

# Chelmsford Local Plan

Review of the adopted Local  
Plan

Preferred Options

Topic Paper:

**Housing**

May 2024



## 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 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. The previous Housing Issues and Options Topic Paper is given in Appendix 1. As such, this topic paper supersedes 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 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 Preferred Options Topic Papers produced, in particular:
  - Spatial Strategy and Strategic Sites – covers development needs and the Spatial Strategy
  - 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 relate to:

**Strategic Priority 5 - Meeting the Need for New homes; and  
Strategic 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 4 – Ensuring sustainable patterns of development and protecting the Green Belt; and  
Strategic 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. As of mid-2022, the population of Chelmsford is estimated to be 183,326 – an increase of around 15,026 people over the previous decade. This equates to a growth of around 9% since 2011 which is higher than the overall increase for England (7.7%) and a similar rate of growth to that across Essex (9.0%) and the East of England (9.4%).
- 2.5. The table below shows the population in 2021 in each of the sub-areas listed – this is based on the 2021 Census and so totals differ very slightly from the mid-year estimate referenced above. The information shows around three-fifths of the population as living in the Urban area with the next largest area being Rural, with 32% of the population.

Figure 1: Population by sub-area 2021.

	Population	% of population
Urban	107,205	59.1%
Rural	58,269	32.1%
South Woodham Ferrers	16,021	8.8%
Total	181,495	100%

Source: Census (2021)

- 2.6. In England, the largest age group in the mid-2022 population estimates were people aged 16 – 64. The largest increase since the 2011 Census has been in the 65+ age group. The population aged 65 and over accounts for 48% of all population change over this period.

Figure 2: Change in population by broad age group (2011 – 2022) Chelmsford.

	2011	2022	Change	% change
Under 16	31,257	34,397	3,140	10.05%
16 - 64	108,856	113,284	4,428	4.07%
65+	28,378	35,645	7,267	25.6%
TOTAL	168,491	183,326	14,835	8.8%

Source: Mid-year population estimates

## Number of households

- 2.7. Demographic changes also shape the type and size of accommodation needed.
- 2.8. 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%.
- 2.9. The number of households recorded in the 2021 Census was 75,400 – close to the 2018-based projection figure for 2022.
- 2.10. 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.
- 2.11. The most common household in 2018 was households with two or more adults (43.52%). This trend is set to continue into 2043, with two or more adult households forming 44.33% of households in Chelmsford.

## Income

- 2.12. 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 2022 was £35,769, according to the ONS Annual Survey of Hours and Earnings. This was marginally higher than the East of England regional figure of £34,426 and above the national median figure of £33,279. Since 2013, the median income of full-time employees' resident in Chelmsford has increased by 18.4%. This increase is slightly below the increase in the East of England (21.4%) and across England (21.6%).

## Housing Affordability

- 2.13. Figure 3 below shows the rise in median house prices in Chelmsford between 2012 – 2023. 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 67.9% for flats and 86.85% for terraced dwellings.

Figure 3: Median House Price Change year ending December 2012 to year ending December 2023 by dwellings type – Chelmsford.

	Year ending (£) December 2012	Year ending (£) December 2023	Change (£)	% Change
<b>Detached</b>	342,500	618,500	276,000	80.6%
<b>Semi-detached</b>	236,750	427,000	190,250	80.4%
<b>Terraced</b>	192,000	358,750	166,750	86.9%
<b>Flat</b>	134,000	225,000	91,000	67.9%

Source: ONS Small Area House Price Statistics

- 2.14. The ratio of median housing price to median gross annual workplace-based earnings in March 2022 in Chelmsford was 12.21<sup>1</sup>, compared to 8.17 in 2013. In comparison, the affordability ratio in 2022 in the East of England was 10.08, whilst the ratio for England was 8.28.

### **Deprivation**

- 2.15. 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 the Waterhouse Farm ward which has fallen 3 deciles (8th to 5th) between the 2007 and 2019 Indices of Multiple Deprivation.

### **Housing Supply**

- 2.16. 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 indicate that there were 79,428 dwellings in Chelmsford in 2022.
- 2.17. Since 2013, there have been 8,703 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 870 per annum. From the base date of the adopted Local Plan (2013/2014), the Council has an oversupply of 653 dwellings as at the 31 March 2023.
- 2.18. Using the Housing Requirement number of 805 dwellings per annum, the City Council can demonstrate a suitable supply of deliverable sites for housing for 8.83 years. The calculation of this figure includes a 5% buffer to ensure choice and competition in the market for land.
- 2.19. The Housing Delivery Test 2022 measurement, published in December 2023 by the Department for Levelling Up, Housing and Communities, shows that Chelmsford exceeded the Housing Delivery Test Threshold by 21%, therefore no further action is required.

## **3. Preferred Options**

### **Policy Context**

- 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 the National Planning Practice Guidance (PPG).
- 3.2. The adopted Local Plan was examined under the 2012 National Planning Policy Framework (NPPF). There have subsequently been updates to the NPPF and the Preferred Options

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<sup>1</sup> Using the 22 March 2023 data release House Price workplace-based earnings ratio 2022 figure.

Local Plan has been considered against the requirements of more recent national planning policy and guidance including the 2023 NPPF. Where possible, changes to the NPPF affecting plan-making have been reflected in the Preferred Options Local Plan.

- 3.3. Further details on these key changes for consideration are set out in the table below, included under the section ‘Local Plan Approach’.

### National Policy

- 3.4. As of April 2023, the local housing need figure for Chelmsford using the national standard method is 955 net new homes per annum:

Figure 4: Local Housing Need calculation April 2023

	The average annual housing requirement figure in existing policies	805
Step 1	Average annual household growth over 10 years <sup>2</sup>	631.4
Step 2	Adjusted minimum annual local housing need figure <sup>3</sup>	955
Step 3	Capped figure (805 + (40% x 805) = 805 + 322 = 1,127)	1,127

- 3.5. 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 955 net new homes per annum.

