
Land adjoining The Gables, Kelvedon Road, Tiptree, CO5 0LU

Housing Need, Requirement and Supply

Proof of Evidence of Mr Sam Hollingworth MRTPI

PINS Reference:
APP/A1530/W/21/3278575

Colchester Borough Council Application Reference:
190647

Contents

| | | |
|----|---------------------------------------|-----------|
| 1. | Experience | 2 |
| 2. | Summary | 3 |
| 3. | Policy Background | 4 |
| 4. | Housing Needs and Requirements | 9 |
| 5. | Affordable Housing | 17 |
| 6. | Overview and Conclusion | 21 |

Proof of Evidence of Sam Hollingworth

APP/A1530/W/21/3278575



ENDORSEMENT

The evidence which I have prepared and provide for appeal APP/A1530/W/21/3278575 in this proof of evidence is true and has been prepared and is given in accordance with the guidance of my professional institution; the Royal Town Planning Institute. I confirm that the opinions expressed are my true and professional opinions.

1. Experience

- 1.1 My name is Sam Hollingworth and I am an Associate Director at Savills, an organisation specialising in land, development and planning.
- 1.2 I hold a Masters Degree in Town Planning and I am a Member of the Royal Town Planning Institute. I have over 18 years planning experience, holding senior positions in both local government and private practice.
- 1.3 My experience includes over seven years as the Planning Policy Team Leader at Rochford District Council (2007 – 2015), during which time I was responsible for the preparation of the Local Planning Authority's Local Plans; supporting evidence base; and monitoring reports.
- 1.4 This included preparation of the Council's reports on its five-year housing land supply position and involvement in the preparation of housing needs assessment work. During my time as Planning Policy Team Leader, my team successfully took six Local Plans from inception, through the examination process, and to adoption. Local Plans included the Rochford Core Strategy (2011) and Allocations Plan (2014), in which housing land supply was a key issue in the case of both. My role including interpreting the findings of demographic analysis and assessment of housing need, and applying these to the plan-making process. As Planning Policy Team Leader at Rochford District Council I was part of the Thames Gateway South Essex Growth Partnership steering group that oversaw the preparation of the South Essex Strategic Housing Market Assessment (SHMA). During my time at Rochford District Council I gave evidence at Section 78 appeal inquiries on the Council's five-year housing land supply position; and evidence on housing need and supply at Local Plan examinations.

2. Summary

2.1. My proof of evidence deals with the housing land supply position in respect of Colchester Borough Council. It addresses housing need, requirement and housing land supply position in the Borough. In addition, it also considers the affordable housing land supply position, specifically, both at the Borough level and more locally around Tiptree.

2.2. My evidence will demonstrate the following:

- Whilst Colchester Borough is able to demonstrate a five-year housing land supply calculated in accordance with the NPPF, this is in relation to a housing requirement which:
 - Is based on a calculation of objectively assessed need made in accordance with the NPPF 2012 and its accompanying guidance, i.e. in the context of very different national policy to that which now exists;
 - Does not incorporate any uplift to account for market signals; and is based on a six-year old study, the data which informed it is older still; and
 - Is significantly lower than the current local housing need for the Borough, when calculated in accordance with current national policy.
- Current market signals suggests that a market signal uplift would be required, irrespective of the Standard Method, if one were to seek to determine objectively assessed housing needs in the manner advocated by the NPPF 2012 and its accompanying guidance today.
- The provision of affordable housing in Colchester Borough since 2013 has fallen significantly short of meeting identified needs, with cumulative shortfall 2013-2021 resulting in an unmet affordable housing need totally 1,115 dwellings during this period.
- There is evidence of localised affordable housing need within Tiptree itself.

3. Policy Background

National Policy

- 3.1. Current national policy (as per the National Planning Policy Framework (NPPF)) places great emphasis on the provision of housing, noting that it is a Government objective to significant boost the supply of housing, and the importance of planning's role in meeting this.¹
- 3.2. The NPPF emphasises the need to ensure sufficient land can come forward to provide homes where they are needed, and the needs of groups with specific housing requirements are addressed. It states that groups with specific housing needs include, but are not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes².
- 3.3. To determine the *minimum* number of new homes required, the NPPF³ requires strategic policies to be informed by a local housing needs assessment undertaken in accordance with the Standard Method, set out within the Planning Practice Guidance (PPG). The NPPF acknowledges that there may be exceptional circumstances in which a departure from the Standard Method is justified, but clarifies this is only in the context of preparing strategic policies.
- 3.4. The NPPF emphasises the need to update Local Plans where there is evidence of a greater housing need, instructing Local Authorities to update Local Plans at least once every five years, and sooner if the local housing needs figure has changed significantly⁴.

