

Chelmsford Local Plan

Review of the adopted Local
Plan

Issues and Options

Topic Paper:

Housing

August 2022



1. Purpose

- 1.1. This Topic Paper is one of a number produced by Chelmsford City Council to set out how the review of the adopted Local Plan has been developed. Topic papers will be refreshed and updated at each stage of the review of the adopted Local Plan process to ensure the latest information/position is available. This will avoid confusion and duplication and the latest topic paper will supersede any previous versions.
- 1.2. The intention of the topic papers is to provide background information; they do not contain any policies, proposals or site allocations. Topic papers will form part of the Local Plan evidence base which will be submitted alongside the Local Plan for independent examination.
- 1.3. This paper covers how housing matters have been considered when preparing the review of the adopted Local Plan and how the Review will seek to provide sustainable patterns of development through a Spatial Strategy that meets the need for new homes.
- 1.4. The Topic Paper provides background information and context of how the Local Plan has been formulated. This Topic Paper should be read alongside the other Topic Papers produced, in particular:

- Infrastructure - covers infrastructure needs to support the Local Plan and how requirements and delivery of various pieces of infrastructure will be provided for in the Review of the Adopted Local Plan.
- Employment – covers how employment matters and requirements have been considered when preparing the Review of the Adopted Local Plan.
- Transport – covers how transport matters and transport impacts have been considered when preparing the Review of the Adopted Local Plan.

- 1.5. The main issues covered by this Topic Paper are:

**Strategic Priority 2 - Meeting the Need for New homes; and
Strategy Policy S6 – Housing and Employment Requirements, including:**

- The minimum number of homes needed.
- The size, type and tenure of housing needed for different groups in the community.
- The achievability and effectiveness of existing housing policies in decision-making.
- New corporate priorities and strategies.

**Strategic Priority 1 – Ensuring sustainable patterns of development; and
Spatial Policy S7 – The Spatial Strategy, including:**

- Housing supply.
- The mix of sites in the development plan.
- Maintaining supply and delivery through the development plan period.

2. Background

- 2.1. The size of the local population and household formation rates affect the demand for housing. Need for new housing arises when population growth leads to new households forming.
- 2.2. The local labour market affects a household's ability to access housing and affordability pressures can prevent people accessing the housing they need.
- 2.3. There is a backlog of need among people currently living in unsuitable accommodation. When people are unable to access suitable housing it can result in overcrowding, more young people living with their parents for longer, impaired labour mobility and increased levels of homelessness.

Population

- 2.4. The 2021 Census results reveal the actual resident population in Chelmsford was 181,500 in 2021 – an increase of 7.8% from around 168,300 in 2011. This is higher than the overall increase for England (6.6%) but slightly lower than the East of England (8.3%). The East of England is the English region with the largest population increase, which grew by around 488,000 more residents. The largest increases in the East of England have been seen in Bedford and Cambridge, where the populations have grown by 17.7% and 17.6% respectively.
- 2.5. The 2021 Census figure for population density in Chelmsford was 536 people per sq km. The figure for England remains at 434 people per sq km whilst the figure for the East of England is much lower – 331 people per sq km in the 2021 Census. Chelmsford is the 21st most densely populated of the East of England's 45 local authority areas, with around four people living on each football pitch-sized area of land.
- 2.6. In England, the largest age group in the 2021 Census was people aged 30 to 34, compared to 50 to 54 in the East of England and Chelmsford.
- 2.7. Overall, in England, there has been an increase of 20.1% in people aged 65 years and over, an increase of 3.6% in people aged 15 to 64 years, and an increase of 5.0% in children aged under 15 years since the 2011 Census. In Chelmsford, the comparison changes are an increase of 26.0% in people aged 65 years and over, an increase of 3.3% in people aged 15 to 64 years, and an increase of 8.3% in children aged under 15 years since the 2011 Census.
- 2.8. The largest population change by age group in Chelmsford from the 2011 Census to the 2021 Census has been the increase in people aged 70 to 74 (50%), followed by the number of people aged 90+ (41%).

