

14 December 2022

Richard Kay
Strategic Planning Manager
East Cambridgeshire District Council

Dear Mr Kay

Examination of the East Cambridgeshire Local Plan – Single Issue Review

1. As I explained at the hearing on 7 November 2022, I am writing to you setting out my advice in respect of the examination of the East Cambridgeshire Local Plan – Single Issue Review (the Plan) at this stage and the way forward for the examination. My comments are based on all that I have read and heard to date. However, I should emphasise that the examination is not yet complete and therefore, these comments are without prejudice to my final conclusions on the Plan which will be given in my report in due course.

Background

2. The submitted Plan is a single issue review of the Council's adopted Local Plan. The preparation of the Plan follows the Council undertaking a review of its Local Plan under regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) in April 2020. The Council concluded that Policy GROWTH1 needed to be revised as it contained an out-of-date housing requirement. The submitted Plan proposes a number of changes to Policy GROWTH1 and the explanatory text relating to the provision of housing.
3. As I explained at the hearing, I take no issue with the scope of the development plan document before me. That is a matter for the Council to decide. I am concerned only with the legal compliance and soundness of the submitted Plan. Some representors would like the Council to prepare a plan with a different scope. However, that is not a matter for me.
4. It is proposed that Policy GROWTH1 is amended so that the housing requirement for the plan period of 2011 to 2031 would be in two parts. Those would be the actual housing completions from the start of the plan period to 2021/22, and for the years 2022/23 to the end of the plan period, a requirement based on local housing need, calculated using the standard method as set out in national policy and guidance.

5. There are several matters upon which I shall give advice. Given the inter-related nature of these, I have grouped them into broad themes to attempt to limit repetition.

Strategic Policy

6. The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these should be applied. The NPPF in paragraph 22 says that strategic policies should look ahead over a minimum 15-year period from adoption (except in relation to town centres). Policy GROWTH1 is a strategic policy in terms of the NPPF. If the Plan were to be adopted, amended Policy GROWTH1 would look ahead no more than 9 years from adoption. This is inconsistent with national policy. There have been occasions where local plans have been found sound, despite strategic policies not looking ahead over a minimum 15-year period from adoption. Such decisions are made having careful regard to the circumstances in particular cases.
7. In this case, the Plan has been prepared on the basis that the plan period is not to be changed. It could be said that it is in effect an interim plan prior to a further local plan review being undertaken in due course. An extension of the plan period so that Policy GROWTH1 looks ahead over a minimum 15-year period from adoption would require considerable additional evidence to be prepared. This would be a substantial change to the Plan. To ensure fairness, further consultation would be necessary.
8. Such a change to the plan period would give rise to different aspects of the plan having different plan periods, and in this regard, the resulting mismatch between housing and employment land provision would give me concern. This is because, in considering a longer plan period, I should consider whether economic growth factors indicate that a higher housing need figure than the standard method indicates is necessary, as the plan would cover a period beyond that of the adopted plan, for which strategic policy relating to economic growth is proposed to be unchanged. Such a change would also be beyond the stated scope of the Plan. Furthermore, duty to cooperate bodies and other interested parties made their comments on the Plan on the basis that the plan period would be unchanged. In addition, it may be that with a longer plan period, the question of unmet housing need would come into play. The alteration of the plan period so that the Plan looked ahead a minimum of 15 years could in turn give rise to consequential soundness concerns.
9. To extend the plan period so that the Plan would be consistent with NPPF22 would have a number of potentially significant implications, in that if it was possible to make it sound in this way, it may render other parts of the adopted plan out of date on its adoption. This may defeat the object of the Plan. Additionally, the work needed to enable the Plan to be made consistent with NPPF22 would be considerable, and is likely to give rise to a protracted

examination of the Plan. This is not desirable and there is no guarantee that the Plan amended in this way would be capable of being found sound.

10. Consequently, it is my view that if the Plan could be otherwise made sound, I would on a pragmatic basis, recommend that it would be adopted with the plan period unchanged, despite the inconsistency with NPPF22.