¹ NPPF Paragraph 60

² NPPF Paragraph 62

³ NPPF Paragraph 61

⁴ NPPF Paragraph 33

- 3.5. Separately, the NPPF⁵ explains that LPAs should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old. The five-year supply of deliverable sites (as defined by the NPPF⁶) when assessed against five years' worth of housing requirement calculated in this manner (including an appropriate buffer) gives the five-year housing land supply position for an LPA, relevant as to whether paragraph 11(d) of the NPPF and the 'tilted balance' in favour of application for housing is engaged on the ground of the housing land supply position or not.
- 3.6. Case law (see *Canterbury CC v SSHCLG* [2019] EWHC 1211 (Admin), *Croddall Parish Council* [2019] EWHC 1211 (Admin) (CD14.5)) confirms that the NPPF policy objective of significantly boosting the supply of homes does not cease to apply simply because a Local Authority is able to demonstrate a five-year housing land supply.
- 3.7. The NPPF's current approach to considering housing needs and requirements is very different to that set out in the 2012 NPPF.
- 3.8. The 2012 NPPF required local authorities to "*meet the full, objectively assessed needs for market and affordable housing in the housing market area*"⁷, and introduced the concept of 'objectively assessed needs' (OAN). Instead, the NPPF 2012 required LPAs to prepare Strategic Housing Market Assessments (SHMAs), working with neighbouring authorities cross administrative boundaries, to determine housing needs. Planning Practice Guidance (PPG) which accompanied the NPPF 2012 provided a suggested methodology, which urged use of official projections as a starting point. This guidance went on to suggest that LPAs could consider local circumstances that might have impacted on the official projections, and which thus may justify local changes. The guidance suggested the initial starting point should be adjusted to account for market signals, but without specifying how this should be quantified.
- 3.9. The thrust of the NPPF 2012 and its accompanying guidance very much about seeking to identify a demographically 'correct' housing needs figure. This was despite the guidance acknowledging that the process of establishing housing needs was "*not an exact science*"⁸; and that the application of uplifts based on market signals was a very subjective exercise, with different LPAs reaching different conclusions in response to similar data.

⁵ NPPF Paragraph 74

⁶ NPPF Glossary

⁷ 2012 NPPF Paragraph

⁸ PPG Paragraph: 014 Reference ID: 2a-014-20140306

- 3.10. The 2018 NPPF introduced a fundamentally different approach. Rather than directing LPAs to seek to identify a demographically ‘correct’ housing needs figure, the NPPF 2018, and the introduction of the Standard Method for calculating Local Housing Need (LHN), represented a shift towards the calculation of local housing needs as a policy-driven response to the national housing crisis, aimed at boosting housing land supply, and providing consistency and certainty.
- 3.11. Such an interpretation is evident through both current PPG as well as the Government’s response to the consultation on the proposed methodology for calculating local housing need.
- 3.12. For example, the PPG mandates that the 2014-based subnational household projections (SNHP) should be utilised in the baseline calculation of local housing need, despite these having been preceded by two sets of more recent projections since (the 2016 and 2018-based projections). In explaining this approach, it states:
- “The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be **consistent with the Government’s objective of significantly boosting the supply of homes**”⁹ (Emphasis added).*
- 3.13. S78 appeal decisions have also helped confirmed the relevance of the rationale behind the Standard Method. The Inspector in respect of Appeal Decision APP/P1560/W/18/3194826 (CD14.3)¹⁰, responding to the Council’s assertion that specific, local circumstances justified departure from using the Standard Method and use of a figure identified through a NPPF 2012-compliant assessment of its housing requirement instead, the Inspector concluded:
- “I prefer the appellant’s case that there has been a move towards a policy-driven approach aimed at maintaining higher levels of housing delivery.”*
- 3.14. The NPPF 2018 and Standard Method also introduced a consistent approach as to how to apply an uplift to account for market signals – one that remains in place today, i.e. provision of an adjustment using the most recent ONS median workplace-based affordability ratios.
- 3.15. The PPG explains that the local housing need calculated in accordance with the Standard Method does not generate a housing requirement for the purposes of planning, but rather provides a minimum, starting point. It notes there may be factors that necessitate a housing requirement greater than the local housing need.