Number of households

- 2.9. Demographic changes also shape the type and size of accommodation needed.
- 2.10. The 2018-based household projections indicated that the number of households in Chelmsford has increased by 7.8% since 2013, reaching 75,961 households in 2022. This compares to an increase in the East of England of 7.3% and a national increase of 7.1%.
- 2.11. The number of households recorded in the 2021 Census was 75,400 – close to the 2018-based projection figure for 2022.
- 2.12. The 2018-based household projections indicated that the household population in Chelmsford has increased at approximately the same rate as the number of households between 2018 and 2023, resulting in the average household size remaining very similar – 2.39 in 2018 and 2.38 in 2023. However, at the national level the household population has risen at a lower rate than the number of households, resulting in a falling average household size from 2.37 to 2.35 in the same period.
- 2.13. The most common household in 2018 was households with two or more adults (43.52%). This trend is set to continue into 2043 with, with two or more adult households forming 44.33% of households in Chelmsford.
- 2.14. More population and migration data from the Census 2021 is expected to be published later in 2022, to provide a more complete picture of change and estimates of growth.

Income

- 2.15. Income has a significant effect on the level of choice a household has when seeking accommodation. The median earned gross income for full-time employees' resident in Chelmsford (individual incomes rather than household incomes) in 2020 was £35,023, according to the ONS Annual Survey of Hours and Earnings. This was marginally higher than the East of England regional figure of £35,002 and above the national median figure of £31,780.
- 2.16. Since 2013, the median income of full-time employees' resident in Chelmsford has increased by 15.92%. This increase is slightly below the increase in the East of England (16.33%) and across England (16.09%). However, the 2021 provisional median earned gross income for full-time employees' resident in Chelmsford, shows an increase of 6.6% from the 2020 ONS figures but an annual decrease of 2.3 percent across the East of England and an annual decrease of 0.9% across England. The figures for the Chelmsford are based on a smaller sample so are more prone to annual change than regional and national equivalents.

Housing Affordability

- 2.17. Table I below shows the rise in average house prices in Chelmsford between 2012/13 – 2020/21. The rate of increase is far higher than the increase in the median income of full-time employees in Chelmsford across the same period, ranging between 37.22% for detached dwellings and 63.28% for flats.

Table 1 – Average House Prices in Chelmsford by Building Type

Year	Detached	Semi	Terraced	Flat
2012/13	£404,922	£258,000	£212,446	£127,458
2013/14	£379,593	£270,670	£220,632	£151,564
2014/15	£488,390	£302,770	£289,962	£187,233
2015/16	£573,612	£351,063	£303,782	£222,849
2016/17	£565,819	£367,692	£341,372	£219,704
2017/18	£553,859	£351,968	£314,908	£205,764
2018/19	£620,466	£382,255	£331,872	£230,529
2019/20	£547,214	£402,926	£332,500	£208,008
2020/21	£555,620	£410,319	£339,757	£208,109

Source: Valuation Office Agency 2021

- 2.18. The ratio of median housing price to median gross annual workplace-based earnings in March 2021 in Chelmsford was 11.781, compared to 8.17 in 2013. In comparison, the affordability ratio in 2021 in the East of England was 10.53, whilst the ratio for England was 9.05.

Deprivation

- 2.19. Chelmsford is ranked one of the least deprived local authorities in England with one of the lowest average proportion of households in poverty within Essex. However, there are pockets of deprivation across Chelmsford, including Waterhouse Farm which has fallen 3 deciles (8th to 5th) between the 2007 and 2019 Indices of Multiple Deprivation.

Housing Supply

- 2.20. Residential land supply is a key contributing factor in housing affordability. The Department for Levelling Up, Housing and Communities and Ministry of Housing Communities and Local Government live tables indicates that there were approximately 78,000 dwellings in Chelmsford in 2020.
- 2.21. Since 2013, there have been 7,881 net new dwellings built in Chelmsford. The average annual completion rate is 876 dwellings per annum, which is above the Housing Requirement in the adopted Local Plan (2020) of 805 per annum. From the base date of the adopted Local Plan (2013/2014), the Council has an oversupply of 636 dwellings as at the 31 March 2022.
- 2.22. Using the Housing Requirement number of 805 dwellings per annum, the City Council can demonstrate a suitable supply of deliverable sites for housing for 7.39 years. This figure includes a 5% buffer to ensure choice and competition in the market for land.
- 2.23. The Housing Delivery Test 2021 measurement, published in January 2022 by the Department for Levelling Up, Housing and Communities, shows that Chelmsford exceeded the Housing Delivery Test Threshold by 40%, therefore no further buffer is required.

