

Home Builders Federation

Matter 2

EAST CAMBRIDGESHIRE LOCAL PLAN - SINGLE ISSUE REVIEW EXAMINATION

Matter 2 – Provision of housing

Issue: Are the proposed amendments to Policy GROWTH1 and the explanatory text of the Plan positively prepared, clear, justified and consistent with national policy and will they be effective?

The plan period

Q.11 The amended Policy GROWTH1 would cover the period to 2031, and consequently will not look ahead over a minimum of 15 years from adoption as per NPPF paragraph 22. What is the justification for this, and is the Plan positively prepared in this regard?

The justification put forward by the Council in the SIR is that extending the plan period would have wider implications beyond the intention of the SIR and would have considerable implications and in effect require the need for a full plan update. The Council state that a full update will take place once there is further clarity with regard to changes to planning policy and legislation being proposed by Government. These, however, are not planning based justifications as to why the Council's proposed amendments to the plan are inconsistent with national policy. It would appear that the Council do not want to extend the plan period because it would be inconvenient. It is also disingenuous.

It would appear from the Council's approach that the intention of SIR was to remove the current backlog in housing needs and in not extending the plan period ensure that it does not have to allocate further sites to meet housing needs. A positive approach to plan making would have looked to either address the current backlog in the supply of homes or rebased the plan period and extended it as required by national policy. The approach taken by the Council does neither and as such cannot be considered to be positively prepared or consistent with national policy.

The housing requirement – overall approach

Q.12 The Plan seeks to apply a housing requirement in two parts, derived from the past delivery of housing from the base date of the local plan to date, and thereafter applying the outcome of the standard method for the remainder of the plan period. Is



the approach set out in the Plan justified, positively prepared, consistent with national policy and would it be effective?

The Council's approach is based on the principal that the standard methods wrap up under supply from previous years in the affordability uplift. Whilst we would not disagree that PPG states this it must be remembered that the standard method is a forward-looking assessment of need from the current year with the median affordability ratio being used as proxy indicator in relation to the long term under supply of housing in an area. This affordability uplift makes no actual assessment as to what needs were prior to the point at which needs are calculated but makes the assumption that poor affordability is an indicator of long term under supply. In effect local housing needs assessment using the standard method provides the starting point for plan preparation allowing the local planning authorities to look forward rather than backwards and essentially creates a new assessment of housing need from the point at which it is calculated.

As it is a forward-looking assessment of need it cannot be used by the Council to adjust the level of housing need between 2011 and 2022. The affordability adjustment is made to reflect the long term under supply of homes and not just under delivery against requirements set in recent years. The impact of under delivery on affordability is an issue that will go back well beyond the time frame of the previous plan and as such it is not possible for the Council to say that needs for the period 2011 to 2022 have been addressed. The only assessment of housing needs during this period is the Council's own assessment of objectively assessed needs. If the Council does not intend to amend the plan period, then it must accept its own assessment of housing needs over that period and ensure those needs are met.

Our argument is also supported by PPG. Paragraph 68-031 outlines in relation to the five-year land supply that where plan that is being prepared is part way through its plan period then under supply may need to be considered where delivery falls below the housing requirement. This would suggest that the requirement from previous years is not amended to reflect supply but continues to be based on the established requirement. The application of the standard method in this situation would not adjust the requirement to what has been delivered.

If the Council chooses to rebase its plan period, this should be at least 15 years from the point at which any new housing requirement is adopted. What cannot be considered sound is the halfway house that the Council are proposing that seeks the most advantageous position for itself in relation to the shortfall in housing delivery from the previous plan and only applying the new housing requirement for 8 years post the adoption of the proposed housing requirement. This is the antithesis of positive plan making and the need to provide a strategy that seeks to meet East Cambridge's housing need in full.

The housing requirement 2022 – 2031. Calculation of local housing need using the standard method

Q.13 Why has the plan period not been rebased to the base date used in the standard method calculation? Is this justified?