⁹ PPG Paragraph: 005 Reference ID: 2a-005-20190220

¹⁰ Lifehouse Spa and Hotel, Frinton Road, Thorpe-le-Soken. Decision date: 11 June 2019 (CD14.3)

Development Plan

- 3.16. The North Essex Authorities' Shared Strategic Section 1 Plan (LPS1) provides strategic policies pertaining to housing requirements for Colchester Borough, and was adopted February 2021.
- 3.17. As Colchester Borough Council's strategic policies setting out housing requirements are not more than five years old. Therefore, as per the NPPF, it is appropriate to utilise them for the purposes of determining whether the Council is able to demonstrate a five-year housing land supply consistent with the NPPF, and whether the 'tilted balance' is engaged, as per NPPF paragraph 11(d).
- 3.18. Notwithstanding LPS1's relatively recent adoption, it was examined in relation to the 2012 NPPF under the NPPF's transitional arrangements, as it was submitted prior to 24 January 2019. Indeed, the LPS2 (along with Section 2) was submitted back in October 2017. As a Local Plan that adopted a year ago, but with policies formulated some five years ago, examined under the 2012 NPPF, the LPS1 is something of an anomaly.
- 3.19. The relevant strategic policy is Policy SP4 (Meeting Housing Needs). This sets a housing requirement of 920 dwellings per annum (dpa) for the Borough; and sets a minimum housing requirement for the period 2013 – 2033 of 18,400 dwellings.
- 3.20. It states that these figures will be used for the purposes of assessing the LPA's five-year housing land supply, subject to any adjustments to account for undersupply since 2013.
- 3.21. Policy SP4 also states "*The authorities will review their housing requirements regularly in accordance with national policy requirements, and in doing so will have regard to the housing needs of the wider area*"
- 3.22. The LPS1 provides strategic policies for Braintree, Colchester and Tendring. These three administrative areas, together with Chelmsford, form an identified housing market area.
- 3.23. The LPS1, and Policy SP4 in particular, was informed by an assessment of objectively assessed needs for the housing market area. The annual housing requirement set out for Colchester was predicated on the Braintree, Chelmsford, Colchester, Tendring Objectively Assessed Housing Need Study (November 2016 update). This study sought to identify the objective assessed housing needs of the four administrative areas, in accordance with the 2012 NPPF.
- 3.24. The LPS1 – including the minimum housing requirements set by Policy SP4 – was found sound in December 2020. In doing so, and in discussions of the housing requirement, the Examination Inspector expressly confirmed that:

“By virtue of the transitional arrangement set out in paragraph 214 of the 2019 NPPF, the guidance on determining housing need in the 2019 NPPF does not apply to the Plan: instead the relevant guidance is contained in the 2012 NPPF and the corresponding PPG on Housing and economic needs assessment”.

- 3.25. In short, the Examination Inspector confirmed that he had to disregard what, at that time, was latest national policy in determining whether the LPS1’s proposed housing requirement could be considered soundly based.
- 3.26. The Examination Inspector noted that the calculation of Colchester’s housing requirement encompassed a 6% uplift to the demographic starting point to account for expected employment growth. The Examination Inspector also noted *“there may be some evidence of worsening affordability and suppressed household formation in Colchester”* but suggested the 6% uplift to the demographic starting point would provide compensation for this.

4. Housing Needs and Requirements

Calculation of the LPS1 housing requirement for Colchester

4.1. Having regard to the fact that:

- a) the policy objective to significantly boost housing land supply does not cease to apply simply because an NPPF-compliant five-year housing land supply can be demonstrated; and
- b) the housing requirement against which Colchester's five-year housing land supply is calculated was not formulated in accordance with current national policy, and instead was based on an outdated approach to assessing housing needs;

It is relevant to consider the calculation of the housing requirement for the purposes of the LPS1, and its relevance in demonstrating the extent of actual housing needs in the Borough.

4.2. The principle evidence base document on which the Section 1 Local Plan proposed housing requirements are predicated is the OAHNS (2016). As discussed, this sought to determine the objectively assessed housing requirements for the four LPAs within the housing market area, based on the 2012 NPPF and accompanying guidance.

4.3. As discussed, under the 2012 NPPF and its guidance, assessment of housing needs entailed consideration of a plethora of data.

4.4. The Sources of data used in the OAHNS 2016 and the age of such data, included the following:

- 2014-based subnational household projections (published 2016).
- 2015 affordability ratios (latest data cited in figures in Section 5 of the OAHNS 2016).
- EEFM 2016.
- Experian Forecasts September 2016.
- 2016 Q1 mean house prices (e.g. Table 5.2 of the report).
- CLG Table 581 – mean house prices based on Land Registry data 2002-2012
- ONS House Price Statistics for Small Areas – up until first quarter of 2016.