¹ Using the 23 March 2022 data release House Price workplace-based earnings ratio 2021 figure

3. Issues and Options

Policy Context

National Policy

- 3.1. All policies in the Local Plan must be positively prepared, justified, effective and consistent with national policy. The National Planning Policy Framework (NPPF) sets out the overarching planning policy framework, supported by National Planning Practice Guidance (PPG).
- 3.2. The adopted Local Plan (2020) was examined under the 2012 National Planning Policy Framework (NPPF). There have subsequently been updates to the NPPF and the review of the adopted Local Plan needs to be considered against the requirements of the 2021 NPPF.
- 3.3. Although some areas of the NPPF remain unchanged in respect of housing provision, any new development proposals and policies will still need to be tested against the relevant NPPF requirements. There are also some areas of the NPPF which have been updated/amended since the adoption of the Local Plan that will need to be reflected.
- 3.4. Since the adoption of the Local Plan, a national standard method has been introduced for assessing local housing need by Government. The national standard method uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply. The national standard method identifies a minimum annual housing need figure, it does not produce a housing requirement figure. The Council will need to commission a Strategic Housing Needs Assessment to determine this.
- 3.5. The national standard method uses national household growth projections calculated over a 10-year period as a baseline. It then adjusts the baseline to take account of affordability in an area using median workplace-based affordability ratios published by the Office for National Statistics. A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the status of the existing strategic policies for housing.
- 3.6. As of April 2022, the local housing need figure for Chelmsford using the national standard method is 946 net new homes per annum:

	The average annual housing requirement figure in existing policies	805
Step 1	Average annual household growth over 10 years ¹	636
Step 2	Adjusted minimum annual local housing need figure ²	946
Step 3	Capped figure $(805 + (40\% \times 805) = 805 + 322 = 1127)$	1127

- 3.7. As the capped figure is greater than the minimum local housing need figure and does not limit the increase to the local authority's minimum annual housing need figure, the minimum figure for Chelmsford using the national standard method is currently 946 net new homes per annum.
- 3.8. The national standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. Local authorities need to consider the extent to which the identified needs of specific groups can be addressed in the area considering:
- 3.8.1. the overall level of need identified using the national standard method and whether the evidence suggests that a higher level of need ought to be considered
 - 3.8.2. the extent to which the overall housing need can be translated into a housing requirement figure for the plan period
 - 3.8.3. the anticipated deliverability of different forms of provision, having regard to viability.
- 3.9. This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the national standard method. This is because the needs of groups will often be calculated having consideration to the whole population of an area as a baseline, as opposed to the projected new households which forms the baseline for the national standard method.
- 3.10. Paragraph 69 of the NPPF requires the Local Plan to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare; unless it can be demonstrated that there are strong reasons why this cannot be achieved.
- 3.11. The adopted Local Plan did not need to meet this requirement as it was adopted before the latest NPPF was published. This will be addressed in the review of the adopted Local Plan unless there is strong evidence to justify why this cannot be achieved.
- 3.12. In May 2021, the Government published a Written Ministerial Statement that set out plans for delivery of a new type of affordable homes ownership product called First Homes. First Homes are a specific kind of discounted market sale housing which national planning policy states should account for a minimum 25% of affordable housing secured through planning obligations.
- 3.13. In January 2022, the Council published a First Homes Planning Advice Note clarifying:
- What a policy compliant affordable housing requirement on developments of 11 or more dwellings is following the implementation of the First Homes Written Ministerial Statement
 - The Council's position regarding those elements of the national criteria that can be amended by local authorities relating to the homes and purchasers of First Homes.
 - The Council's interpretation and position regarding First Homes Exceptions Sites.

- 3.14. The First Homes Advice Note will need to be considered in the review of Local Plan Policy DM2 relating to affordable housing.
- 3.15. The table below sets out the key issues to be considered at this Regulation 18 Issues and Options Stage. The table below assesses the adopted Local Plan against the key NPPF requirements in respect of housing and Plan making and identifies Chelmsford City Council's assessment of the adopted Local Plan's compliance with the 2021 NPPF. The proposed approach to the review of the adopted Local Plan is then set out using the following colour codes:

The following quick reference colour codes in **column A** helpfully identify new or revised NPPF requirements since the adoption of your plan (which was examined under 2012 NPPF):

Key:

New plan-making requirement of the NPPF 2019 and/or NPPF 2021 not contained within the previous 2012 version
Revised plan-making requirement of the NPPF, containing some changes from the 2012 version
Requirement of the NPPF which has not changed from the 2012 version in relation to plan-making

