

Local Plan Sub-Committee AGENDA



THE PUBLIC MAY ATTEND THIS MEETING

Please note this meeting will be webcast and audio recorded

Date: Monday, 07 September 2015

Time: 18:00

Venue: Council Chamber, Causeway House, Bocking End, Braintree, CM7 9HB

Membership:

Councillor D Bebb
Councillor Mrs L Bowers-Flint (Chairman)
Councillor G Butland
Councillor T Cunningham
Councillor D Hume

Councillor Mrs J Money
Councillor Lady Newton
Councillor O'Reilly-Cicconi
Councillor Mrs W Scattergood
Councillor Miss M Thorogood

Members are requested to attend this meeting, to transact the following business:-

PUBLIC SESSION

1 Apologies for Absence

2 Declarations of Interest

To declare the existence and nature of any Disclosable Pecuniary Interest, other Pecuniary Interest or Non-Pecuniary Interest relating to Items on the Agenda having regard to the Code of Conduct for Members and having taken appropriate advice where necessary before the meeting.

3 Minutes of the Previous Meeting

To approve as a correct record the Minutes of the meeting of the Local Plan Sub-Committee held on 8th July 2015 (copy previously circulated).

4 Public Question Time (See paragraph below)

5 Objectively Assessed Housing Need

4 - 16

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| 6 | Employment Land Needs Assessment | 17 - 22 |
| | | |
| 7 | Affordable Housing Viability Assessment | 23 - 27 |
| | | |
| 8 | Urgent Business - Public Session
To consider any matter which, in the opinion of the Chairman,
should be considered in public by reason of special circumstances
(to be specified) as a matter of urgency. | |
| 9 | Exclusion of the Public and Press
To agree the exclusion of the public and press for the consideration
of any Items for the reasons set out in Part 1 of Schedule 12(A) of
the Local Government Act 1972. | |

At the time of compiling this Agenda there were none.

PRIVATE SESSION

- | | |
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| 10 | Urgent Business - Private Session
To consider any matter which, in the opinion of the Chairman,
should be considered in private by reason of special
circumstances (to be specified) as a matter of urgency. |
|-----------|--|

Continued

E WISBEY
Governance and Member Manager

Contact Details

If you require any further information please contact the Governance and Members Team on 01376 552525 or email demse@braintree.gov.uk

Public Question Time

Immediately after the Minutes of the previous meeting have been approved there will be a period of up to 30 minutes when members of the public can speak.

Members of the public wishing to speak should contact the Governance and Members Team on 01376 552525 or email demse@braintree.gov.uk at least 2 working days prior to the meeting.

Members of the public can remain to observe the whole of the public part of the meeting.

Health and Safety

Any persons attending meetings at Causeway House are requested to take a few moments to familiarise themselves with the nearest available fire exit, indicated by the fire evacuation signs. In the event of a continuous alarm sounding during the meeting, you must evacuate the building immediately and follow all instructions provided by a Council officer who will identify him/herself should the alarm sound. You will be assisted to the nearest designated assembly point until it is safe to return to the building.

Mobile Phones

Please ensure that your mobile phone is either switched to silent or switched off during the meeting.

Comments

Braintree District Council welcomes comments from members of the public in order to make its services as efficient and effective as possible. We would appreciate any suggestions regarding the usefulness of the paperwork for this meeting, or the conduct of the meeting you have attended.

Please let us have your comments setting out the following information

Meeting Attended..... Date of Meeting

Comment

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Contact Details:

Report on the Level of Objectively Assessed Housing Need in Braintree District		Agenda No: 5
<p>Corporate Priority: Securing appropriate infrastructure and housing growth</p> <p>Portfolio: Planning and Housing</p> <p>Report presented by: Emma Goodings and Kathryn Carpenter</p> <p>Report prepared by: Kathryn Carpenter</p>		
<p>Background Papers:</p> <ul style="list-style-type: none"> • Braintree District Council; Chelmsford City Council; Colchester Borough Council & Tendring District Council Objectively Assessed Housing Need Study, Peter Brett Associates, July 2015 • Greater Essex Demographic Forecasts, Phase 7, Edge Analytics, May 2015 • East of England Forecasting Model (EEFM) 2014, published January 2015 • Objectively Assessed Housing Need Targets, Technical Advice Note, Planning Advisory Service/PBA June 2014 		Public Report: Yes
<p>Options: To approve or not approve the Objectively Assessed Housing Need as evidence base for the Local Plan</p>		Key Decision: No
<p>Executive Summary: A report has been published on forecast demand for new homes over the period 2013-2037 in the Housing Market Area comprising Braintree; Chelmsford; Colchester and Tendring districts; this is defined as the objectively assessed housing need for the area. The report suggests the objectively assessed housing need for the Housing Market Area is 3,137 dwellings per year.</p> <p>The suggested range for Braintree District is 793 dwellings per year (low) to 845 dwellings per year (high). The report suggests that it would be sensible for Braintree District to plan to meet a figure of 845 dwellings per year based on meeting forecast demand for labour.</p> <p>Braintree District Council will need to take this advice into account in considering what should be the Local Plan target for new homes.</p>		
<p>Decision To approve the report on Objectively Assessed Housing Need as part of the evidence base for the new Local Plan.</p>		

Purpose of Decision:	
To inform work on the new Local Plan, in considering the level of development of new homes that will be needed in Braintree District	
Corporate implications	
Financial:	The cost of the technical work is being met from existing base budgets.
Legal:	This work is required by Government to underpin the new Local Plan, providing a robust and credible evidence base.
Safeguarding:	None.
Equalities/Diversity:	These evidence base documents are not subject to an equalities impact assessment.
Customer Impact:	Providing housing, employment, and infrastructure.
Environment and Climate Change:	Impact on environment of increased scale of development.
Consultation/Community Engagement:	Community engagement will take place on the new Local Plan.
Risks:	That the Local Plan may not be found sound when it is examined by the Planning Inspector That the District will no longer benefit from a plan-led system, with the scale and distribution of growth determined instead via planning applications and appeals That there could be uncertainty for local communities and for stakeholders who need to plan and manage the social and physical infrastructure of the district
Officer Contact:	Kathryn Carpenter
Designation:	Senior Planner
Ext. No.	2564
E-mail:	kathy.carpenter@braintree.gov.uk