- Average monthly market rents – May 2016 (VOA Private Market Rent Statistics).
 - Overcrowding and concealed households – Census 2011.
 - Housing completion data up to 2014/15 (e.g. Figure 5.1 of the OAHNS 2016)
- 4.5. Data used to determine the LPS1 housing requirements include that which is now over 11 years old, and even the most recent data is 6 years old.
- 4.6. Utilising the data it had available to it at the time, the OAHNS 2016 identified a demographic starting point of 866dpa in the assessment of Colchester’s housing need.
- 4.7. The OAHNS 2016 went on to conclude “*There is no justification for applying a market signals uplift to the demographic projection*” (paragraph 5.68)
- 4.8. In justifying this conclusion, the OAHNS 2016 stated:
- “For Colchester the housing affordability ratio is **slightly above** the national average, but house prices and private rents are **well below** national averages, and housing delivery was less effected by the recession compared to the other HMA authorities, and completions exceed Plan targets. There is no strong evidence of a need for a market signal uplift here”.* (Emphasis added).
- 4.9. As the Examination Inspector noted in his Report on the Examination of the LPS1, the 6% uplift to Colchester’s demographic starting point, resulting in an objectively assessed need of 920dpa, was applied due to expected employment growth¹¹.
- 4.10. An obvious question arises from the above: is the OAHNS 2016’s justification for applying zero uplift to the demographic starting point to account for market signals uplift still valid when considered in relation to more up-to-date data? To clarify, this does not entail revisiting the housing requirement set out in the Development Plan. Rather, it is a case of considering whether there are factors that have emerged since that should be afforded weight when considering the extent of housing supply against needs.
- 4.11. The various market signals available at the time of the OAHNS 2016, together with more recent data, are considered below.

¹¹ Paragraph 51, Report on the Examination of the North Essex Authorities’ Shared Strategic Section 1 Plan, 10 December 2020

Affordability

- 4.12. The most recent affordability ratio data utilised in the OAHNS (2016) was for 2015. ONS data shows a significant worsening of affordability since, with the ratio of median house price to media gross annual workplace-based earnings having increased dramatically within the NEAs since 2015.
- 4.13. The table below set out the change median house price to median workplace-based earnings for the four authorities the housing market area, as well as the national average for context, for 2015 (the latest data available to the OAHNS 2016) and in 2020 (the latest data now available).

| Area | Affordability ratio (median house price to median workplace-based earnings) | | |
|--------------|---|-------|----------|
| | 2015 | 2020 | % change |
| Colchester | 8.36 | 9.45 | +13.0% |
| England | 7.11 | 7.15 | +0.6% |
| % difference | 17.6% | 32.2% | |

- 4.14. As can be seen from the above, the affordability ratio for Colchester was 17.6% worse than the national average in 2015. However, it is risen significantly more than that for England and Wales – whilst the latest affordability ratio at the national level is only a fraction (0.6%) above that in 2015, in Colchester it increased by 13%. It is now 32% worse than the national average.
- 4.15. Factors in respect of housing affordability that were used to justify a zero market signals uplift to Colchester in the OAHNS 2016 no longer apply.

House prices

- 4.16. The OAHNS 2016 referred to Colchester’s house prices being ‘well below’ the national average. In Q1 2016, the mean house price in Colchester was 14.3% lower than the national average for England. However, the gap between the national average and Colchester’s has substantially reduced since that time, and latest data available (Q2 2021) suggests a difference between the means of just 5.9%. The mean house price in England has increased 25%, whilst Colchester’s has increased by 35% in this five-year period.

| Area | Mean house price (£) ¹² | | |
|--------------|------------------------------------|----------|----------|
| | Q1 2016 | Q2 2021 | % change |
| Colchester | £247,200 | £334,507 | +35.3% |
| England | £282,679 | £354,199 | +25.3% |
| % difference | -14.3% | -5.9% | |

4.17. Separately, the mean is only one way of measuring the average. One of the disadvantages of the mean in determining what might be a ‘typical’ value, is that it has the potential to be distorted by the presence of either abnormally high or abnormally low values. As an alternative, using the median average has the advantage of reducing the impact of extreme outliers within the data set.

4.18. In respect of house prices, it is notable that the median house price in England in Q2 2021 was £280,000 – significantly less than the mean of £354,199. This suggests that there are extremely outliers at the higher end of the spectrum of prices, which are not balanced out by extreme low values. This is not at all counterintuitive when one considers the housing market in England – there are a significant number of multi-million pound homes, costing vastly more than the average person would expect to pay for a home, but no equivalent extremes at the other end of the spectrum (it is not possible – an equivalent deviation from the mean average towards the lower end of the spectrum would result in negative values).