Column C then assesses the adopted Local Plan against the NPPF requirements and identifies CCC's assessment of the adopted Local Plan's compliance with the 2021 NPPF using the following colour codes:

Key:

Adopted Local Plan meets NPPF requirement
Adopted Local Plan partially meets NPPF requirement
Adopted Local Plan does not meet NPPF requirement

Table 2 - NPPF Compliance Checklist – Delivering a Sufficient Supply of Homes

	A. NPPF Requirement	B. NPPF Paragraph Reference	C. Local Plan Approach
1.	Be informed by a local housing need assessment, conducted using the standard method in national planning guidance as a starting point. Any housing needs which cannot be met within neighbouring areas should also be considered when establishing the amount of housing to be planned for within the plan.	NPPF Para 61	The standard method was introduced following adoption of the Local Plan, so the review needs to be reassessed and updated to reflect this change. Duty to Co-operate engagement will continue to establish if there is any unmet need from neighbouring authorities. Essex authorities have a memorandum of understanding on how any unmet housing need should be addressed and this continues to be followed. Currently not understood to be any unmet housing need but need to continue to review this position formally through the Duty to Co-operate.
2.	Identify the size, type and tenure of housing needed for different groups.	NPPF Para 62	Mostly applied in adopted Local Plan (Policy DM1), need to ensure <u>build to rent</u> is considered and any amendments through the review continue to consider all relevant groups and reflect the most up to date evidence base. Need to reflect the Planning Advice Note on <u>Specialist Residential Accommodation</u> .
3.	Provision of affordable housing should not be sought for residential developments that are not major development, other than in designated rural areas ² . The definition of major development in the Glossary of the NPPF is development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more. Where a need for affordable housing is identified, specify the type of affordable housing required.	NPPF Para 63	Need to review the threshold on which developers are obligated to provide affordable housing as per the revised NPPF definition of major development. Set out in adopted Local Plan (Policy DM2). Need to ensure any amendments through the review continue to do so and reflect the most up to date evidence base. Need to incorporate Planning Advice Notes on <u>First Homes</u> and <u>Housing Additionality: Affordable Housing for Rent</u> .

² Designated rural areas applies to rural areas described under section 157(1) of the Housing Act 1985, of which there are none in the administrative area of Chelmsford.

4.	Expect at least 10% of the total number of homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. A minimum of 25% of all affordable homes should be First Homes.	NPPF Para 65	The Local Plan does meet the 10% requirement but needs to be reviewed to incorporate the Planning Advice Note on <u>First Homes</u> and reflect the most up to date evidence base.
5.	Set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.	NPPF Para 66	The Local Plan does not set out housing requirements for designated neighbourhood areas. Consider any designated neighbourhood areas which fall within the overall strategy options for growth and set a housing requirement for these areas if appropriate.
6.	Identify a supply of specific, deliverable sites for years one to five of the plan period, and specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan.	NPPF Para 68	Appendix C and site allocation policies of the adopted Local Plan meets this requirement. Existing trajectories and all existing sites have been reviewed to ensure they meet with the definition of 'deliverable' and 'developable' in the Glossary of the NPPF. The same will apply to all new site allocations.
7.	Identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare; unless it can be demonstrated that there are strong reasons why the 10% target cannot be achieved.	NPPF Para 69	Need to consider whether the Local Plan meets this requirement and ensure that the review plan does unless there is strong evidence to justify why this cannot be achieved.
8.	Support the development of entry level exception sites, suitable for first time buyers, unless the need for such homes is already being met within the authority's area.	NPPF Para 72	Guidance on First Homes Exception Sites set out in the Planning Advice Note on <u>First Homes</u> . Needs to be incorporated into the review of the Local Plan and reflect the <u>Written Ministerial Statement of the 24 May 2021</u> ³ .
9.	Support the supply of homes through utilising masterplans, design guides and codes where appropriate to support larger scale developments.	NPPF Para 73	Strategic Policy S7 sets out that Strategic Growth Sites require sites to be delivered in accordance with Masterplans to be approved by the Council. The relevant site allocations also each refer to the need for a masterplan to be approved as part of the

