

Sent by email to: [planningpolicy@eastcambs.gov.uk](mailto:planningpolicy@eastcambs.gov.uk)

19/12/2017

Dear Sir/ Madam

### **Response by the House Builders Federation to the East Cambridgeshire Proposed submission Local Plan**

Thank you for consulting the Home Builders Federation (HBF) on the East Cambridgeshire Local Plan. 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.

**We would like to submit the following representations on the Local Plan and we would welcome, in due course, participating in hearings of the Examination in Public.**

#### **Duty to Co-operate**

Whilst we are supportive of joint working that ensures the full OAN of a housing market area is met it is essential that this is clearly set out in the Local Plan. Since the publication of the original Strategic Housing Market Assessment (SHMA) for the Cambridgeshire and Peterborough Housing Market Area there would appear have been a number of separate updates commissioned by different authorities. None of these have looked to assess need across the whole of the HMA and have focussed either on elements of the full HMA or on individual authority areas. East Cambridge is one of those authorities that have prepared an update on the 2013 SHMA for their own local authority area. Given the overly complex approach taken to the 2013 SHMA we can understand why separate assessments have been undertaken. We appreciate that as part of the devolution deal there are aspirations to increase delivery of housing but the lack of a single evidence base to clarify the HMAs position with regards to need and delivery is a concern. It does not suggest that there is a high degree of co-operation between the authorities in the Cambridgeshire/ Peterborough HMA with regard to a key element of the devolution deal.

Despite this confused position the Councils' across the HMA continue to base co-operation on the 2013 Memorandum of Co-operation. Whilst this has established a distribution of housing growth across the HMA no updates have been made to this memorandum to reflect the changing position of each of the authorities and the

progress made with regard to devolution. We would have expected that in the 5 years since its publication further iterations to this document would have been made to take account of changing circumstances. So whilst it would appear that the legal duty to co-operate has been addressed we are concerned that there is no evidence to show that the needs of the full HMA are being met. We would therefore expect to see, prior to submission, an updated Memorandum of Co-operation providing the necessary detail as to what the full needs of the HMA are and where these needs are being met. Until this is provided it we cannot say whether or not sufficient work has been undertaken to show that East Cambridgeshire have co-operated effectively and that housing needs across the HMA will be met in full.

However, at a 'sub' HMA level there would appear to remain co-operation between Peterborough, Fenland and East Cambridgeshire. Peterborough have set out in their latest Local Plan their commitment to delivering an additional 1,500 homes to meet the needs of East Cambridgeshire and a further 1000 homes to meet the needs of Fenland DC. This level of co-operation would appear to meet both the legal and policy requirements of the duty. However we remain uncertain as to whether the needs of the Cambridgeshire/ Peterborough HMA have been addressed. This should be set out within the Local Plan.

### **Policy LP2: Level and distribution of Growth**

This policy is unsound as it unjustified inconsistent with planning practice guidance.

As outlined above we believe that further evidence is needed to show that the needs of the Housing Market Area are being met in full. It is also important that these should be set out in the Local Plan itself to enable effective monitoring of the Plan. The current picture is not clear and it is necessary for the authorities across the HMA to set out an update position statement on how housing needs are being met.

### ***Objective assessed Needs for Housing***

Within the supporting text the Council sets out that it plans to use the Government's standard methodology as the basis for its housing needs assessment. This provides a "headline local housing need" of 11,960 or 598 dwellings per annum, a reduction of around 1,000 homes from the assessment of need in the 2016 update to the SHMA. We are concerned that the Council have rushed toward adopting the annualised housing target that would result from the implementation of the Standard Methodology. At present the document has limited weight as it is still only a consultation. There may well be changes prior to its eventual implementation which could leave the Council in a difficult position when justifying its approach to assessing housing needs.

Whilst we do not consider this consultation to provide any significant weight at present, we do consider it to provide some direction in two key areas of the current approach to needs assessment. Firstly, it reconfirms Government's position regarding the robustness of the DLGG household projections. Secondly it provides the only real indication published by the Government as to the degree of uplift that should be considered in relation to market signals. Currently Planning Practice Guidance (PPG)

sets out the need for local planning authorities (LPAs) when assessing their housing needs to consider market signals. Where these signals indicate that there is likely to have been suppression of household growth then an uplift will be required to address this suppression. PPG does not set out any information as to the scale of uplift that should be provided and only establishes that this should be reasonable and that the stronger the indicators of high demand there should be a larger the response in supply.

