confirms a need figure lower than the SM minimum must be supported by *“robust evidence”* and *“realistic assumptions of demographic growth”*. This must show *“exceptional local*

¹² Paragraph 33, NPPF, 2023

circumstances” exist to justify the lower figure. This evidence will then be *“tested at examination.”*

2.16 In contrast, PPG (ID2a-015) states that a higher figure *“can be considered sound”* providing it *“adequately reflects current and future demographic trends and market signals.”*

2.17 PPG’s testing of a lower figure is clearly more rigorous than a higher figure, and as we have identified in section 2 of this report this is emphasised further by PPG listing a range of circumstances whereby housing need can exceed the Standard Method.

2.18 In this context it is therefore imperative that the assessment of housing need is fully unconstrained.

2.19 In the following sections of this report we therefore consider a variety of factors to determine whether unconstrained housing need might exceed the starting point of 1,041 dpa.

Summary

2.20 This section of our report has summarised the existing Local Plan position in East Herts.

2.21 The Adopted Plan was based on housing need of 839 dpa. The Local Plan is now over five years old and a review of the Plan is required. This is particularly important in the context of the Adopted Plan being based on the 2012 NPPF’s OAHN and the subsequent change in the 2019 NPPF to using the ‘Standard Method’ which provides local authorities with a calculation of minimum housing need.

2.22 The minimum housing need for East Herts is 1,041 dpa, a significant increase from the Adopted Plan’s figure (839 dpa). To comply with PPG an assessment of unconstrained housing need must be undertaken to determine whether housing need exceeds 1,041 dpa.

2.23 The following sections of this report therefore consider a range of circumstances which could contribute to an increase in the standard method.

3. AFFORDABLE HOUSING NEED

Introduction

- 3.1 Planning Practice Guidance (PPG) states that *“an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”* Local authorities should therefore consider if the minimum housing need calculated using the standard method should be increased to accommodate more affordable housing.
- 3.2 Affordable housing need has become acute across the country as the affordability of housing has worsened over the past two decades. The January 2022 House of Lords report ‘Meeting Housing Demand’ identifies *“there were 1,187,641 households on local authority housing waiting lists in 2021”* and *“as of March 2021, 95,450 families had been placed into temporary accommodation by local authorities.”*¹³
- 3.3 Research for the National Housing Federation and Crisis in 2018 identified a need for 145,000 new affordable homes per year, of which 90,000 for the next 15 years should be for social rent, 30,000 for affordable rent and 25,000 shared ownership homes.¹⁴
- 3.4 However despite this need the House of Lords report states, *“There has been a steady decline in social rent as a proportion of new supply, from over 75% in 1991/92 to 11% in 2019/20. In 50 local authorities, no homes for social rent were built over the five-year period from 2015/16 to 2019/20”*¹⁵ (our emphasis).
- 3.5 To put this into context, only 59,356 new affordable homes were delivered across England in 2021/22, approximately 25.5% of all net completions (232,816). However this a gross affordable delivery figure and the Government’s statistics show a loss of 27,689 affordable dwellings in 2021/22 to demolitions and sales. Net affordable completions were therefore only 31,667 (i.e., 13.6% of all net completions).
- 3.6 This has led the House of Lords report to conclude on this issue with the following two points:
 - There is a serious shortage of social housing, which is reflected in long waiting

¹³ Paragraph 69, page 36, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

¹⁴ Professor Glen Bramley, Crisis and National Housing Federation Housing supply requirements across Great Britain (November 2018)

¹⁵ Paragraph 65, page 33, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

lists for social homes and a large number of families housed in temporary accommodation. The Government should set out what proportion of funding for the Affordable Homes Programme it believes should be spent on homes for social or affordable rent;

- Right to Buy has left some councils unable to replace their social housing stock. Right to Buy must be reformed to help councils replenish their social housing stock: councils should keep more of the receipts from Right to Buy sales, have a longer period to spend the receipts, and there should be tighter restrictions on the conditions under which social homes can be bought.¹⁶

3.7 In this section of the report we consider the affordable housing position in East Hertfordshire.

Affordable Housing Need in East Hertfordshire

3.8 At the outset, Marrons Planning do not advocate that affordable need necessarily be met in full, given the judgment of Mr Justice Dove in the Kings Lynn case (High Court Judgment)¹⁷, which concluded that neither the NPPF nor the PPG suggest affordable housing need must be met in full.

3.9 However as we have stated in the introduction to this section the need should be considered in the context of PPG which states “*An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*”¹⁸ (our emphasis).

3.10 This should be considered in the context of the East Herts District Plan (EHDP) which states “*There is a pressing need for more affordable housing in the District*”¹⁹ (our emphasis) in the ‘Key Issues and Challenges’ section of the Plan.

3.11 Furthermore, Strategic Objective 3 of the EHDP is “*To balance the housing market by delivering a mix of market, low cost, and affordable homes and accommodating the housing needs of an ageing population*” (our emphasis).²⁰

3.12 In this context the evidence which underpinned the EHDP determined there to be an

¹⁶ Paragraphs 76-77, pages 37-38, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

¹⁷ Paragraphs 34-37, pages 10-11, High Court Judgment, Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd, 09 July 2015

¹⁸ Paragraph: 024 Reference ID: 2a-024-20190220

¹⁹ Paragraph 2.3.4, page 16, East Herts District Plan 2018

²⁰ page 19, East Herts District Plan 2018

annual need of 217 affordable dwellings per annum in East Herts. This is set out in section 14.4 (page 181) of the EHDP which states *“There is a significant need for additional affordable housing within East Herts as set out in the latest Strategic Housing Market Assessment (SHMA) 2015”* (our emphasis).²¹

- 3.13 However in May 2022 the authors of the previous 2015 Strategic Housing Market Assessment (SHMA) published a revised affordable housing needs report which concluded there was a need for 315 affordable dwellings per annum over the remainder of the EHDP Plan period (2021-2033).
- 3.14 The same report stated that the need was in fact 224 affordable dpa 2016-2033, rather than the 217 figure referred to in the Adopted Plan. Paragraph 4.14 of the 2022 East Herts Affordable Housing Needs Assessment 2022 confirms this as follows; *“Overall, the model identifies a need for a total of 3,784 affordable dwellings over the period 2021-2033, or 315 per annum. This represents a rise compared to West Essex and East Hertfordshire Strategic Housing Market Assessment Affordable Housing Update 2017 which showed a need for 224 affordable dwelling per annum.”*²²

Past affordable housing delivery in East Hertfordshire

- 3.15 In this section of the report we have considered affordable housing delivery against the affordable housing need set out in the 2018 EHDP. The EHDP refers to affordable need of 217 affordable dwellings per annum (dpa) from 2016 onwards²³, however this was revised to 224 affordable dpa.
- 3.16 The Annual Monitoring Reports (AMRs) available on the EHDC web site only run up to 2019/20. There are no AMRs publicly available for the last two years. However, from the 2016/17 AMR to the 2019/20 AMR the Council recorded the delivery of 883 gross affordable dwellings (221 per annum).
- 3.17 However over the same period Government live table 1008C recorded 824 affordable dwellings (206 per annum).
- 3.18 Without the benefit of more recent AMRs, live table 1008C is the only source publicly available for the years 2020/21 and 2021/22 and recorded an additional 329 gross affordable completions.
- 3.19 This means there were either 1,153 or 1,212 affordable dwellings completed between

²¹ Paragraph 14.4.3, page 181, East Herts District Plan 2018

²² Paragraph 4.14, page 38, East Hertfordshire Affordable Housing Needs Assessment 2022

²³ Paragraph 14.4.3, page 181, East Herts District Plan 2018

2016/17 and 2021/22 (between 192 and 202 affordable dwellings per annum).

3.20 Need over this period has been 1,435 affordable dwellings (224 per annum 2016/17 to 2020/21 and 315 in the most recent year (2021/22). This means there has been a shortfall of between 223 and 282 affordable dwellings.

3.21 However this is based on gross affordable delivery, and losses to affordable housing stock need to be considered to determine what the net delivery has been.