Housing need and the housing requirement

11. The NPPF in paragraph 35 sets out the tests of soundness. These include that a local plan would be considered positively prepared if it provides a strategy which, as a minimum, seeks to meet the area's objectively assessed needs (assessed using a clear and justified method, as set out in paragraph 61 of the NPPF).
12. National policy and guidance anticipate that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.
13. The Planning Practice Guidance (PPG) sets out how a minimum annual local housing need figure is calculated using the standard method. The PPG is clear that strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process, and that this number should be kept under review and revised where appropriate, though local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination. In this case, the standard method calculation of local housing need would be applied from part way through the plan period, which has not been rebased to the date when the preparation of the Plan commenced.

Housing need and requirement 2011 to present

14. The submitted Plan sets out that the housing requirement for the plan period 2011 to 2022 would be the number of housing completions in that period. The Council has confirmed that this figure is 3,637 (net) dwellings in examination document EX.LA02.
15. The Council's approach for this part of the plan period is not based on identified housing need as is required in national policy. I do not consider that this approach is one which falls under exceptional circumstances to justify an alternative method as set out in NPPF61 in that it does not reflect current and

future demographic trends and market signals. Rather, it simply reflects what has taken place. Consequently, I find that the application of past completions to determine part of the housing requirement to be unsound as it is not justified nor consistent with national policy.

16. So, how could the Plan be amended to address this issue of soundness? The adopted East Cambridgeshire Local Plan 2015 sets out that between 2011 and 2031 the District Council will make provision for the delivery of 11,500 dwellings in East Cambridgeshire. On an annualised basis, this is 575 dwellings per annum. The Strategic Housing Market Assessment at that time identified a need for 13,000 dwellings in East Cambridgeshire for the plan period, with the adopted requirement resulting from a redistribution of need between Councils under the duty to co-operate. Pragmatically, housing need has been assessed for the plan period and a housing requirement is expressed in the adopted Local Plan. Given that there is no robust evidence to support an alternative level of objectively assessed housing need for the plan period to 2022, I advise that the adopted housing requirement should be retained from the start of the plan period to 2021/22, to the date of the local housing need calculation for the remainder of the plan period.

What about the shortfall in housing delivery in the first part of the plan period?

17. The pro rata adopted housing requirement for the plan period to date is 6,325 dwellings. The Council identifies that 3,637 dwellings have been provided in the plan period to date, leaving a shortfall in delivery of 2,688 dwellings against the adopted requirement. This is a significant amount, equivalent to over 4 years worth of housing land supply against the requirement of the adopted local plan.
18. The PPG sets out that the affordability adjustment in the standard method is applied to take account of past under-delivery. The standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately. However, the PPG also says that where an alternative approach to the standard method is used, past under-delivery should be taken into account. In this case an alternative approach is proposed to the standard method for the first 11 years of the plan period, the plan has not been rebased to the start of its preparation and the standard method is not applied for the whole of the plan period. As the Plan takes an alternative approach to the standard method, I should take past under-delivery into account.
19. If the Plan had been rebased and the standard method applied from that point, then it would have been appropriate to discount past under delivery as that would be dealt with in the standard method through the affordability adjustment. However, in the circumstances before me, the Plan has not been rebased, and I am not convinced that it would be sound to amend the Plan so that the actual completions in the first part of the plan period should be the

requirement for that time. Therefore, it is necessary to take the under delivery in the plan period to date into account. There was some discussion at the hearing that as the standard method deals with under delivery, there may be some double counting if the whole of the under delivery in the plan period to date is taken into account. I have not however been provided with a convincing methodology for this to be determined.

20. Adding the housing requirement for the plan period to date to the standard method derived figure provides an overall requirement for 2011 - 2031 of 11,725 dwellings, a modest increase on what is set out in the adopted plan.
21. The question of whether there would be a five-year supply of deliverable housing sites on the adoption of the Plan is not one for me in this examination. It is not the purpose of the Plan to provide a supply of housing land to meet its housing requirement. This has been confirmed by the Council. However, in calculating the five-year housing land supply, the PPG sets out that the level of deficit or shortfall will need to be calculated from the base date of the adopted plan and should be added to the plan requirements for the next five year period (the Sedgefield approach), then the appropriate buffer should be applied. The Council may wish to consider the implications of my advice and especially whether it wishes to make a case to deal with past under delivery across the remainder of the plan period, as per the Liverpool approach, having regard to the housing trajectory (see also para 30 below).