1. Background

- 1.1 The Government is concerned that not enough homes have been built to meet the needs of a growing and ageing population. It aims for a major increase in housebuilding. The National Planning Policy Framework (NPPF) requires that local planning authorities should:
 - identify the objectively assessed need for housing in their area
 - meet that need in full, if they have the capacity to do so sustainably
 - co-operate to balance demand and supply across Housing Market Areas.
- 1.2 The objectively assessed housing need for the District is part of the evidence base for the Local Plan but does not automatically become the Local Plan target for new homes. The Local Plan will need to take the advice on objectively assessed housing need into account together with information on
 - the constraints on how many homes could be delivered
 - how many homes could be provided in other areas, and
 - how many new homes have been built so far since 2013
 - affordable housing need
- 1.3 Braintree District Council has commissioned further work on the level of affordable housing need in the District which will be reported to Members when completed.
- 1.4 Calculating the objectively assessed housing need for an area is not an exact science. The measure of need relates to forecast demand in the Housing Market Area (HMA). This takes into account locally generated need; expected migration trends, and the need to support future employment.
- 1.5 The starting point is the most recent (2012-based) Government population and household projections. The assessment then needs to consider:
 - if the recent trends which informed the official projections are a reasonable guide to future need/demand
 - if the projections would meet expected demand for workers (bearing in mind that people who do not work also need somewhere to live)
 - housing market evidence that may indicate the need to increase supply, including relative trends in affordability
- 1.6 The next stage in the work was that the Essex Planning Officers Association commissioned Edge Analytics to produce a set of demographic forecasts including scenarios based on the 2012 based household projections; longer term migration trends, and economic forecasts from the East of England Forecasting Model (EEFM 2014). The modelling in both the Edge Analytics (Phase 7) report and the EEFM forecasts has a 2013 base date.

- 1.7 To progress from this range of potential scenarios, Braintree; Chelmsford; Colchester and Tendring District Councils jointly commissioned a study by Peter Brett Associates (PBA) to examine evidence and advise on the objectively assessed housing need in the Housing Market Area over the period 2013-2037. This report considers the findings of the PBA study.

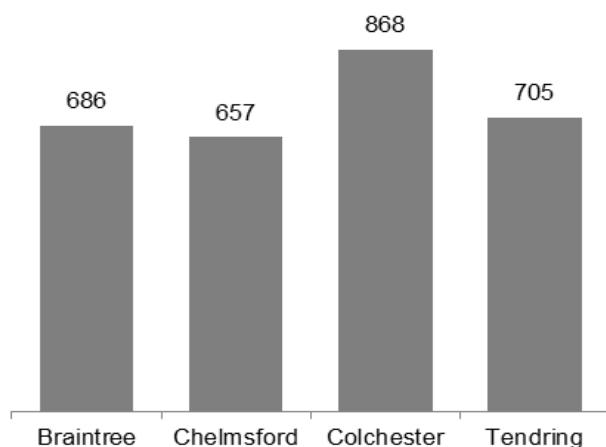
2. The PBA report findings

- 2.1. The report confirmed that a Housing Market Area comprising Braintree, Colchester, Chelmsford and Tendring Council areas forms a sound geographical basis for assessing housing need. There are strong links between the districts in terms of travel to work journeys and migration flows. The degree of containment (the percentage of travel to work and house moves that stay within the HMA) is less than the recommended level of 70% but that level is very difficult to achieve given the proximity to London. Moreover, adding neighbouring areas to the HMA worsened the containment ratio.
- 2.2 The report suggests that the objectively assessed need for the HMA 2013-2037 is **3,137** new homes per year of which the recommended Braintree District share is **845** new homes per year. However, the report concluded that the economic forecasts supporting this scenario are “very much at the upper limit of reasonable expectation”.
- 2.3 A potential lower figure of 793 homes per year for Braintree would rely on Tendring taking the higher of two figures suggested – 705 homes per year as compared to the recommended 597. The report recommends that Tendring should take the lower figure because of concerns about its relative economic potential and whether the official population projections for Tendring overstate likely future growth. Accordingly, the report recommends that Braintree; Chelmsford and Colchester should take the higher figure in their respective range. For Braintree District this represents a substantial increase from previous housing targets. The recommended annual average new homes for each district in the HMA is:
- Braintree: 845
 - Chelmsford: 775
 - Colchester: 920
 - Tendring: 597
- 2.4 For the Housing Market as a whole this represents an uplift of 8% on the figure generated from the household projections, but for Braintree District it represents an uplift of 23%. This uplift addresses the combined factors of meeting forecast demand for labour; market signals, and providing for increased out migration from London. The uplift recommended in response to each factor is not cumulative; they need to be considered together. For

example, the potential uplift for Braintree District from the “London migration factor” would be more than covered within the scale of the proposed share of the suggested uplift to meet expected demand for labour supply in the Housing Market Area. A summary of the key stages of the PBA assessment is set in the remainder of this report.

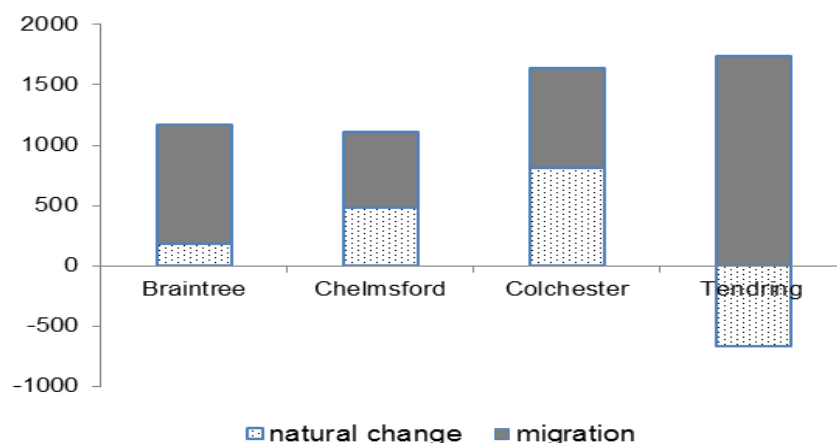
The Demographic Base: 2012 population and household projections

Dwellings per year 2013-2037 based on the 2012 household projections



- 2.5 Based on the Government household projections, Braintree District would need 686 new homes per year. This is 23.5% of the total (2,916) for the Housing Market Area. The 2012-based projections resulted in a higher dwelling requirement for Braintree District than the scenario based on longer term (10 year) migration trends, but the figures were similar (as they were for most of the Housing Market Area), and PBA advised that this adds credibility to the 2012 based projections as a base for long term planning.
- 2.6 For Braintree District, 84% of projected population growth is accounted for by net-in-migration. This is a higher proportion than is the case for Chelmsford or Colchester, but lower than Tendring which attracts coastal retirement migration and the age structure of its population means that deaths are projected to exceed births.