Net Affordable Housing Delivery in East Hertfordshire

3.22 To determine whether net affordable delivery is lower than the proportions set out above, we have consulted the Department for Levelling Up, Housing and Communities (DLUHC) live tables on social housing sales, and specifically the 'social housing sales open data'. This data is set out in Table 3.1 below.

Table 3.1: DLUHC figures on the disposal of social housing stock in East Hertfordshire

Year	Demolition	LCHO Sales	Other Sales	Other sales to sitting tenants	Right to Buy	Sales to sitting tenants	Grand Total
2016-17	145	12	0	0	0	19	176
2017-18	0	12	1	0	0	3	16
2018-19	0	17	2	0	0	7	26
2019-20	0	8	4	0	0	6	18
2020-21	0	14	4	0	0	1	19
2021-22	4	26	1	0	0	4	35
Grand Total	149	89	12	0	0	40	290

Source: DLUHC live tables

3.23 Table 3.1 shows that there have been 290 losses to affordable housing stock since the start of the Adopted Plan period.

3.24 This means that despite 1,153 or 1,212 affordable completions in East Hertfordshire since 2016/17, net affordable housing delivery since the start of the Plan period has only been 863 and 922 affordable dwellings (144 to 154 affordable dwellings per annum).

3.25 The AMRs referred to above show overall completions of 2,943 dwellings 2016/17 to 2019/20. Government live tables indicate a further 1,681 dwellings over the past two years (2020/21 and 2021/22).

3.26 This means a total of 4,624 dwellings over the first six years of the Plan. This means that net affordable completions have been 18.7% to 19.9% of all delivery since 2016/17.

3.27 Policy HOU3 of the EHDP targets between 35% and 40% affordable housing delivery depending on the size of the scheme.

Overall Housing Need and Affordable Housing

- 3.28 The analysis set out above should be considered in the context of the housing targets put forward in the Draft Plan.
- 3.29 As the analysis has shown, net affordable completions have been 18.7% to 19.9% of all delivery since 2016/17.
- 3.30 If delivery were to continue at this rate, overall housing need would increase significantly from what is proposed in the Draft Plan to deliver the 2022 HEDNA's conclusion on net affordable need for East Hertfordshire.

Table 3.2: Overall housing need required in East Hertfordshire to meet affordable housing need of 354 dwellings per annum, 2021-2033

Net Affordable Delivery as a % of overall completions	Overall Housing Need to meet Affordable in full (per annum)
18.7% to 19.9%	1,779 to 1,893

- 3.31 As Table 3.2 illustrates, overall housing need in East Hertfordshire would need to increase significantly from the existing Local Plan requirement (836 dpa) or the standard method calculation (1,041 dpa).
- 3.32 This analysis shows that unconstrained housing need in East Herts exceeds the standard method minimum based on delivering affordable need in full.
- 3.33 In the context of Planning Practice Guidance which states how *“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes”* ²⁴ it is considered that East Hertfordshire should consider whether the housing *requirement* can be increased beyond the standard method minimum to deliver more affordable housing.
- 3.34 The Council's own evidence acknowledges the significant need for affordable housing as we have identified in the previous section of this report, where the need is described as 'pressing'.

Numbers of households on waiting lists

- 3.35 The number of households on local authority waiting lists can also provide context for the affordable need in an area, and we present the data for East Hertfordshire in Table 3.3.

²⁴ Paragraph: 024 Reference ID: 2a-024-20190220

Table 3.3: East Hertfordshire housing waiting list

	2016	2017	2018	2019	2020	2021	2022
East Hertfordshire	2,198	2,025	2,039	2,119	2,125	2,174	2,226

Source: DLUHC, Live Table 600

3.36 As Table 3.3 illustrates, the number of households on the Council's housing register has remained at a relatively consistent level since 2016.

3.37 The fact that the waiting list figure has not declined since 2016 indicates the delivery to date has not been enough to reduce need.

Homelessness

3.38 In respect of homelessness, Table 3.4 sets out the data collected by DLUHC for the last five financial years.

Table 3.4: Homelessness in East Hertfordshire, 2019/19 to 2021/22

Year	Number of households assessed	Total households owed a duty	Threatened with homelessness - Prevention duty owed	Homeless - Relief duty owed
2022/23	477	467	237	230
2021/22	524	498	265	233
2020/21	487	462	170	292
2019/20	565	554	213	341
2018/19	481	470	243	227

Source: DLUHC

3.39 Table 3.4 shows how the number of households assessed for homelessness and whether they are owed a prevention or relief duty has remained broadly consistent over the past five years, remaining between 477 and 565 households each year.

3.40 As the second column shows, the vast majority of assessed households in each year have been owed a prevention or a relief duty.

Affordable Housing Summary

3.41 In summary, the key points to note from our analysis are as follows:

- EHDC's Local Plan identified a 'pressing need' for new affordable housing;
- EHDC's evidence base determined there to be net affordable need of 224 dpa 2017-2033, which was updated to need of 315 dpa 2021-2033;

- There has been net delivery (after demolitions and sales of stock) of between 863 and 922 affordable dwellings (144 to 154 affordable dpa) 2016-2022;
- Net affordable completions account for 18.7%-19.9% of all delivery since 2016/17;
- Affordable delivery of 18.7%-19.9% would require overall need of 1,779 to 1,893 dpa to deliver affordable need of 315 affordable dpa in full;
- There have been over 2,000 households on the Council's housing register every year since 2016 and this figure has not been reduced;
- Between 462 and 554 households have been owed a relief or prevention duty per annum in East Herts District since 2016.

3.42 This section has highlighted the significant need for affordable housing in East Hertfordshire to address figures of at least 2,000 households on the Council's housing register in every year since 2016, and to respond to the levels of homelessness which have remained broadly stable year on year since 2016.

3.43 As we have set out at the beginning of this section we do not advocate that the housing *requirement* be increased to unrealistic levels to meet affordable housing need in full.

3.44 However the evidence in this section suggests that unconstrained housing need (as required by PPG) exceeds the NPPF's standard method minimum of 1,041 dpa.

3.45 This suggests that the *requirement* should be increased as much as possible to meet the affordable need, in the context of the PPG which states "*An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*" ²⁵ (our emphasis).

²⁵ Paragraph: 024 Reference ID: 2a-024-20190220

4. AFFORDABILITY ANALYSIS

- 4.1 As the January 2022 House of Lords report ‘Meeting Housing Demand’ states *“Affordability has worsened dramatically over the past 20 years: in England the ratio of median house prices to median earnings has almost doubled while in London it has more than doubled”*²⁶ (our emphasis).
- 4.2 In 1997, the median full-time worker in England could expect to pay about 3.5 times their annual earnings to buy a home; this had more than doubled by 2020 to 7.7. Homes in the private rented sector have become increasingly unaffordable. In 1980, the average working-age family renting privately spent 12% of its income on housing; in 2020 it spent almost three times this proportion (32%).²⁷
- 4.3 This trend has resulted in worsening living conditions and increases in overcrowding and the number of concealed households (where two or more households are living together) across the country.
- 4.4 Various actions are required to improve affordability, not least boosting supply across the country. The House of Lords report includes a statement from the UK Collaborative Centre for Housing Evidence which said *“It is certainly the case that large, sustained increases in housing supply are necessary if the objective is to improve affordability ... But, even then, it is most unlikely that increases in supply alone could bring house price to earnings ratios even close to a value of 4.0.”*²⁸
- 4.5 Furthermore, the National Planning Policy Framework’s (NPPF) standard method for calculating minimum housing need is set in the context of Government’s ambition to build 300,000 homes per annum by the mid-2020s. However, the House of Lords report includes evidence from Professor Glen Bramley. Professor Bramley’s analysis concludes that 340,000 homes per annum would be required to address *“future household projections, backlog of housing need and scale of homelessness.”*²⁹ This indicates a significant increase in need from that determined nationally under the standard method.
- 4.6 Below we consider the affordability position in East Herts District.

