

**M3/5408**

**/3747**

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## Statement for hearing session Matter 3. Housing need

### Questions

- 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)?
- 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.)

### Response to Question (a)

#### *Demand for Dwellings in Cambridge is Over-Estimated*

The figure of 14,000 given in the draft local plan for additional dwellings required in Cambridge between 2011 and 2031 does not reflect independently assessed need and is too high. The figure is also out of date.

- i) The figure is higher than any current versions of the forecasts on which the figure is stated in the Local Plan to be based. The current forecasts from the East of England Forecasting model ([www.cambridgeshireinsight.org.uk/EEFM](http://www.cambridgeshireinsight.org.uk/EEFM)) show a projected demand for dwellings 2011-31 in Cambridge well below 14,000 at 12,112.
- ii) The 14,000 value is a historic figure which first appeared in the now defunct East of England Plan update in 2011.
- iii) The 14,000 figure was arrived at before the 2011 Census of Population showed that Cambridge's population was 5,000 below the level previously estimated.
- iv) The figure was also arrived and before it became clear that the occupancy rate in Cambridge (i.e. the average number of people per dwelling) had not fallen over the last two decades, and hence the number of dwellings required for the estimated increase in population is lower than if a falling occupancy rate is assumed.

- b) The 14,000 figure is arbitrary, having been loosely based on pre-2011 forecasts and is rounded rather than having the precision required to make strategic decisions on such things as the need to take Green Belt land. Although it is arbitrary it is apparently reproduced in the April 2013 Technical Report ‘Population, Housing and Employment Forecasts’ from the Cambridgeshire County Council Research and Performance Team (see table 32 on page 37 of the report). This figure of 14,000 dwellings is generated by taking an average of plausible estimates for population change 2011-31 and dividing by occupancy rates. The increase in population is taken as 27,000, and the occupancy rate is assumed to fall by 4.5% between 2011 and 2031. The calculations for Cambridge are shown below (based on tables 30 and 32 in the Technical Report):

Cambridge	2011	2031	difference
Population	123,000	150,000	27,000
Occupancy Rate	2.54	2.43	-4.33%
<b>dwellings (rounded)</b>	48000	62000	14,000
<b>dwellings (unrounded)</b>	48425	61728	13,303

As can be seen in the above table the calculations show a required increase in dwellings of 14,000, but only if the dwellings calculations are rounded. The 2011 dwellings figure of 48,425 is rounded down while the 2031 value of 61,728 is rounded up. The precise increase based on the unrounded figures is 13,303 dwellings, which is almost 700 lower than the 14,000 figure used in the Local Plan.

**This difference of 700 is critical in assessing the need for Green Belt land.** Table 2.3 in the Local Plan shows the housing provision for 2011-31 and identifies 13,761 actual and potential sites, excluding the 430 sites on Green Belt land. The Local Plan case for taking Green Belt land is that the 13,761 is less than the assessed need for 14,000. However, the table above shows that the assessed need is actually 13,303 and not 14,000. It is thus well below the 13,761 sites identified in the Local Plan, and leaves a substantial margin for unforeseen changes.

As noted above the calculations in the Technical Report, which underpin the Local Plan’s assessment of need, assume that the occupancy rate in Cambridge falls by 4.5% between 2011 and 2031. This figure is based on the entire Cambridge housing market area and not specifically on Cambridge itself. However, Cambridge is unique within its housing market in having an occupancy rate which is stable rather than falling. In fact, it is most unusual within the whole eastern region in having a high and stable occupancy rate. Only Luton within the region is similar. The reason for the unusual pattern in Cambridge is probably connected with its large population of students and other young people. (In Luton it is due to the large ethnic minority population). The difference between Cambridge and the rest of the region should have been taken into account in the calculations for dwelling needs, but it was not.

The result once again has been to over-estimate projected housing needs for Cambridge.

### *The Supply of Dwellings Sites in Cambridge is Under-Estimated*

In addition we view that figure given for windfall sites in table 2.3 of the Local Plan as too low. Figures supplied to us by Cambridge Planning Department show that the average number of dwellings built on windfall sites between June 2000 and March 2012 was 332 per year with no obvious downward trend. In contrast the Local Plan (table 2.3) identifies only 1850 windfall sites for the 20 year period 2011-31 which averages at only 92.5 per annum. While we accept that windfall sites may be scarcer in future than in the past and are mainly regarded as being relevant for the latter half of the Plan period, we feel that this is unduly pessimistic. The possibility that there will be more windfall sites than identified in the Local plan again undermines the Plans case that Green Belt land will be needed.

### **Response to Question (b)**

Paragraph 158 of the National Planning Policy Framework states that Local Plans should be based on '*adequate, up to date and relevant evidence*'. The Government's planning portal website also says that '*if key studies are reliant on evidence that is already a few years old, they should updated to reflect the most recent information available (and, if necessary, the Plan adjusted in light of this information and of comments received at the publication stage)*'.

It is clear that the evidence base for the 14,000 projected dwellings figure in the Local Plan is both out of date and inadequate.

The figure is out of date because the latest East of England Forecasting Model (EEFM) projections on the CambridgeshireInsight website are for 12,112 additional dwellings between 2011 and 2014 not 14,000 as in the Local Plan. The 14,000 figure is based on evidence that is at least four years old, and has not changed from this highly rounded value despite substantial changes in forecasts, large changes in actual population figures revealed by the 2011 Population Census, and increasing evidence that there has been no trend reduction in occupancy rates as assumed in the Local Plan.

It is inadequate because the attempt to support the 14,000 figure with more up to date (but

still out of date) evidence in the CCC Research and Performance Group's Technical Report (page 37) depends on an inappropriate rounding of two figures. Calculations which use the correct, unrounded, values produce a forecast of 13,303 dwellings, and not the 14,000 stated in the Technical Report. Even this figure of 13,303 depends on an inappropriate assumption that the occupancy rate in Cambridge will decline by 4.5% over the twenty years from 2011. This is inappropriate because there has been virtually no decline in Cambridge's occupancy rate over the last twenty years and the Local Plan makes no argument as to why one would expect this trend to change in future.

Finally we also view the Local Plans estimate of 1850 windfall sites for the period 2011-31 as inappropriate since it appears not to take into account the much larger flow of windfall sites in the past.

## **Conclusion**

Taken together, the over-estimation of the demand for dwellings and probable under-estimation of the supply of windfall sites means that there is no case for taking Green Belt land for housing before 2031. It is thus abundantly clear that there are no 'exceptional circumstances' for taking Green Belt land and the proposal to do so on GB1 and GB2 should be withdrawn from the Local Plan.