

**SOUTH CAMBRIDGESHIRE LOCAL PLAN**

**RESPONSE TO INSPECTOR'S QUESTIONS FOR**

**MATTER 3- HOUSING NEED**

**ON BEHALF OF HARROW ESTATES- 3111**

**IN RESPECT OF REPRESENTATION 60518**

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## **1. INTRODUCTION**

- 1.1 This Statement has been prepared on behalf of Harrow Estates (my client) in response to the Main Matters and Issues for the joint examination of the draft Local Plan for South Cambridgeshire District Council and Cambridge City.
- 1.2 This response reiterates and references the representations made in October 2011 in relation to the Issues & Options draft and expands upon concerns submitted in September 2012 to the Proposed Submission of the South Cambridgeshire Local Plan.
- 1.3 For the avoidance of doubt, the interest of Harrow Estates is focused on the former Hauxton Waste Water Treatment Works within the rural area of South Cambridgeshire District. Unless otherwise stated, references to the "local plan" and its policies relate to the South Cambridgeshire Local Plan.

## 2. Response to Matter 3: Housing Need

- 2.1 Since the plan was submitted, South Cambridgeshire has entered into the Greater Cambridge City Growth Deal with Central Government. The deal plans to accelerate the delivery of 33,480 homes (not exclusively within the City/South Cambridgeshire) as well as bringing forward 1000 additional homes on rural exception sites (within South Cambridgeshire). To do this the Deal will fund infrastructure improvements paid in tranches based on the delivery of housing.
- 2.2 The pre-amble to the City Deal highlights:
- Average house prices in Cambridge have increased 50% in the past 8 years
  - A house is now 9.2 times the average salary compared to 6.7 for England
  - The Housing Waiting list across the deal area exceeds 11,000 people.
- 2.3 No modifications are proposed to address the delivery of the additional 1,000 homes on rural exception sites thus putting at risk the essential infrastructure funding delivered by the Deal and ultimately the potential of the Plan to meet its housing targets.
- 2.4 The plan is therefore unsound, as it is ineffective in its ability to deliver these homes.

**(a.) Do the figures of 14,000 new homes (Cambridge City) and 19,000 new homes (South Cambridgeshire) reflect a robust assessment of the full needs for market and affordable Housing, as required by the Framework (paragraphs 47 and 159)?**

- 2.5 No- The figures contained within the Local Plan for South Cambridgeshire do not represent a robust assessment of the full needs for market and affordable housing across the district.
- 2.6 Since the publication of the SHMA (RD/Strat/090), more recent population projections have been released. In order to ensure that the plan meets the full, Objectively Assessed Needs, it must be updated to take these changes into account. The East of England Forecasting Model, used in calculating the needs for South Cambridgeshire, was updated in August 2013. The breakdown, comparing the population projections contained within the SHMA and the August 2013 EEFM is set out below:

		<b>2011 Population</b>	<b>2031/36 population</b>	<b>Increase 2011- 2031/36</b>
<b>South Cambridgeshire</b>	SHMA	150,000	188,000	38,000
	EEFM	150,000	193,000	44,000
<b>Cambridge City</b>	SHMA	123,000	150,000	27,000
	EEFM	123,000	151,000	28,000
<b>Subtotal- South Cambridgeshire/ Cambridge City</b>	<b>SHMA</b>	<b>273,000</b>	<b>338,000</b>	<b>65,000</b>
	<b>EEFM</b>	<b>273,000</b>	<b>344,000</b>	<b>72,000</b>

- 2.7 The population projections contained within the SHMA are lower than those contained within the EEFM, meaning that the base projections of population are some 7,000 fewer people.
- 2.8 The Cambridgeshire SHMA seeks to convert the population projections into demand for dwellings, through an exercise to assess occupancy ratios. The SHMA uses an East of England wide assumption over the period 1996-2007. It is contended that an East of England wide assumption does not properly account for the very unique circumstances of Cambridge and South Cambridgeshire.
- 2.9 Whilst South Cambridgeshire undoubtedly has an ageing population, there are also a significant number of those migrating to the area to form new households as a result of the significant employment prospects, including those encouraged through the Cambridge City Growth Deal.
- 2.10 The following table sets out the demand for dwellings, taken from the SHMA and the East of England Forecasting Model (Official Occupancy Ratios). The SHMA suggests that South Cambridgeshire and Cambridge City requires 33,000 (2011-2031) new homes . However, the EEFM suggest that the demand for dwellings is 34,000, rising to 36,500 for a high migration scenario, which we contend is consistent with the aspirations of the City Growth Deal.

		Demand for Dwellings 2011-2031 (SHMA)	Demand for Dwellings 2011-2031 (EEFM)
SCDC	<b>Baseline</b>	<b>19,000</b>	<b>20,000</b>
	High Migration	N/A	21,500
Cambridge City <sup>1</sup>	<b>Baseline</b>	<b>14,000</b>	<b>14,000</b>
	High Migration	N/A	15,000
<b>Total: Cambridge City &amp; SCDC</b>	<b>Baseline</b>	<b>33,000</b>	<b>34,000</b>
	High Migration	N/A	36,500

Note: Rounded to the nearest 500

2.11 The differences in figures between the SHMA and the EEFM scenarios is most acute in South Cambridgeshire, where it is anticipated that in a high migration scenario an additional 2,500 homes should be planned for in order to meet the demand for new dwellings in the area.