Components of population change per year 2012-37, 2012 population projections (ONS)



- 2.7 PBA considers the official projections may overstate future net migration to Tendring and suggests an alternative projection which results in a demographic based need for the Housing Market Area as a whole of 2,690 homes per year (rather than the 2,916 based on the official projections).

The impact of London's housing need

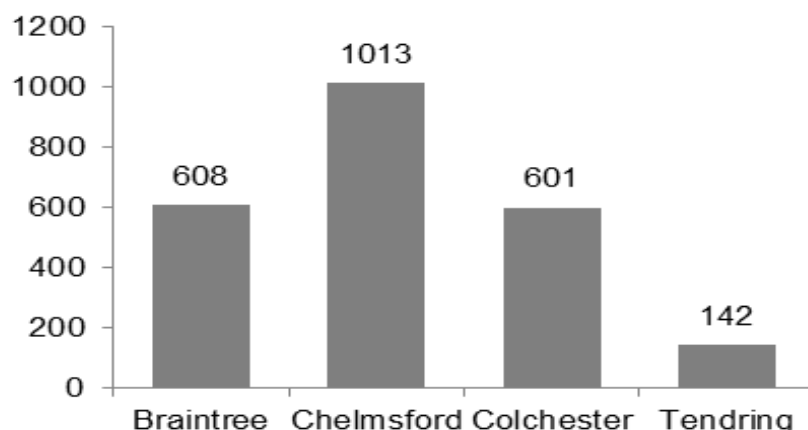
- 2.8 PBA considered the implications of work by Edge Analytics using projections from the Greater London Authority (GLA) that suggested out-migration from London will increase. The 2012 official sub national population projections already assume an increase in net migration from London to the East of England region, and PBA concluded there was likely to be limited further impact on the Housing Market Area. If the GLA view is accepted, this means an additional 64 dwellings per year for the Housing Market Area as a whole and an additional 12 dwellings per year for Braintree District (from 686 per year based on the household projections to 698).

Future employment

- 2.9 Planning guidance indicates that if the level of development suggested by demographic projections would not provide enough workers to fill expected workplace jobs, the objective assessment of housing need should be adjusted until it does. However, as described in a 2014 High Court Judgement job forecasts and labour force projections are "*inherently difficult to produce and affected by many uncertainties in the longer term ... not least in respect of the performance of the local and national economy over time*" (*Zurich Assurance Limited v Winchester City Council and South Downs National Park Authority*).
- 2.10 In the Edge Analytics forecasts, the highest scenarios for Braintree District (as for Chelmsford) were the economic scenarios based on the EEFM forecasts.

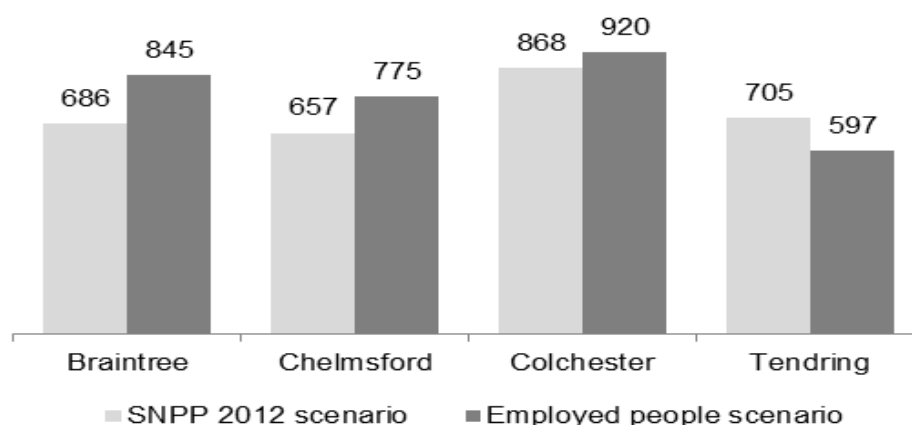
The Jobs scenario in the Edge Analytics report, based on the EEFM 2014 baseline employment forecasts, estimated that there would be an increase of 57,000 jobs across the Housing Market Area 2013-2037. The main increase was in Chelmsford, which accounted for 43% of the total. An increase of 14,592 jobs was forecast in Braintree District, an increase of 608 jobs per year (26% of the total increase in jobs in the HMA, similar to Colchester).

Forecast net new jobs per year, 2013-2037, Edge Analytics



- 2.11 The Edge Analytics work used forecast jobs and forecast potential labour supply and commuting patterns to estimate how much additional housing would be needed to meet estimated future demand for workers. For the Housing Market Area as a whole, this Employed People Scenario estimated a need for 3,137 new homes per year (an increase of 221 over the number suggested by the household projections). Increases were estimated to be needed for Braintree, Chelmsford and Colchester; but a lower figure was suggested for Tendring. According to this scenario there would be a need for 845 new homes per year in Braintree District to meet demand for labour, an increase of 159 over the demographic trend based scenario. In this scenario, Braintree District would account for 27% of new homes in the HMA.