### National Policy Guidance

- 3.6. 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 that have been updated since the publication of the Issues and Options Consultation document are:

- [Green Belt \(19 December 2023\)](#)
- [Housing supply and delivery \(05 February 2024\)](#)

- 3.7. In addition, [Planning Policy for Traveller Sites](#), the Governments planning policy for traveller sites which should be read in conjunction with the National Planning Policy Framework, was revised on 19 December 2023.

- 3.8. All relevant changes to the PPG are considered at this Regulation 18 Preferred Options Stage, with key paragraph references included in the consultation text.

<sup>2</sup> Using the 2014 household projections for the period 2023-2033

<sup>3</sup> Using the 22 March 2023 release House Price Workplace-based earnings ratio 2022 figure (12.21 – 4)/4 x 0.25 = 0.513125 plus 1 = 1.513125 x 631.4 = 955.387125

## Local Policy

3.9. 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:

- New and revised Planning Advice Notes published since the publication of the Issues and Options Consultation document – [Community Led Housing Planning Advice Note](#), [Travelling Showperson Sites Planning Advice Note](#), [Self and Custom Build Planning Advice Note](#) and [Wheelchair Accessible Homes Planning Advice Note](#).
- Policy implementation issues flagged through the latest published [Authority Monitoring Report Plan](#), in particular relating to Local Plan Policies DM1 A i and DM2 A.

## Duty to Co-operate

3.10. 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.

3.11. 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 continue to 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 determine the quantum and distribution of Chelmsford's future growth, which will be supported by updated evidence.

3.12. At the same time, we 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.

3.13. In some cases, discussion on strategic matters continue through existing joint working arrangements. We will also arrange further joint Officer and Member meetings, technical stakeholder meetings, focused workshops, and prepare Statements of Common Ground.

3.14. The strategic matters for the Review of the Adopted Local Plan are 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.

- 3.15. 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.
- 3.16. 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.
- 3.17. Neighbouring local authorities are at different stages of plan preparation and review. The evidence bases to support the review of the adopted Local Plan includes a revised local housing needs assessment. This assesses the size, type and tenure of housing needed for different groups in the community for the administrative area of Chelmsford only.
- 3.18. A revised Gypsy and Traveller Accommodation Assessment for Essex has been 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.
- 3.19. As part of on-going Duty to Co-operate relevant to this topic, CCC has attended relevant meetings and provided updates on our plan review such as through the Essex Planning Officers Association (EPOA) and meetings with Essex County Council. Details of ongoing activity are contained in the Duty to Co-operate Statement, published as an interim report to accompany the Preferred Options consultation and available at [www.chelmsford.gov.uk/lp-review](http://www.chelmsford.gov.uk/lp-review).
- 3.20. As part of the Preferred Options consultation we will be having meetings with neighbouring Local Planning Authorities as well as other relevant Duty to Co-operate bodies. Any strategic cross boundary issues relating to housing matters raised through these meetings and the consultation will be further considered and any further engagement undertaken if required.

#### Integrated Impact Assessment

- 3.21. The Council is carrying out an ongoing Integrated Impact Assessment (IIA) as the Review of the Adopted Local Plan develops.
- 3.22. The IIA is assessing 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).



3.23. 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.

3.24. 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
- Preferred Options – Current Stage
- Submission
- Adoption.

3.25. The key sustainability issues and Appraisal Framework Objectives relating to this Topic Paper are:

Figure 5: Extract from Appraisal Framework Objectives

Key sustainability issue	Appraisal Framework Objective
<b>Population and community</b>	2. Housing: To meet the housing needs of the Chelmsford City Area and deliver decent homes. 3. Economy, Skills and Employment: To achieve a strong and stable economy which offers rewarding and well located employment opportunities to everyone. 4. Sustainable Living and Revitalisation: To promote urban renaissance and support the vitality of rural centres, tackle deprivation and promote sustainable living.
<b>Health and wellbeing</b>	5. Health and Wellbeing: To improve the health and well-being of those living and working in the Chelmsford City area.

3.26. The IIA report identifies the likely positive sustainability effects associated with the housing supply for 2022-2041 is that it seeks to exceed the assessed housing requirement over the plan period. The likely significant negative sustainability effects associated with the housing requirement and supply is the significant area of greenfield land that will be required.

3.27. The report also identifies positive and adverse environmental impacts against a range of assessment objectives including sustainable living and revitalisation, health and well-being and transport. Minor negative effects have been identified against biodiversity, water, flood risk, air quality, climate change and waste and natural resources reflecting the demand placed on the use of natural resources by housing growth, notwithstanding advances in building technologies and the mitigation of negative effects through building and site design, that are incorporated in the Preferred Options Local Plan. These adverse effects are likely to be minimised through the implementation of Local Plan policies and mitigation at the site level

and are therefore not considered likely to be significant. The IIA report concludes that the application of demanding masterplanning and site development conditions through the proposed policies help to ensure that development is of a quality that makes a positive contribution to other aspects of the Local Plan’s intentions.

