

Sent by email to: planningpolicy@eastcambs.gov.uk

06/05/2021

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Single Issue Review of the East Cambridgeshire Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the Single Issue Review (SIR). The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.
2. As the Council note it is a legal requirement for the Council to review and where necessary update its local plan to ensure that it is compliant with national policy. However, we are concerned that the Council has dismissed with very little consideration extending the plan period or whether its minimum housing requirement may be greater than that established using the standard method, two aspects we consider to be key to ensuring the plan is consistent with national policy. We explore both these, and other, issues further below.

Question 1: Do you agree, in principle, that the six 'proposals' set out above cover what is required for the proposed SIR, taking account of the decision made by the Council to only undertake a SIR on the housing requirement figure (and any consequential changes arising)?

3. No. The Council are not proposing to reconsider their affordable housing policy. However, the Council will need to consider two aspects of affordable housing delivery as part of this local plan review. Firstly, the Council will need to consider whether past under delivery of affordable housing will require an uplift in overall delivery to better meet needs. Planning Policy Guidance (PPG) is clear at paragraph 2a-024 that local plans can assist in increasing delivery of affordable housing outlining that "An *increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*" and it will be important that the Council considers any adjustments to its housing requirement in relation to the need for affordable housing.



4. What is evident from the Council's monitoring of affordable housing delivery is that there has been a significant undersupply of such homes. Since 2011 affordable housing delivery has averaged 47 dpa compared to the most recent assessment showing needs of 129 dpa¹. Such low levels of delivery suggests that the Council need to revisit its assessment of affordable housing needs and consider an uplift in overall provision to meet those needs.
5. If the Council do not consider it necessary to make such an adjustment and discount past under delivery of affordable housing for the new plan period, then it will need to consider adjusting the affordable housing contribution it requires from development. As stated above current assessment of affordable housing shows that the annual requirement for new affordable homes between 2014 and 2036 was 129 dwellings per annum (dpa) some 21% of its minimum housing requirement of 616 dpa as established using the standard method. We recognise that only major development will contribute to meeting this need, but it will be important for the Council to assess whether the current policy HOU3 in the adopted local plan remains sound when considered against the number of homes that will be delivered as a result of the SIR.

Question 2: Do you agree that the plan period should remain 2011-31?

6. The Council will be aware that paragraph 22 of the National Planning Policy Framework (NPPF) requires strategic policies to look ahead over a minimum of 15 years from the point of adoption. The only reason given in the consultation document for this decision is that extending the plan period would likely have wider implications beyond the intention of the SIR. We do not consider this to be a sound reason to ignore the requirements of paragraph 22.
7. In considering whether the plan period should be extended it is essential that the Council understands that the policy being amended is a strategic policy and as such should look ahead over a minimum 15-year period. Paragraph 20 of the NPPF outlines that a strategic policy is one that sets out the overall strategy for the pattern, scale and quality of growth and makes provision for that growth. The focus of this review is to update the Council's strategic policy GROWTH1 in its current local plan and more specifically the number of homes it is required to deliver as set out in this policy. As such this policy must be, on the basis of paragraph 20 in the NPPF, considered a strategic policy. The consequence of this is that any amendments to this policy should look ahead for at least 15 years following the adoption of any amended local plan. This may have wider implications and it will be necessary for the Council to consider those implications as part of this review, and address these where necessary, if the revised plan is to be considered sound.
8. It is also important to note that the requirement for strategic policies to look ahead for 15 years from their adoption is a shift in national policy between the 2019 NPPF

¹ 2016 Objectively Assessed Housing Needs Update

and the 2012 version against which the adopted local plan was examined. The 2012 NPPF only stated at paragraph 157 that local plans should “*be drawn up over an appropriate timescale, preferably a 15-year time horizon*”. This is an important qualification with regard to plan periods and one that clearly needs to be taken into account in establishing the housing requirement in any local plan.

9. Alongside the clear statements as to the minimum period over which strategic policies for housing growth should look ahead, we would suggest that the methodology used in arriving at the local housing needs assessment (LHNA) and the reasons for the adoption of this approach supports the need for an amended plan period. The standard method uses the median affordability ratio of house price to income as a means of setting an uplift that takes account of past under supply in the market. This overarching principal of the standard method is first mentioned in paragraph 2a-002 of Planning Practice Guidance. As such any past undersupply prior to the point at which the final LHNA is undertaken – on submission of the plan – is wrapped up in the housing requirement moving forward. Logic therefore dictates that the plan period must be reset from the point at which the final assessment is undertaken and extends from that point forward and for a minimum of 15 years from adoption of the local plan. For East Cambridgeshire this is scheduled to be July 2022. This will mean that the plan period being proposed is only 7 years from the estimated point of adoption in late 2023. This is substantially shorter than the 15-year period required of strategic policies.
10. It is important for the Council to recognise that the NPPF and its associated guidance must be read as a whole. Its policies are interlinked, and the Council cannot cherry pick those it wants to address through the review of the local plan and ignore others that may require it to meet development needs over a longer period. For example, the local plan will set not only housing requirements but also the infrastructure needs for development which are used by utility companies to increase their capacity. Planning for a longer period provides clarity to utility companies as to how much growth is expected and where development to support that growth will go, allowing them to plan more effectively. The Council's short-term plan will not provide that certainty and could delay infrastructure improvements required to support development beyond 2031.
11. The Government is clear that strategic policies should look forward a minimum of 15 years from adoption and as such the Council's proposal not to amend the plan period is fundamentally unsound. We therefore consider it necessary for the Council to use a plan period starting from 2022/23 extending to at least 2037/38.