²⁶ Paragraph 1, page 11, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

²⁷ Paragraph 52, page 29, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

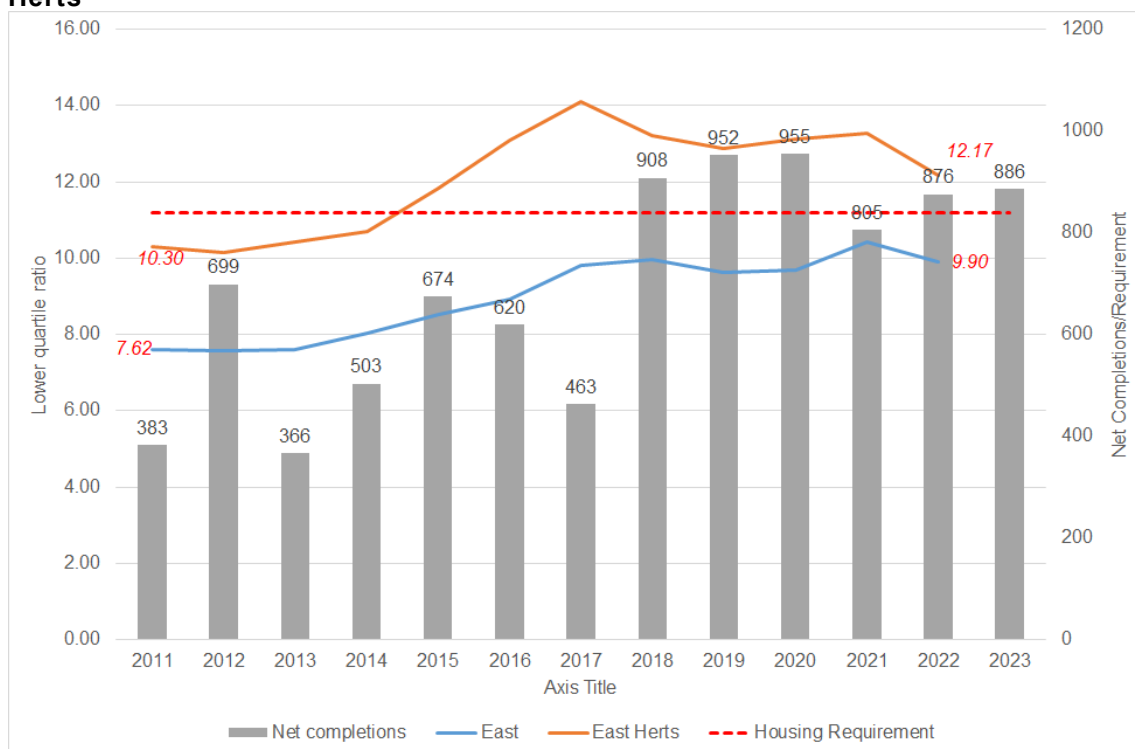
²⁸ Paragraph 31, page 20, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

²⁹ Paragraph 30, page 19, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

Lower Quartile Affordability Ratio

- 4.7 The correlation between net completions and the affordability of housing in East Herts reveals an important pattern, which is summarised below.
- 4.8 The lower and median affordability ratios are published every 12 months by the Office for National Statistics (ONS). Figure 4.1 presents the change in the lower quartile affordability ratio over the past decade for East Herts.
- 4.9 The lower quartile ratio is defined as follows; *“the lower quartile housing affordability ratio (workplace-based) is calculated by dividing house prices by gross annual earnings, based on the lower quartile of both house prices and earnings.”*
- 4.10 We have presented this data against the net dwelling completions data for East Herts over the same period in Figure 4.1. The regional (East) average is provided for comparison purposes.

Figure 4.1: Lower quartile affordability ratios and housing completions in East Herts



Sources: ONS, East Herts Annual Monitoring Reports

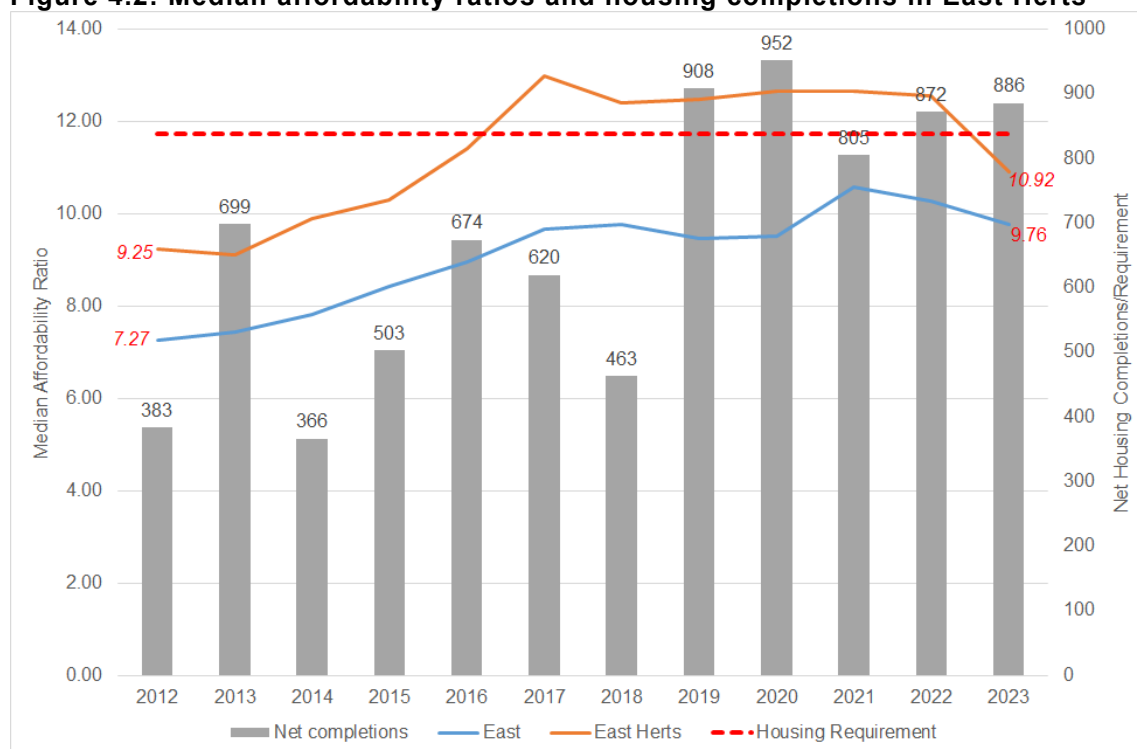
- 4.11 Figure 4.1 illustrates how the lower quartile affordability ratio rose sharply in East Herts between 2011 and 2017, during a period in which net completions never rose above 699 dwellings per annum.

- 4.12 From 2018 onwards, delivery increased significantly to over 900 dwellings per annum and the lower quartile ratio began to stabilise before a small decline between 2021 and 2022, most likely owing to the impacts of COVID-19.
- 4.13 Notwithstanding the ratio stabilising recently, a resident earning a lower quartile salary would need 12.17 times that salary to afford a lower quartile priced home. This compares with only 9.90 across the East of England region, and East Herts has the 11th highest ratio of 45 local authorities in the region.
- 4.14 This indicates an increase in housing delivery is required to make any meaningful contribution to lowering affordability in East Herts.

Median Affordability Ratio

- 4.15 The median affordability ratio is used to calculate the 2023 NPPF's minimum housing need. Median housing affordability ratio refers to the ratio of median price paid for residential property to the median workplace-based gross annual earnings for full-time workers. The change in the ratio against net completions is shown for East Herts in Figure 4.2 against the East of England average.

