

EAST CAMBRIDGESHIRE DISTRICT ASSESSMENT OF OVERALL HOUSING NEED

Prepared on behalf of L&Q Estates and Hill Residential

13 June 2022

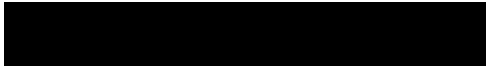
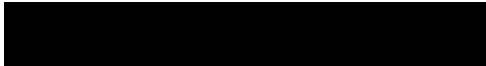
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PREPARED ON BEHALF OF
L&Q Estates and Hill Residential

June 2022

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CONTENTS

	PAGE
1. Introduction	01
2. National planning policy and guidance context	02
3. Sub-regional planning policy context	06
4. Local Planning Policy context	16
5. Affordability analysis	21
6. Affordable housing need	31
7. London's unmet housing need	37
8. Economic-led housing need	41
9. The need for older persons accommodation	45
10. Summary and conclusions	52

1. INTRODUCTION

- 1.1 This Technical Report has been prepared by Barton Willmore now Stantec's National Development Economics Team on behalf of L&Q Estates and Hill Residential to assess housing need in East Cambridgeshire District and determine whether the level of housing need arrived at by the Council follows a methodology which complies with the requirements of the 2021 National Planning Policy Framework (NPPF) and the accompanying Planning Practice Guidance (PPG) for Housing and Economic Needs Assessments (HENA).
- 1.2 The technical report is submitted as part of representations to the Regulation 19 Single Issue Review of the East Cambridgeshire Local Plan 2015, published for public consultation between 03 May and 13 June 2022.
- 1.3 As the Council has explained, the 'Single Issue Review' (SIR) responds to *"a number of factors including the need to re-examine the appropriate housing requirement for the plan period, and to ensure the Local Plan remains up to date."*
- 1.4 In this context, the SIR establishes housing need of 599.78 (rounded to 600) dwellings per annum (dpa) using the 2021 National Planning Policy Framework's (NPPF) standard method. This level of **need** is taken forward as the **requirement** for the purposes of the SIR's Plan period between 2022 and 2031 and is set out in the amended 'Policy Growth 1' of the SIR document.
- 1.5 The report we present here considers the decision of the Council to take forward the 2021 NPPF's standard method calculation of **minimum** housing need as the housing requirement for the period up to 2031.
- 1.6 The following section of the report therefore summarises the process of establishing housing need set out by the 2021 NPPF and its supporting Planning Practice Guidance (PPG).

2. NATIONAL PLANNING POLICY & GUIDANCE CONTEXT

2.1 The policy and guidance which should be considered when assessing the housing need for local authorities is set out in the 2021 National Planning Policy Framework (NPPF) and its accompanying Planning Practice Guidance (PPG).

2.2 The NPPF states the following in this respect:

“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.”¹
(Our emphasis)

2.3 The NPPF is clear that the standard method set out in its supporting PPG provides the **minimum** number of homes needed.

2.4 The method by which housing need should be established, and an explanation of the ‘Standard Method’ (SM) referred to in the NPPF is set out in detail in the Housing & Economic Needs Assessment (HENA) section of PPG.

2.5 At the outset the PPG states, *“Housing need is an **unconstrained** assessment of the number of homes needed in an area”* and goes on to state *“Assessing housing need is the **first step** in the process of deciding how many homes need to be planned for. It should be undertaken **separately** from assessing land availability, **establishing a housing requirement** figure and preparing policies to address this such as site allocations.”²* (Our emphasis).

2.6 The PPG is very clear that the assessment of **need** should be unconstrained and is an entirely separate exercise from establishing the housing **requirement**.

2.7 The PPG then moves on to explain what the SM provides. It states *“The standard method uses a formula to identify the **minimum** number of homes expected to be planned for. The standard*

¹ Paragraph 61, NPPF, 2021

² Paragraph ID:2a-001, PPG, 2019

*method...identifies a **minimum** annual housing need figure. It **does not** produce a housing requirement figure.*"³ (Our emphasis).

- 2.8 This section emphasises how the SM provides the **minimum** housing need figure and highlights how the SM does not produce a housing requirement figure. A separate part of PPG addresses housing requirement.
- 2.9 The PPG also makes a very clear distinction as to the tests which will be applied if local authorities seek to justify housing need higher or lower than the SM minimum.
- 2.10 In respect of a housing need figure **lower** than the standard method minimum, the PPG states "*where an alternative approach results in a **lower** housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are **exceptional local circumstances** that justify deviating from the standard method. This will be tested at examination.*"⁴ (Our emphasis).
- 2.11 In contrast, in terms of establishing housing need which is **above** the Standard Method, PPG states "*Where a strategic policy-making authority can show that an alternative approach identifies a need **higher** than using the standard method, and that it adequately reflects current and future demographic trends and market signals, **the approach can be considered sound** as it will have exceeded the minimum starting point.*"⁵ (Our emphasis).
- 2.12 Having established that SM represents minimum need, and that actual housing need may be higher, the PPG moves to discuss when might it be appropriate to plan for a higher housing need figure than the SM indicates.
- 2.13 PPG therefore states that "*there will be **circumstances** where it is appropriate to consider whether actual housing need is **higher** than the standard method indicates.*"⁶ (Our emphasis)
- 2.14 In discussing these circumstances PPG reiterates how the standard method only represents **minimum** need, stating "*The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing*