³ <https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48>

			specific requirements for each site. This approach will continue for any new Strategic Site Allocations included as part of the review.
10.	Include a trajectory illustrating the expected rate of housing delivery over the plan period and requiring a buffer of 10% where the local planning authority wishes to demonstrate a five-year supply of deliverable sites through an annual position statement or recently adopted plan.	NPPF Para 74	Detailed trajectory is included in adopted Plan and will be kept updated and published every <u>April</u> . The trajectory will be reviewed for all existing and any new sites and set out calculations to include a 10% buffer if review wishes to demonstrate a <u>five year supply of deliverable sites</u> through an annual position statement or upon adoption of the reviewed plan.
11.	Be responsive to local circumstances and support rural housing developments that reflect local needs.	NPPF Para 78	Set out in adopted Local Plan (Strategic Policy S7, Policy DM2). Need to ensure any amendments through the review continue to do so. Need to incorporate <u>First Homes</u> Planning Advice Note in respect of First Homes Exception Sites.
12.	Identify opportunities for villages to grow and thrive, especially where this will support local services.	NPPF Para 79	Defined Settlement Boundaries (DSBs) allow development to come forward within villages in principle. S7 allows new growth sites which are in accordance with the Local Plan Spatial Principles and Strategic Policies to be allocated through relevant Neighbourhood Plans. Need to ensure any amendments through the review continue to do so.
13.	Avoid the development of isolated homes in the countryside unless specific circumstances are consistent with those set out in the NPPF.	NPPF Para 80	Set out in adopted Local Plan (Strategic Policies S1, S3, S4, S11 Policies DM6 to DM15). Need to review wording of paragraph 80 of NPPF to ensure all policy wording is up to date for all criteria a) to e) of paragraph 80 and ensure any amendments through the review continue to be NPPF compliant. May currently require some adjustment in respect of c, d and e of paragraph 80. Partial review required to address this NPPF requirement.

National Policy Guidance

3.16. The NPPF is supported by a series of PPGs on a range of subjects. The most significant PPG documents relating to housing need and supply are:

- [Brownfield Land Registers \(28 July 2017\)](#)
- [Build to Rent \(13 September 2018\)](#)
- [Effective Use of land \(22 July 2019\)](#)
- [First Homes \(23 December 2021\)](#)
- [Green Belt \(22 July 2019\)](#)
- [Housing and economic land availability assessment \(22 July 2019\)](#)
- [Housing and economic needs assessment \(16 December 2020\)](#)
- [Housing needs of different groups \(24 May 2021\)](#)
- [Housing for older and disabled people \(26 June 2019\)](#)
- [Housing supply and delivery \(22 July 2019\)](#)
- [Planning Obligations \(1 September 2019\)](#)
- [Self-build and custom housebuilding \(8 February 2021\)](#)

3.17. Several of the PPGs referenced above have been updated or introduced since the examination of the adopted Local Plan (2020). All relevant changes to the PPG will be considered at this Regulation 18 Issues and Options Stage, with key paragraph references included in the consultation text.

3.18. The PPGs of particular importance to the housing need and supply evidence-based documents that will be revised as part of the review of the adopted Local Plan include:

- Housing and Economic Land Availability Assessment (22 July 2019)
- Housing and Economic Needs Assessment (16 December 2020)
- Housing Needs of Different Groups (24 May 2021)
- Housing for Older and Disabled People (26 June 2019)
- Housing Supply and Delivery (22 July 2019)

Local Policy

Current policy

3.19. In addition to changes in national planning policy, the review of the adopted Local Plan will consider the achievability and effectiveness of housing policies in decision making in the adopted Local Plan (2020), as well as new corporate priorities and strategies of the Council. This includes:

- Planning Advice Notes published since the adoption of the Local Plan (2020), in particular guidance on [First Homes](#), [Housing Additionality](#) and [Specialist Residential Accommodation](#)
- Policy implementation issues flagged through the [Authority Monitoring Report Plan](#), in particular relating to Local Plan Policies DM1 A i and DM2 A

- New priorities set out in [Our Chelmsford, Our Plan, Housing and Homelessness Strategies](#), published alongside the declaration of a [housing crisis](#), and the [climate emergency declaration and action plan](#).