Figure 4.2: Median affordability ratios and housing completions in East Herts



Sources: ONS, East Herts Annual Monitoring Reports

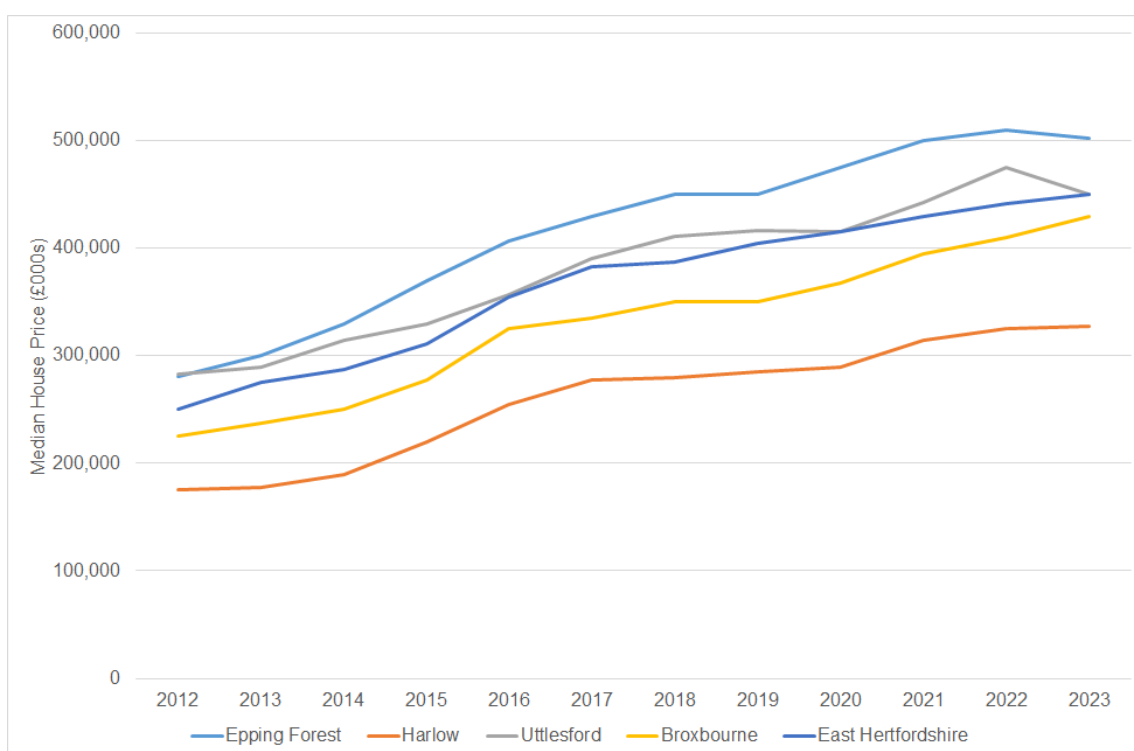
- 4.16 Figure 4.2 shows a similar pattern to Figure 4.1, albeit the median affordability ratio clearly rose at a much sharper rate than the East of England average up to 2017.

- 4.17 East Herts experienced a minor decline of the ratio between 2017 and 2018 before the median ratio gradually rose again between 2018 and 2021. In 2023 the median ratio is 10.92 compared with the East of England average of 9.76.

House Prices in East Herts District

- 4.18 The increase in house prices across the country over the recent past has been significant. East Herts has experienced an 80% increase in median house prices since 2011/12. We have compared this with the figures for the other authorities at the heart of the Innovation Corridor (see Figure 4.3).

Figure 4.3: Median House Price Change 2011/12-2021/22



- 4.19 This analysis shows how East Herts has experienced a similar increase to the regional average (79%), and higher than other authorities in its immediate vicinity (i.e., Uttlesford, 59%) since 2011.

Local Affordability Indicators

- 4.20 The ratio of median house prices to net annual household income (equivalised) before housing costs, by property type is available at sub-district level for the years 2014 and 2018.

- 4.21 The smallest area of geography this data is available at is Middle Super Output Area (MSOA), and there are 19 MSOAs in East Herts District.
- 4.22 The MSOA in which Buntingford is located (MSOA 001) also includes Wyddial, Great Hornead, Anstey, Brent Pelham, and Buckland. However, Buntingford is the largest of all settlements in the MSOA and the data is considered reflective of the settlement.
- 4.23 We present the median affordability ratios for all 19 MSOAs in Table 4.1. They are ranked by their median ratio as of 2018.

Table 4.1: Median affordability ratios in East Herts, 2018

MSOA	Median Ratio
East Hertfordshire 009	15.42
East Hertfordshire 002	14.36
East Hertfordshire 018	13.25
East Hertfordshire 010	11.89
East Hertfordshire 014	10.98
East Hertfordshire 003	10.88
East Hertfordshire 011	10.88
East Hertfordshire 001	10.71
East Hertfordshire 006	10.70
East Hertfordshire 008	10.21
East Hertfordshire 005	10.00
East Hertfordshire 012	9.99
East Hertfordshire 004	9.73
East Hertfordshire 015	9.63
East Hertfordshire 016	9.61
East Hertfordshire 017	8.91
East Hertfordshire 007	8.58
East Hertfordshire 013	7.87

Source: Housing affordability ratios for middle layer super output areas, England and Wales, year ending March 2018, ONS, 19 March 2020

- 4.24 This sub-district affordability data shows how the MSOA in which Buntingford is located was in the 50% most expensive areas within East Herts District as of 2018. Furthermore the neighbouring MSOA is 002, which had the second highest affordability ratio (14.36). This MSOA includes 'The Maples' area of Buntingford towards its northern edge.

Sub-District Analysis of House Prices

- 4.25 The lack of affordability in Buntingford and East Herts as a whole is further emphasised by more recent house price data published as part of the ONS' 'House Price Statistics for Small Areas' (HPSSA) series, the most recent of which (September 2023) published

median house prices for the year ending March 2023.

- 4.26 HPSSA dataset 46 provides median house prices by Lower Super Output Area (LSOA) in England and Wales. This is a more local area of geography than the MSOA data used for the affordability ratios.
- 4.27 Buntingford is located in LSOAs 001B, 001C, 001D, and 002B and there are 84 LSOAs across East Herts. As of March 2023, the average median house price across the four LSOAs listed above is £486,250 (ranging from £375,000 in 001D to £660,000 in 002B).
- 4.28 This places Buntingford in the 50% most expensive LSOAs within East Herts.
- 4.29 These median house prices remain high in comparison to the median house price averages across Hertfordshire (£360,000), the East of England (£342,500), and England (£290,000).
- 4.30 Likewise a lower quartile priced home cost an average of £373,125 in Buntingford in the year ending December 2022 (year ending March 2023 is unavailable) over £100,000 more than the national average (£190,000), and higher than the East of England average (£250,000).

Summary

- 4.31 In summary the key points to note from this section are as follows:
- Lower quartile and median affordability ratios remain higher in East Herts District than the regional average;
 - Although both median and lower quartile ratios in East Herts have begun to stabilise in recent years, housing delivery is yet to result in a downward trajectory;
 - A median ratio of 10.92 as of March 2023 and a lower quartile ratio of 12.17 as of March 2022 means housing is out of reach for the vast majority of people in East Herts;
 - Median house prices have increased by 80% since 2011/12, higher than the neighbouring authority of Uttlesford and the regional average;
 - Locally, our analysis shows the Buntingford area had a median ratio of over 10.0 in 2018 which was significantly higher than many other areas within East Herts;
 - Lower quartile and median house prices in Buntingford are higher in 2023 than the Hertfordshire, East of England, and England averages.

- 5.32 This analysis shows East Herts and Buntingford have acute affordability issues

indicating a need for new housing to drive down prices and make housing more affordable for all, particularly in the case of housing for those on lower incomes.

5. LONDON'S UNMET NEED

5.1 The New London Plan was adopted on 02 March 2021 and plans for 52,287 dpa between 2019/20 and 2028/29. However, the Standard Method's minimum housing need calculation for London is approximately 100,000 dpa as of late 2023. This leaves an annual shortfall of at least 47,000 dwellings per annum (dpa).

5.2 However, the shortfall is likely to be significantly higher than 47,000 dpa. This is because actual delivery in Greater London has been consistently below the target which the New London Plan is targeting (52,287 dpa). The most recent year (2021-22) has seen delivery of only 37,204 dwellings, and the 10-year average is only 32,185 dpa.