4.19. A comparison between the median average house prices for Colchester and England, for Q1 2016 and Q2 2021, is set out below. As this shows, data available at the time of the OAHNS 2016 showed the median average was only just above the national average. However, it has increased at a greater rate than the national average and by Q2 2021 Colchester’s median house price was 7.1% greater than the national median.

| Area | Median house price ¹³ | | |
|--------------|----------------------------------|----------|----------|
| | Q1 2016 | Q2 2021 | % change |
| Colchester | £220,000 | £300,000 | +36.4% |
| England | £215,000 | £280,000 | +30.2% |
| % difference | +2.3% | +7.1% | |

¹² ONS House price statistics for small areas in England and Wales. Released 23 February 2022

¹³ ONS Median house prices for administrative geographies: HPSSA dataset 9. Released 1 February 2022

- 4.20. However one compares the average house prices in Colchester with the national average, it is clear that the former's can no longer be considered 'well below' the latter.
- 4.21. Factors in respect of house prices that were used to justify a zero market signals uplift to Colchester in the OAHNS 2016 no longer apply.

Private rental costs

- 4.22. In respect of the private rental market, the OAHNS 2016 was able to draw upon data for May 2016 (as set out within Table 5.2 of the study).
- 4.23. The OAHNS 2016 appeared to consider the mean average as the averages.
- 4.24. VOA private rental market statistics are no longer updated, and the last update was 2019.
- 4.25. However, ONS does publish private rental market statistics.
- 4.26. A comparison of the mean averages for England and Colchester, for 2015/16¹⁴ and 2020/21¹⁵ is provided in the table below.

| Area | Mean private rental costs | | |
|--------------|---------------------------|---------|----------|
| | 2015/16 | 2020/21 | % change |
| Colchester | 728 | 884 | 21.4% |
| England | 820 | 898 | 9.5% |
| % difference | -13.9% | -1.6% | |

- 4.27. As the above table demonstrates, whilst the mean private rental cost for Colchester was 13.9% less than the national average in 2015/16, by 2020/21 it was only fractionally less, having increased drastically (by 21.4%) in the years between. It cannot be said to be 'well below' the national average any longer.
- 4.28. As with house prices, there is a risk of the mean average being distorted by the presence of either abnormally high or abnormally low values. The table below compares Colchester's rental costs with the national average using the median average.

¹⁴ VOA: private rental market statistics

¹⁵ ONS Private rental market summary statistics in England. Released 15 December 2021

| Area | Median private rental costs | | |
|--------------|-----------------------------|---------|----------|
| | 2015/16 | 2020/21 | % change |
| Colchester | 680 | 825 | 21.3% |
| England | 650 | 755 | 16.2% |
| % difference | +4.6% | +9.3% | |

4.29. The median average rental costs in Colchester were above the national average in 2015/16, and the degree to which they are greater than the national average substantial increased between 2015/16 and 2020/21.

4.30. Factors in respect of private rental cost that were used to justify a zero market signals uplift to Colchester in the OAHNS 2016 no longer apply.

Housing delivery

4.31. Between 2001 and 2021, completions in Colchester have averaged 938dpa – more than the 920dpa minimum requirement set by the LPS1.

4.32. Since the start of the plan period (2013) completions in Colchester have averaged 976dpa; and since the latest housing completions available to the OAHNS (2014/15) have averaged 1,023dpa – well above the minimum target.

4.33. Despite consistently delivery housing above the requirement set by the LPS1, affordability has not improved in the Borough. On the contrary, as noted above, affordability has worsened. This gives rise to significant doubts as to whether the housing requirement set by the LPS1 is meeting actual needs.

4.34. The delivery record in Colchester in recent year has enabled a ‘real world’ testing of the housing requirement set by the LPS1 to see if it will improve affordability, and it is manifestly the case that it is failing to do so.

Quantifying market signals uplift

4.35. The 2012 NPPF and PPG available to the OAHNS 2016 provided limited guidance on how to determine the extent of any uplift, simply suggesting that the stronger the indicators of demand and larger the improvement in affordability need, the greater the uplift should be; and that the adjustment should be set at a level that is ‘reasonable’.

- 4.36. The guidance did not suggest how this could be quantified. As such, the issue of degree to which an uplift should have been applied was effectively left to a matter of professional judgement, and benchmarking against approaches found to be acceptable elsewhere.
- 4.37. The OAHNS 2016 notes the case of the Canterbury Local Plan, examined under the NPPF 2012, in which a 30% uplift was considered by the Inspector to be necessary (though the OAHNS 2016 states it was not entirely clear what proportion of the uplift was due solely to market signals).
- 4.38. The OAHNS 2016 reports the market signals that justified an uplift of 30% included:
- Median house prices 12% above the national average;
 - House price growth some 20 percentage points above the national average;
 - Affordability ratio consistently above the national benchmark - 9 against 6.5 for England.
- 4.39. There are similarities between market signals that justified a market signals uplift of 30% in Canterbury then with the market signals in relation to Colchester now.
- 4.40. Again, to reiterate, it is of course not possible to change the housing requirement established through the LPS1 at this juncture. However, the above factors are material in considering the weight to be applied to any measurement of housing supply against such a requirement.