Estimated new homes needed per year 2013-2037, Edge Analytics

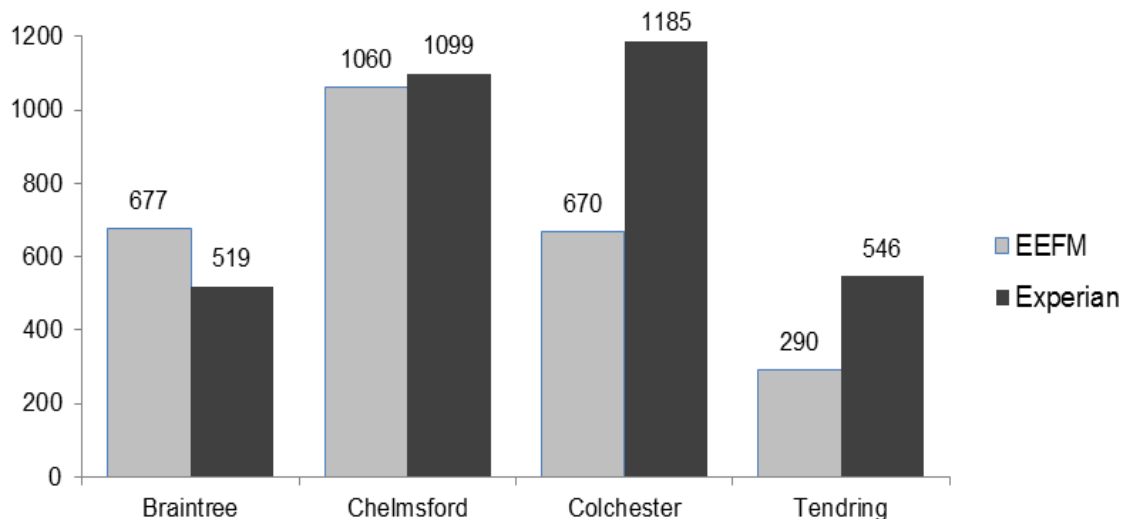


Source: Edge Analytics

- 2.12 The PBA report examined employment forecasts to assess whether more new homes might be needed to meet demand for workers. It is this factor that underpins the recommended increase of the Braintree housing need figure in the PBA report to 845 per year from the 686 per year derived from the household projections. Given the importance of this, and given the variability and volatility of district-level economic data and forecasts, the supporting evidence on employment needs to be carefully considered.
- 2.13 The PBA report tested the employment forecasts from the East of England Forecasting Model and the Edge Analytics report by comparing them with forecasts produced by Experian. Both Experian and EEFM/Edge Analytics used Business Register and Employment Survey (BRES) data which was then adjusted in the respective models.
- 2.14 In terms of estimated employment at 2011;
- employment was lower according to the Experian data in Braintree District (by 956 jobs); in Chelmsford (by 2,630 jobs) and in Colchester (by 3,590 jobs) than when compared to the equivalent figures in the EEFM data
 - employment in Tendring was higher in the Experian estimates (by 820 jobs) than in the EEFM model.
 - in the Housing Market Area overall, the Experian estimate of employment at 2011 was 6,356 jobs lower than in the EEFM model which was used by Edge Analytics.
- 2.15 In terms of forecast change 2011-2031,
- Experian forecast an increase of 3,348 jobs per year in the HMA as a whole
 - EEFM forecast an increase of 2,697 jobs in the HMA over this period; the Experian increase for the HMA was 24% higher than in the EEFM forecasts
 - the Experian forecasts were higher than the EEFM forecasts for three of the four districts in the HMA
 - for Braintree District the reverse was true
 - Experian forecast an increase of 519 jobs per year, 23% lower than the EEFM forecast.
 - according to the Experian forecasts, Braintree District would account for less than 16% of additional jobs in the HMA, as compared to over 25% in the EEFM forecasts
- 2.16 In terms of forecast employment in 2031:
- the estimates for Braintree and Chelmsford were lower in the Experian forecasts than in the EEFM forecasts that were used by Edge Analytics

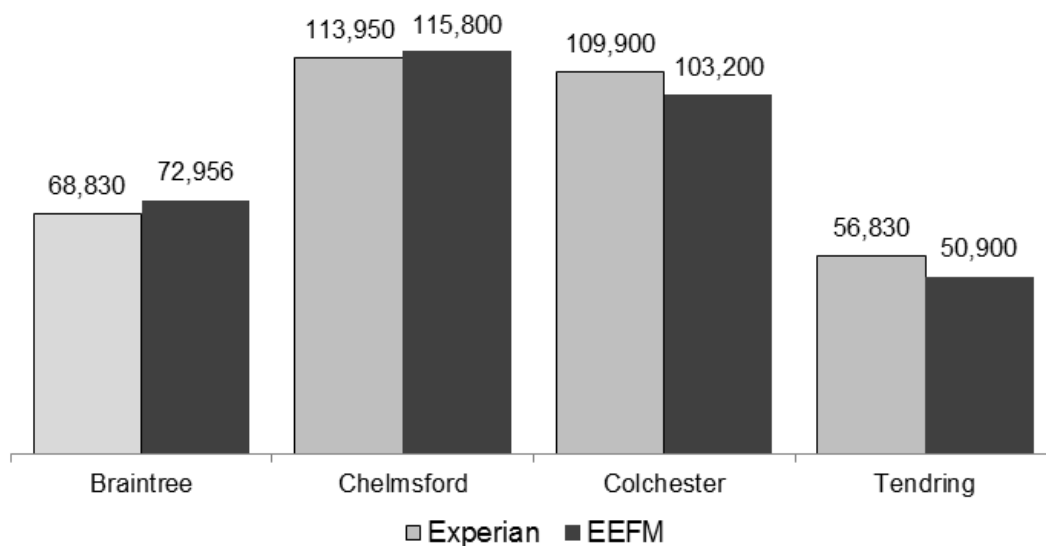
- in the case of Braintree District, the combination of a lower 2011 base and lower forecast employment growth resulted in an Experian forecast of 4,126 fewer jobs at 2031, a difference of 6%
- the estimates for Tendring and Colchester were higher in the Experian forecasts; PBA considered that the higher forecast may be reasonable for Colchester but warned that the Experian forecast for Tendring may be over-optimistic as it was affected by technical issues in the population projections

