

EAST CAMBRIDGESHIRE DISTRICT COUNCIL

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Inspector P Lewis BA (Hons) MA MRTPI (By email only, via the Programme Officer)

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Your ref

Date:

17 January 2023

Dear Inspector Lewis,

<u>East Cambridgeshire Local Plan</u> - <u>Single Issue Review (of its 2015 Local Plan) – acknowledgement of letter</u>

Thank you again for your letter dated 14 December 2022, received 4 January 2023. As promised in my acknowledgement letter of 6 January 2023, I set out below a fuller response and a suggested way forward.

First, this letter responds to your letter, in the same order (broadly) as you set out your preliminary findings. As you will note, the Council finds considerable contradictions and inconsistency in your approach, and finds, in the Council's view, that your recommendations would fail to pass the national tests of soundness.

Second, I then set out a suggested option to move the examination forward.

Response to the Inspector letter (numbers in brackets refer to the paragraph numbers in the Inspector's letter)

(1-10) – noted, no comments and no actions arising.

(11-15) – whilst disappointed, the Council is minded to accept the finding that past completions is a less than perfect way to determine the housing requirement for the same period, albeit we remain of the view that it is a pragmatic solution for a single issue review plan such as the one proposed. In reaching your preliminary view, we note your finding (15) that you "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."

(16) – this appears to contradict the preceding paragraph, in that first (in 15) you find our proposed approach does not meet NPPF61 (because 'it does not reflect current and future demographic trends and market signals'), but then (16) you appear to find a method prepared in 2012-13 to apparently meet NPPF61. Could you please clarify how it is that a method prepared 10 years ago, using demographic trends and market signals of the decade before, be consistent with NPPF61; or, to put it another way, be a method more consistent with NPPF61 than that proposed in the submitted plan? It appears to the Council that if you are seeking a method which strictly meets NPPF61, then neither the Council's approach nor your approach of relying on a 2012-13 method would be satisfactory?

Your only response to this inconsistency in your application of NPPF61 is (16) that '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.' If the Council's approach is unsound because it fails to be consistent with up to date national

policy, it is hard to understand how the old OAN is suddenly consistent with national policy? It appears to the Council clearly not?

You return to the above point in your conclusion (31), describing the Council's approach as a 'hybrid' one, and finding such an approach not consistent with national policy. But, again, you fail to acknowledge that your recommended way forward is equally a 'hybrid' approach, which, surely, is equally as inconsistent with national policy as the Council's proposed approach? If you continue to proceed with a recommendation along the lines of your hybrid approach, we would be grateful for an explanation as to why you consider your hybrid approach is consistent with national policy, yet the Council's hybrid approach is not.

(17-18) There appears to be some clear contradiction in your findings here. You say (18) that: 'In this case an alternative approach is proposed to the standard method for the first 11 years of the plan period...' and 'As the Plan takes an alternative approach to the standard method, I should take past under-delivery into account.' But in (15) you have already dismissed such an 'alternative approach'? Could you please clarify how it can be that on the one hand you dismiss the alternative approach we set out, and find it unsound, but on the other hand you rely on the fact we are proposing an alternative approach in order for you to justify the application of under-delivery? How is it that you are relying on something that you have already dismissed?

I will jump over para (19), which is an important one, and return to it later in my letter.

(20-27) – whilst much of these paragraphs are noted and we make no additional comment, we highlight your findings that:

- (25) 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) ...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.

It is noted that there is acceptance by you in these paragraphs set out above that a housing requirement figure has to be realistic and deliverable, and that you have considered this principle in reaching preliminary recommendations. The Council agrees that a housing requirement figure has to be realistic and deliverable.

(28) – this is a concluding paragraph, recommending an updating housing requirement figure of 5,400 for the period 2022-31 (consistent with the Council's proposal) and a housing requirement figure of 6,325 for the period 2011-22. On a simple reading, it may be expected the Council to be satisfied with this finding – on a forward look basis, 2022 onwards, it is (subject to rounding) the same figure as the Council put forward. However, as you touch upon yourself (e.g. 21), national policy dictates that it is not just about a forward look, but also a backward look, and in our case the reality of your recommendation is that the Council's housing requirement for the plan period 2022-31 will not be 5,400, but 8,088, an uplift of 50%. And remember, the 5,400 figure was already uplifted by almost 50% in the first place (from 3,812), via step 2 of the standard method, with step 2 being in place to account for any past under-delivery.