Summary

- 4.41. The basis of the conclusion in the OAHNS 2016 that no market signals uplift should be applied to Colchester's demographic starting point to arrive at a housing requirement no longer apply.
- 4.42. The affordability ratio is no longer only 'slightly' above the national average – it has worsened at a substantially greater rate than the national average.
- 4.43. House prices and rents are no longer "*well below*" national averages. On the contrary, depending on how average is considered, they are now above average.
- 4.44. Whilst housing delivery has been consistently strong against the LPS1's housing requirements for a number of years, affordability has continued to worsen and market signals continue to suggest a lack of supply. This give rise to significant concerns to how effective the adopted housing requirement is in meeting actual needs.

Standard method

- 4.45. Current local housing need calculated using the Standard Method as per the NPPF and its accompanying guidance suggests a minimum housing requirement for Colchester of 1,061dpa
- 4.46. As noted earlier, the NPPF's calculation approach to calculating housing requirement represents a policy-driven approach aimed to ensure consistency and help significantly boost housing land supply.
- 4.47. The Standard Method also has the benefit of providing a specific and consistent approach as to how to address market signals, removing the significant degree of subjectivity and uncertainty that was endemic in the 2012 NPPF approach.
- 4.48. It is notable that the Standard Method generates a minimum housing requirement that is 141dpa greater than that set by the LPS1. This difference is significant. Over the remaining LPS1 plan period (i.e. 2022-2033) this amounts to a minimum housing requirement that is 1,551 more homes greater than that set by the LPS1.
- 4.49. If the five-year housing land supply were to be measured against the figure derived from the Standard Method (i.e. a requirement of 5,570 dwellings) the Council would only have a 4.98-year housing land supply.
- 4.50. For the purposes of determining whether or not the Council is able to demonstrate a five-year housing land supply and the titled balance is engaged, it is *not* required in this instance to consider the requirement against the figure generated by the Standard Method. However, this does not mean that the housing land supply when considered against such a requirement is not a material consideration in determining specific proposals.
- 4.51. On the contrary, having regard to the changing market signals position since the OAHNS 2016, the continued worsening of affordability in the Borough despite adopted targets being met, and the fact that the adopted housing requirement is significantly below that the Standard Method suggests should be the minimum, the housing land supply position against the Standard Method requirement is considered very relevant to this Appeal.

5. Affordable Housing

- 5.1. As noted earlier, the NPPF requires plan-makers to consider the differing needs of various members of the community. This includes affordable housing needs.
- 5.2. The OAHNS 2016 calculated an affordable housing need of 267dpa. This represents the most up-to-date calculation of affordable housing needs available to the Council.
- 5.3. Given worsening affordability since the requirement of 267dpa was identified, the need for affordable housing is unlikely to have reduced. On the contrary, it is more likely to have increased. Indeed, as discussed further later within this section, the numbers on the Council's Housing Register are described as "*ever growing*" by Colchester Borough Homes, who manage the Council's social housing.
- 5.4. Between 2013 and 2021, 48% of the Borough's affordable housing needs were met, resulting in a total shortfall over this period of 1,115 affordable homes.
- 5.5. In order for affordable housing need to be met in full over the period 2021-2026, including addressing this shortfall in full, it would be necessary to deliver a total of 2,450 affordable homes.
- 5.6. Disconcertingly, the Council's published trajectory does not indicate how much of the purported five-year supply comprises affordable homes.
- 5.7. However, 2,450 affordable homes would represent 44% of the Borough's total projected housing supply. Since the start of the plan period, the proportion of homes provided as affordable has averaged 13.1%. If delivery 2021-2026 were to continue at this rate, one could expect provision of 726 affordable homes over this period. This falls substantially short of the identified need, even before one accounts for any shortfall.
- 5.8. Policy DM8 of the emerging Local Plan Section 2 proposes to require 30% affordable housing provision on sites comprising 10 or more dwellings. In the event that the entirety of the reported five-year supply were to come forward on sites comprising 10 dwellings more, providing 30% affordable housing (an improbable scenario) this would still only deliver 1,664 dwellings.
- 5.9. It should also be recognised that there is no certainty that all of the sites identified in the five-year trajectory will deliver in full as projected. The NPPF does not require certainty of delivery in order for sites to be considered deliverable, and sites may be included on the basis there is a reasonable prospect they will be delivered in five years.