Forecast job growth 2011-2031: Experian compared to EEFM forecasts



Source: PBA

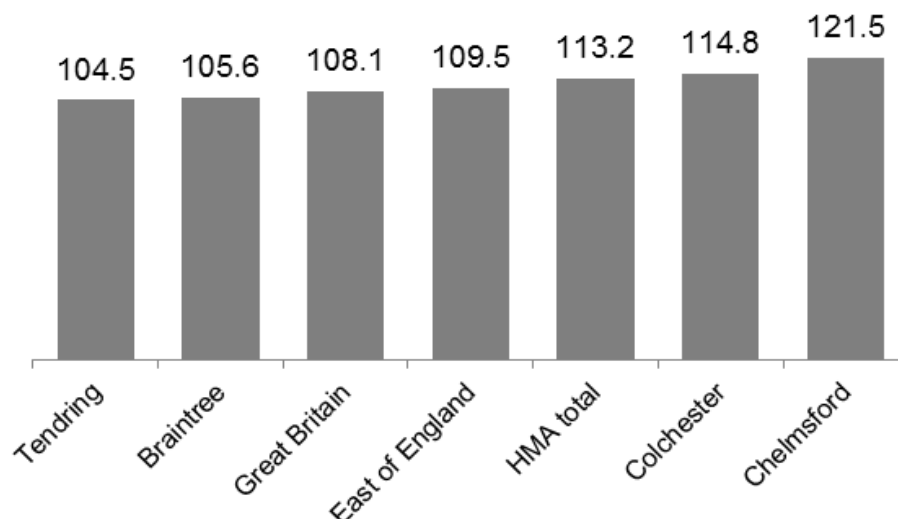
Forecast employment 2031: Experian compared to EEFM forecasts



Source: PBA

- 2.17 After considering the employment forecasts, PBA concluded that Braintree, Chelmsford and the Housing Market Area as a whole may need more new homes than indicated by the demographic projections, in order to fill forecast new jobs. However, the report cautioned that the size of the uplift that may be needed is uncertain and the Edge Analytics Employed People scenario (which indicates 845 dwellings per year for Braintree District 2013-2037 based on the EEFM forecasts) should be considered very much a maximum.
- 2.18 If population growth was at the level suggested in the 2012-based sub national projections (consistent with 686 dwellings per year in Braintree District and 2,916 dwellings per year in the HMA as a whole), there would be small labour shortfalls in Colchester and Braintree but these would be more than offset by a labour surplus in Tendring. The Experian forecasts suggest that in the period 2011-2031 job growth in the HMA as a whole could be higher than in the EEFM forecasts used by Edge Analytics, but the level of housing development suggested in the EEFM Employed People scenario would be unlikely to constrain economic development (apart from, very marginally, in the case of Chelmsford).
- 2.19 The Planning Advisory Service (PAS) technical advice note prepared by Peter Brett Associates suggests that councils review past employment change in the Housing Market Area and its constituent districts, compared to national and regional benchmarks. This would, PBA advise, provide valuable contextual information in assessing future housing need: *“By looking at past change we can judge whether future projections and forecasts are broadly credible.”* In view of the disparity between the Experian forecasts and the EEFM forecasts for Braintree, Braintree District Council has examined data on past change as advised in the PAS/PBA technical advice.
- 2.20 According to the Business Register and Employment Survey (BRES) data from Nomis, relative employment growth in Braintree District 2001-2013 was lower than was the case for Chelmsford; Colchester, and the regional and national averages.

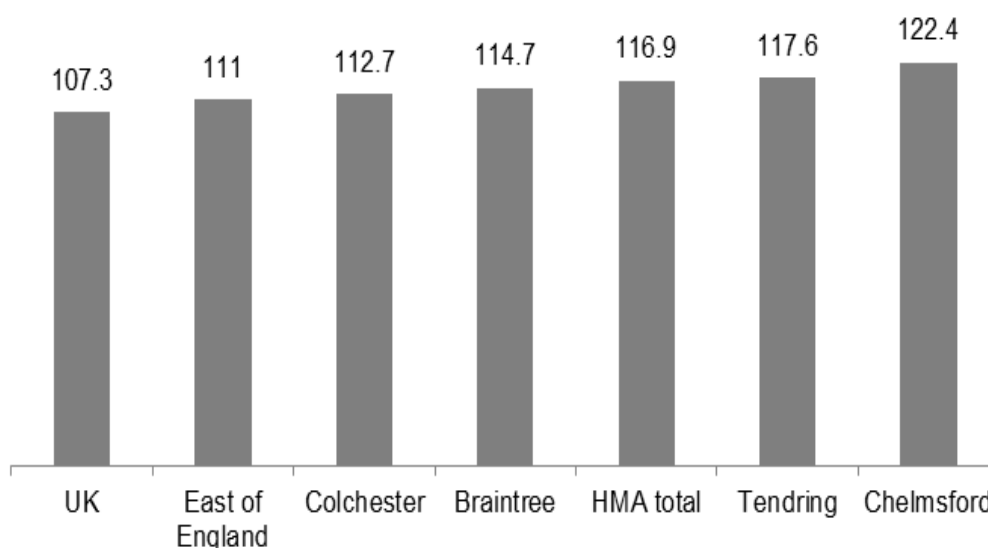
**Number of jobs in 2013 relative to number of jobs in the area in 2001
(2001 = 100)**



Source: Nomis/BRES

- 2.21 The employment data used in the EEFM forecasts and the Edge Analytics work differs; it is based on the BRES data but adjusted by Oxford Economics. According to these figures, which informed the work on the objective assessment of housing need, over the same period Braintree performed better than indicated above in terms of change in the number of jobs, and performed relatively well in terms of the number of people employed in the District.

Number of jobs in 2013 relative to employment in the area in 2001 (2001 = 100)



Source: EEFM 2014

Past provision and market signals

- 2.22 PBA examined housing market data in the districts in the Housing Market Area compared to England, regional and Essex averages, to consider whether the housing market had been unduly constrained such as to suggest a need to add a further “uplift” to future supply to compensate. There was no housing market evidence that the Housing Market Area or Braintree District had been undersupplied or planning had been particularly restrictive.
- 2.23 The report examined data on the rate of change in mean average house prices by indexing prices 1996-2013 to house prices in the area in 1996. Between 2001 and 2009 house price increases in the HMA outstripped that in England and slightly outstripped the regional increase. Since the recession, at the same time as housebuilding rates fell sharply, house prices fell back to mirror England and the region - suggesting that falling delivery in the HRA was due to low demand rather than restricted land supply.
- 2.24 Analysis of data for Braintree District shows that mean house prices were lower than the England average in 2013. The price rose more slowly than the average between 1996 and 1999; then rose more steeply than the average in the housing market boom years, but fell more sharply than the average in the crash and recovered more slowly. From 2009 onwards, house prices relative to the 1996 area price were lower in Braintree District than the England or regional average.
- 2.25 In terms of overall affordability, the HMA was amongst the more affordable locations in close proximity to London. Market rents were relatively stable and were close to the England average. However PBA found that housing in Braintree was relatively unaffordable in terms of lower income households, being worse than Essex, regional and England averages. This is based on comparing lower quartile earnings of people working in the District with lower quartile house prices in the District. Average earnings of Braintree District residents are above the regional/GB average, whereas average earnings of people working in the District are below the regional/GB average.
- 2.26 In terms of overcrowding and concealed families, which Planning Practice Guidance suggests may be evidence of undersupply, the HMA performed better than the national average.
- 2.27 In terms of past delivery against plan targets, the Housing Market Area as a whole had met or exceeded its plan targets until the recession.