- 3.28. The IIA report acknowledges that there are limited options to meet the residential development requirements on the limited number of brownfield sites that have not already been earmarked for future development in the Chelmsford City Area which means greenfield land is required for development. In addition, small allocations in Key Service and Service Settlements will help to support the villages’ services and facilities.
- 3.29. The uncertainties and negative effects recorded emphasise the importance of the monitoring of the performance of sustainability indicators to help implement mitigation measures which would help improve the performance of all potential allocations, notably in respect of air quality, biodiversity, climate change and health and well-being.
- 3.30. Five alternative Spatial Approaches to the preferred Spatial Strategy were assessed in the Issues and Options IIA Report. Overall, these alternative approaches are considered to perform less well than the preferred Spatial Strategy when considered against national planning policy, an analysis of the Issues and Options consultation responses, the Issues and Options IIA Report, the Local Plan Vision and Spatial Principles, Settlement Hierarchy, environmental constraints, the availability and viability of land for development and discussions with key stakeholders.
- 3.31. Section 5 of the Preferred Options IIA includes recommendations which will be considered as part of further refinement of the Plan before Submission including those related to housing.

### Evidence Base

- 3.32. In accordance with the NPPF, policies and their requirements should be based on up-to-date evidence.
- 3.33. In addition to the IIA, the following documents are of particular relevance to housing needs and are supporting the Review of the Adopted Local Plan. Evidence base documents are available online at [www.chelmsford.gov.uk/lp-review](http://www.chelmsford.gov.uk/lp-review).

Figure 6: Housing related evidence base documents

Document	Summary	Status
AH001: Chelmsford Strategic Housing Needs Assessment	This report focusses on overall housing need, including consideration of the Standard Method, as well as looking at affordable housing and the needs of specific groups – see further details below.	Published

Chelmsford City Council Local Plan Review Housing Topic Paper

Document	Summary	Status
Gypsy and Traveller Accommodation Assessment (2024)	An assessment of the accommodation needs of Gypsy's and Travellers for the plan period 2023 – 2041 – see further details below.	Not yet published
V001: Chelmsford Local Plan Viability Update	This viability work assesses the cumulative impact of policies on planned development. The assessment models various levels of policy requirements on several different typologies of development – see further details below.	Published
<a href="#">Housing Trajectory (April 2023).</a>	Annual development completions and forecast completions by growth area and tenures for the plan period.	Published
<a href="#">Five Year Land Supply Position Statement (April 2023).</a>	The calculation of the housing five year land supply using the latest housing site schedule.	Published
<a href="#">Five Year Land Supply Methodology (April 2023).</a>	A practice note setting out how the Council calculates its five year housing land supply.	Published
<a href="#">Housing Windfall Assessment (April 2023).</a>	A practice note setting out the Council calculates a housing windfall allowance to be included in its Housing Trajectory and Five Year Housing Land Supply.	Published
<a href="#">Brownfield Land Register (April 2023).</a>	A register of brownfield sites in the Chelmsford area that may be suitable for development.	Published
<a href="#">SHELAA Annual Report (2023).</a>	The Strategic Housing and Employment Land Availability Assessment includes several different documents that explain the methodology and assessment criteria used, as well of the assessment outputs of each site.	Published

Document	Summary	Status
<a href="#">Authority Monitoring Report (April 2022 – March 2023)</a>	A report monitoring the production of the Council's Local Plan Documents against the Local Development Scheme and the performance and effectiveness of the Council's planning policies in delivering the key objectives of the Local Plan.	Published
<a href="#">OSP003: Preferred Options Local Plan Form and Contents Checklist 2024</a>	Compares the PO Local Plan against key requirements of the NPPF	Published

### Strategic Housing Needs Assessment (October 2023)

- 3.34. The Strategic Housing Needs Assessment (SHNA) (2023) studies the overall housing need set against the NPPF and the framework of National Planning Practice Guidance, specifically the Standard Method for assessing housing need. It shows a need for 955 dwellings per annum based on household growth of 631 per annum and an uplift for affordability of 51%.
- 3.35. The SHNA (2023) considers whether there are exceptional circumstances to move away from the Standard Method in either an upward or downward direction. The assessment considers whether more recent demographic trends, including 2021 Census data and ONS mid-year population estimates up to 2021 are substantially different to the 2014-based projections. The assessment notes that whilst there are differences these are not considered to be substantial and do not point to any exceptional circumstances.
- 3.36. The SHNA (2023) reviews past build rates as areas with strong growth might be able to provide more homes than the Standard Method. Whilst delivery has been strong in Chelmsford, the assessment concludes that past build rates do not provide any evidence to suggest a higher or lower figure than the Standard Method.
- 3.37. The Standard Method projection was used to look at potential changes to the resident labour supply and the number of additional jobs that might be supported. Overall, it was projected the labour supply would increase by around 21% over the 2022-41 period and that this could support around 21,000 additional jobs – this is above an economic forecast (just over 12,400 jobs for the same period) and again points to there being no need to plan for housing in addition to the Standard Method.
- 3.38. The SHNA (2023) suggests a need for 623 affordable homes per annum across the City Council area. The assessment concludes that whilst there is a notable need for affordable housing, and provision of new affordable housing is an important and pressing issue in the area, this high figure does not point to any requirement for the Council to increase the Local Plan housing requirement as many of those assessed as having an affordable housing need are already in housing and therefore do not generate a net additional need for a home.
- 3.39. The SHNA (2023) reviews a range of affordable housing products available to meet housing need. It concludes that there is a need for both social and affordable rented housing and

social rents should be prioritised where delivery does not prejudice the overall delivery of affordable homes. It recommends the Council seeks a 75:25 split between rented and affordable home ownership (30% of all housing:10% of all housing) but notes that the amount of affordable housing delivered is limited to the amount that can viably be provided.