The consultation 'Planning for the Right Homes in the Right Places' provides the first indication from Government as to the degree to which an uplift for market signals should be considered. The consultation establishes that uplifts are expected to be significant. For example, where affordability ratios show house prices to be more than four times local salaries then uplifts should be applied. The degree of uplift is also significant and where house prices are 8 time median salaries the uplift should be 25%. This approach is more in line with the approach suggested by the Local Plan Expert Group rather than the relatively limited response that has been made in many SHMAs since the introduction of PPG.

Given the worsening affordability of housing in the Borough we would suggest that a significant uplift was required to take account of market signals. This is based on concerns regarding the affordability of housing in ECDC. For example, lower quartile housing price to earnings ratios in the Borough have increased from 7.38 in 2009 to 9.39 in 2016 and that lower quartile house prices have increased by £61,500 during the same period. This evidence would indicate that a significant uplift is required to take account of market signals and that the Borough's OAN is at least the 12,890 dwellings as indicated in the 2016 SHMA update. Until the Government confirms its approach to the standard methodology we would suggest the Council continues to plan for the OAN set out in its most recent SHMA update. If Peterborough are to take 1,125 of this need means the Council's housing requirement should be 11,765.

We also consider this higher requirement not only reflects housing needs but better supports the economic and employment growth position taken by the Council and the devolved administration. The Council in paragraph 3.41 of the Local Plan has acknowledged that forecasts can fluctuate significantly and as the Council considers a mid-point between the 2014 and 2016 EEFM economic forecasts of 6000 jobs to be the expected level of employment growth. In order to support this level of growth the Council own evidence suggests they will need to deliver more than the 10,835 homes the local plan aims to secure. The Council's evidence would suggest that 11,580 homes would only be sufficient to support employment growth of around 4,800 jobs.

PPG sets out in paragraph 2a-018 that employment trends should be considered as part of the housing needs assessment and it is clear that the higher housing requirement of 11,765 new homes better support the employment growth expectations of the Council. It is also worth noting that the Standard Methodology does not consider any economic factors. This is a key concern of the HBFs and one that we have raised in our consultation response to the Government with regard to the Standard Methodology. By choosing to adopt this proposed methodology for assessing housing needs it would appear that the Council has failed to adequately consider the employment growth they are expecting to see over the plan period.

This means the Council's housing requirement should be set out in LP2 as 11,765 new homes to be delivered between 2016 and 2036, if 1,125 dwellings are to be provided for by Peterborough. This conforms with the Council's evidence base and provides an uplift on the latest household projections. We consider this level of provision to meet identified needs and also better reflect the level of employment growth expected to take place within the Borough. We would suggest that the Council looks to allocate additional sites prior to submission and ensure that the full 11,765 homes required for the plan period.

The housing requirement should also be set out as the minimum number of homes that will be delivered. This is important in order to ensure that growth beyond the requirement is supported by the Council and is consistent with the positive approach to planning required by paragraph 14 of the NPPF.

### ***Housing trajectory***

We are concerned that the Council are using both a stepped trajectory and the Liverpool methodology when assessing their five year housing land supply. PPG establishes in paragraph 03-35 that where possible local authorities should address backlog within 5 years and the approach taken by the Council means that current housing needs will not be met until much later in the plan period.

Whilst we recognise that it in some circumstances this may not be possible for some LPAs the Council have not provided any evidence as to why indicated why they cannot address their backlog within the first five years of the Plan. The Council have suggested that this would lead to an unrealistic delivery scenario. However, given that the Council's own evidence shows that by using the Sedgefield methodology still maintains a five year land supply there would seem no logic in taking such an approach forward when it is inconsistent with national policy.

In order to ensure the approach to housing trajectory set out in LP2 is considered sound reference to the Liverpool method should be removed from the policy. In addition we would suggest that the stepped requirement set out in the housing trajectory on page 74 and in the 2017 Five Year Land Supply is removed. Without these amendments the plan will be inconsistent with national policy and as such it is unsound.

### ***Windfall***

Whilst the level of windfall would appear to be reasonable there is a danger that there will be double counting as the Council includes windfall from the third year of its housing trajectory. This is likely to include existing commitments from small scale development and as such suggest that it is only considered from the fourth year of the housing trajectory.

### **Policy LP6: Meeting Local Housing Needs**

The policy is unsound as it is not consistent with national policy and is ineffective.