3 Conclusions

- 3.1 The conclusion of the study was that the Objectively Assessed Housing Need of the Housing Market Area was an average of 3,137 homes per year 2013-

2037, based on the estimated number of new homes needed to provide sufficient labour to meet the forecast increase in jobs in the Housing Market Area. This represents an uplift of 8% on the 2012 household projections.

- 3.2 The study also set out an indicative distribution, according to economic-based forecasts by Edge Analytics and the East of England Forecasting Model. According to this indicative distribution, the Braintree District share of the Objectively Assessed Housing Need in the Housing Market Area is 845 homes per year. This is within (although at the upper end) of the range anticipated by Braintree District Council in September 2014 when considering earlier work by Edge Analytics and in the 2014 Strategic Housing Market Assessment by David Couttie Associates.
- 3.3 Overall, officers believe the evidence in the report is a reasonable assessment of housing need in the District. This is a significant uplift on previous levels and will be challenging for the Local Plan to deliver in a sustainable way.

4 Next steps: the Local Plan

- 4.1 Consideration of the housing target for the new Local Plan will need to take into account the advice on objectively assessed housing need together with evidence on:
- development capacity and constraints on how many homes could be delivered
 - information on how many homes could be provided in other areas and
 - how many new homes have been built so far since 2013.
- 4.2 Work is currently underway on a review and update of the Strategic Housing Land Availability Assessment for Braintree District, and it is expected that the results of this work will be published in Autumn 2015. Sites identified as a result of the 2014 “Call for Sites” are currently being assessed and will be considered by the Local Plan Sub-Committee later this year. This information will be used to inform the preparation of the new Local Plan.
- 4.3 Braintree District Council is working closely with adjacent authorities to meet the duty to co-operate on cross-boundary strategic issues, such as meeting housing need. This work will include the consideration of larger sites to meet the combined housing need of authorities in a sustainable way. The Council will accordingly work with adjacent authorities to evaluate proposals for land close to the District boundaries that could potentially form part of a cross-boundary development.

Recommendation:

To approve the report on Objectively Assessed Housing Need as part of the evidence base for the new Local Plan.

Braintree District Council Employment Land Needs Assessment		Agenda No: 6
Corporate Priority: Securing appropriate infrastructure and housing growth Portfolio: Planning and Housing Report Presented by: Emma Goodings Report prepared by: Emma Goodings		
Background Papers: <ul style="list-style-type: none"> • National Planning Policy Framework (NPPF) • National Planning Practise Guidance (NPPG) • Employment Land Needs Assessment, Aecom August 2015 • Core Strategy 2011 • Local Plan Review 2005 		Public Report: Yes
Options: To approve/not approve the Employment Land Needs Assessment as evidence base for the new Local Plan.		Key Decision: No
Executive Summary: As part of the new Local Plan an Employment Land Needs Assessment (ELNA) has been produced by consultants Aecom to help provide the evidence base necessary to support the employment and economic development policies within the Plan. Following an analysis of the current market and likely future trends the report concludes that the Local Plan should provide for between 7.5ha and 11ha of additional industrial land and between 53,400sqm and 66,800sqm of office space. The assessment included assessing all the sites currently allocated for employment uses too see if they are fit for purpose, or should be allocated for other uses. The report also looked at sites which had been submitted for employment uses or mixed use during the Call for Sites and recommended which sites could be considered for new employment allocations. It should be noted that the ELNA makes recommendations but does not set policies. These will be set by the draft Local Plan.		
Decision: To approve the Employment Land Needs Assessment as evidence base for the new Local Plan.		
Purpose of Decision: To provide robust and credible evidence base to support the production of the new Local Plan.		

Corporate implications	
Financial:	The preparation of the Plans set out within the LDS will be a significant cost which will be met through the Local Plan budget.
Legal:	To comply with Governments legislation and guidance.
Equalities/Diversity:	The Councils policies should take account of equalities and diversity.
Safeguarding:	None
Customer Impact:	There will be public consultation during various stages of the emerging Local Plan.
Environment and Climate Change:	This will form part of the evidence base for the emerging Local Plan and will inform policies and allocations.
Consultation/Community Engagement:	There will be public consultation during various stages of the emerging Local Plan.
Risks:	The Local Plan examination may not take place. The Local Plan could be found unsound. Risk of High Court challenge.
Officer Contact:	Emma Goodings
Designation:	Planning Policy and Land Charges Manager
Ext. No.	2511
E-mail:	Emma.goodings@braintree.gov.uk

1 Background

- 1.1 The National Planning Policy Framework (NPPF) sets out the Governments support for economic growth and sets out that when drawing up Local Plans, local planning authorities should;
- *“Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;*
 - *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
 - *Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;*
 - *Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;*
 - *Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and*
 - *Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit”.*
- 1.2 In order to provide the evidence to support this part of the Local Plan, Braintree District Council commissioned specialist consultants Aecom to carry out an Employment Land Needs Assessment (ELNA). They were supported by officers

in planning policy and economic development.

- 1.3 The ELNA assesses the quality and quantity of the Districts employment land and premises which are defined as commercial and industrial uses falling into use class orders B1a/b/c, B2 and B8. The study covers the whole District and includes a policy and literature review, an analysis of the strengths and weaknesses of the local economy, a survey of all the current premises in the District and their suitability for their current use, a quantitative assessment of the demand for office and industrial space and what the gap is between the supply and demand. A copy of the report is available on the website as **Appendix 1** to this report, and can be printed out if requested.