Housing need and requirement 2022 to 2031

22. There is no dispute that the minimum local housing need figure as set out in the submitted Plan, derived using the standard method with a base date of 2022 is 599.78 dwellings per annum, which I round to 600 dwellings per annum.
23. The PPG considers when might it be appropriate to plan for where increases in housing need are likely to exceed past trends, and provides examples of such circumstances. In this case I am satisfied that there is no convincing evidence that the Plan should be accommodating unmet housing needs of neighbours, and note that there is no formal agreement to do so. Equally, there is no robust evidence to demonstrate that strategic infrastructure improvements are likely to drive an increase in the homes needed locally.
24. It has been argued by some representors that economic growth factors indicate that there is a higher level of housing need than the standard method indicates. However, I have not been convinced that this is so for the remainder of the plan period. In any event, the employment growth provisions set out in Policy GROWTH1 were not found to be out of date by the Council and remain unchanged. To conclude on this matter, the minimum housing need for the period 2022 to 2031 is 600 dwellings per annum.

25. Since 2002/3 the average net annual housing completions is 419 in the District (EX.LA02(B)). There is under delivery of 2,688 dwellings in the plan period to date against the adopted housing requirement, and despite the Council identifying a potential housing land supply (untested) of 7,371 dwellings to 2031, the delivery of the housing requirement in full for the plan period as a whole, including the under provision, would require a significant increase in the annual delivery of dwellings from historic levels, and over a prolonged period. There is no convincing evidence that seeking to provide for housing over the minimum level of identified need is a realistic proposition, nor that it could reasonably be delivered.
26. I have had regard to whether provision should be made for more homes to deliver additional affordable housing. Firstly, the development plan policies for the provision for affordable housing are not before me in this examination, so that I am unable to consider their effectiveness or questions relating to viability. Secondly, the evidence suggests that there would have to be a significant uplift in housing provision for the identified affordable housing need to be met in full. However, such an uplift would lead to provision in excess of the total identified housing need. It follows from the above, that as I consider that provision of housing over the need identified could not reasonably be delivered, that I would be similarly unconvinced that increasing the total housing figures to deliver more affordable homes would be effective. The evidence does not convince me that requiring the provision of more housing overall, would lead to a greater provision of affordable housing.
27. To conclude on this matter, the local housing need for the remainder of the plan period should be 600 dwellings per annum. This figure should be used as the minimum annual dwelling requirement for the remainder of the plan period.

Overall housing requirement

28. In order to make the Plan sound, I would recommend that the overall dwelling requirement for the plan period should be 11,725. This would be made up of the adopted requirement for the period to 2022 (6,325 dwellings) and a requirement based on the minimum local housing need for 2022 to 2031 (5,400 dwellings).

Other matters

29. There are several other matters of soundness upon which I should comment. Paragraph 3.5.6 of the submitted Plan refers to the Broad Areas which are identified in the adopted Local Plan, stating that '...in the meantime the principle of development coming forward on the Broad Areas is now established'. This statement has not been justified and the sites would need to be allocated to achieve this in the Plan, which is beyond its scope. The text should be deleted.

30. To be effective, paragraph 3.5.7 and Table 3.2 should be amended to provide the latest information as set out in EX.LA02 Letter to Inspector: Update on Housing Statistics (15 August 2022). To be consistent with NPPF 74 the Plan should include a trajectory illustrating the expected rate of housing delivery over the plan period.

Conclusion

31. In conclusion, I find the Plan unsound as submitted. The hybrid approach to amending the housing requirement set out in the Plan is not one which finds support in national policy and guidance and the Plan has raised a number of interesting questions, as debated at the hearing.
32. That said, I am minded to recommend that to make it sound, the Plan is amended so that the dwelling requirement as set out in the adopted Local Plan remains unchanged for the plan period to date, and at 5,400 dwellings thereafter. Given the approach to defining the housing requirement, amending it to make it sound may not be without consequences, or have implications for parts of the development plan which are not before me. The Council may wish to consider the implications of this.
33. Given that the Plan is not being rebased and the standard method would not be applied from the base date, it is not justified to discount the under delivery of housing in the plan period to date, which would have the effect of reducing the overall requirement for the plan period below the objectively assessed need.
34. I appreciate that my advice may come as a disappointment to the Council. I should be grateful if the Council would let me know its response, so I can decide how to take forward the examination.
35. On receipt of this letter, the Council should make it available to all interested parties by adding it to the examination website. However, I am not seeking, nor envisage accepting, any responses to this letter from any other parties to the examination.

Yours sincerely

Philip Lewis

INSPECTOR