5.3 On the basis of this average delivery over 10 years, shortfall could be as high as approximately 70,000 dpa.

5.4 This issue is acknowledged by the London Plan in policy CD2 'Collaboration in the Wider South East'. This policy states that *"The Mayor will work with partners across the Wider South East (WSE) to address appropriate regional and sub-regional challenges"*³⁰

5.5 This complements the GLA Act requirement for the spatial development strategy to address matters of strategic importance to Greater London (GLA Act, VIII, S.334 (5)) and the Mayor's statutory Duties to Inform and Consult (GLA Act, VIII, S.335 'with adjoining counties and districts', S.339 'authorities outside London', S.348 'authorities in the vicinity of London').³¹

5.6 The WSE is made up of all local authorities in the South East and East regions, and therefore includes East Herts.

5.7 To add to this, the Secretary of State (SoS) wrote to the Mayor of London on 13 March 2020 identifying the unmet need issue and stating *"I would like you to commit to maximising delivery in London, including through taking proactive steps to surpass the housing requirement in your Plan. This must include producing and delivering a new strategy with authorities in the wider South East to offset unmet housing need in a joined-up way."*³²

5.8 The SoS followed this up with a further letter on 10 December 2020 in which he said *"You will recall that in my letter of 13th March I required you to commit to a range of*

³⁰ Policy SD2 Collaboration in the Wider South East, page 62, The London Plan, March 2021

³¹ Paragraph 2.2.6, page 63, The London Plan, March 2021

³² Letter from the Secretary of State to the Mayor of London, 13 March 2020

*activities to support future housing growth in London. I am pleased that the communication between our teams is ongoing and positive. I would like to see details of work on a strategy with the wider south east authorities”*³³ (our emphasis).

- 5.9 This emphasises the expectation of Central Government for local authorities to work in partnership with the Mayor of London in meeting unmet housing need from Greater London.
- 5.10 In this section of our report we set out the migration flows of different age groups from London to East Herts to provide an understanding of the pressure that migration places on housing need in the District.

Migration from Greater London to East Hertfordshire

- 5.11 The East Herts District Plan 2018 acknowledges the clear links between the District and Greater London. In this context East Herts is part of London Stansted Cambridge Corridor (LSCC) core area which seeks to capitalise on the strategic locations of the corridor in order to promote economic growth and prosperity.
- 5.12 The Plan states how *“Approximately the southern third of the District lies within the London Metropolitan Green Belt”*³⁴ and in terms of the LSCC how *“East Herts lies in the core area of the London Stansted Cambridge Corridor.”*³⁵
- 5.13 The links between Greater London and East Herts are therefore plain to see.
- 5.14 In this context Table 5.1 sets out the number of in-migrants from Greater London to the LSCC area (Broxbourne, East Herts, Epping Forest, Harlow and Uttlesford) in the three years prior to the 2021 Census.

³³ Letter from the Secretary of State to the Mayor of London, 10 December 2020

³⁴ Paragraph 2.2.3, page 14, East Herts District Plan 2018

³⁵ Paragraph 2.2.4, page 14, East Herts District Plan 2018

Table 5.1: In-migration to the LSCC area from Greater London, 2017/18-2019/2020

Year	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford	Total
2018	3,293	2,178	4,747	1,800	1,022	13,041
2019	3,569	2,656	4,917	1,822	1,184	14,147
2020	2,983	2,156	4,348	1,654	1,004	12,145
Total	9,845	6,990	14,011	5,276	3,210	39,334

5.15 Table 5.1 shows the total number of people which have moved from Greater London to the LSCC core area in the most recent three years for which data is available.

5.16 It shows how over 40,000 people have moved from Greater London to the LSCC core area in only the past three years.

5.17 From this overall figure nearly 7,000 have moved to East Herts District.

5.18 Further analysis set out in Table 5.2 shows that over two thirds (70%) of the total migration to the LSCC has been in the 0-17 and 25-44 age groups, those most closely related to first-time buyers with young families.

Table 5.2: In-migration of First-Time Buyers and Young Families to the LSCC area from Greater London, 2017/18-2019/2020

Year	Broxbourne	East Herts	Epping Forest	Harlow	Uttlesford	Total
2018	2,335	1,509	3,184	1,334	658	9,020
2019	2,567	1,899	3,333	1,361	782	9,943
2020	2,125	1,493	2,924	1,243	689	8,473
Total	7,027	4,901	9,441	3,937	2,129	27,436

5.19 In East Herts, 4,901 (70%) of the 6,990 migrants 2018-2020 have been in the three age groups shown above, indicating how East Hertfordshire District is an area sought after by young families and first time buyers (25-44 age group).

5.20 East Hertfordshire experienced the 38th, 26th, and 34th highest numbers of in-migrants nationally from Greater London in these categories in 2018, 2019, and 2020 respectively.

5.21 East Herts is clearly influenced by migration out of London, the majority of which is in the first-time buyers/young families' age groups. This will have created extra pressure on the housing market in East Herts, fuelling demand and driving up house prices.

5.22 East Herts District should be considering how this factor affects housing need in the District and how they can respond to the demand.

Summary

- 5.23 In summary, East Herts District Council has a responsibility to assist in addressing London's significant unmet housing need alongside the other local authorities of the Wider South East, and this should come into the consideration of unconstrained housing need.
- 5.24 The five local authorities of the LSCC area experienced significant in-migration from Greater London, amounting to approximately 40,000 people of all ages over the three year period prior to the Covid-19 pandemic (2018-2020).
- 5.25 The vast majority of in-migration is from the first-time buyers and young families age group, with these age groups making up approximately 70% of in-migration to East Herts and across the LSCC area. This is the age group which find it hardest to access the housing market due to spiralling affordability.
- 5.26 This significant in-migration from London has the potential to 'push' people out of East Herts District to other more affordable areas as affordability worsens.

6. ECONOMIC-LED HOUSING NEED

- 6.1 The 2023 National Planning Policy Framework (NPPF) includes a section titled ‘Building a strong, competitive economy’ which states the following in its introduction:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential”³⁶ (our emphasis).

- 6.2 In this context the NPPF moves on to state *“Planning policies should seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment”³⁷ (our emphasis).*
- 6.5 An unconstrained assessment of need to establish how many homes would be needed to support economic growth aspirations in East Herts District is therefore imperative.

East Herts District Council Evidence and the East of England Forecasting Model (EEFM)

- 6.6 The East Herts District Plan states how *“In addition to housing need, the Council has also worked with its neighbouring authorities in order to understand how many new jobs are likely to be created within the plan period. This work, which was undertaken to inform the SHMA, indicates that 10,800 new jobs will be created in East Herts between 2011 and 2033, equivalent to 491 jobs each year”³⁸ (our emphasis).*
- 6.7 The evidence for this level of job growth was set out in the ‘*Economic Evidence to Support the Development of the OAHN for West Essex and East Herts*’ report prepared for the Cooperation for Sustainable Development Board (the local authorities of East Herts, Epping Forest, Harlow, and Uttlesford) in September 2015.
- 6.8 Future job projections were obtained from the 2014 baseline projection of the East of England Forecasting Model (EEFM), which is now nearly ten years old.
- 6.9 The 2014 EEFM projected growth of 476 jobs per annum (jpa), 2011-2031 (2031 is the final year of the 2014 projection). This was considered by the 2015 economic report,

³⁶ Paragraph 85, page 24, National Planning Policy Framework, 2023

³⁷ Paragraph 86c, page 24, National Planning Policy Framework, 2023

³⁸ Paragraph 3.2.7, page 25, East Herts District Plan 2018

which also included an allowance for job growth associated with Stansted Airport expansion. With the addition of Stansted Airport, the report concluded the range for East Herts to be between 435 and 505 jpa.³⁹ A figure of 491 jobs per annum was subsequently taken forward by the District Plan.

- 6.10 The EEFM has now been discontinued by the East of England Local Government Association, however there were three subsequent projections published after the 2014 projection. These are reproduced in Table 6.1 below.