2 The Employment Land Needs Assessment

- 2.1 The assessment starts by looking at the policy context within which the District is operating. This includes national and regional policies and the positions that other neighbouring local authorities, and the major employer of Stansted Airport have adopted. It also includes a review of the existing policies which are in place within the District. This section recognises the high level of ambition within the authority to continue to grow in economic development terms and also highlights the major influence of London and the Districts position on the strategic transport network as being major influencing factors to growth.
- 2.2 The next section focused on the existing local economy and jobs market within the District. It found that qualification rates are generally less than average, particularly for younger people in the District. And that the average weekly pay of people who live in the District is more (by £81) than those who work in the District. There is poor self-containment of workers in the District, many commuting to London and neighbouring local authority areas, although two thirds of the jobs in the District are taken up by local residents. It also found that the level of people employed in manufacturing in the District was greater than the national and Essex average and office based was less than average, despite some recent strong growth.
- 2.3 The next section of the assessment covers the main survey work. All sites which are currently or were proposed to be allocated for employment uses in the Local Plan 2005 or the draft Site Allocations and Development Management Plan were included in the survey, alongside sites submitted for employment uses within the Call for Sites which took place in late 2014. Where possible these were clustered into 29 groups for analysis. On site surveys were then carried out on each of these areas which were scored in various categories including access and servicing, condition, neighbouring uses, derelict/undeveloped land and potential for improvements and intensification. The surveys also provided a finer analysis of the types and sizes of units which are currently in existence in the District and an understanding of the types of non B uses which were common on several employment sites. A series of

tables are set out in the ELNA report detailing the results of this work and the more detailed site analysis form can be found at the end of the ELNA report.

- 2.4 A demand assessment is covered in the next section of the report. This looks at current values and, in consultation with local commercial agents, what the current demands are. This chapter also assesses the future demands that would be required through the increasing population as well as how other factors such as improvements to the strategic highway network, expansion at Stansted Airport and technological changes could impact on the demand for employment land.
- 2.5 The differences between supply of employment land and estimated future demand for employment land are then considered to form the basis of the conclusions and recommendations of the report which are set out below.

3 Key Findings

- 3.1 The report makes seven recommendations which will be considered for their inclusion within the Local Plan. These are related to the total amount of land which should be allocated for office and industrial uses and sites which they recommend may or may not be suitable for employment uses in the next Local Plan period.
- 3.2 In terms of the minimum amount of land which is required in the District during the Local Plan period (up to 2033) the report sets out a high, medium and low scenario for industrial land and for office space. For industrial land this is measured in hectares and is based on an average plot ratio. This would include space around the buildings for car parking etc.

Industrial Land	
Low scenario	7.5ha
Medium scenario	9.2ha
High scenario	11ha

For comparison, Skyline120 is around 20ha and Broomhills Industrial Estate is around 3ha.

- 3.3 As the land take of office space differs dramatically due to the height of buildings in particular, the amount of office space is measured in square metres of floor space. This does not take into account land for landscaping, car parking and other access and servicing requirements, which would differ depending on location.

Office Space	
Low scenario	53,400 sqm
Medium scenario	60,000 sqm
High scenario	66,800 sqm

For comparison, Mayland (now Cofunds) House in Witham is around 6,100 sqm.

- 3.4 The report suggests that the best places for new office space would be in those very accessible locations in town centres, particularly those in close proximity to a railway station. However it is also noted that sites within these areas are limited and other sites, such as the business park at Maltings Lane are also suitable locations. In terms of industrial space to support manufacturing and logistics type businesses it is suggested that extensions to the current successful business parks in the District may be the most appropriate strategy for meeting this level of growth.
- 3.5 The report also includes a list of sites which it considers are no longer suitable for employment uses and that they suggest the Council look for alternative uses for. These are generally smaller scale uses within rural areas, although there are sites in Braintree town. These will be considered through the Local Plan process.

4 Conclusion

- 4.1 Forecasting future employment needs in an area as small as a District is very difficult. The ELNA has been completed with numerous site surveys and included discussions with leading local commercial agents and businesses to ensure the most comprehensive picture of the current economic position of the District can be set out. The ELNA report uses past performance to plan forward for future trends in economic development and presents what the consultants believe, can be realistically achieved for the District, recognising that many factors controlling economic development lie outside the control of a District Council. The work is based on the predictions of the East of England forecasting model (EEFM) which is also used in the objectively assessed housing need report. As set out in the covering report on housing need, the EEFM work is the more buoyant forecast for employment growth in the District compared to that which has been carried out by another leading forecaster, Experian.
- 4.2 The findings of the assessment will now be used to help formulate the policies in the new Local Plan, the assessment in itself does not set policy. It should particularly be noted in relation to site assessments that the AECOM assessment is purely based on a sites economic development potential. It does not include detailed work on landscape capacity, environmental constraints or impacts on the

road network which the Council will need to consider before any designations or de-designations can be made.

- 4.3** The assessment does not prevent us from allocating more employment land than is recommended, if we can show that this can be realistically achieved through other Council policies. The study also does not take into account the spatial strategy for housing growth which could influence where new sites should go. For example a standalone new settlement would require significant employment land to be provided within the new settlement to ensure sustainability and minimise car travel.
- 4.4 Overall officers believe that this is a robust assessment of employment land needs which contributes to the evidence base of the new Local Plan.

5 Recommendation

To approve the Employment Land Needs Assessment as evidence base for the new Local Plan

Braintree District Council Affordable Housing Viability Assessment		Agenda No: 7
Corporate Priority: Securing appropriate infrastructure and housing growth Portfolio: Planning and Housing Report Presented by: Alan Massow Report prepared by: Alan Massow		
Background Papers: <ul style="list-style-type: none"> • National Planning Policy Framework (NPPF) • National Planning Practise Guidance (NPPG) • Localism Act (2011) • Planning and Compulsory Purchase Act (2004) • Draft Affordable Housing Viability Assessment (2015) • Affordable Housing Viability Study (2009) • Core Strategy (2011) • West Berkshire District Council and another v Department for Communities and Local Government 		Public Report: Yes
Options: To approve/not approve the Affordable Housing Viability Assessment as evidence base.		Key Decision: No
Executive Summary: The Council commissioned Andrew Golland Associates to update its Affordable Housing Viability Assessment evidence base. This is to ensure that the new Local Plan will be based on a robust and credible evidence base. The study is based on a residual development appraisal model to assess development viability. This mimics the approach of virtually all developers when purchasing land. High level testing of the District, calculation of residual values and benchmarking and viability for residential development have all been used to determine the likely viability of residential developments in the District and therefore what an appropriate threshold for development would be. The report demonstrates that the current affordable housing policy for the District is viable and provides evidence for a new policy which will be included in the new Local Plan.		
Decision: To approve the Affordable Housing Viability Assessment as part of the evidence base for the new Local Plan.		