- 3.40. The SHNA (2023) sets out that there are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. In all sectors the analysis points to a particular need for 2-bedroom accommodation, with varying proportions of 1-bedroom and 3+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 40% of general needs housing to have at least 3-bedrooms.
- 3.41. Based on the range recommended in the SHNA (2023) and considering the role the delivery of larger affordable homes for rent can play in releasing a supply of smaller properties for other households, the following mix is now considered appropriate for affordable housing for rent: 25% 1 bedroom, 35% 2 bedroom, 30% 3 bedroom and 10% 4 bedrooms.
- 3.42. In terms of specific housing needs other than affordable housing, the SHNA (2023) notes that the older person population is projected to increase notably moving forward. The assessment concludes that an ageing population means that the number of people with disabilities is likely to increase substantially.
- 3.43. Since the publication of the SHNA (2023), the National Planning Policy Framework has expanded references to the types of older persons accommodation that is needed for older people. The demographic estimates of need for these types of older persons accommodation are identified in the SHNA (2023).
- 3.44. The SHNA (2023) has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on several factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit.
- 3.45. The SHNA (2023) recommends the Council continues with the current approach to custom and self-build housing.

#### Gypsy and Traveller Accommodation Assessment (2024)

- 3.46. The provisional findings of the Gypsy and Traveller Accommodation Assessment that covers the period 2023 to 2041 identifies a requirement for a range of between 36 and 77 Gypsy and Traveller pitches and 25 nomadic Travelling Showpeople plots to be developed by 2041 within Chelmsford.

#### Local Plan Viability Report (2023)

- 3.47. The Local Plan Viability Report (2023) tests the high-level viability of different typologies of development sites that could come forward through Local Plan allocations through multiple development appraisals. Several sets of appraisals have been run, including a varied affordable housing requirement, varied levels of environmental standards and varied developer contributions.

- 3.48. The appraisals use the residual valuation approach. They assess the value of a site after considering the costs of development, the likely income from sales and/or rents and a developers' return. The Residual Value represents the maximum bid for the site where the payment is made in a single tranche on the acquisition of a site. For the proposed development to be viable, it is necessary for this Residual Value to exceed the Existing Use Value (EUV) by a satisfactory margin, being the Benchmark Land Value (BLV).
- 3.49. The Base appraisals in the Local Plan Viability Report (2023) reflect the Council's current policy requirement, updated for national changes. These show that across the greenfield sites, the Residual Value exceeds the BLV in all cases, suggesting that such development is likely to be viable on the basis tested.
- 3.50. On brownfield sites within Chelmsford and the wider Borough, the Residual Value is generally above the BLV, suggesting that such development is likely to be viable. The exception is in relation to flatted development which is most likely to come forward in central Chelmsford. This is not shown as viable with the Residual Value being less than the BLV, and for the higher density typologies, less than the EUV. Whilst the value attributed to flatted development is significantly greater than for housing development, this is more than offset by the greater costs associated with flatted development and the necessity to reflect the circulation space (stairs and lifts) in the modelling.
- 3.51. The values in the South Woodham Ferrers area are less than in the wider Borough and the Residual Values are proportionately less than in the wider Borough. In this area greenfield development is shown as viable but brownfield development (housing and flats) is not.
- 3.52. The Local Plan Viability Report (2023) modelling includes the 7 potential strategic sites. On all these the Residual Value exceeds the BLV suggesting that these are likely to be forthcoming.
- 3.53. The Local Plan Viability Report (2023) appraisals assume developer contributions and CIL. On the potential strategic sites, these vary from £25,000 per unit to £50,000 per unit (in addition to CIL). As and when the actual strategic sites are identified and modelled, it will be necessary to test them against their strategic infrastructure and mitigation requirements identified through the Infrastructure Delivery Plan (IDP).
- 3.54. The analysis showed that, on average, assuming 35% affordable housing, across the typologies, the Residual Value is about £110,000/ha less where the affordable housing for rent is provided as Social Rent, rather than Affordable Rent. This is a significant difference that has the impact of reducing the scope for affordable housing provision by about 5% overall, although the impact varies considerably across the different typologies.
- 3.55. In the Local Plan Viability Report (2023) a range of developer contribution costs ranging from £0 to £60,000 per unit has been tested against 0% to 45% affordable housing requirements.
- 3.56. In the Local Plan Viability Report (2023) the effects of affordable housing and developer contributions are tested in three scenarios:

Figure 7: Extract of scenarios tested in the Local Plan Viability Report

	<b>Lower Requirements</b>	<b>Mid Requirements</b>	<b>Higher Requirements</b>
	Being as per the minimum existing and emerging national standards		Including most of the items tested
<b>Biodiversity Net Gain</b>	10%	20%	20%
<b>Carbon and Energy</b>	2025 Part L	Zero Carbon	Zero Carbon
<b>Accessibility</b>	100% M4(2) Accessible & Adaptable	95% M4(2) - Accessible & Adaptable 5% M4(3)a Wheelchair Adaptable	95% M4(2) Accessible & Adaptable 5% M4(3)b Wheelchair Accessible
<b>Water Standard</b>	Enhanced Building Regulations	Enhanced Building Regulations	Enhanced Building Regulations with Rainwater Harvesting
<b>CIL</b>	As adopted	As adopted	As adopted

### Issues and options Consultation Feedback

3.57. The Review of the Local Plan Issues and Options document was published for consultation between August and October 2022. A total of 1,178 responses were received from 711 respondents. The 'You Said We Did' (YSWD) Feedback Report, available via [www.chelmsford.gov.uk/lp-review](http://www.chelmsford.gov.uk/lp-review), sets out the main issues raised in the representations received, a summary of how the Preferred Options Local Plan has been informed by the comments and the plan evidence base. Main issues raised in the consultation responses include:

- Support for the use of the Standard Method but representations both supporting and disputing the amount, need and justification for any additional housing above this output
- Representations to increase the Housing Requirement to meet specific housing needs
- Support for the housing supply buffer as well as representations querying the justification for a supply buffer in addition to a Housing Requirement buffer.
- Representations stating that exception site developments aren't a good idea but others suggesting they should be applied in more rural areas
- Support for 10% of the housing requirement being on small sites
- Support for a higher affordable housing requirement if viable
- Support for specialist residential accommodation allocations for older people and other specific housing needs where evidenced
- Representations for greater flexibility in the housing market mix.

