

Sent by email to: localplan@greatercambridgeplanning.org

24/02/2020

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Greater Cambridge Local Plan

Thank you for consulting the Home Builders Federation (HBF) on the Greater Cambridge Local Plan (GCLP). 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.

The consultation on the GCLP sets out a broad framework for growth and provides little in the way of detail on which to respond. As such we have provided some general comments on those question relating to housing needs and supply that we believe will help the Council prepare a sound plan.

Climate Change (Questions 8, 9, 10, and 11)

The housebuilding industry, through the HBF, recognises that there is a need to move towards stronger measures to improve the environmental performance of new residential development. This is in terms of reducing carbon emissions in new homes, providing gains in biodiversity on all developments, green infrastructure and improving the environment around new developments.

However, the HBF, and our members, consider a national and standardised approach to improving such issues as the energy efficiency of buildings, the provision of renewable energy and the delivery of electric vehicle charging points to be the most effective approach that balances improvements with continued deliver of housing and infrastructure. It is the industry's preference for a national approach to improving the environmental performance of residential developments, rather than local authorities setting their own standards. We consider this is necessary to allow research and development and supply chains to focus upon responding to agreed national targets, and for training providers to plan their programmes to equip the labour force to meet these new requirements. It is fundamentally inefficient to create a plurality of standards.

The industry will clearly need to take into account the Government's measures on the Future Homes Standard and Bio-Diversity Gain – both of which will be mandatory for



new residential developments in 2020. In terms of these new regulatory targets applying to new development from 2025 onwards – to deliver the objectives of the Future Homes Standard – the industry, with the leadership of the HBF, will be commissioning work to consider what the industry can do, taking into account developments in research and product development within that time-frame, and what new standards can feasibly be adopted and implemented by the industry.

Therefore, when considering their approach to such matters the councils should ensure that they are working within the current policy and legislative framework and not seeking to deliver a different range of standards that will work against the collective drive on this matter. The importance of a collective approach will also balance the cost of delivering the energy efficiency improvements required alongside other planning obligations and development aspirations that the Councils are seeking to deliver through the GCLP, such as meeting housing needs in full and improving the affordability of homes in this area. The Councils will therefore need consider the consequences of introducing planning policy burdens on new development recognising that the costs of these will ultimately be passed onto the consumer or leave some sites undeliverable.

Prior to the future standards the Councils must take account of current guidance which sets out the approach that Councils should take with regard to technical standards relating to energy efficiency with paragraph 50 of the NPPF stating that:

“Any local requirements for the sustainability of buildings should reflect the Government’s policy for national technical standards.”

The Planning Practice Guidance (PPG) expands on this provision outlining that policies requiring higher energy performance standards than building regulations should not be used to set conditions on planning permissions with requirements above the equivalent of the energy requirement of Level 4 of the Code for Sustainable Homes. As such the aspirations of this plan with regard to improving the energy efficiency of new homes must be made within the context of this guidance if the plan is to be consistent with national policy and found sound.

Housing needs (Questions 32)

The Councils correctly recognise that housing is one of the most important issues in planning and one that must extend beyond considerations of meeting the minimum needs as calculated using the standard method. Using the Governments approach results in a local housing needs assessment of circa 1,800 dwellings per annum (dpa). However, it is important to recognise that the Government state in PPG that this is the minimum number of homes that must be planned for and that it does not attempt to predict the impact of other factors. Therefore, in an area with strong economic growth, and aspirations to maintain this growth, as well as the affordability of its housing stock continuing to decline it will be important for the Greater Cambridge Plan to establish a housing requirement that seeks to address both these concerns.

Economic growth

What is evident from the evidence base supporting the local plan is that 1,800 dpa minimum established using the standard method will not be sufficient to support the economic growth expectations of Greater Cambridge. The work of the Cambridge and Peterborough Independent Economic Review (CPIER) sets out a compelling case for higher levels of housing growth within the Greater Cambridge area and warns of significant negative impacts on both the local and national economy should housing needs continue to be constrained. We note that the consultation document recognises this fact and it must play a significant factor in the decisions regarding this local plan. The economy of Cambridge is too important nationally for the Council to plan for the minimum number of homes required by the standard method.

Affordability

However, the increased demand for housing arising from the economic success of Cambridge also makes the area increasingly unaffordable. Whilst this is an undoubted concern for all residents of Cambridge looking to meet their housing needs it is also an issue for businesses looking to move to the area. It is interesting to note from the CPIER work that the Greater Cambridge area would seem to have been underestimating jobs growth and its impact on the demand for new housing. Whilst the insufficient supply of housing does not appear to have, at present, impacted on economic growth the ramifications of under provision can be seen in the housing market where affordability has worsened significantly over the last 10 years. Housing that is available at a reasonable price is key to attracting and retaining skilled employees. Without it there must a concern that Greater Cambridge may not be able to achieve its aspirations for continued economic growth and that it may actually suffer if this issue is not addressed.