Purpose of Decision:	
To provide robust and credible evidence base on affordable housing viability to support the production of the new Local Plan.	
Corporate Implications	
Financial:	The preparation of the Plans set out within the LDS will be a significant cost which will be met through the Local Plan budget.
Legal:	To comply with Governments legislation and guidance.
Equalities/Diversity:	The Councils policies should take account of equalities and diversity.
Safeguarding:	None
Customer Impact:	There will be public consultation during various stages of the emerging Local Plan.
Environment and Climate Change:	This will form part of the evidence base for the emerging Local Plan and will inform policies and allocations.
Consultation/Community Engagement:	There will be public consultation during various stages of the emerging Local Plan.
Risks:	The Local Plan examination may not take place. The Local Plan could be found unsound. Risk of High Court challenge.
Officer Contact:	Alan Massow
Designation:	Senior Policy Planner
Ext. No.	2577
E-mail:	alan.massow@braintree.gov.uk

1 Background

- 1.1 Braintree District Council appointed Andrew Golland Associates to carry out an Affordable Housing Viability Assessment (AHVA). This is needed to provide a robust and credible evidence base for the new Local Plan. The last study was carried out in 2009, and considering the time elapsed a new study is required. The 2009 policy informed the production of the Council's Core Strategy (2011).
- 1.2 The Council's current affordable housing policy is set out in the Core Strategy (2011) under policy CS2 – Affordable Housing. Under this policy 40% affordable housing provision is required on sites of 5 or more dwellings in rural areas, and in urban areas a threshold of 15 dwellings is set for a 30% provision of affordable housing. Sible Hedingham, Great Notley and the Core Strategy growth locations are identified as special cases and should provide 30% affordable housing on sites of 5 or more.
- 1.3 In 2014 the Government changed the National Planning Practice Guidance (NPPG) to exempt developments of less than 10 from affordable housing contributions. However, following a successful legal challenge from Reading Borough Council and its neighbour West Berkshire District Council, this part of the NPPG has been removed. This does not have any implications for the

AHVA and means the Council will be reverting to its position on affordable housing as set out in the Core Strategy policy detailed above.

2 Affordable Housing Viability

- 2.1 The study is based on a residual development appraisal model to assess development viability. This mimics the approach of virtually all developers when purchasing land. The model assumes the the value of the site will be the difference between what the scheme generates and what it costs to develop. The model can take into account the impact on scheme residual value of affordable housing and other s106 contributions. Once all factors have been taken into account a net residual value is calculated, which can be used to determine whether a scheme is viable or not when compared to the residual value of a site. If a net developable value is equal or falls below the residual value of site then it is not viable.
- 2.2 The study includes high level testing, and shows how residual values varies under different housing market circumstances, different policy impacts and different development densities and mixes.
- 2.3 For the District seven areas have been identified as sub-markets as shown on map 3.1 of the AHVA. They are the Northern Fringe, Halstead & Hedinghams, Easter Fringe, Braintree, Great Notley & Rayne, Three Fields, and Witham.
- 2.4 Density ranges of between 25 and 50 dwellings per hectare were used, and other assumptions included a 80/20 split between affordable rent and shared ownership, a 20% profit margin on gross development value, 6% return on the affordable element of the scheme, and 3% marketing fees.
- 2.5 As part of the preparation of the new assessment, a workshop was held with representatives of the development industry, landowners and registered social landowners, as well as representatives of the Council. The purpose of the workshop was to discuss the principle of viability and to agree an overall methodology for the study, and to obtain feedback on the draft assumptions used in the study for key variables such as house prices, build costs and affordable housing revenues. The results of the workshop were fed into the assessment. A copy of the workshop notes is in appendix 1 of the AHVA report.
- 2.6 The overall conclusion of this was that residual values vary significantly by market location (This was also the conclusion of the 2009 study), and that the results show very strong residual values, given that the majority of development would be on greenfield sites. Whilst affordable housing contributions impact on developer margin, competitive returns will still be available to developers. The results reflect an average contribution of £10,000 per unit to cover s106 (other than affordable housing).

- 2.7 An analysis of potential strategic housing sites was also carried out. It should be noted that inclusion in this study does not mean that a site would be allocated for development. The study shows that each of the sites analysed show strong viability.
- 2.8 An assessment of small sites and affordable housing thresholds was also included in the study. The earlier high level testing gives a good indicator of the viability of site in the District and that it is largely determined by location. Examples of small site development in rural areas suggest strong viability, and further examples, when compared to development on back land, garden land or other greenfield infill would be likely to generate a significantly greater viability position. It would therefore be recommended that the Council continue to seek affordable housing on small sites as there is no evidence to suggest that small sites are any less viable than larger ones.
- 2.9 The final section deals with benchmarking and viability for residential development. It shows that the Land Value Benchmark for each of the market areas is in surplus of between £1.1 and £3.1 million pound per hectare This includes a 20% return to the developer and £10,000 per unit for s106 (other than affordable housing which is already factored in) such as highways, education and open space.

3 Key Findings

- 3.1 The study has four elements; they are the high level testing, analysis of strategic sites, analysis of smaller sites in rural areas, and benchmarks and viability. The viability picture in Braintree District is very strong in most locations. The high level testing shows very significant land owner surpluses taking into account developer return, Affordable Housing and other s106 contributions. This surplus is between £1 and £3 million and demonstrates that the Council should easily be able to achieve its policy targets for affordable housing. A question for the production of the new Local Plan is whether it would wish to increase its affordable housing requirements, which the report recommends there would be a good case to do so. But this would need to be tested against the requirements in other policies
- 3.2 The evidence presented in the report suggests that there should be no significant challenges in delivering affordable housing on sites above 5 units in rural areas, and that contributions could be sought as low as one unit. The Council should continue to seek contributions from small sites. Strategic sites assessed shows that they are also viable.
- 3.3 It should be noted that the key findings in this report will be used to help determine what an appropriate affordable housing policy should be and does not set policy. It does however demonstrate that the Council's current policy for Affordable Housing as set out in the Core Strategy continues to be viable.

4 Recommendation

To approve the Affordable Housing Viability Assessment as part of the evidence base for the new Local Plan.