Duty to Co-operate

- 3.20. The Council is committed to co-operating with other bodies on strategic planning matters. The Duty to Co-operate Strategy was reviewed and adopted in January 2022.
- 3.21. The Council will make every effort to seek co-operation on cross-boundary and strategic planning matters in a focused, positive and structured way. We will discuss the review of the adopted Local Plan with neighbouring planning authorities and the prescribed bodies at stages which align with and inform the stages of the review of the adopted Local Plan. These discussions will help to formulate the quantum and distribution of Chelmsford's future growth, which will be supported by updated evidence.
- 3.22. At the same time, we will continue to work constructively with nearby planning authorities on their own local plan preparation. Early engagement and demonstrating co-operation both with neighbours and the prescribed bodies through Statements of Common Ground are key to meeting the legal duty to co-operate.
- 3.23. In some cases, discussion on strategic matters will continue through existing joint working arrangements. We will also arrange joint Officer and Member meetings, technical stakeholder meetings, focused workshops, and Statements of Common Ground.
- 3.24. The strategic matters that may apply to the review of the adopted Local Plan have been identified as follows:
- Delivering homes for all including Gypsy and Traveller accommodation
 - Jobs and economy including green employment and regeneration
 - Retail, leisure, and cultural development
 - Sustainable transport, highways and active travel
 - Climate change action and mitigation including flood risk and zero carbon
 - Natural and historic environment including increased biodiversity and green/blue/wild spaces and connectivity of ecological networks
 - Community infrastructure including education, health and community facilities
 - Utility infrastructure including communications, waste, water and energy
 - London Stansted Airport future airspace redesign.
- 3.25. A Housing Market Area is a geographical area defined by household demand and preferences for all types of housing, reflecting functional linkages between places where people live and work. They are broadly defined by:
- Relationships between housing demand and supply across locations – using house prices and rates of change in house prices
 - Migration flows and housing search patterns
 - Contextual data such as travel to work areas, retail and school catchment areas.

- 3.26. It is important that the Council has regard to the Housing Market Area when consulting on any strategic matters that apply to the review of the adopted Local Plan, including any needs that cannot be met within neighbouring areas when establishing the amount of housing to be planned for.
- 3.27. To date, none of the local authorities that are considered to share a Housing Market Area with Chelmsford (Braintree District Council, Colchester Borough Council, Maldon District Council and Tendring District Council) have indicated that they are unable to meet their housing need.
- 3.28. The Essex authorities have a memorandum of understanding on how any unmet housing need should be addressed and this will continue to be followed.
- 3.29. Neighbouring local authorities are at different stages of plan preparation and review. The evidence bases to support the review of the adopted Local Plan will include a revised local housing needs assessment. This will assess the size, type and tenure of housing needed for different groups in the community for the administrative area of Chelmsford only.
- 3.30. A revised Gypsy and Traveller Accommodation Assessment for Essex will be undertaken to ensure that local planning authorities across Essex together with Southend-on-Sea and Thurrock councils work collaboratively to develop fair and effective strategies to meet the identified need for permanent and transit sites. Local Plans will then identify land for sites where appropriate.

Integrated Impact Assessment

- 3.31. The Council is carrying out an ongoing Integrated Impact Assessment (IIA) as the Review of the Adopted Local Plan develops.
- 3.32. The IIA will assess the following aspects of sustainable development:
- Sustainability Appraisal (SA)
 - Strategic Environmental Assessment (SEA)
 - Habitats Regulations Assessment (HRA)
 - Health Impact Assessment (HIA)
 - Equality Impact Assessment (EqIA)
- 3.33. The SA, SEA and HRA are a requirement of national policy. The HIA and EqIA are voluntary, but the Council believes they will help to provide a complete picture of the sustainability of the Review of the Adopted Local Plan.
- 3.34. The IIA identifies the key sustainability issues for the Review of the Adopted Local Plan, which feed into a framework against which proposals will be assessed. It will cover the potential environmental, social, economic and health performance of the Local Plan and any reasonable alternatives. It will be used at each stage of the review of the adopted Local Plan, and be subject to separate consultation, as follows:

- Scoping Report
- Issues and Options – Current Stage
- Preferred Options
- Submission
- Adoption.

3.35. The Issues and Options IIA appraises key sustainability issues (Table 3.19) and Appraisal Framework Objectives (Table 4.1) relating to this Topic Paper. Please see the Issues and Options IIA for more information

Evidence base

3.36. In accordance with the NPPF, policies and their requirements should be based on up-to-date evidence.

3.37. The following documents are of particular relevance to housing needs and residential land supply requirements of the adopted Local Plan and will require reviewing and/or updating to support the Review of the Adopted Local Plan:

Housing Need:

- Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council Objectively Assessed Housing Need Study (2015).
- Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council Objectively Assessed Housing Need Study (November 2016 update).
- Braintree District Council, Chelmsford City Council, Colchester Borough Council, Tendring District Council Strategic Housing Market Update (December 2015).
- Essex Joint Strategic Needs Assessment – A profile of people living in Chelmsford (May 2016).
- Independent Living Programme for Older People Position Statement (October 2016).
- Independent Living for Adults with Disabilities Planning Position Statement (October 2016).
- Essex, Southend-on-Sea and Thurrock Gypsy, Traveller and Travelling Showpeople Accommodation Assessment Joint Methodology Report (January 2018).
- Essex, Southend-on-Sea and Thurrock Gypsy, Traveller and Travelling Showpeople Accommodation Assessment Summary Report (January 2018).