Infrastructure

PPG outlines that Councils should consider the impact of strategic infrastructure improvements that are likely to drive an increase in the new homes locally. The Councils will therefore need to consider when establishing its housing requirement how improvements in infrastructure such as the East-West Rail link between Cambridge, Oxford and Milton Keynes will have significant economic benefits for the Greater Cambridge area and how the Councils can support this infrastructure both in terms of the scale and location of new development.

London's backlog

These improvements in infrastructure and growth expectations must also be viewed in tandem with the continuing inability of London to meet its own needs for housing. The capitals shortfall in housing delivery has now expected to be over 140,000 units between 2018 and 2028 following the conclusion of the Inspectors examining the plan that the supply of small sites in outer London Borough's had been significantly

overestimated leading to the recognition at paragraph 175 of their report¹ that London will fail to meet its housing needs “*by some margin*”. Whilst not a direct neighbour there are strong links between the Capital and Cambridge and an increasing backlog in delivery against housing needs in the capital and strong jobs growth in Greater Cambridge could potentially see an increasing amount of households migrating to Cambridge and fewer leaving to work in the capital. Indeed, the CPIER report acknowledges this position recognising the substantial knock-on effects on demand for housing across the wider south east as a result of the under supply of new homes in the capital.

Recommendation

All these factors will require the Councils to establish a housing requirement far in excess of the minimum number of homes that results from the application of the standard method. It is evident that the Greater Cambridge area has been providing too little housing in recent years and that the substantial uplifts being suggested are clearly necessary. We would therefore support the option of delivering at least 2,900 homes per annum within this local plan.

Housing Type (Questions 33)

The kind of housing that is required in Cambridge will need to be based on the evidence of needs as set out in their Strategic Housing Market Assessment. However, we would suggest that with regard to the type of market housing that is provided the Council should not seek to place overly restrictive policies that seek to set the precise mix of housing provided on all sites. Strategic Housing Market Assessment can only provide a snapshot in time and can only be considered as providing a guide as to the type of housing that should be delivered in future rather than a requirement. Delivering a mix of homes requires the provision of a range of site typologies and locations that will allow for a diversity of market provision. In relation to specific types of need we would make the following comments:

- **Affordable housing:** It will be important for the Councils to ensure that their viability assessment reflects the latest policy and guidance published by the Government. The focus on viability assessment and how it relates to affordable housing places a far greater emphasis on viability being assessed as part of the local plan and that compliance with policy requirements should be set so that most sites are deliverable without further viability assessment negotiations. This may require the Councils to include greater variation in affordable housing requirements based on site type and location to reduce the need for negotiation in relation to onsite affordable housing provision. To aid Councils in the preparation of their viability evidence the HBF has worked with its members to provide a briefing note (attached) to aid understanding of the housebuilding industries approach to viability.

¹ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/inspectors-report>

- **Student housing:** The Councils should not overestimate the potential contribution of student accommodation to improving the availability of housing within Cambridge. The Government's general assessment is that for every 2.5 students living in student accommodation there will be one house released for general housing needs. However, it must be remembered that this is a national figure and will vary significantly between cities depending on the housing stock in that area. Local evidence will be needed as to the appropriate ratio of homes freed to the market through the provision of student housing.
- **Older people's housing:** It will be important for the Council to identify and allocate sites to meet the specific needs of older people. Too often such development is expected to come through windfall or on strategic allocations with no specific target set in the local plan as to how many specialist homes for older people should be provided. This approach does not offer the necessary certainty that needs will be met. As such we would suggest the local plan undertakes to, firstly, establish a housing requirement specifically for the needs of older people. This will ensure that the supply of such homes can be effectively monitored and any under supply be taken into account when making decision on applications for older peoples' accommodation. Secondly, we would suggest that the Council's work with specialist providers to identify suitable sites that will meet the specific needs of older people. Such accommodation needs to be in sustainable locations close to services and as such it is important to work closely with this sector of the housebuilding industry to understand the needs of their customers.
- **Self-build:** We are supportive of self-build and custom house building and the important contribution such development can make to housing supply. However, we are concerned that the need for such homes can be often be overstated by self-build registers. In particular we find that many registers are rarely updated to remove those no longer in need of a self-build plot or to assess whether there is double counting across registers. It will be important for the Council to ensure that its evidence on the need for self-build homes has been effectively reviewed if it is to offer a robust position on the demand for this type of development.

