

# Five Year Land Supply Summary Note

1. This note provides a summary of the respective positions of both Epping Forest District Council (EFDC) and the Appellant.
2. The starting point is that both EFDC and the Appellant agree that the Council cannot demonstrate a five year land supply. Paragraph 169 of EFDC Statement of Case confirms that EFDC position is that there is a 4.2 year supply. However, it is the Appellant’s evidence that this is substantially less at **1.15 years**. This substantial shortfall in the five year supply and the inability of EFDC to demonstrate a continuous supply of housing land beyond that period to meet needs is a significant material consideration in itself.
3. Below we summarise both EFDC position and the Appellants Evidence.

## EFDC Five Year Land Supply Evidence

4. EFDC evidence is contained within its Housing Implementation Strategy Update 2019 (HIS), specifically Appendix 1 (Housing Trajectory) of that document.
5. Appendix 1 of the HIS is incomplete and therefore table 1 below has been produced to summarise the relevant information contained within the HIS trajectory to provide clarity and identify the discrepancies contained in the document.

|    |                                                       | Calculation 1                                                                                                                  | Calculation 2                                                                                                                  | Calculation 3                                                                                                                  | Calculation 4                                                                                                                  |
|----|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Five Year Supply<br/>Period 18/19<br/>to 22/23</b> | <b>Epping Forest<br/>District Council<br/>Position<br/><br/>5% Buffer</b>                                                      | <b>Epping Forest<br/>District Council<br/>Position<br/><br/>5% Buffer</b>                                                      | <b>Epping Forest<br/>District Council<br/>Position<br/><br/>20% Buffer</b>                                                     | <b>Epping Forest<br/>District Council<br/>Position<br/><br/>20% Buffer</b>                                                     |
|    | <b>Housing<br/>Requirement</b>                        | <b>Local Plan<br/>Submission<br/>Version 11,400<br/><br/>Annualised<br/>Requirement<br/><br/>(2011 to 2033 –<br/>22 years)</b> | <b>Local Plan<br/>Submission<br/>Version 11,400<br/><br/>Annualised<br/>Requirement<br/><br/>(2018 to 2033 –<br/>15 years)</b> | <b>Local Plan<br/>Submission<br/>Version 11,400<br/><br/>Annualised<br/>Requirement<br/><br/>(2011 to 2033 –<br/>22 years)</b> | <b>Local Plan<br/>Submission<br/>Version 11,400<br/><br/>Annualised<br/>Requirement<br/><br/>(2018 to 2033 –<br/>15 years)</b> |
| a) | Annual<br>Requirement                                 | 518                                                                                                                            | 636<br><br>(11,400 minus<br>completions<br>11/12 to 17/18)                                                                     | 518                                                                                                                            | 636<br><br>(11,400 minus<br>completions<br>11/12 to 17/18)                                                                     |
| b) | Five Year<br>Requirement<br><br>(a x 5)               | 2,590                                                                                                                          | 3,180                                                                                                                          | 2,590                                                                                                                          | 3,180                                                                                                                          |
| c) | Shortfall or<br>Surplus                               | -1770 (add to<br>requirement)                                                                                                  | N/A                                                                                                                            | -1770 (add to<br>requirement)                                                                                                  | N/A                                                                                                                            |

|    |                                                                                                                                            |                     |                     |                      |                      |
|----|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|----------------------|----------------------|
|    | 11/12 to 17/18                                                                                                                             | 2590 + 1770) =      |                     | 2590 + 1770)         |                      |
| d) | Target plus NPPF buffer                                                                                                                    | 4360<br>(5% Buffer) | 3339<br>(5% buffer) | 5232<br>(20% Buffer) | 3816<br>(20% buffer) |
| e) | Adjusted Annual Requirement                                                                                                                | 872                 | 668                 | 1046                 | 763                  |
|    | <b>Supply</b>                                                                                                                              |                     |                     |                      |                      |
| f) | Supply from sites with planning permission, windfall allowance and allocations in the emerging Local Plan listed in Appendix 1 of HIS 2019 | 2778                | 2778                | 2778                 | 2778                 |
|    | <b>Five-Year Supply</b>                                                                                                                    |                     |                     |                      |                      |
| g) | Years                                                                                                                                      | <b>3.18</b>         | <b>4.16</b>         | <b>2.65</b>          | <b>3.64</b>          |
| h) | %                                                                                                                                          | 63%                 | 83%                 | 38%                  | 72%                  |
| i) | Shortfall                                                                                                                                  | -1582               | -561                | -2454                | -1038                |