- 5.10. Across the plan period as a whole (2013-2033), the identified affordable housing need totals 5,340 dwellings. For the remainder of the plan period for which completion figures are not available (2021-2033), and accounting for shortfall 2012-2021 this equates to a need of 4,319 affordable homes, or 360dpa. Even if all homes in the remaining plan period were to be delivered through sites comprising 10 or more dwellings, and which were viable to provide 30% affordable housing in full, it would be necessary to deliver 1,200dpa in total to engender delivery of 360 affordable homes per annum.
- 5.11. If the delivery of affordable homes were to continue at the average rate of 13.1% of total housing deliver, as per recent years, it would be necessary to deliver a total of 32,969 dwellings over the next 11 years in order to facilitate delivery of sufficient affordable homes. This equates to c.3,000dpa and such a delivery rate is manifestly unachievable in the Borough.
- 5.12. There is evidently is an acute need for affordable homes in the Borough that is going unmet, and which is likely to continue going unmet. This position should also be seen in the context of worsening affordability since affordable housing needs were calculated.
- 5.13. The OAHNS 2016 quantified affordable housing need at the Borough-level. It did not, however, seek to determine need at a more localised level (one would not expect this of a Strategic Housing Market Assessment-type study)
- 5.14. One potential source of data that may indicate spatial distribution of affordable housing need is the Council's Housing Register. However, data from this has to be treated with caution and is unlikely to represent the true scale of affordable housing for the reasons described below.
- 5.15. Colchester Borough Council holds a housing register of people interested in Council or Registered Provider homes. Those interested in applying for social housing via the Council's website are directed to Colchester Borough Homes' website. Colchester Borough Homes is a company set up by the Council to manage the Council's housing stock, along with the provision of other housing services.
- 5.16. Advice on Colchester Borough Homes' website on applying to be added to the Housing Register is far from encouraging to potential applicants, stating:
- "It is important to realise that only around 20% of people on the housing register are successful in getting a home. If you are in the lower three bands, it is unlikely you will be successful securing a property in the Colchester area"¹⁶; and*

¹⁶ <https://cbhomes.org.uk/find-a-home/apply-for-housing/how-to-apply/>

“Despite the ever growing number of applicants on the register, there are limited number of properties available to advertise and successful applicants will often have a long wait to secure accommodation.”¹⁷

- 5.17. Colchester Borough Homes’ website also appears to steer people towards looking for private rented accommodation, rather than social housing. On the ‘Apply for Housing’ page of its website, it advises:

“Most people in the local area will look to secure private rented accommodation as there is a lot more choice and no waiting time. You can find further information on our Renting Privately page”¹⁸.

- 5.18. The TNP HNS 2017 identified a particular, local issue with those in housing need not being on the Housing Register:

*“Across the 131 respondents who expressed a housing need, **only 11 (8%) stated they were on the Housing Register**. There was an assessed need locally of 19 units for housing association/council housing and although not all would be able to access accommodation, because of allocation policies/priority, we would recommend, as part of your Neighbourhood Plan community engagement, the encouragement to those with a need to put their names down on the Housing Register (Colchester Borough Council). That would mean they may become eligible for any future affordable housing in Tiptree (including any community led housing projects).”* (Original emphasis).

- 5.19. Nothing within the TNP Consultation Statement 2020 submitted as part of the TNP for Examination suggests that community engagement activities were used to encourage local people in housing need to apply for the Housing Register. This is not a criticism of the approach taken by the TNP. One would not expect it to have – that was not the purpose of the community engagement.

- 5.20. In addition, the Housing Register only reflects those that wish to apply for social housing, as opposed to other forms of affordable housing.

- 5.21. Furthermore, the Housing Register only represents a snapshot of a single moment in time, rather than a projection of affordable housing need in the manner the OAHNS 2016 provided for the Borough as a whole. As noted above, the Colchester Borough Homes website refers to the “*ever growing*” number of applicants on the register.

- 5.22. Whilst it is difficult to quantify the scale of affordable housing need for Tiptree, it is still very much relevant that there evidently *is* affordable housing need.

¹⁷ <https://cbhomes.org.uk/find-a-home/apply-for-housing/>

¹⁸ Ibid

5.23. This need should be seen in the context of the acute affordable housing need across the Borough as a whole, and Tiptree position in the Borough's settlement hierarchy (below only Colchester Town, as per the emerging Local Plan Section 2).

5.24. Appeal decisions have established that affordable housing need should be afforded very substantial weight. It has even been found to contribute to there being very special circumstances that justify otherwise inappropriate development in the Green Belt (an issue that does not apply in the case of this Appeal, of course). In the 'Colney Heath' appeal decision (CD14.2)¹⁹, in allowing for development comprising 100 dwellings (including 45% affordable dwellings), the Inspector concluded:

"Taking into account the extremely acute affordable housing position in both [St Albans City and District and Welwyn Hatfield Borough] I attach very substantial weight to the delivery of up to 45 affordable homes in this location in favour of the proposals".