Thus, the consequences of your findings will be that the ONS households projections for the period 2022-31, of 3,812 homes needed in East Cambridgeshire, should be replaced by a housing requirement figure of 8,088 for the same period, an uplift of 112% above ONS forecasted projections.

With a dwelling stock of just 38,820 in 2021 for East Cambridgeshire, that's a 21% increase in dwelling stock in 9 years. There is no other location in the country whereby an Inspector has amended a Plan to make it sound by introducing a 21% dwelling stock increase requirement to be delivered over as little as 9 years, or an annual growth in housing stock in excess of 2.3% a year. It is simply unrealistic. It fails to meet the NPPF requirement at paragraph 16 that 'Plans should be prepared positively, in a way that is aspirational but deliverable'. By way of comparison, Milton Keynes, the fastest growing location in the UK¹, has never achieved a growth rate above 1.7% in even a single year through the past decade², and

¹ https://www.propertyinvestmentsuk.co.uk/fastest-growing-cities-in-the-uk/

has typically delivered around 1.2% a year. Your recommendation is asking East Cambridgeshire to deliver homes, year on year for nine years running, at a rate 50% higher than Milton Keynes has ever achieved in a single year in the past decade.

The statistics get even more unbelievable when assessed against the arising 5YLS requirements. Assuming the national policy Sedgefield approach is used, this would mean demonstrating deliverability of 5,972 dwellings (((600x5) + 2,688) x 1.05) in the next 5 years, or around 1,250 per year. That's a growth rate in excess of 3% a year, for five years running, double what Milton Keynes has achieved in a single best performing year. Even if the Liverpool method was adopted, it would shave little off the calculations.

It is extremely hard, indeed impossible, to reach a conclusion that such figures are realistic or deliverable. And, therefore, extremely hard to accept that such figures are 'sound', particularly as you note yourself that in reaching decisions you have taken into account what is realistic and deliverable (25-26).

Put simply, we would be grateful to understand how you consider the Plan, as recommended to be amended by yourself, is consistent with NPPF para 16 and para 35? How is it effective, and deliverable over the Plan period? What evidence has been presented to you, which convinces you that a housing requirement well in excess of 1,000 homes, at annual growth rate in excess of 3%, is realistic and deliverable, and passes the tests of soundness?

(29) – noted, and no further comment

(30) whilst minor in the context of the rest of your letter, the recommendation to introduce a NPPF74 trajectory into the plan is somewhat surprising. NPPF74 wasn't put to you in the plan submitted, yet you have decided to recommend that it be introduced, for soundness reasons, despite elsewhere (3) you make it clear that it is not your role to amend the scope of the plan. If NPPF74 requirements are to be fulfilled, one wonders why other elements of NPPF should not be addressed? There appears a considerable inconsistency in your approach. Nevertheless, if that is your final recommendation, the Council can prepare such a trajectory. However, if your primary recommendation relating to the housing requirement remains unaltered, the said trajectory will demonstrate that the housing requirement to the end of the plan period will not be met (our supply is 'only' 7,371, compare with your recommendation of 8,088 homes needed), and the five-year housing requirement will not be met. The trajectory will, in effect, demonstrate how the plan, as amended by your recommendation, is unsound. A trajectory demonstrating how in excess of 8,088 homes will be delivered will simply not stand up to scrutiny, as it would be contrary to our own evidence set out in our latest five year land supply report.

(31) – see earlier comments.

(32,34-25) – no further comment.

Before I turn to (33), and the similar (19), I also wish to raise what appears to be an important omission from your preliminary deliberations. If the effect of your findings is to result in a plan requiring in excess of 8,000 homes to be delivered in the 9-year period to 2031, and well in excess of 1,000 homes per annum for the first 5 years, there could be widespread implications of such a recommendation on SEA and HRA findings. The basis on which the submitted SA and HRA reports were published would be fundamentally altered by your recommendations. Rather than a plan-led system, focussed on allocated and permitted sites (the submitted Plan), your recommendations would result in a non-plan led system, with likely wideranging speculative development across the district. Such a scenario may have considerable negative effects when assessed against SA / HRA criteria. Indeed, the effects could be to such a degree that it cannot be reasonably concluded, via an updated HRA, that there would be no significant effects on protected habitats (of which there are several such habitats in, or near to, the district).