Table 1: EFDC Five Year Land Supply Calculations. Data extracted from EFDC HIS 2019 Appendix 1

6. Table 1 above demonstrates that based purely on EFDC own figures the Council cannot demonstrate a five year land supply, with a range from 2.65 to 4.16 years based on meeting the annual requirement of the draft Local Plan housing requirement (11,400 dwellings) for the Plan period of 2011 to 2033. This is compared with the Council currently stating that it has a 4.2 year land supply in its Statement of Case (paragraph 169).
7. Appendix 1 of the Council's HIS 2019 also illustrates the results of a stepped trajectory, if accepted by the Local Plan Inspector and adopted in the Local Plan. However, the Council is not suggesting that their supply should be measured against a stepped trajectory. Further, the Local Plan Inspector has made clear in her letter of advice post hearings dated 2nd August 2019 that she is not convinced at this stage that a stepped trajectory is justified and accordingly has reserved her position on the matter pending further work from EFDC that is required to support such an approach (paragraphs 25 to 27 of the Inspector's letter – Appendix 1 of this Statement).

8. The Local Plan Inspector has also made clear in the same letter that even if a stepped trajectory was to be accepted there is a requirement to demonstrate that ‘the requirement for the first five years should be set as high as realistically possible allowing for a 20% buffer’ (paragraph 27). This evidence has not been substantiated. The Inspector has identified the need for a 20% buffer. This is supported by the results of the Housing Delivery Test for 2018 and 2019, which for EFDC requires a 20% buffer. The Council’s trajectory is based on a 5% buffer only and is not therefore up to date.
9. EFDC own stepped trajectory is presented in Appendix 1 of the HIS 2019 but has been updated and clarified below in table 2.

|    |                                                                                                                                                  | <b>Calculation 5</b>                                                                  | <b>Calculation 6</b>                                                                  |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|    | <b>Five Year Supply<br/>Period 18/19 to<br/>22/23</b>                                                                                            | <b>Epping Forest District Council<br/>Position<br/><br/>5% Buffer</b>                 | <b>Epping Forest District Council<br/>Position<br/><br/>20% Buffer</b>                |
|    | <b>Housing<br/>Requirement</b>                                                                                                                   | <b>Local Plan Submission Version<br/>11,400<br/><br/>Proposed Stepped Trajectory</b>  | <b>Local Plan Submission<br/>Version 11,400<br/><br/>Proposed Stepped Trajectory</b>  |
| j) | Annual Requirement                                                                                                                               | 425<br><br>(18/19 to 22/23)                                                           | 425<br><br>(18/19 to 22/23)                                                           |
| k) | Five Year<br>Requirement<br><br>(a x 5)                                                                                                          | 2,125                                                                                 | 2,125                                                                                 |
| l) | Shortfall or Surplus<br><br>11/12 to 17/18                                                                                                       | +344<br><br>(subtract from requirement<br>across whole plan period 2,125<br>– 23 p.a) | +344<br><br>(subtract from requirement<br>across whole plan period<br>2,125 – 23 p.a) |
| m) | Target plus NPPF<br>buffer                                                                                                                       | 2207<br><br>(5% buffer)                                                               | 2522<br><br>(20% buffer)                                                              |
| n) | Adjusted Annual<br>Requirement                                                                                                                   | 441                                                                                   | 504                                                                                   |
|    | <b>Supply</b>                                                                                                                                    |                                                                                       |                                                                                       |
| o) | Supply from sites<br>with planning<br>permission, windfall<br>allowance and<br>allocations in the<br>emerging Local Plan<br>listed in Appendix 1 | 2778                                                                                  | 2778                                                                                  |

|    |                         |            |            |
|----|-------------------------|------------|------------|
|    | of HIS 2019             |            |            |
|    | <b>Five-Year Supply</b> |            |            |
| p) | Years                   | <b>6.2</b> | <b>5.5</b> |
| q) | %                       | 125%       | 110%       |
| r) | Shortfall               | +571       | +256       |