Table 6.1: Comparison of East of England Forecasting Model (EEFM) projections for East Herts District

EEFM Year	Total Employment (Jobs)		Total Change 2011-2033	Jobs Per Annum
	2011	2033		
2014	66,787	76,312*	9,525**	476**
2016	64,931	84,698	19,767	899
2017	65,319	78,751	13,431	611
2019	65,341	103,385	38,044	1,729

Source: Cambridge & Peterborough Insight

*This is the figure for 2031 as the 2014 EEFM only projects to 2031;

**2011-2031

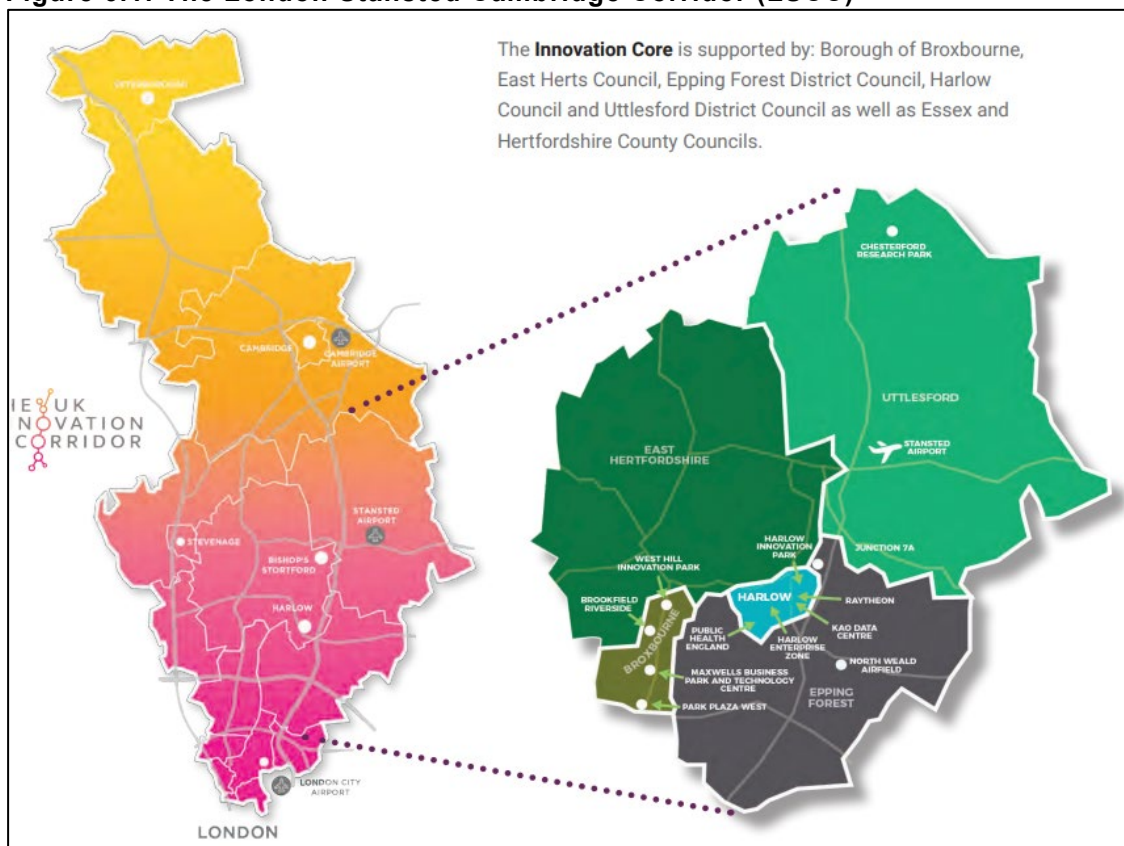
- 6.11 As Table 7.1 indicates, projected job growth in the 2014 EEFM was significantly lower than the subsequent EEFM projections published. This indicates that the Council's decision to underpin its housing need with only 491 jpa became outdated quickly.
- 6.12 In this context it is considered that new evidence is required to determine what the employment growth in East Herts District has been since the adoption of the District Plan and what it might be into the future.

London Stansted Cambridge Corridor (LSCC)

- 6.13 As the District Plan states, *"The Councils of Broxbourne, East Herts, Epping Forest, Harlow and Uttlesford form the LSCC Core Area which lies at the heart of the London Stansted Cambridge Corridor (LSCC). This corridor has, over the past decade or more, been the engine of UK growth with its world class industries and businesses"* ⁴⁰ (our emphasis). Figure 6.1 illustrates how East Herts sits at the heart of the corridor.

³⁹ Figure 5, page v, Economic Evidence to Support the Development of the OAHN for West Essex and East Herts, September 2015

⁴⁰ Paragraph 2.6.1, page 20, East Herts District Plan 2018

Figure 6.1: The London Stansted Cambridge Corridor (LSCC)

Source: Page 4, Innovation Core Prospectus, 2021

- 6.14 The District Plan goes on to state how the Corridor had grown “*at a rate almost double that of the UK average*” over the five years prior to the Plan, how the Corridor “*accounts for 24,700 jobs in the life sciences sector contributing 11% of all national employment*”, and that “*Transport links are excellent; with two major rail routes - the East Coast and West Anglia main lines - serving the Corridor. The A1 (M), A10 and M11 motorways link its towns and cities with the capital, while London Stansted Airport offers international connections*”⁴¹ (our emphasis).
- 6.15 In this context the District Plan is clear that East Herts District Council will support the ‘*Vision for the London Stansted Cambridge Corridor Core Area*’ up to 2050. This vision includes the delivery of housing that meets the needs of local people and supports sustainable economic growth.
- 6.16 The Corridor experienced 34% growth in skilled jobs between 2009 and 2019, higher than all comparator areas (M4 Corridor, Midlands Engine, Northern Powerhouse, O2C ARC, and Thames Estuary) and nearly 10% higher than the United Kingdom average (25.8%).⁴²

⁴¹ Paragraphs 2.6.2 to 2.6.5, page 20, East Herts District Plan 2018

⁴² Page 13, the UK Innovation Corridor: Global Scientific Superpower Delivering UK Economic Growth And Post-Pandemic Recovery, November 2020

- 6.17 Between 2012 and 2017 the Corridor experienced 18% employment growth, second only to the international comparator area of Shenzhen (22%) and well ahead of Greater Munich (9%) and Silicon Valley (3%).⁴³
- 6.18 Notwithstanding the COVID-19 pandemic, the 2021 Innovation Prospectus states how the 'Innovation Core' (East Herts alongside Uttlesford, Broxbourne, Harlow, and Epping Forest) will grow by 58,000 jobs by 2033.
- 6.19 If these 58,000 jobs are shared between the five authorities in the same way as was done in the District Plan's evidence base (i.e., share of job growth 2011-2033) then East Herts would need to support 12,266 jobs 2021-2033. This equates to approximately 1,000 jobs per annum, over double the job growth assumed in the District Plan (491 jobs per annum).

Stansted Airport Expansion

- 6.20 On 31st October 2023, the expansion plans for Stansted Airport were approved. The socio-economic benefits of the scheme weighed heavily in its favour, including an additional 5,000 jobs being created.
- 6.21 In the context of East Herts District's administrative area and the town of Bishops' Stortford being less than a mile from the airport, there will be a responsibility on East Herts to support a significant proportion of these jobs.

Summary

- 6.22 In the context of the evidence set out in this section of the report, it is imperative that a full unconstrained assessment of housing need is undertaken to determine the amount of homes needed to accommodate economic growth. The level of employment growth is considered to be much higher than the 491 jobs per annum supported by the Plan

⁴³ Page 12, the UK Innovation Corridor: Global Scientific Superpower Delivering UK Economic Growth And Post-Pandemic Recovery, November 2020

7. OLDER PERSONS ACCOMMODATION

The National Need for Older Persons Accommodation

- 7.1 The Planning Practice Guidance (PPG, 2019) summarises the critical need for specialist accommodation for older people as follows,

“The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking”⁴⁴ (Our emphasis).