### Local Plan Approach

3.58. The SHNA (2023) concludes that the Standard Method is a reasonable assessment of

housing need for Chelmsford. The Standard Method exceeds the Housing Requirement in the adopted plan by 150 homes per annum, 955 homes per year as of April 2023. Since the national standard method was first published in 2018, the average annual minimum housing need figure has been 953 homes per annum.

- 3.59. 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.
- 3.60. The City Council declared a housing crisis in Chelmsford in February 2022 and levels of homelessness continue to rise. Consequently, the Council continues to propose a Housing Requirement figure of 1,000 homes per annum for the plan period 2022-2041 to address rising levels of homelessness within the administrative area of the City Council. In turn it is hoped that the higher Housing Requirement figure will also assist in reducing the associated reliance on temporary accommodation for these households.
- 3.61. In addition, the figure of 1,000 homes per annum also addresses the variation in the calculation of the Standard Method and protects against this being a minimum figure.
- 3.62. Historically the Council has included a housing supply buffer of between 16 – 18% across different Local Plan periods. Over longer periods of time, housing delivery has not achieved the Housing Requirement inclusive of the buffer.

Figure 8: Housing buffer and completions during Local Plan periods

Delivery Plan Period	Target	Supply	Difference	Actual Performance %
2001-2013 (16% Buffer)	8400	6435	-1965	77%
2013-2023 (18% Buffer)	8050	8703	+653	108%
2001-2023	16450	15238	-1312	92%

- 3.63. To maintain flexibility and ensure sufficient supply of sites throughout the plan period, it is proposed to retain close to a 20% supply buffer in Policy S6 (Housing and Employment Requirements).
- 3.64. Provision is made for 22,567 new homes during the period 2022-2041 however when allowance is made for existing housing completions, existing planning permissions, existing Local Plan allocations to 2036 and windfall projections the residual new Local Plan Allocations for the period to 2041 is 3,862 new homes. The range of site allocations, including new sites, is set out in Policy S7 (The Spatial Strategy):

Figure 9: Housing Supply at 2022/23

<b>Total completions, allocations, permissions, windfall</b>	<b>18,705</b>
<b>New Local Plan Review Allocations</b>	<b>3,862</b>
<b>Total</b>	<b>22,567</b>



3.65. The Preferred Options Local Plan includes sites to accommodate around 5% (around 1,000 homes) of the housing requirement on sites no larger than one hectare. It is not possible to achieve 10% in part due to a lack of suitable promoted sites within the preferred Spatial Strategy area. At the close of the consultation on the Preferred Options Local Plan, the Council will review any new and amended sites submitted through the current [call for sites](#) to see it is possible to achieve more than 5% of the housing requirement on sites no larger than one hectare within the preferred Spatial Strategy area.

3.66. The following policy obligations were included in the Local Plan Viability Report (2023) for mainstream housing to support the Preferred Options Local Plan Review consultation document:

- 35% Affordable Housing – consisting of 24.5% affordable housing for rent/8.75% First Homes/1.75% shared ownership housing.
- 98% of all dwellings built to meet Part M Category (Accessible and adaptable dwellings) M4 (2) of Schedule 1 (para 1) to the Building Regulations 2010 (as amended)
- 5% of affordable housing built to meet Part M Category (Wheelchair user dwellings) M4 (3) (2) (b) of schedule 1 (para 1) to the Building Regulations 2010 (as amended)
- Water efficiency standard at enhanced Building Regulations and rainwater harvesting.
- Net Zero carbon emissions on all development sites.
- 10% Biodiversity net gain on all development sites.

3.67. The proportion of affordable housing for rent in Policy DM2 (Affordable Housing and Exception Sites) has been increased to address priority housing needs, without affecting the overall viability of development.

3.68. The Reasoned Justification now includes the mix of affordable homes for rent that reflects the SHNA (2023) and the need to prioritise larger affordable homes for rent to maintain churn in the existing affordable housing for rent stock.

3.69. A dwelling mix for affordable housing for rent was previously included in the Planning Obligations Supplementary Planning Document but is considered critical to address the priority affordable housing needs of the administrative area so has now been included in the Reasoned Justification and will be closely monitored in the Annual Monitoring Report.

3.70. Other text previously included in the Planning Obligations Supplementary Planning Document and published Planning Advice Notes have also been included or signposted in the Reasoned Justification for Policy DM2 (Affordable Housing and Exception Sites) and DM1 (Size and Type of Housing), where appropriate.

3.71. The threshold in Policy DM2 (Affordable Housing and Exception Sites) has been reduced to

comply with the NPPF definition of Major Development. The Local Plan Viability Report (2023) demonstrates that the threshold and the amount and type of affordable housing is justified.

