

## EAST CAMBRIDGE BOROUGH LOCAL PLAN EXAMINATION

### Matter 3: Objectively Assessed Needs for Housing and Employment Land

***Issue 1: Whether the Council's approach to calculating its full, objectively assessed needs is justified, based on up-to-date and reliable evidence, effective, positively prepared, and consistent with national policy?***

#### Objectively Assessed Need

Q20. What is the implication of there being a different time period for housing need and employment growth? What is the justification?

When considering the different time periods used for establishing employment growth and housing need it is important to remember that the Council must ensure that the number of homes being built is sufficient to support its economic aspirations. Given the undersupply in homes between 2014 and 2016 of 778 homes it is not at all clear that there will be sufficient homes delivered during the plan period to meet jobs growth. The Council's evidence states that delivering 12,890 new homes would be sufficient to support a growth in employment of 6,880 new jobs, however, the Council must be certain that an additional 11,617 homes between 2016 and 2036 will be sufficient to support employment growth of 6,000 jobs. If not the OAN would need to increase to ensure alignment between employment growth expectations. However, the Council's evidence does not appear to support this position. The paper on the OAN (PE07) based on the 2016 EEFM study, and as set out in table 10 of that study, suggests that there is a dwelling to job ratio of 2.4. In order to support a jobs growth aspiration of 6,000 homes the Council's evidence would suggest the need 14,400 homes. There would appear to be a significant gap between the aspirations of the Council with regard to economic growth and the homes needed to support that growth. This position suggests that the Council have been premature in adopting the standard methodology and reducing the plan period for housing delivery. We would suggest that as a minimum the Council should be planning to meet, as minimum, the 12,900 homes between 2014 and 2036 as set out in the draft Local Plan and not the reduced position set out in the submission local plan which ignores under delivery in 2014/15 and 2015/16.

#### Housing:

Q24. Is the Council's use of the standard methodology to determine local housing need, referred to within the consultation draft of the National Planning Policy Framework, justified, positively prepared, effective, consistent with national policy, and an appropriate alternative methodology to that set out within the Planning Practice Guidance?

In our representation we outlined our concerns regarding the decision to adopt the standard methodology. The Government have stated that this methodology alongside the Draft NPPF and the Draft PPG should not be considered when examining plans. We consider that the recent consultations give a clear indication as to the level of uplift that must be applied where affordability is worst but beyond that it is important that current guidance continues to be applied. However, the decision by the Council to amend its approach and use the standard methodology whilst appearing to increase the level of homes provided during the plan will actually reduce the level of delivery by ignoring unmet needs that the Council would be required to meet using the current SHMA.

The Council in previous iterations of the plan looked at meeting a housing need of 12,900 homes over a plan period of 2014 to 2036 (586 dwellings per year (dpa)). The submission local plan requires the Council to deliver 11,960 homes at 598 dpa. Whilst these annual requirements are not dissimilar, in adopting the standard methodology the Council have amended the plan period and ignored the unmet needs arising during 2014/5 and 2015/16. As stated above this shortfall amounts to 778 homes – a considerable amount that cannot be ignored under current policy and guidance. On the basis of the Council's evidence base it should be seeking to deliver at least 12,657 homes between 2016 and 2036 an annual delivery rate of 632 homes.

The early adoption of the standard methodology means that the Council has been unable to consider changes that are being made by the Government. Since the publication of the submission Local Plan the Government have provided more detail as to the implementation of the standard methodology. Draft Planning Practice Guidance sets out on page 26 that the standard methodology is a minimum and that where additional growth will occur over the plan period an appropriate uplift may be applied. In particular the draft PPG highlights the need to uplift delivery beyond the standard methodology in order to facilitate growth strategies and strategic infrastructure improvements, not just of the local authority but for the wider area. Therefore until the collective long term growth aspirations of the Cambridge and Peterborough Joint Authority are agreed it is important to continue with previous assessments of need that have informed the growth deal and the preparation of the recently published Strategic Spatial Framework<sup>1</sup> prepared by the joint authority. As the standard methodology is a minimum requirement consideration will need to be given to the collective aspirations arising from working with the joint authority before it is implemented across LPAs in Cambridgeshire and Peterborough.

*Q25: How does this methodology compare in absolute numerical terms to the more traditional approach set out within the Planning Practice Guidance and which has been followed within the October 2016 Objectively Assessed Housing Need paper (PE6)? What is the Council's reason to alter its approach to the calculation of its objectively assessed need between the publication of the Further Draft Local Plan in February 2017 and the Proposed Submission version of November 2017?*

As set out above there is limited difference between the OAN set out in PE6 and the standard methodology which respectively deliver 586 dpa and 598 dpa. Our key concern

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<sup>1</sup> <http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Item-2.1-Appendix-1-280318.pdf>

is that in adopting the standard methodology the plans start date has shifted to 2016 which ignores under delivery for the 2014/15 to 2015/6 period.

Q26: Is it appropriate that PE 6, which forms part of the Council's evidence base, relies on a district wide update of the relevant element of the 2013 SHMA, which covers the whole of the Cambridge Housing Market Area? Does the geographical extent of the HMA still remain appropriate and justified? Does the continued reliance on the wider 2013 SHMA remain consistent with the advice within the PPG, 'that local authorities should co-ordinate future housing reviews so they take place at the same time<sup>3</sup>', given that it informed the adopted Local Plan, which the submitted plan seeks to replace?

Whilst PE06 provides a significantly clearer assessment of need when compared to the 2013 SHMA the approach taken by the Council to unilaterally update its housing evidence is not consistent with the approach set out by PPG. A co-ordinated evidence base is required in order to ensure effective co-operation in the delivery of new homes and ensuring the needs of the HMA is met in full. Where one authority updates its evidence unilaterally it cannot consider the impacts of updated population projections or economic forecasts may have on the HMA as a whole. Without this collective evidence it is difficult to know whether there is likely to be unmet housing needs arising elsewhere in the HMA that ECDC would be required to consider addressing.

Q27: Are the housing figures and assumptions contained within PE6, robust and justified? Do they take into account recent DCLG household projections, appropriate market signals, forecast jobs growth and the need for adequate levels of affordable housing to be provided? Has an allowance been made for vacancy rates and second homes with reference to existing and future housing stock?

Our main concern with regard to the assumptions made in PE06 relate to the economic growth aspirations and the number of homes required to support this growth. As outlined above there would appear to be little consistency between the estimates of homes needed to support expected job growth – in particular there are significant differences in the homes to job ratio that result from each estimate. For example, the Council suggest in paragraph 152 of PE06 that the delivery of 12,890 dwellings aligns with the delivery of 6,880 jobs – a ratio of 1.87 homes to jobs. However, this is significantly lower than the evidence in table 10 which would suggest that the ratio is 2.4 homes needed for every new job created. To support the economic aspirations of the plan on the basis of this higher ratio would need the delivery of 14,400 new homes.

### **Recommendation on Matter 3**

The Council should continue to plan its housing need on the basis of a 2014 to 2036 period as that is the basis for their Objective Assessment of Housing Need and employment growth. For this plan it will require the delivery of at least 12,900 homes for this period either within East Cambridgeshire or in another part of the HMA where appropriate. The second bullet point of Policy LP2 should therefore be amended accordingly.

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