Residential Land Supply:

- Housing Trajectory (April 2022).
- Five Year Land Supply Position Statement (April 2022).
- Five Year Land Supply Site Schedule (April 2022).
- Five Year Land Supply Methodology (April 2022).
- Housing Windfall Assessment (April 2022).
- Brownfield Land Register (April 2022).
- SHELAA Annual Report (2021).

- Chelmsford Local Housing Capacity in Chelmsford Urban Area (February 2017). Viability:
- Local Plan Viability Study Including CIL Viability Review (January 2018)
- Planning Obligations Supplementary Planning Document (January (2021)

Monitoring:

- Authority Monitoring Report (April 2022)

Land Supply

- 3.38. The NPPF requires councils to identify land in local plans to accommodate 10% of their housing requirement figure on sites no larger than one hectare. Allocated small sites are often built out relatively quickly and need to be identified separately from the supply generated through small windfall sites. Having a good mix of site sizes helps to maintain a diverse housing supply.
- 3.39. Small windfall sites tend to be located within existing built-up areas which can be beneficial in terms of their access to existing services and facilities. However, the development of residential gardens can cause harm to the character of the local area. The review of the adopted Local Plan will need to consider the case for a policy to resist inappropriate development of residential gardens.
- 3.40. The Council needs to demonstrate that it can allocate and maintain a supply of deliverable and developable sites throughout the Local Plan period. The 2022 Strategic Housing and Employment Land Availability Assessment will be completed after the consultation on this document closes. The Council will be particularly interested to receive submissions for small sites in well-connected and sustainable locations during the [current 'call for sites'](#).

Strategic Housing Needs Assessment

- 3.41. The Strategic Housing Needs Assessment will assess the size, type and tenure of housing needed for different groups in the community for the administrative area of Chelmsford only, as neighbouring local authorities are at different stages of plan preparation and review. It will include a review of the size and type of market and affordable homes required.
- 3.42. The assessment will identify the total need for affordable housing during the plan period and analyse whether an increase in the total housing figures included in the review of the plan needs to be considered to help deliver the required number of affordable homes.
- 3.43. The assessment will review the forecast of job growth from the Council update to its employment evidence base and provide analysis on whether any increase in the total housing figures included in the plan review may need to be considered.

- 3.44. The Strategic Housing Needs Assessment will also review the percentage, tenure and mix of affordable housing currently sought on developments of 11 or more dwellings. Coupled with the review of land supply and an updated viability assessment, these revised evidence base documents will determine whether a change to the current approach to affordable housing is required, feasible and justified.
- 3.45. The provision of affordable housing can only be sought for residential developments that are defined as 'major development' in the NPPF, other than in designated rural areas⁴. The definition of major development in the glossary of the NPPF is development where 10 or more homes will be provided, or the site has an area of 0.5 hectares. The review of the Local Plan will need to consider whether the current threshold of 11 or more homes should be changed to reflect the national threshold and test whether development on sites at the national threshold is viable.
- 3.46. The Strategic Housing Needs Assessment will identify the type and tenures of affordable housing required to meet need during the plan period to enable a review of the percentage, tenure and mix of affordable housing currently sought on developments of 11 or more dwellings. Coupled with the review of land supply and an updated viability assessment, these revised evidence base documents will determine whether a change to the current approach to affordable housing is required, feasible and justified.

Housing Requirement and Land Supply Options

- 3.47. The adopted Local Plan contains close to a 20% supply buffer above the Housing Requirement figure of 805 new homes per year to provide flexibility in the supply of housing sites and help significantly boost supply to comply with the NPPF.
- 3.48. The national standard method exceeds the Housing Requirement in the adopted plan by 141 homes per annum, 946 homes per year as of April 2022. Since the national standard method was first published in 2018, the average annual minimum housing need figure has been 953 homes per annum.
- 3.49. To plan to meet only the minimum local housing need figure produced by the national standard method would not significantly boost the supply of homes and potentially impacts on the Council's ability to meet housing needed for specific groups.
- 3.50. Taking this and the annual variation into account, for the purposes of this consultation, the Council is proposing a Housing Requirement figure of 1,000 homes per annum for the plan period 2022 – 2041. When completed, the Strategic Housing Needs Assessment will inform the final Housing Requirement.