- 7.2 In this context it is imperative that local planning authorities plan positively for the ageing population.
- 7.3 The January 2022 House of Lords report ‘Meeting housing demand’ has emphasised this, reporting evidence that *“By 2032, the number of people over 80 is estimated to rise to 5 million, up from 3.2 million presently”* and *“failure to meet this demand will put greater pressure on already overstretched resources, including adult social care and the NHS”* (our emphasis).⁴⁵
- 7.4 Furthermore, many older people simply do not want to move into stereotypical older person’s accommodation. As the House of Lords report highlighted, *“only 5% of over-65s live in specialist housing, while the vast majority of older people live in mainstream housing and 80% wish to remain in their own homes as they age”* (our emphasis). The House of Lords report goes on to state *“Older people are a diverse group with varying needs and require a range of mainstream housing options, and specialist homes only form a small part of the solution”* (our emphasis)⁴⁶
- 7.5 The House of Lords report also heard how many older people live in under-occupied properties. Some participants to the hearing sessions stated how *“a lack of retirement housing is one of the key factors contributing towards older people staying in large, unsuitable houses for longer instead of downsizing”* and that this *“can cause stagnation”*

⁴⁴ Paragraph: 001 Reference ID: 63-001-20190626

⁴⁵ Paragraph 78, page 38, Meeting Housing Demand, House of Lords, 10 January 2022

⁴⁶ Paragraph 80, page 38, Meeting Housing Demand, House of Lords, 10 January 2022

in the housing market, as it prevents younger buyers from trading up to larger houses, which in turn prevents first-time buyers from entering the housing market at all and can result in older people needing to spend more time in hospitals and care homes as their homes do not meet their needs” ⁴⁷

7.6 The House of Lords report concluded on the issue of ‘Homes for older people’ with the following two recommendations:

- **There will need to be a mix of more suitable, accessible ‘mainstream’ housing and specialist housing for the elderly if the housing market is to be sustainable in the coming years as the population ages. Older people’s housing choices are constrained by the options available** (our emphasis).
- **Little progress has been made on housing for the elderly. As demand changes as the population ages, a more focussed approach is needed. The Government must take a coordinated approach to the issue of later living housing, between departments and through the National Planning Policy Framework** (our emphasis).⁴⁸

7.7 In response to the conclusions of the House of Lords report, the Government published its response on 28 March 2022.

7.8 In response to paragraph 18 of Chapter one of the report which reads, “*The UK has an ageing population: one in four people in the UK will be over 65 by 2050. Changes in age demographics should be reflected in the types of new homes built, particularly as there will be an increase in older people living alone*” the Government have made several comments.

7.9 The Government have commented “*Ensuring older people can live in suitable homes tailored to their needs can help them to live healthier lives for longer, retain their independence and feel more connected to their communities. It can also help to reduce pressure on health and social care services*” ⁴⁹ (our emphasis).

7.10 To add to this the Government have stated, “*This Government is committed to supporting the growth of a thriving older peoples’ housing sector, one that builds enough homes to match growing need, gives certainty to developers and investors, and empowers consumers with choice from a diverse range of housing options*” ⁵⁰ (our emphasis).

7.11 The Government also realise how more needs to be done and state “*we realise that more needs to be done to meet the housing needs of our ageing population. That is why*

⁴⁷ Paragraph 84, page 40, Meeting Housing Demand, House of Lords, 10 January 2022

⁴⁸ Paragraphs 90-91, page 41, Meeting Housing Demand, House of Lords, 10 January 2022

⁴⁹ page 1, Her Majesty’s Government’s response to the House of Lords Built Environment Committee report on Meeting Housing Demand, 28 March 2022

⁵⁰ Ibid

we are launching a new taskforce on the issue of older people's housing this year, which will look at ways we can provide better choice, quality and security of housing for older people across the country”⁵¹ (our emphasis).

7.12 In response to the two recommendations we have listed above in paragraph 7.6, the Government commented as follows.

7.13 At the outset they state “*We are committed to further improving the diversity of housing options available to older people. Boosting a range of specialist housing across the country will be key to achieving this”⁵² (our emphasis).*

7.14 Prior to the above, in 2016 the third ‘*Housing our Ageing Population: Positive Ideas Making Retirement Living a Positive Choice*’ (HAPPI3)) report was published by the All-Party Parliamentary Group on Housing and Care for Older People. ‘HAPPI 3’ sets the current context for older person’s accommodation in the UK.

7.15 Quoting market research, HAPPI3 reported that 8 million people aged over 60, in 7 million homes (30% of total housing stock), were interested in downsizing. However, the stock of specialist accommodation for older people was estimated to be only 560,000 or 2.4% of total stock.⁵³

7.16 The limited availability of accommodation for older people in the UK, in an international context, is clearly illustrated by HAPPI 3, which reported “*1% of Britons in their 60s are living in tailor-made retirement properties, compared to 17% in the US, and 13% in Australia and New Zealand”⁵⁴ (our emphasis).*

7.17 In this context the ‘Elderly Accommodation Counsel’ (EAC) is acknowledged to be the most comprehensive and reliable source of older person’s accommodation stock numbers available. The EAC 2022 Quarter 1 database records about 760,000 units of accommodation within England. This includes the year of the original build, and the year of refurbishment (where refurbishment has occurred).

7.18 In terms of tenure, only 183,367 units (less than 25%) are listed as being available on the open market. Thus, it is reasonable to conclude, in the context of a prevalence of owner occupation (with no mortgage) amongst people of retirement age that older people

⁵¹ page 2, Her Majesty’s Government’s response to the House of Lords Built Environment Committee report on Meeting Housing Demand, 28 March 2022

⁵² page 7, Her Majesty’s Government’s response to the House of Lords Built Environment Committee report on Meeting Housing Demand, 28 March 2022

⁵³ Page 12, Housing our ageing population: Positive Ideas HAPPI 3 Making Retirement Living a Positive Choice, All party parliamentary group on housing and care for older people (June 2016)

⁵⁴ Ibid

wishing to purchase accommodation that meets their needs are especially underprovided for.

7.19 In this context HAPPI 3 reported as follows:

“Overall there has been a fall in older social rented retirement housing from 81% to 75% of the total, with a corresponding increase in new retirement housing and extra care housing for sale by private developers and social landlords. But since over 70% of those over pension age are owner-occupiers, and so many would wish to continue to own if they downsize, this does suggest that the range of retirement housing models available is still inappropriate as well as insufficient to meet demand.” ⁵⁵ (Our emphasis)

7.20 The above extract, which is attributed by HAPPI 3 to John Galvin, Chief Executive of EAC (Elderly Accommodation Counsel) brings us back to the two key beneficial outcomes of enabling the development of homes for older people. The first beneficial outcome is a positive and appropriate response to meeting identified need.

7.21 The second beneficial outcome is the impact on the wider housing market, specifically freeing up family homes. Research cited in HAPPI 3 estimates that two thirds of the country's current stock of retirement properties are occupied by people who have moved from homes with 3 or more bedrooms, proving the link between freeing up family homes and developing accommodation for older people and the clear benefits of encouraging far greater rates of development than the trend rate.

Older Persons Housing Need in East Herts District

7.22 Section 14.8 of the East Herts District Plan identifies the importance of providing accommodation for older and vulnerable people. The introduction to this section also identified one of the most important benefits of providing attractive accommodation for these groups in stating *“Offering attractive alternative housing choices for older people and vulnerable groups will assist in freeing-up family sized homes that are currently under-occupied”* (our emphasis). ⁵⁶

7.23 In this context Policy HOU6 of the Plan is clear that the Council will encourage the provision of specialist housing, across all tenures, for older and vulnerable people. The Policy provides a number of criteria which proposals for new housing for older and vulnerable people and in addition to the overall housing target found that a gross

⁵⁵ Page 13, Housing our ageing population: Positive Ideas HAPPI 3 Making Retirement Living a Positive Choice, All party parliamentary group on housing and care for older people (June 2016)

⁵⁶ Paragraph 14.8.1, page 190, East Herts District Plan 2018

increase of at least 530 bed-spaces to help meet the accommodation needs of those who need specialist (Use Class C2) residential or nursing care will be supported in the District's towns.

7.24 However, this position was underpinned by the 2015 SHMA which at the time of its publication only had access to 2011 Census data. Furthermore the most recent population projections available at the time were the Office for National Statistics (ONS) 2012-based.

7.25 In the intervening period there have been 2014, 2016, and 2018-based population projections, and the publication of a range of 2021 Census data which gives an updated position on how the older population has changed over the recent past.

7.26 The 2022-based Mid-Year Population Estimates (published on the 23rd November 2023) records the 65+ population as representing 18.7% of all residents in East Herts. This is higher than the average for Hertfordshire (17.3%).

7.27 Reference to the 2021 Census shows how in 2021 there were 23,818 residents aged 65 and over in East Herts District who were living in an under-occupied property. This means that 89% of those aged 65+ lived in an under-occupied property as of 2021.

7.28 This also represents an increase of 32% since the 2011 Census, when there were 18,101 residents aged 65+ living in under-occupied properties.

7.29 The position in Buntingford is more acute than across East Herts District, with 73.5% of all households being under-occupied in Buntingford ward compared with 70.6% across the District.