- 3.72. Policy DM2 (Affordable Housing and Rural Exception Sites) now includes three exceptional circumstances in which small sites will be released for housing that would not otherwise be released for housing, to accord with the NPPF.
- 3.73. Policy DM1 (Size and Type of Housing) provides the range of housing required considering demographic change. It now includes a percentage range to provide greater flexibility on individual sites and the Reasoned Justification acknowledges site location and area character are also relevant considerations when negotiating the mix of housing types on individual development sites.
- 3.74. The increase in the requirement for new dwellings to achieve requirement Part M, Category 2 (Accessible and adaptable dwellings) M4(2) of Schedule 1 (para 1) to the Building Regulations 2010 (as amended) in Policy DM1 (Size and Type of Housing), from 50% to 100% within all development of 10 or more dwellings, will help to address the fact that the number of people with disabilities is likely to increase substantially with an ageing population.
- 3.75. Policy DM1 (Size and Type of Housing) provides a flexible way to meet a range of Specialist Residential Accommodation needs. The application of this policy still refers to the latest assessments of local housing need to prioritise the greatest housing need for Specialist Residential Accommodation within the plan period.
- 3.76. Before publication of the Pre-Submission Local Plan, the Council will consider whether it would be appropriate to identify a percentage of the housing allocation to meet a range of market older persons accommodation types on the new site allocations.
- 3.77. Policy DM1 (Size and Type of Housing) does not specifically address Build to Rent schemes as the Local Plan Viability Report (2023) shows flatted development of this type is not viable and the SHNA (2023) notes that the need for additional private rented housing is dependent on several factors including mortgage lending practices and the availability of Housing Benefit, which fluctuate over time.
- 3.78. Policy DM1 (Size and Type of Housing) maintains the same approach to custom- and self-build housing in line with the recommendations in the SHNA (2023).
- 3.79. Strategic Policy S7 (The Spatial Strategy) shows 30 new allocations for Gypsy and Traveller pitches and a total of 25 travelling Showpeople plots – an increase of one plot from the adopted Local Plan. The Reasoned Justification notes that the Council will expect to see Gypsy and Traveller Pitches and Travelling Showpeople accommodation provided on all suitable large strategic development allocations.
- 3.80. Policy DM1 Cii (Size and Type of Housing) requires the provision of Specialist Residential Accommodation within all development of more than 100 dwellings. This includes gypsy and traveller needs identified in the Gypsy and Traveller Accommodation Assessment (2024) and not met through site allocations.

- 3.81. The provisional results of the Gypsy and Traveller Accommodation Assessment (2024) that covers the period 2023 to 2041 were provided by the consultant undertaking the assessment prior to the December 2023 revision to the Planning Policy for Traveller Sites. The Council awaits a revised breakdown of the number of Gypsy and Travellers meeting the Planning Policy for Traveller Sites definition in Annex 1 and those that do not meet this definition. When this information is available, further consideration can be given to the number pitches that can be allocated to meet this need and the need that could be met through Policy DM1.
- 3.82. There are four designated neighbourhood areas with plans in progress. The Preferred Options Local Plan continues to set out a housing requirement of 100 new dwellings for Danbury designated neighbourhood area. Broomfield and Boreham are not being considered for new housing growth in the preferred Spatial Strategy. East Hanningfield does fall within the overall strategy options for growth and a housing requirement will be considered if requested by the Neighbourhood Plan body.
- 3.83. Policy S7 (Spatial Strategy) provides support for residential development on private residential gardens where development would not cause harm to the local area and where they are in accordance with other relevant policies of the plan.
- 3.84. The key considerations that have informed the Preferred Options Local Plan consultation document relating to housing matters are summarised below:
- The SHNA (2023) determination that the Standard Method is an appropriate minimum local housing need.
  - The need to plan for more homes to allow for changes in the Standard Method calculation and address the rising homelessness in Chelmsford.
  - The need to maximise the proportion and mix of affordable housing for rent to address priority housing need as evidenced in the SHNA (2023)
  - The need to reduce the threshold for affordable housing and introduce new exception site policies to align with national policy.
  - The need to amend Policy DM1 (Size and Type of Housing) to provide a more flexible market mix, require more dwellings to be accessible and focus the Specialist Residential Requirements on housing need in line with the SHNA (2023) and provisional results of the GTAA.
  - The need to increase the allocations for Gypsy and Traveller and Travelling Showpeople provision in Strategic Policy S7 (The Spatial Strategy) and support residential development on private residential gardens in specific circumstances.

#### NPPF 2023 Checklist

- 3.85. The Council has reviewed the Preferred Options Local Plan against the requirements of the latest 2023 NPPF. The table below shows that the plan meets the majority of requirements in full in respect to Housing. The full Preferred Options Local Plan Form and Contents Checklist (March 2024) is available at [www.chelmsford.gov.uk/lp-review](http://www.chelmsford.gov.uk/lp-review).

**Commentary key:**

Preferred Options Local Plan meets NPPF requirement

Preferred Options Local Plan partially meets NPPF requirement

Preferred Options Local Plan does not meet NPPF requirement

No.	NPPF Requirement	Para.	Approach in the Preferred Options Local Plan
	<i>Housing</i>		
14	Be informed by a local housing need assessment, conducted using the standard method in national planning guidance as an advisory starting point. Any housing needs which cannot be met within neighbouring areas should also be taken into account when establishing the amount of housing to be planned for within the plan.	61	The plan is informed by an updated Strategic Housing Needs Assessment (SHNA) conducted using the standard method in national planning guidance. Duty to Co-operate engagement will continue to be undertaken 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. Currently not understood to be any unmet housing need but this will continue to be monitored this through the Duty to Co-operate.
15	Identify the size, type and tenure of housing needed for different groups.  Assess a local need for retirement for retirement and care housing provision when considering the housing needs of older people.	63	Policy DM1 includes references to <a href="#">build to rent</a> and all relevant groups to reflect the most up to date evidence base. This policy also reflects published Planning Advice Notes.  Local need for such provision is considered in the SHNA. The plan makes provision for homes for older people including in Policy DM1 and site allocation SGS7b. Further work around requiring a specific amount of older people housing on new strategic housing sites is proposed ahead of the Pre-Submission Local Plan.
16	Provision of affordable housing should not be sought for residential developments that are not major development, other than in designated rural areas <sup>4</sup> . The definition of major development in the Glossary of the NPPF is	64, 65	Set out in Policy DM2.

<sup>4</sup> 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.