Table 2: EFDC theoretical stepped trajectory

10. As set out in the foregoing Table 2 has not been accepted by the Local Plan Inspector and is not contained within an adopted Local Plan as required by both the NPPF and PPG. It is not advanced by EFDC as a means to measure their supply. It is to be disqualified from consideration.
11. Notwithstanding the above, a significant matter of considerable concern is the Council's inclusion of 1,462 dwellings in its five year supply comprising draft allocations from the draft unadopted Submission Local Plan. This applies to the calculations in both Table 1 and Table 2 above.
12. The inclusion of these 1,462 dwellings in the supply rely on land being removed from the Green Belt upon the adoption of the Local Plan. However, because there will still be a time lag before new allocations (assume adoption in 2021) can be converted in to planning permissions and then housing on the ground this will substantially delay delivery. In this regard EFDC own data in the HIS suggests (paragraph 3.17) that sites will require an average period of 4 years from validation of an application to commencement or completion. This 4 year period cannot start until adoption of the Local Plan. EFDC is therefore moving into a period of chronic housing shortage, in an area where housing need are at its greatest.
13. As set out in paragraphs 6.9 to 6.18 of the Appellant's Statement of Case (dated October 2019), the evidence provided within the Council's Land Supply Statement that these 1,462 dwellings can be included in the supply comes up substantially short of what is required and lacks the kind of "clear evidence" that the NPPF and PPG cites as examples to demonstrate completions will begin on site within five years. The onus is on the LPA to provide this clear evidence.
14. The effect of removing draft Local Plan allocations from the five year supply in accordance with the guidance in the National Planning Policy Framework (NPPF) and Planning Policy Guidance (PPG) would adjust the results in Table 1 above as shown in Table 3 below.

|  |                    | Calculation 1              | Calculation 2              | Calculation 3              | Calculation 4              | Calculation 5              | Calculation 6              |
|--|--------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|  | <b>Requirement</b> | See Columns a) to e) above | See Columns a) to e) above | See Columns a) to e) above | See Columns a) to e) above | See Columns j) to n) above | See Columns j) to n) above |
|  | <b>Supply</b>      |                            |                            |                            |                            |                            |                            |

|    |                                                                         |            |             |             |             |             |            |
|----|-------------------------------------------------------------------------|------------|-------------|-------------|-------------|-------------|------------|
| s) | Supply from sites with planning permission, and windfall allowance only | 1,316      | 1,316       | 1,316       | 1,316       | 1,316       | 1,316      |
|    | <b>Five-Year Supply</b>                                                 |            |             |             |             |             |            |
| t) | Years                                                                   | <b>1.5</b> | <b>1.97</b> | <b>1.25</b> | <b>1.72</b> | <b>2.98</b> | <b>2.6</b> |
| u) | %                                                                       | 34%        | 39%         | 25%         | 34%         | 59%         | 52%        |
| v) | Shortfall                                                               | -3044      | -2023       | -3,916      | -2500       | -891        | +1206      |

Table 3: Adjusted Five Year Land Supply removal of Draft Local Plan Allocations

15. The result of an adjustment made by excluding draft Local Plan allocations is a substantial shortfall in the five year land supply in all scenarios providing a range from 1.5 years to 2.98 years in all scenarios.

16. It is the Appellant’s evidence that calculation 4 or 5 from Table 2 above is a robust assessment of the Council’s five year land supply based on its own data. This identifies the supply is between 1.25 to 1.72 years and not at 4.2 years as advanced by EFDC.

**The Appellant’s Five Year Land Supply Evidence**

17. Notwithstanding the above, until such time as the draft Local Plan reaches the point of adoption, the NPPF is clear (Paragraph 73) that because EFDC adopted housing policies are more than 5 years old, the housing target should be set against local housing need using the Government’s standard methodology. This is reflected in the PPG at paragraph: 005 Reference ID: 68-005-20190722 which states:

***‘What housing requirement figure should authorities use when calculating their 5 year housing land supply?’***

*Housing requirement figures identified in adopted strategic housing policies should be used for calculating the 5 year housing land supply figure where:*

- *the plan was adopted in the last 5 years, or*
- *the strategic housing policies have been reviewed within the last 5 years and found not to need updating.*

*In other circumstances the 5 year housing land supply will be measured against the area’s local housing need calculated using the standard method.’*

18. The Appellant’s Statement of Case (paragraph 6.7) demonstrates that the Government’s figures regarding local housing need based on the standard method set out in national planning guidance was originally published in September 2017 and identified that there is a substantial

housing need 923 dwellings per annum.