*Optional standards on accessibility*

We do not consider the Council to have justified the requirement for all homes to be built to part M4(2). With regard to Part M4(2), the evidence in the 'Meeting Local Housing Needs' paper (ref: PS.EVR6) suggests that as the population is ageing then all new homes should be made accessible to ensure those older people who do move are able to acquire an accessible home. However, it is unlikely that many of the existing older people will move from their current homes. As such there is likely to be significantly less need for new homes to be built to part M4(2). It is also the case that many of those who do move will move to accommodation specifically built to meet the needs of older people and not to general market housing. As such we do not think there is sufficient justification for all new homes to be built to part M4(2) solely on the basis that there is an ageing population.

### *Self-build homes*

Whilst we support the encouragement of self-build housing through the local plan we consider the requirement for sites of over 100 to provide 5% of the dwellings as self-build plots to be unjustified and inconsistent with national policy. Whilst we recognise that Local Planning Authorities now have a duty to promote self-build housing we do not consider the Council to have looked at sufficient options with regard to how it can provide plots to support self-builders. Paragraph 57-024 of the PPG sets out a variety of approaches that need to be considered – including the use of their own land. This is reiterated in para 57-14 of the PPG which sets out the need for Council's to consider how they can support the delivery of self-build plots through their housing strategy, land disposal and regeneration functions. We cannot find any evidence as to the Council's consideration of other reasonable approaches to delivery as suggested in PPG. Without such consideration it would appear that the Council is seeking to place the burden for delivery of self-build plots on house-builders without looking sufficiently at other delivery mechanisms as set out in national guidance.

We also consider the policy to be inconsistent with the third bullet point of paragraph 57-025 of PPG. This outlines that the Council should engage with landowners and encourage them to consider self-build and custom housebuilding. The approach taken by the Council moves beyond encouragement and requires land owners to bring forward plots. We would therefore suggest that the policy be deleted and replaced with a policy that seeks to encourage the provision of self-build plots.

Where plots are not sold it is important that the Council's policy is clear as to when these revert to the developer. At present this policy makes no such provision, as such it is ineffective and leave empty or unfinished plots to the detriment of future residents. We would suggest for the policy to be considered sound it should be amended to state that if a plot remains unsold after 6 months of it being offered on the open market then it should revert back to the developer to be delivered as part of the overall scheme. It should also state that if development of a purchased plot has not commenced within three years of purchase that the buyer be refunded and the plot reverts to the developer. It is important that plots should not be left empty to detriment of its neighbours or the development as a whole.

## **Policy LP19: Maintaining and improving community facilities**

### Part M of the this policy is unsound as it is ineffective and unjustified

It is not the responsibility of the applicant to ensure a community facility is financially sustainable in the long term. As part of the preparation of a local plan the Council should have identified the necessary infrastructure required to meet the needs of the community. Whilst it is reasonable to agree with an applicant that they contribute to the delivery of a facility the long term management of such facilities should be addressed through the council tax that is raised from these properties and other grant funding that is accessible only by local authorities and other public or community sector bodies.

We would also expect that where local authorities consider facilities to be required that there is a demand for these and, as such, they are financially sustainable. If there is no demand for such facilities then it is due to the local authority overestimating the need for these and placing an unnecessary financial burden on both the developer and the community. As such we consider this policy to be ineffective and unjustified and it should be removed from the local plan.

### **Conclusion**

At present we do not consider the plan to be sound as considered against the tests of soundness set out in paragraph 182 of the NPPF. We do not consider the Council has met the tests of soundness in the following areas:

- The plans housing requirement set out in policy LP2 is based on the Government's standard methodology which cannot be given any significant weight at present. The Council should plan for the level of housing needs identified in the SHMA review which will require further allocations to be made prior to submission;
- The housing requirement should be established in policy as a minimum to reflect the positive approach to planning required by the NPPF;
- The use of the 'Liverpool' method to assessing the five year housing land supply is inconsistent with national planning policy;
- Policy LP6 in relation self-build housing is inconsistent with national policy and is ineffective as it as it does not consider how unsold sites will be treated.
- Requirements relating to accessible homes have not been sufficiently justified.
- The requirement in LP19 to secure the long term sustainability of any community facilities provided by a developer should be removed from the plan as it is unjustified and ineffective.

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

Mark Behrendt  
Planning Manager – Local Plans  
Home Builders Federation  
Email: [mark.behrendt@hbf.co.uk](mailto:mark.behrendt@hbf.co.uk)  
Tel: 020 7960 1616