No.	NPPF Requirement	Para.	Commentary
	<p>development where 10 or more homes will be provided, or the site has an area of 0.5 hectares or more.</p> <p>Where a need for affordable housing is identified, specify the type of affordable housing required.</p>		
17	<p>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, subject to the transitional requirements set out in the Planning Practice Guidance.</p>	66	Set out in Policy DM2.
18	<p>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.</p>	67, 68	<p>There are four designated neighbourhood areas with Neighbourhood Plans in progress. The Preferred Options plan continues to set out a housing requirement of 100 new dwellings for Danbury designated neighbourhood area. Broomfield and Boreham are not being considered for new housing growth in the preferred Spatial Strategy. East Hanningfield does fall within the overall strategy options for growth and a housing requirement will be considered if requested by the Neighbourhood Plan body.</p>
19	<p>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.</p>	68	Appendix C and site allocation policies meet this requirement.

No.	NPPF Requirement	Para.	Commentary
20	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.	70	The Preferred Options Local Plan includes sites to accommodate around 5% (around 1,000 homes) of the housing requirement on sites no larger than one hectare. It is not possible to achieve 10% in part due to a lack a suitable promoted sites compliant with the preferred Spatial Strategy area. Also, the Council does not allocate housing sites for under 10 dwellings, which increases the likelihood of windfalls.
21	Seek opportunities, through policies and decisions, to support small sites to come forward for community-led development for housing and self-build and custom-build housing.	70	Policy DM1 enables the provision for self-build and custom-build homes on a range of site sizes. Further details are given in the Self-Build and Custom-Build Planning Advice Note November 2023.
22	Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.	72	Addressed in Policy S7.
23	Support the development of exception sites for community-led on sites that would not otherwise be suitable as rural exception sites.	73	Set out in Policy DM2.
24	Support the supply of homes through utilising masterplans, design guides and codes where appropriate to support larger scale developments.	74	Strategic Policy S7 sets out that Strategic Growth Sites require sites to be delivered in accordance with masterplans to be approved by the Council. Relevant site allocation policies refer to the need for a masterplan to be approved as a specific requirement.
25	Include a trajectory illustrating the expected rate of housing delivery over the plan period.	75	Detailed trajectory is included in Appendix C.
26	Be responsive to local circumstances and support rural housing developments that reflect local needs.	82	Set out in Strategic Policy S7 and Policy DM2.

No.	NPPF Requirement	Para.	Commentary
27	Identify opportunities for villages to grow and thrive, especially where this will support local services.	83	Defined Settlement Boundaries (DSBs) allow development to come forward within villages in principle. Strategic Policy S7 allows new growth sites which are in accordance with the Spatial Principles and Strategic Policies to be allocated through relevant Neighbourhood Plans.
28	Avoid the development of isolated homes in the countryside unless specific circumstances are consistent with those set out in the NPPF.	84	Set out in policies including S1 and DM8

3.86. Throughout the Preferred Options Local Plan each policy includes any 'Alternatives considered'. National Planning Practice Guidance (NPPG) makes it clear that a Local Plan reflects sustainability objectives and has considered reasonable alternatives. The alternatives considered have been tested by the Preferred Options Integrated Impact Assessment (IIA), alongside the proposed policies, to help ensure that the Preferred Options plan is justified and is an appropriate strategy, when considered against the alternatives and other available and proportionate evidence. Key alternatives considered in relation to housing include:

- **Not having a Housing Requirement Figure** - the NPPF requires local planning authorities to proactively meet the need for new housing, employment and retail. Local Plans should set a clear strategy for their area to encourage sustainable growth and inward investment.
- **Not having a Spatial Strategy** - would undermine the delivery of the Plan's Vision, Strategic Priorities and create uncertainty and ultimately lead to unplanned and uncoordinated development not supported by necessary infrastructure. It would result in the removal of specified development allocations and the Settlement Hierarchy which guides future planning decisions and promotes sustainable development.
- **Development in the Green Belt** – discounted as sufficient and suitable land is available outside the Green Belt to meet development needs in a sustainable way. It would also undermine the protection of the Green Belt by national planning policy.
- **Development growth in the Green Wedge** - the Green Wedge is a locally important designation following the river valleys which have been enshrined in Chelmsford development plans since 2008 and has helped shape Chelmsford's growth. Changes to the Green Wedge boundaries to allow development growth has been discounted as sufficient and suitable land is available outside the Green Wedge to meet the areas development needs in a sustainable way.
- **Alternative Spatial Strategy:**

**Expand the existing development allocations within the adopted Spatial Strategy with further expansion of North East Chelmsford (Chelmsford Garden Community)** - this differs from the preferred Spatial Strategy by substituting the proposed new East Chelmsford Garden Community (Hammonds Farm) with further expansion of existing adopted strategic development allocations including North East Chelmsford (Chelmsford Garden Community).

Further expansion at **North West Chelmsford (Location 2)** and **Broomfield (Location 8)** have been rejected due to their impact on and the capacity of the local road network and their relative remoteness from the strategic road network.

Further expansion at **East of Chelmsford (Location 3)** has been rejected due to the need to prevent coalescence with Sandon Village as identified in the adopted Sandon Neighbourhood Plan.

Further expansion at **South Woodham Ferrers (Location 10)** has been rejected due to the impact on and the capacity of the strategic and local road network and capacity limits of the wastewater recycling facilities serving the area.

Further expansion of **Great Leighs (Location 7)** has been rejected due to landscape capacity and sensitivity concerns and the capacity limits of the wastewater recycling facilities serving the area.

Further expansion of **North East Chelmsford (Chelmsford Garden Community - Location 6)** has been discounted as promoted development sites are not deliverable within the plan period given permitted mineral extraction and land remediation works.