See response to Q12. The standard method in effect creates a new base for the plan period in relation to housing needs. If the Council adjust the base date of the plan period to reflect the local assessment of housing need it would only be sound if it was also extended to 2038/39, in line with requirements of paragraph 22 of the NPPF

Q.14 Is there any substantive evidence to demonstrate that it would be appropriate to plan for a higher housing need figure than the standard method indicates in this case as per advice set out in the PPG (Paragraph: 010 Reference ID: 2a-010-20201216)?

We note the evidence produced on behalf of both Hill Residential and L&Q, and Pigeon Investments and support their conclusions. These provide a clear assessment as to the interaction between housing needs and economic growth. What is most surprising is that the Council has not undertaken similar assessments as part of its review of this local plan. Such assessments should have played a key role not only its consideration of housing needs but also the scope of the review.

Q.15 Is there any substantive evidence to demonstrate that there should be an adjustment to the minimum housing requirement to help deliver affordable housing as per the advice in the PPG (Paragraph: 024 Reference ID: 2a-024-20190220)?

The Cambridgeshire and West Suffolk report on the Housing Needs of Specific Groups (2021) states that in order to meet affordable housing needs, both rented and shared ownership, in East Cambridgeshire it must deliver 254 affordable homes per annum. This is just over 40% of the Council's assessment of housing need and on the basis of current policies and past delivery the Council will not be able to meet these needs. As we set out in our representation affordable housing completions between 2011/12 and 2020/21 have averaged 15.3% of total delivery, 48 dpa, and have exceeded 20% in only three of those years¹. It is clear that the Council needs to deliver more market housing in order to support the delivery of the affordable housing needed in East Cambridgeshire. Given the primary mechanism to support affordable housing delivery is through market led housing development the Council should adjust the total number of homes it is required to plan for in order to support the delivery of affordable homes in East Cambridgeshire.

Q.16 Is the explanatory text set out in paragraph 3.2.5 of the Plan relating to objectively assessed need and the standard method consistent with national policy as expressed in the NPPF?

¹ East Cambridgeshire AMR 2021 (CD16)

No. As set out in our response to Q12 the housing requirement for the period 2011 and 2022 is not adjusted through the application of the standard method.

The housing requirement 2011 – 2022 and dealing with past under-supply

Q.17 What is the Objectively Assessed Need (OAN) for housing for the first part of the plan period 2011 to 2022?

For Council.

Q.18 What is the justification for basing the first part of the dwelling requirement upon completions to date in the plan period?

See response to Q12. The Council cannot state that completions are in effect what the Council has delivered. The standard method looks forward in relation housing needs and uses the affordability ratio as the basis for adjusting the minimum requirement to address historic under supply within the housing market. This does not relate to a specific time period but to general historic under supply that has had an impact on affordability in East Cambridge. As such the level of need between 2011 and 2022 cannot be amended as is being proposed by the Council. The only assessment of needs for that period available is that found sound and adopted by the Council. If it chooses to keep the base date of the plan that it must seek to ensure that these needs are met in full over the remaining plan period.

Q.19 Does the Plan as proposed as a minimum, provide for objectively assessed needs for housing for the period 2011 to 2022, and is the proposed approach set out in the Plan consistent with national policy?

No. The only assessment of housing need for the period 2011 to 2022 is that established through the adoption of the local plan. There is a shortfall in meeting those needs. As set out above the local housing needs assessment using the standard method takes into account historic shortfalls through the affordability adjustment but this but this does not mean that housing needs between 2011 and 2022 were lower. As such if the Council maintains the current plan period those needs must still be met. If the Council wishes to rebase the plan period it can, but in order to be consistent with national policy it must extend the plan period by 15 years from the point at which the proposals in the SIR are adopted.

Q.20 Given that the base date of the Plan has not been changed to that of the standard method calculation, which is proposed to be applied over the remaining part of the plan period, should past under delivery of housing in the plan period to date (measured against the adopted Local Plan) be taken into account in establishing the housing requirement for the remainder of the plan period in the amended Policy GROWTH1 (See PPG Paragraph: 011 Reference ID: 2a-011-20190220)?

As set out above we do not consider the Council's housing requirement for the 2011 to 2022 period to be adjusted by the standard method as is being proposed by the

Council. If the period remains unadjusted, then the Council are in effect using an alternative method for assessing housing needs across the plan period and under delivery would need to be taken into account.

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