It will also be necessary for the Councils to consider how they support the self-build market in Greater Cambridge. Paragraph 57-025 of PPG sets out a range of different approaches all of which need to be thoroughly considered by the Council. Too often local plans seek to require demand for self-build plots to be met through their provision on allocated sites without proper consideration of the other approaches set out in PPG. Rather than set requirements for the provision of such plots on allocated sites we would suggest the Council seek to find suitable sites where the landowner is willing to provide self-build plots. Such an approach would also be consistent with PPG which states that Councils should work with landowners and encourage them to consider self-build plots but does not state that it should compel them do to so.

Housing Quality (Question 35)

If the Council is considering adopting any of the optional technical standards in the GCLP the Council will need to ensure that they provide the necessary evidence, as set out in PPG, on the need for such homes and their impact on development viability to support their adoption in the GCLP. The Council should not seek to adopt higher/different standards outside of the optional technical standards. We note that the Council suggest that residential development could be required respond to trends such as increased working from home. However, such trends are for the market to respond to and not for the Council to require through the local plan.

However, as we stated earlier in this response, the HBF considers the most effective approach to improving standard and maintain the delivery of new development is through consistent national guidance on technical standards relating to both environment performance and other standards. It seems likely that these will be delivered through the future homes standard and we would advise that until such time as these are introduced that the Council does not seek to set higher standards than those in the current building regulations. In terms of these new regulatory targets applying to new development from 2025 onwards – to deliver the objectives of the Future Homes Standard – the industry, with the leadership of the HBF, will be commissioning work to consider what the industry can do, taking into account developments in research and product development within that time-frame, and what new standards can feasibly be adopted and implemented by the industry.

Infrastructure (Q36)

It is vital that new infrastructure is provided to support the level of growth expected by the Council. It will be vital that the Council not only works with infrastructure providers but also has a clear and open dialogue with the development industry with regard to how and where improvements in infrastructure can be provided. We would also suggest that the Council does not focus on large strategic developments as the panacea to infrastructure delivery. Such developments can bring substantial improvements to local infrastructure but this should not be at the expense of small development opportunities that can provide financial support for local infrastructure and in some cases bring increased demand to support local services that are at risk from closure.

Where to build?

Chapter 5 of the consultation document sets out a very broad question that we will not seek to answer directly. Largely, the decision as to where to build will depend on many factors ranging from the availability of developable sites through to the location of infrastructure both now and in the future. The HBF cannot comment on or promote specific locations for development but in our experience the most effective approach to delivering the levels of development required in the Greater Cambridge area is to ensure a wide variety of sites are allocated both in terms of size and location. The Council's should look to identify sites that will ensure consistent delivery across the

plan period by avoiding an over concentration of development in a specific area or an over reliance on large strategic sites. This is particularly important for Greater Cambridge where there is still an acute need for new homes and already a significant number of strategic sites that are being delivered through the current local plans for Cambridge and South Cambridgeshire.

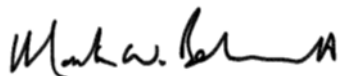
Therefore, whilst the consultation document sets out a range of possible development scenarios for Greater Cambridge, we would urge the Councils not to fall on a single strategy at this early stage of plan preparation. It is more likely that the spatial strategy will include elements from many of the potential options set out in the consultation document. In particular, the Council should not rule out the need to amend Green Belt boundaries. The NPPF is clear at paragraphs 136 and 137 that Green Belt boundaries should only be amended in exceptional circumstances once it has been established that all other reasonable options for meeting identified needs have been examined. Key to these considerations is that only reasonable options for meeting needs should be considered.

This should not only take account of the level of needs but where those needs are within the Greater Cambridge area. Expecting unreasonable options to meet needs, such as very high densities or poorly located new settlements, in order to avoid amending Green Belt boundaries around Cambridge would not be an appropriate response. Given the level of need in the Greater Cambridge area we would suggest that there are exceptional circumstances that will require the Council to amend Green Belt boundaries in order to meet its housing needs and that some development on the edge of Cambridge alongside other options such as new settlements and village expansion. We would suggest that a diverse approach to delivering new development, including amendment of Green Belt boundaries, would potentially provide for the most sustainable patterns of development and be consistent with paragraph 138 of the NPPF.

Conclusion

We hope these representations are of assistance in taking the plan forward. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully



Mark Behrendt MRTPI
Planning Manager – Local Plans
Home Builders Federation
Email: mark.behrendt@hbf.co.uk
Tel: 020 7960 1616