Question 3: Do you agree with the method for how we intend to update the housing requirement figure for 2011-31?

12. As we note above the standard method wraps up any past undersupply through the affordability uplift. As such delivery prior to the point at which the LHNA is undertaken is not relevant. What is relevant is that strategic policies look forward

at least 15 years from adoption. At present the housing requirement in East Cambridgeshire as calculated using the standard method, and the most recent data on affordability published in March, results in a minimum housing requirement of 616 dpa. Across a sound plan period, as recommended above, this means the Council will need to find land to deliver at least 10,472 new homes.

13. On the basis of the evidence in section 5 of the SIR the Council currently state they have sufficient developable sites to deliver circa 8,500 homes from the submission of the plan, the point at which the LHNA is fixed, in 2022/23, to its end date in 2030/31. As such further allocations will need to be identified to ensure the plan meets needs to 2038/39 and can be found sound.
14. However, in establishing its housing requirement it is also important to recognise that the LHNA using the standard methodology results in the minimum number of homes that must be planned for. In addition the Council will need to consider whether there are any unmet needs from neighbouring areas or whether there are scenarios that would lead to housing needs being higher than that established using the standard method.

Unmet housing needs in neighbouring areas

15. The Council state that it does not intend to take any additional housing from any neighbouring area nor does intend to “offload” any of its own housing requirement elsewhere. Whilst it is encouraging that the Council is seeking to meet its own development needs in full it will be important that the Council establishes with its neighbours how many homes they can deliver and whether any constraints will prevent them from meeting development needs in full. From the Council’s statement in the SIR, it would appear that should there be any unmet needs then it has predetermined its intention not to provide support.
16. It is important that the Council properly considers any requests, should they come forward, and how it could meet those needs. The Council cannot, at this stage, dismiss meeting the development needs of other areas and to do so would clearly constitute a failure of the duty to co-operate and its requirement to work actively and constructively to address cross boundary and strategic issues. We would like to draw the Council’s attention to the inspectors’ findings at the Chiltern and South Buckinghamshire Joint Local Plan which was found to not be compliant with the duty to co-operate on the basis that the Council failed to consider the unmet needs of Slough actively and constructively. If the Council maintains its current stance there is a risk that the Council will not have complied with its legal duty to co-operate.
17. Therefore, whilst we agree with the Council that at present it is not possible to state whether there are unmet needs in neighbouring areas given that Fenland, West Suffolk, South Cambridgeshire, and Cambridge are all in the process of preparing new local plans. However, equally, it is not possible, to dismiss meeting some of these needs at this stage should any of these councils be unable to meet

their needs in full. As part of the preparation of this local plan it will be important for the Council to engage with all its neighbouring areas to establish whether there will be any unmet needs and to set these out in statements of common ground. If there are any unmet needs it will need to consider how it can support its neighbours in meeting these needs and test options as part of the SIR.

Scenarios supporting higher housing growth.

18. PPG sets out at paragraph 2a-010 that there will be circumstances where it is appropriate to consider whether actual housing need is higher than is indicated by the standard method. In particular this paragraph in PPG outlines areas where there are specific growth deals as one such scenario. Therefore, it will be important for the Council to consider these scenarios and the impact they will have on East Cambridgeshire. For example, the Council will need to consider whether economic growth across Cambridgeshire, supported by the Cambridge Peterborough Devolution deal will require a higher level of housing in the County and especially those with good transport links to Cambridge. The city has one of the fastest growing economies in the country, is constrained by Green Belt and is one of the least affordable areas outside of the South East. It will also be necessary for the Council to recognise that the economic growth of Cambridgeshire and its development needs will only be amplified with the introduction of the Oxford Cambridge Arc Spatial Framework.
19. It is therefore important that the Council understands how the dynamic economy in the south of Cambridgeshire will impact on housing needs in East Cambridge, particularly those in the south of borough that are closest to Cambridge. If the level of economic growth in Cambridge is to be sustained it may be necessary for its neighbours, such as East Cambridgeshire, deliver a higher level of housing than that arrived at using the standard method.

Question 4: Do you have any suggestions as to how, if at all, we should update the guidance in relation to the identified Broad Areas for housing (these Areas only apply in Soham and Littleport)?

20. The decision as to whether the Council should retain or remove the broad locations will need to be considered against the final scope of this review. If the Council decides not to amend the plan period, then there would appear little reason reconsider the broad locations policy. However, as outlined above, we consider the shortened plan period to be unsound and if the Council wishes to revisit its proposed broad locations this should be done comprehensively through a new local plan.

Conclusion

21. The HBF are concerned that the SIR is fundamentally flawed, particularly in its approach to the plan period and the consequential impact this has on the number of homes the Council should be looking to plan for in future. As we outline above

the NPPF is clear that strategic policies must look forward for at least 15 years from adoption and we would recommend that such an approach is taken by the Council. We would welcome the opportunity to discuss this matter with Council and ensure that you do not submit a local plan that is unsound as its inconsistent with national policy and fails to meet the development needs of East Cambridgeshire in full.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt', with a stylized flourish at the end.

Mark Behrendt MRTPI
Planning Manager – Local Plans
Home Builders Federation
Email: mark.behrendt@hbf.co.uk
Tel: 07867415547