Put simply, before you progress to final recommendations (unless they are materially altered in your final recommendations), I find beyond doubt that a full update of the SA and HRA work will be necessary, and that you would be duty bound to consider such findings before reaching a final decision. The Council could be at considerable risk of challenge should it adopt a Plan without the benefit of such.

 $^{^2 \, \}underline{\text{https://www.milton-keynes.gov.uk/sites/default/files/2022-01/2020-21\%20Authority\%20Monitoring\%20Report\%20-20final\%20version\%20.pdf}$

On a similar basis, the Council also considers that it would need to re-open DtC conversations, and reach agreements (or possibly not) on the highly inflated housing requirement which would arise from your recommendations. Such neighbouring councils may have considerable concerns with a clearly undeliverable updated housing requirement figure, and the consequences of unplanned speculative development arising, and the infrastructure implications of such upon them.

Potential solution

So far, the Council has found that, in its opinion, your recommendations would not create a 'sound' plan. Indeed, it would fail to pass all four tests of soundness for the following reasons:

- It would **not be positively prepared**, because: even on your own conclusions, the housing requirement would not be established based on an NPPF para 61 compliant basis; it would not be informed by agreements with neighbouring authorities (because the number is fundamentally different to what was proposed); and it would go beyond a 'positive' plan and, plainly, be unrealistic.
- It would **not be justified**, because it would not be an appropriate strategy. Having an undeliverable housing requirement which knowingly and immediately fails the five year housing land supply test, is self-evidently not 'an appropriate strategy' as required by this soundness test.
- It would **not be effective**, because it is not deliverable; and
- It would not be consistent with national policy, such as NPPF para 16 and para 61.

I therefore turn finally to (33), and the similar (19). The Council believes therein lies a solution which addresses your concerns, but also addresses the problems identified in this letter, and addresses the soundness issues which both parties need to be consistent with. In your paragraphs referred, you refer to the plan period, as submitted, 'not being rebased' and that the 'standard method would not be applied from the base date'.

The Council proposes a simple solution.

The Council proposes that the Plan, for housing requirement purposes, be rebased to April 2022. By doing so:

- (a) This approach would remove any 'hybrid' approach you have concerns with, and avoids your introduction of an alternative hybrid approach. The Council would simply adopt the standard method for the entire plan period. Such an approach would pass all four tests of soundness.
- (b) It would address past under-delivery. As you point out (19), the standard method directly addresses under-delivery. By rebasing the plan, and only relying on the standard method, there is also no double counting of past under-delivery to be concerned about (a matter raised in your letter (19)):
- (c) It would provide a realistic and deliverable housing requirement, namely 5,400 homes for the period 2022-31, which is still a significant boost to housing delivery compared with recent past (2,981 homes were delivered in the past nine years, so 5,400 would be close to doubling that rate), and would deliver a very high annual growth rate of over 1.5% on existing dwelling stock (a figure rarely matched anywhere in the country);
- (d) It would avoid the need to reopen DtC conversations and avoid the need for widespread updates to HRA and SEA evidence, and the unknown implications of such; and
- (e) It would, ultimately, put in place a plan-led system for East Cambridgeshire, one which is consistent with NPPF para 16.

Conclusion

As you will be aware, the Secretary of State requires Inspectors to work proactively with the local planning authority, and that Inspectors should seek to work with the local planning authority to clarify and address fundamental issues of concern.

Whilst we acknowledge the concerns you have raised in your letter, we do not believe your potential suggested solutions address those concerns. Indeed, in our opinion, your solutions simply lead to a wideranging failure of the soundness tests.

In the spirit of that Secretary of State request, we trust the above potential solution will be positively considered by you, and we look forward to your response.

Yours sincerely

Richard Kay Strategic Planning Manager East Cambridgeshire District Council