5.25. Having regard to the affordable housing position in Colchester Borough, the provision of affordable housing through the Appeal represents a significant benefit of the proposed development that should be afforded very substantial weight in its favour.

¹⁹ APP/B1930/W/20/3265925 Roundhouse Farm, Land Off Bullens Green Lane, Colney Heath; APP/C1950/W/20/3265926 Roundhouse Farm, Land Off Bullens Green Lane, Colney Heath. Decision date: 14 June 2021 (CD14.2)

6. Overview and Conclusion

- 6.1. The Council is able to demonstrate a five-year housing land supply when calculated in accordance with the NPPF.
- 6.2. However, when one considers how this figure was arrived at – the basis for the conclusion that no market signals uplift should be applied – in relation to current market signals since, then it is manifestly clear that a market signals uplift would be required if preparing a 2012 NPPF-compliant assessment today.
- 6.3. In addition, the housing requirement on which the five-year housing land supply is calculated is not reflective of current local housing needs in Colchester as per current national policy, and does not follow the policy-driven approach to determining minimum housing requirement that the Government seeks LPA to utilise in order to help boost housing land supply. Instead, it seeks to deliver significant fewer dwellings.
- 6.4. Furthermore, despite delivering at a rate greater than the minimum requirement in recent years, consistently averaging delivery of more homes than the LPS1 requirement of 920dpa since 2013, affordability in the Borough has continued to worsen, and at a greater rate than the national average. Other market signals – including increase in average house prices and rent – suggest that the LPS1 requirement may not be reflective of actual needs.
- 6.5. Being able to demonstrate a five-year housing land supply does not necessarily mean there are no housing supply issues within an administrative area. Notably, Chelmsford City Council (located within the same housing market area as Colchester) reports a 6.99-year housing land supply for the period 2021-2026, has a Housing Delivery Test 2021 measurement of 140%, and has a recently (May 2020) adopted Local Plan. Nevertheless, on 22 February 2022 Chelmsford City Council declared a Housing Crisis. In doing so, Chelmsford City Council stated:

“The national housing crisis has led to the price of an average house in Chelmsford rising by 54% in the last 8 years, far higher than general inflation at just over 15%. The price of an average home in Chelmsford is now £380,000. And market rents have responded, rising by nearly one-fifth over the last two years.

“Rising market prices for both buying and renting reflect the shortage of supply – Chelmsford does not have enough homes. These market options have become unaffordable for an increasing number of residents, especially as the local housing allowance is at least of £150 per month lower, making benefits insufficient.

“This and reduced re-letting by social landlords have led to over 300 Chelmsford households now being in temporary accommodation arranged by the City Council; over 850 households are on our Housing Register, waiting for a permanent home that meets their needs to become available.

“Insufficient supply of homes of the right type becoming available means that, at best, a family needing a 4-bedroom home is likely to wait more than 3 years in temporary accommodation after becoming homeless, and a similar family that is overcrowded or in otherwise unsuitable accommodation will wait far longer on the Housing Register before they can hope that their needs will be met”.

- 6.6. In any case, simply because an LPA is able to demonstrate a five-year housing land supply, this does not negate the need to significantly boost housing land supply.
- 6.7. In the context of the above, whilst the housing land supply position does not result in paragraph 11(d) being engaged, the provision of additional housing is nevertheless a benefit of the Appeal proposal that should be afforded very substantial weight.
- 6.8. In respect of affordable housing, unlike in respect of housing provision generally, there has been a substantial shortfall in provision since the start of the plan period.
- 6.9. There is no up-to-date assessment of affordable housing needs in Colchester. Given market signals since the OAHNS 2016, it is unlikely affordable housing needs will have diminished from the 267dpa identified by the OAHNS 2016. If anything, needs may well have increased.
- 6.10. Against a requirement of 267dpa, the shortfall between the start of the plan period and 2021 totalled 1,115 affordable homes.
- 6.11. The NPPF requires the accommodation needs of different groups in the community to be addressed, including *inter alia* those who require affordable housing.
- 6.12. Assuming that affordable housing needs have not increased since 2016, to meet affordable housing needs in full over the next five years (including the shortfall since the start of the plan period) would require the delivery of 2,450 affordable homes by 2026. This equates to 44% of all housing projected to be delivered in Colchester by this date. It is improbable that affordable housing needs will be met in full, particularly when one consider that since 2013, affordable housing comprised just 13% of homes delivered in total.
- 6.13. In addition to there being evidence of severe affordable housing shortages Borough-wide, there is evidence of a more localised affordable housing need within Tiptree itself.

- 6.14. In the context of the above, the provision of affordable housing is a significant benefit of the Appeal proposal that should be afforded very substantial weight in its favour.