2.12 Therefore, the plan for South Cambridgeshire, as presently drafted does not meet the full and objectively assessed needs for housing.

Identify and Update a five year supply of housing (Paragraph 47):

2.13 The table below sets out the five year requirement, based on the EEFM High Migration Scenario, Baseline Scenario and the SHMA, to include a 20% buffer to account for persistent under delivery.

2.14 A 20% buffer is an appropriate base on the persistent failure to deliver the required number of homes (see 2014 AMR RD/AD/270) and is consistent with the approach of the Inspector at the recent Waterbeach appeals (RD/strat/330; 340)

	EEFM High Migration	EEFM Baseline	SHMA
Housing Requirement 2011-2031	21,500	20,000	19,000
Annualised housing requirement	1,075	1,000	950
5 year requirement	5,375	5,000	4750
+ 20% buffer	6,450	6,000	5,700

<sup>1</sup> See notes below.

2.15 This table demonstrates that South Cambridgeshire should be identifying between 5,700 and 6,450 homes in order to meet the requirements of Paragraph 47.

2.16 The Housing Supply Topic Paper (RD/TOP/050) identifies that in 2012/13 South Cambridgeshire had a total supply of 4,134 homes with planning permission. Not all of these sites will be delivered within the next five years. However, alternative sites may come forward including 'windfalls'. The trajectory included within the submission plan suggests that the plan will deliver 5,154 homes including a windfall allowance, over the next 5 years. This does not meet the housing requirement when a 20% buffer is applied.

2.17 The following table sets out the land supply for a delivery of 5,154 homes compared to the requirement. It is important to note that this calculation excludes the cumulative shortfall over the period 2011-2014 :

	<b>EEFM High Migration</b>	<b>EEFM Baseline</b>	<b>SHMA</b>
5 year requirement	5,375	5,000	4750
+ 20% buffer	6,450	6,000	5,700
Estimated Delivery (Submission Plan)	5,154	5,154	5,154
<b>Land Supply</b>	<b>3.9 years</b>	<b>4.2 years</b>	<b>4.5 years</b>

2.18 This table clearly shows that the identified supply will not meet the overall housing requirement for the next five years when a 20% buffer is applied, in any of the scenarios, including the authority's own calculation of OAN through the SHMA, and therefore does not meet the requirements of Paragraph 47 of the Framework. As set out in our original representation, there is a pressing need to identify additional sites that are able to deliver within the five year period.

2.19 Harrow Estates wish to draw the Inspectors attention to the fact that, by planning for the high migration scenario (and additional 2,500 homes) and directing these to the rural areas, the plan will deliver 1000 additional affordable homes (at policy compliant levels), meeting the requirement of the City Growth Deal.

Dealing with Undersupply:

- 2.20 The Memorandum of Understanding for the Greater Cambridge Joint Housing Trajectory (2014) sets a novel approach for addressing the immediate housing shortfall in the local area. This involves the supply for South Cambridgeshire and Cambridge being aggregated in order to demonstrate a five year supply for South Cambridgeshire. The justification, was dismissed by the Inspector during the Waterbeach Appeals (RD/Strat/330;340). The approach set out in the Memorandum is likely to result in less development being brought forward through the development management process, further exacerbating issues of under supply in South Cambridgeshire.

**(b.) Is the methodology used consistent with the advice in Planning Practice Guidance? (Where technical matters are in dispute, the Inspector will expect the Councils and relevant representors to provide a statement of common ground so as to narrow and/or clarify areas of agreement and dispute. This will enable the examination hearings to focus on the implications of such matters rather than the underlying technical data.)**

- 2.1 The process of deriving the OAN is generally consistent with that set out in National Guidance. However, there two key matters that need to be updated to ensure that the figure remains up-to-date:
- 1) The National Planning Practice Guidance, Paragraph Reference 017<sup>2</sup> indicates that the household projections produced by the Department for Communities and Local Government, such as those used in the most recent update of the EEFM, are “statistically robust and based on nationally consistent assumptions”. The modelling exercise therefore needs to be updated to reflect these more recent assumptions.
  - 2) A principal difference between the assumptions within the EEFM and the preferred requirement contained within the local plan are occupancy ratios. The Technical Report assumes that the occupancy for South Cambridgeshire will be 2.42. This is the second highest rate within the Housing Market Area, after Cambridge (2.54). The projections need to take into account hidden or concealed households within South Cambridgeshire, which may be keeping household size artificially high.

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<sup>2</sup> Reference ID: 2a-017-20140306 Can adjustments be made to household projection-based estimates of housing need?

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Summary:

The plan (Policy S/5) is presently unsound as it is not consistent with National Policy. Such objections can be overcome by:

- Applying a 20% buffer to account for persistent past under-delivery
- An adjustment to the modelling exercise to take into account the most up-to-date population projections and household formation (including concealed households)
- Planning for 21,500 dwellings as the Objectively Assessed Needs, as taken from the 2013 EEFM projections for the district.
- Distributing the additional 2,500 homes to the rural areas to ensure delivery of 1000 affordable homes in the rural areas. as required by the City Growth Deal.