



**HEARING STATEMENT
FOR MATTER 3:
OBJECTIVELY
ASSESSED NEEDS FOR
HOUSING AND
EMPLOYMENT LAND
ON BEHALF OF
LINDEN HOMES
MIDLANDS**

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?

Housing

- 24. 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?**

Linden Homes Midlands consider that the Council's use of the Standard Methodology to determine local housing need is unsound.

The proposed Standard Methodology for calculating housing need was first published for consultation by the Government in September 2017 and has been subject to numerous consultation comments, many of which have raised concern with particular aspects of the methodology and the extent to which it is fit for purpose as a means of calculating Objectively Assessed Housing Needs as required by the NPPF. Since the publication of the Submission Local Plan, the consultation draft of the NPPF and draft Planning Practice Guidance has been published and further consultation comments are currently being reviewed by the MHCLG. Of particular relevance is Paragraph 209 of the consultation draft of the NPPF which states that the policies in the previous Framework will apply for the purpose of examining plans, where those plans are submitted to the Secretary of State within six months post publication of the new Framework. As such, the Standard Methodology is not an appropriate alternative methodology for determining local housing need in this case and should not be considered when examining this Plan.

At this point in time, the current policy guidance in relation to the calculation of housing need is set out in the Planning Practice Guidance (paragraphs Paragraph: 014 Reference ID: 2a-014-20140306 to Paragraph: 029 Reference ID: 2a-029-20140306) and the proposed approach to the calculation of the District's OAN should accord with this guidance in order for it to be consistent with the current NPPF and thereby ensure it is sound.

The Objectively Assessed Need (OAN) for housing was, for the Further Draft Local Plan, identified as being 12,900 new homes between 2014-2036 (or 586 pa). The Submission version of the Local Plan, applying the Standard Methodology, now proposes for 11,960 new homes between 2016-2036 (or 598 pa). Whilst the housing need is not significantly different, a key point

to note is that by adopting the Standard Methodology, the Council have brought forward the start date to 2016, rather than 2014, and ignored the undersupply in homes between 2014 and 2016 of 778 homes. This backlog cannot be ignored.

The Council's use of the Standard Methodology to determine local housing need is therefore unsound as it does not fully reflect the Full Objectively Assessed Need for new housing in the District over the Plan period and instead reduces the level of delivery by ignoring unmet needs.

25. 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?

Standard Methodology delivers (2016-2036)	11,960
OAN (2014-2036)	12,900

Variation in absolute numerical terms arises from:

- The Standard Methodology starts from 2016, ignoring the housing need between 2014-2016.
- The Standard Methodology calculation does not take account of local adjustments or employment trends as required by the NPPF, Paragraph 158, although the OAHN did not make any adjustment for employment forecasts

Para 3.3.3 of the Local Plan Proposed Submission suggests that the publication of the consultation document in September 2017 of "Planning For Homes in the Right Places ", which embodies an intention to move away from local based methods of calculating housing need, is the reason the Standard Methodology has been used. This reflects the 5 Year Housing Land Supply Statement October 2017 which states,

"To ensure the plan reflects the most up-to-date approach and meets the housing need in full, the Proposed Submission Local Plan has opted to apply the slightly higher Local Housing Need figure, and not the locally calculated OAN figure" (para 2.10)

As set out above, whilst there is limited difference between the OAN and Standard Methodology, Linden Homes Midlands' key concern is that, in adopting the standard methodology, the plan's start date has been re-based to 2016 which ignores under delivery for the 2014/15 to 2015/6 period.

26. **Is it appropriate that PE6, 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', given that it informed the adopted Local Plan, which the submitted plan seeks to replace?**

PE6 (the East Cambridgeshire Objectively Assessed Housing Need October 2016 Study) refers to 2011 Census data showing commuting flows and cross boundary migration which was analysed to inform the original identification of the HMA. More recent research by the Cambridge and Peterborough Combined Authority in their Interim Economic Report (May 2018) recognises a threefold characterisation of the area within which East Cambridgeshire is not aligned with Peterborough, but has a meaningful economic link with the Fenlands and parts of Huntingdonshire.

It is therefore important for the Council not to update their housing evidence in isolation but instead to co-operate with neighbouring authorities to ensure that the housing needs of the HMA are met as a whole. The East Cambridgeshire OAHN does not take into account any housing need issues arising elsewhere in the HMA, yet does apply the Memorandum of Co-operation to redistribute housing to Peterborough. This approach taken to co-ordination does not comply with paragraph 47 of the NPPF or the PPG, and is unsound.

27. **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?**

Para 47 of the NPPF requires LPA "*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing in the HMA*" (emphasis added).

Linden Homes Midlands are concerned that the housing figures and assumptions contained within PE6 are not robust and justified and do not accord with PPG requirements as they are likely to under-represent housing need arising from economic trends and housing market signals.

The economic forecasting model used within PE6 assumes that no uplift in housing need is generated by economic trends. Furthermore, the uplift required to account for the evidence from housing market signals has been applied at 3.6% which is considered an under estimation. Paragraph 121 of PE6 refers to advice from Local Plan Inspectors that a 10% uplift in projected housing need be applied where there has been moderate under provision or where signals are mixed. PE6 recognises worsening trends in terms of price and quantity of housing yet does not apply a 10% uplift.

In terms of affordable housing provision, the analysis within PE6 seems appropriate.

There is no account taken of vacancy rates and second homes.

Recommendation on Matter 3

In order to make the Plan sound, the Council should plan its housing need on the basis of a 2014 to 2036 period as that is the basis for their Objectively Assessed Need (OAN) for housing. For this Plan, it will require the delivery of at least 12,900 over the plan period. The second bullet point of Policy LP2 should therefore be amended accordingly.