7.30 As the District Plan quite rightly states, *"Offering attractive alternative housing choices for older people and vulnerable groups will assist in freeing-up family sized homes that are currently under-occupied"* (our emphasis).⁵⁷

7.31 As the House of Lords heard in their hearings which informed the 'Meeting housing demand' report, *"a lack of retirement housing is one of the key factors contributing towards older people staying in large, unsuitable houses for longer instead of downsizing. This can cause stagnation in the housing market, as it prevents younger buyers from trading up to larger houses, which in turn prevents first-time buyers from entering the housing market at all and can result in older people needing to spend more time in hospitals and care homes as their homes do not meet their needs"* (our

⁵⁷ Paragraph 14.8.1, page 190, East Herts District Plan 2018

emphasis).⁵⁸

- 7.32 In addition there has been an increase in retirees in East Herts from 21,748 residents in 2011 to 26,176 in 2021 (20% increase in a decade). However it should be noted how the proportion of retirees recorded by the 2021 Census is higher in Buntingford ward (23.8%) than East Herts District (21.6%).
- 7.33 The 2021 Census also records 25 care homes in East Herts (with or without nursing) which is a decline from the figure recorded by the 2011 Census (28).
- 7.34 Overall the Elderly Accommodation Counsel (EAC) has recorded the delivery of 333 units of specialist elderly accommodation across East Herts since 2011. This includes the Royal Gardens (30 bungalows and 33 flats) development in Buntingford by McCarthy Stone built in 2018 and 2019.
- 7.35 The EAC records a further 154 flats (30 retirement housing and 120 Extra Care housing) are scheduled to be completed by 2026.

Summary

- 7.36 The most recent East Herts District Council evidence base document to consider older persons accommodation need was the 2015 SHMA. A revised assessment of need is therefore required to fully understand what the need for specialist accommodation for the elderly population is.
- 7.37 As we have set out in this section, there is a range of more recent demographic data available which will provide a more robust indication of the need for older person's accommodation in East Herts. This data illustrates how some of the indicators are more acute in Buntingford ward compared with the wider District.
- 7.38 The issue of under-occupancy is particularly acute in Buntingford and the wider District. Only the provision of suitable accommodation locally will assist in freeing up family sized accommodation for families with children.
- 7.39 A revised up-to-date assessment of older person's accommodation housing need is required to determine what the need is across a variety of tenures including Extra Care, Sheltered, Enhanced Sheltered, and other bespoke tenancies.

⁵⁸ Paragraph 84, page 40, Meeting Housing Demand, House of Lords, 10 January 2022

8. SUMMARY AND CONCLUSIONS

- 8.1 This report has considered the existing housing requirement for East Herts (839 dwellings per annum – dpa) adopted in the 2018 East Herts District Plan (EHDP), and whether unconstrained housing need (as required by Planning Practice Guidance) is now higher.
- 8.2 The EHDP is now over five years old. This means that in accordance with paragraph 33 of the 2023 NPPF a review of the Local Plan should have been completed by now. This is particularly key where housing need has changed significantly in an area.
- 8.3 In East Herts the Government's calculation of minimum housing need (1,041 dpa) is 24% higher than the adopted housing requirement and represents a significant increase from the 839 dpa figure on which the EHDP was adopted.
- 8.4 However 1,041 dpa represents minimum housing need and Planning Practice Guidance (PPG) requires an unconstrained assessment of housing need to be undertaken.
- 8.5 This report has highlighted a number of reasons why a truly unconstrained assessment of housing need for East Herts has the potential to result in housing need which is higher than 1,041 dpa.
- 8.6 Affordable housing delivery has not aligned with the need determined in the Council's evidence base, meaning that net affordable delivery since 2016 has only been between 60% and 64% of need (the Council's assessment of need runs from 2016).
- 8.7 Net affordable completions account for 18.7%-19.9% of all delivery since 2016/17. If this rate of delivery were to continue over the remainder of the Plan period, overall housing need would be between 1,779 and 1,893 dpa to deliver affordable need of 315 affordable dpa in full.
- 8.8 In line with PPG, EHDC should seek to increase its housing requirement to meet as much affordable need as possible.
- 8.9 The number of households on the Council's housing register as of 2022 was 2,226. This is the highest number of households recorded annually since 2016 and illustrates how affordable housing delivery is not addressing the need.
- 8.10 Affordability pressures are acute across East Herts District. As of 2022 a lower quartile priced house cost 12.17 times a lower quartile salary, and a median priced house cost 10.92 times a median salary as of 2023. This means purchasing a home is far beyond the reach of most residents.

- 8.11 House prices across East Herts District have increased by 80% since 2011/12 which far exceeds neighbouring Uttlesford.
- 8.12 More locally, our analysis shows the Buntingford area had a median ratio of over 10.0 in 2018 which was significantly higher than many other areas within East Herts.
- 8.13 Furthermore lower quartile and median house prices in Buntingford are higher in 2023 than the Hertfordshire, East of England, and England averages.
- 8.14 This indicates how these District-wide affordability issues are more acute in Buntingford.
- 8.15 London's unmet need is significant and has an impact on the whole country. However local authorities such as East Herts experience significant pressure due to their proximity to London.
- 8.16 Our analysis shows how a significant number of people (nearly 7,000 in the three years to 2020), predominantly in the young families and first time buyers age group (broadly 25-44 years of age, nearly 5,000 people) migrate out of London to East Herts.
- 8.17 This places greater pressure on the need for housing, worsening affordability constraints.
- 8.18 Economic growth and housing delivery should be aligned. The NPPF is clear that a lack of housing should not create a barrier to investment.
- 8.19 The Adopted EHDP was underpinned by an assumption of job growth equating to 491 jobs per annum (jpa). This was based on the 2014 East of England Forecasting Model (EEFM).
- 8.20 Subsequent iterations of the EEFM (2016, 2018, and 2019) showed future growth of between 611 and 1,729 jpa. The EEFM is no longer produced but the 2021 Innovation Prospectus was published post-COVID 19 and states how the 'Innovation Core' (East Herts alongside Uttlesford, Broxbourne, Harlow, and Epping Forest) of the London Stansted Cambridge Corridor (LSCC) will grow by 58,000 jobs by 2033.
- 8.21 If these 58,000 jobs are shared between the five authorities in the same way as was done in the District Plan's evidence base (i.e., share of job growth 2011-2033) then East Herts would need to support 12,266 jobs 2021-2033. This equates to approximately 1,000 jobs per annum, over double the job growth assumed in the District Plan (491 jobs per annum).
- 8.22 This evidence indicates that the assessment of economic-led housing need requires an update to determine what level of labour force growth could be supported by the standard method minimum of 1,041 dpa. Updated employment growth forecasts would

need to be obtained to ensure a robust assessment.

- 8.23 The need for older person's accommodation is a national issue as the population ages. The 2022-based Mid-Year Population Estimates (published on the 23rd November 2023) records the 65+ population as representing 18.7% of all residents in East Herts. This is higher than the average for Hertfordshire (17.3%).
- 8.24 As of the 2021 Census 89% of those aged 65+ lived in an under-occupied property in East Herts District, taking up much of the family sized housing stock. This is a 32% increase since the 2011 Census.
- 8.25 The position in Buntingford is more acute than across East Herts District, with 73.5% of all households being under-occupied in Buntingford ward compared with 70.6% across the District. Furthermore the proportion of retirees recorded by the 2021 Census is higher in Buntingford ward (23.8%) than East Herts District (21.6%).
- 8.26 Only the provision of suitable accommodation locally will assist in freeing up family sized accommodation for families with children.

Overall conclusions and way forward

- 8.27 In conclusion it is clear that a revised assessment of unconstrained housing need should be undertaken by EHDC.
- 8.28 The report prepared here by Marrons shows how the starting point estimate of need (1,041 dpa) is 24% higher than the Objectively Assessed Housing Need which underpinned the Adopted EHDP (839 dpa).
- 8.29 Furthermore our analysis indicates that unconstrained housing need exceeds the standard method minimum because of issues such as affordable housing need, affordability, unmet need from Greater London, economic growth, and older persons need.
- 8.30 Furthermore, affordability and older persons need issues are even more acute in Buntingford than across the wider District.