⁴ Designated rural areas applies to rural areas described under section 157(1) of the Housing Act 1985 of which there are none in the administrative area of Chelmsford.

3.51. To maintain flexibility in the supply of sites throughout the plan period, it is proposed to retain a 20% supply buffer. Adopting this approach and considering existing supply across the period 2022 - 2041, there is a shortfall of 7,966 homes in total:

Housing Requirement 2022-41	Homes
19 years x 1000 homes (standard method)	19,000
+20% supply buffer	3,800
Total (Requirement + Buffer)	22,800
Existing Supply 2022-41	
Total completions, allocations, permissions, windfall	14,834
Shortfall	7,966

3.52. The key elements for all the revised evidence base documents listed above are summarised below:

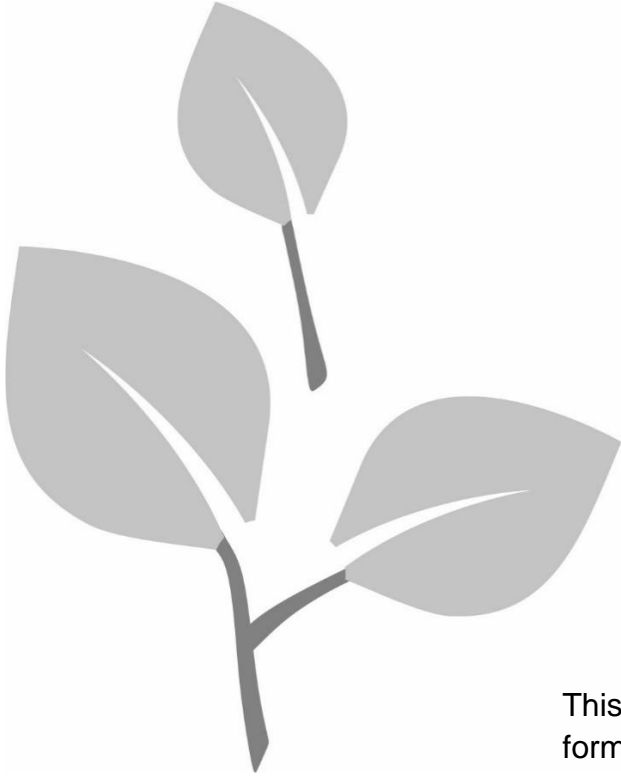
- To review the minimum number of homes needed using the standard method
- To determine the size, type and tenure of housing needed for different groups in the community including but not limited to those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes. This will have regard to strategies and policies of the Council that have been introduced or reviewed since the Examination of the adopted Local Plan, as well as the local housing needs assessment
- To identify existing relevant policies in the adopted Local Plan that are not working well
- To identify a sufficient amount and variety of land that can come forward where it is needed to meet the needs of groups with specific housing requirements
- To identify a supply of specific, deliverable site for years one to five of the plan period, including an 10% buffer to account for any fluctuations in the market.
- To identify specific, developable sites or broad location for growth for years 6-10 and 11-15 of the plan period
- To identify land to accommodate at least 10% of the Housing Requirement on sites no larger than one hectare
- To identify how the Council will maintain the supply and delivery of residential land over the plan period.

Proposed New Policies or Significant Changes

3.53. Areas we may explore for new or significantly altered local policies include:

- Considering whether it is appropriate to have a higher Housing Requirement to meet the housing needs of specific groups
- Considering whether it is appropriate to include a Housing Requirement for designated neighbourhood areas
- Considering whether a different approach to the mix of market housing is required
- Considering whether the level, type and mix of affordable housing needs to change
- Incorporating a First Homes exceptions site policy
- Considering whether the threshold for Affordable Housing needs to be the same as the national standard

- Considering whether the approach to Specialist Residential Accommodation needs to be more flexible
- Consider allocating more smaller sites to meet the need to identify land to accommodate at least 10% of the Housing Requirement on sites no larger than one hectare.
- Consider allocating new affordable housing sites adjacent to defined settlement boundaries if this would enable the delivery of more affordable housing
- Considering whether it is appropriate to have a new policy resisting inappropriate development of residential gardens.



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