19. The Appellant has taken the opportunity to review the most recent calculation of EFDC local housing need based on the standard following the methodology set out in the PPG given that the current year for the household projections has moved on to 2020 and the latest affordability ration was released in March 2020. This is summarised in Table 4 below.

| <b>Calculating the minimum annual local housing need</b>       |                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Step 1- setting the baseline</b>                            |                                                                                                                                                                                                                                                               |
| Household projection at 2020                                   | 57,476 households                                                                                                                                                                                                                                             |
| Household projection at 2030                                   | 64,283 households                                                                                                                                                                                                                                             |
| Average household growth 2020-30                               | 680.7 per year                                                                                                                                                                                                                                                |
| <b>Step 2 – an adjustment to take account of affordability</b> |                                                                                                                                                                                                                                                               |
| EFDCs median workplace-based affordability ratio               | 13.68                                                                                                                                                                                                                                                         |
| Adjustment factor                                              | $(13.68-4)/4 \times 0.25 = (0.605) + 1 = 1.605$                                                                                                                                                                                                               |
| Minimum annual local housing need figure                       | $1.605 \times 680.7 = 1092.5235$                                                                                                                                                                                                                              |
| <b>Step 3 – capping the level of any increase</b>              |                                                                                                                                                                                                                                                               |
| Cap                                                            | $680.7 \times (40\% \times 680.7) = 680.7 + 272.28 = 952.98$ .<br>The capped figure is less than the minimum annual local housing need and therefore limits the increase to EFDC's minimum annual housing need figure.<br>The minimum figure is therefore 953 |
| <b>Application of Buffer</b>                                   | The Housing Delivery Test published in February 2020 compares actual construction of homes in a council's area over a three-year period against their housing requirement.                                                                                    |
| Housing land supply buffer                                     | 20%                                                                                                                                                                                                                                                           |
| Annual average with the 20% buffer added                       | 1,143.6                                                                                                                                                                                                                                                       |
| Five year target after 20% buffer added                        | 5,718 dwellings                                                                                                                                                                                                                                               |

Table 4: Five Year Supply based on standard methodology

20. Table 4 demonstrates that in accordance with the NPPF and PPG that EFDC annual housing requirement for the purposes of calculating a five year land supply in the determination of planning applications is 1,144 dwellings per annum which is 5,720 dwellings for the five year period.
21. Based on EFDC own evidence of supply (commitments and allocations) as set out in Table 1 (2778 dwellings) this results in a 2.42 year land supply. However, it is the Appellant's case that supply should be restricted that as set out in Table 3 (1,316) and therefore EFDC can only currently demonstrate a 1.15 year land supply.
22. This is summarised in Table 5 below.

|  | <b>Five Year Supply</b> | <b>Epping Forest District Council Supply</b> | <b>Appellant's Evidence on Supply</b> |
|--|-------------------------|----------------------------------------------|---------------------------------------|
|  |                         |                                              |                                       |

|                         | Housing Requirement              | Standard methodology<br>2014 based household<br>projections                                                               | Standard methodology<br>2014 based household<br>projections                          |
|-------------------------|----------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| a)                      | Annual Requirement               | 953                                                                                                                       | 953                                                                                  |
| b)                      | Five Year Requirement<br>(a x 5) | 4765                                                                                                                      | 4765                                                                                 |
| c)                      | Target plus NPPF 20% buffer      | 5718                                                                                                                      | 5718                                                                                 |
| d)                      | Adjusted Annual Requirement      | 1143.6                                                                                                                    | 1143.6                                                                               |
| <b>Supply</b>           |                                  |                                                                                                                           |                                                                                      |
| e)                      | Source:<br>EFDC HIS 2019         | 2778<br>Supply from sites<br>with planning<br>permission+ windfall<br>allowance only plus draft<br>Local Plan allocations | 1316<br>Supply from sites<br>with planning<br>permission+ windfall<br>allowance only |
| <b>Five-Year Supply</b> |                                  |                                                                                                                           |                                                                                      |
| f)                      | Years                            | <b>2.42</b>                                                                                                               | <b>1.15</b>                                                                          |
| g)                      | %                                | 48.5%                                                                                                                     | 23%                                                                                  |
| h)                      | Shortfall                        | -2,940                                                                                                                    | -4,402                                                                               |

Table 5: Local Housing Need based on Standard Methodology

23. The Appellant's conclusion is therefore that the Council's five year land supply is currently **1.15 years land supply** and is therefore substantially short of its obligations. EFDC is facing a chronic shortfall in its five-year land supply and must take appropriate action to support the Governments objection of "significantly boosting" the supply of homes as set out in the NPPF.

24. The Council should therefore take proactive and precautionary action to fulfil the NPPF requirements of a "deliverable" five year land supply.