**Growth along transport corridors at Chatham Green, Boreham, Howe Green and Rettendon** - this differs from the preferred Spatial Strategy by substituting the East Chelmsford Garden Community with growth at Chatham Green and expansion of Boreham, Howe Green and Rettendon Common.

**Chatham Green** has been rejected due to its relative isolation from existing services and facilities which would lead to higher reliance on the use of the private car, landscape capacity and sensitivity concerns and capacity limits at the wastewater recycling facilities serving the area.

**Boreham** has been rejected due to the impact on the local road network, landscape capacity and sensitivity concerns and uncertainty whether the promoted development would generate the need for a new primary school given the acute lack of existing primary school capacity.

**Howe Green** has been rejected given its relative isolation from existing services and facilities which would lead to higher reliance on the use of the private car, the impact on the local road network and the lack of strategic highway capacity at Junction 17 of the A12.



**Rettendon Common** has been rejected given its relative isolation from existing services and facilities and the strategic road and transport network which would lead to higher reliance on the use of the private car.

**Rettendon Place** has been rejected given the settlement is constrained by the Green Belt to south and west, its relative isolation from existing services and facilities which would lead to higher reliance on the use of the private car and landscape capacity and sensitivity concerns.

**Other Key Service and Service Settlements outside the Green Belt** - the preferred Spatial Strategy allocates small housing sites at Ford End, East Hanningfield and Bicknacre and an allocation of around 100 new homes at Danbury being allocated through the Danbury Neighbourhood Plan.

**Great Waltham** has been rejected as no sites with a capacity of 10 or more homes have been promoted.

**Little Waltham** has been rejected as promoted sites either fall within the Green Wedge, have a negative impact on the local highway network, would not support the provision of a new primary school and/or create coalescence with the development at Chelmsford Garden Community.

**Woodham Ferrers** has been rejected as no sites are promoted which are adjacent to the settlement boundary.

- **Alternative threshold and percentages for Policy DM1 (Size and Type of Housing)** - the site / size threshold for DM1 A is considered appropriate as it applies to major development, and it would be disproportionate to apply it to smaller development. The latest available evidence suggests the amounts and thresholds in Policies DM1 B and DM1 C)ii are justified and supported through viability testing. To amend these could result in sites either being unviable for development or an unjustified overall reduction in affordable housing. The latest available evidence suggests the percentage in Policy DM1 C)i will meet the identified need.
- **Alternative threshold sizes and percentages for Policy DM2 (Affordable Housing and Exception Sites)** – the latest available evidence suggests the amount and thresholds are justified and supported through viability testing. To amend these could result in sites being unviable for development.
- **Give weight to all planning applications from Gypsies, Travellers and Travelling Showpeople** – this would not prioritise Gypsies, Travellers and Travelling Showpeople that meet the Government’s Planning Policy for Traveller Sites (PPTS) definition.

## 4. Next Steps

- 4.1. This Topic Paper will be updated and expanded on following feedback to the Preferred Options consultation and progress of further evidence-based documents. This includes the final Gypsy and Traveller Accommodation Assessment, the full Infrastructure Development Plan, an updated Local Plan Viability Assessment, and updated housing supply information / assessments. An updated Topic Paper will then be published at the next stage of Local Plan Consultation (Pre-Submission) setting out the progress made and the reasoning behind the proposals in the Pre-Submission Consultation Document.

## Appendix 1 - Housing Issues and Options Topic Paper

# 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 21<sup>st</sup> 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.

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



### 3. Issues and Options

#### F 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 <sup>1</sup>	636
Step 2	Adjusted minimum annual local housing need figure <sup>2</sup>	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**

	<b>A. NPPF Requirement</b>	<b>B. NPPF Paragraph Reference</b>	<b>C. Local Plan Approach</b>
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 <sup>2</sup> . 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> .

<sup>2</sup> 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 Written Ministerial Statement of the 24 May 2021 <sup>3</sup> .
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

<sup>3</sup> <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. The Council 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 areas<sup>4</sup>. 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.

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<sup>4</sup> 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:

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

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

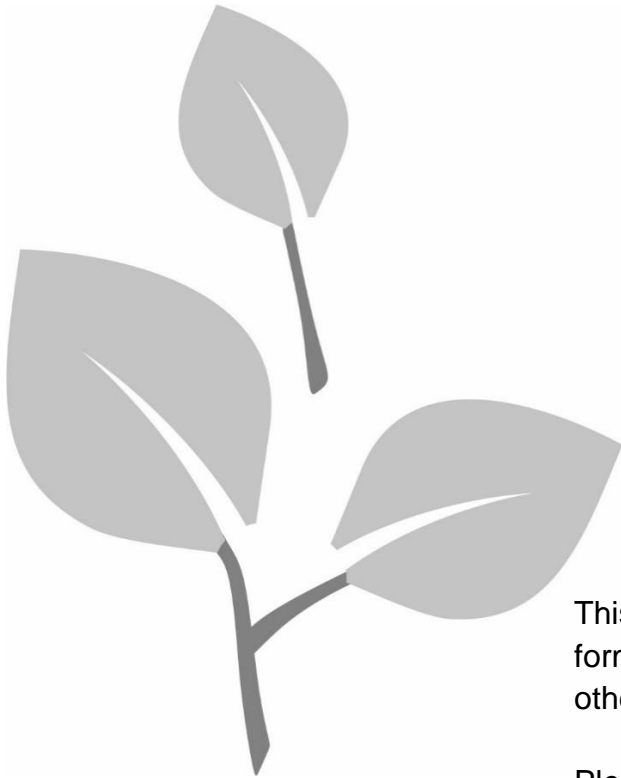
- To review the minimum number of homes needed using the standard method
- To determine the size, type and tenure of housing needed for different groups in the community including but not limited to those who require affordable housing, families with children, older people, students, people with disabilities, 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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