³ Paragraph ID:2a-001, PPG, 2019

⁴ Paragraph ID:2a-015, PPG, 2019

⁵ Paragraph ID:2a-015, PPG, 2019

⁶ Paragraph ID:2a-010, PPG, 2019

*local housing need provides a **minimum starting point** in determining the number of homes needed in an area. **It does not attempt** to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”⁷ (Our emphasis)*

2.15 The PPG then moves on to discuss what circumstances might lead to an increase in housing need, as follows:

“Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- **growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g., Housing Deals);**
- **strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or**
- **an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;**

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more homes. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”⁸

2.16 The PPG also reiterates that this assessment of need is separate to the process of establishing a housing requirement, stating that the circumstances which may lead to a higher need figure *“will need to be assessed **prior to, and separate from**, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan) ”⁹ (Our emphasis).*

⁷ Paragraph ID:2a-010, PPG, 2019

⁸ Ibid

⁹ Paragraph ID:2a-010, PPG, 2019

Summary

- 2.17 Therefore, to summarise, both the NPPF and PPG emphasise that the SM determines the **minimum** number of homes needed for each local authority. Consideration must be given to whether other circumstances warrant an increase to the minimum need, and in this context and to comply with PPG the assessment of need must be **unconstrained**.
- 2.18 Furthermore the PPG emphasises throughout how the assessment of *need* must be carried out separately and prior to the determination of a housing *requirement*.
- 2.19 Furthermore, the PPG refers to **exceptional circumstances** being required to justify housing need which is *below* the Standard Method minimum.
- 2.20 In contrast the PPG states how a **range of circumstances** may justify the determination of housing need which *exceeds* the SM minimum, and that an assessment of need which establishes a figure which is higher than the SM minimum will be considered sound if it "*adequately reflects current and future demographic trends and market signals.*"
- 2.21 It is therefore important to consider whether any factors justify an increase in the SM minimum when determining housing need.

3. SUB-REGIONAL PLANNING POLICY CONTEXT

Introduction

- 3.1 The previous section of this report summarised the national policy and guidance which must be followed by local authorities when assessing housing need. In this section we consider the strategies for growth which affect East Cambridgeshire District. This includes the 'Cambridgeshire and Peterborough Devolution Deal' which aims to **double** GVA in the area by 2042.
- 3.2 East Cambridgeshire District sits at the crossroads of three economic growth corridors. Some of these growth corridors have support from national Government and are vital in achieving the economic growth aspirations of the country.

The Oxford-Cambridge Arc

- 3.3 The '*Planning for sustainable growth in the Oxford-Cambridge Arc*' document (February 2021) marked the initial consultation of the emerging Spatial Framework for the Arc. This is the first step to a Spatial Framework, which is scheduled to culminate in the Publication Spatial Framework document in August 2022. When adopted the Framework will become government planning policy alongside the National Planning Policy Framework (NPPF).
- 3.4 At the time of writing there is some confusion regarding the status of the Arc, and whether it will be progressed by Government. However, there has been no announcement as to its future and we consider it to remain relevant to the assessment of housing need as things stand.
- 3.5 The Arc was conceived in 2003 by three of the former 'Regional Development Agencies' (RDAs). The objective was "*to promote and accelerate the development of the unique set of educational, research and business assets and activities that characterise the area and in doing so, create an "arc" of innovation and entrepreneurial activity that would, in time, be 'best in the field'.*"
- 3.6 However, it wasn't until the National Infrastructure Commission (NIC) was created by the Chancellor of the Exchequer in October 2015 that plans for the Arc began to accelerate. The commission carries out independent and unbiased assessments of the UK's long-term infrastructure needs and monitor the government's and industry's progress in meeting them. Periodically it publishes a National Infrastructure Assessment looking across all key sectors and geographies.

3.7 On 16 March 2016, the Chancellor asked the NIC to:

“...make recommendations [to government] to maximize the potential of the Cambridge – Milton Keynes – Oxford corridor as a single, knowledge intensive cluster that competes on the global stage, whilst protecting the area’s high quality environment and securing the homes and jobs the area needs. The commission will look at the priority infrastructure improvements needed and assess the economic case for which investments would generate the most growth.”

3.8 In November 2016, the Commission published an interim report. In summary, the document stated that a lack of sufficient and suitable housing presented a risk to future economic growth, and that without a joined-up approach to planning for housing, jobs, and infrastructure, the Cambridge-Milton Keynes-Oxford arc risked being left behind by its international competitors and thereby damaging the UK’s future competitiveness. The central finding was that house building rates needed to **double** if the arc was to achieve its economic potential.

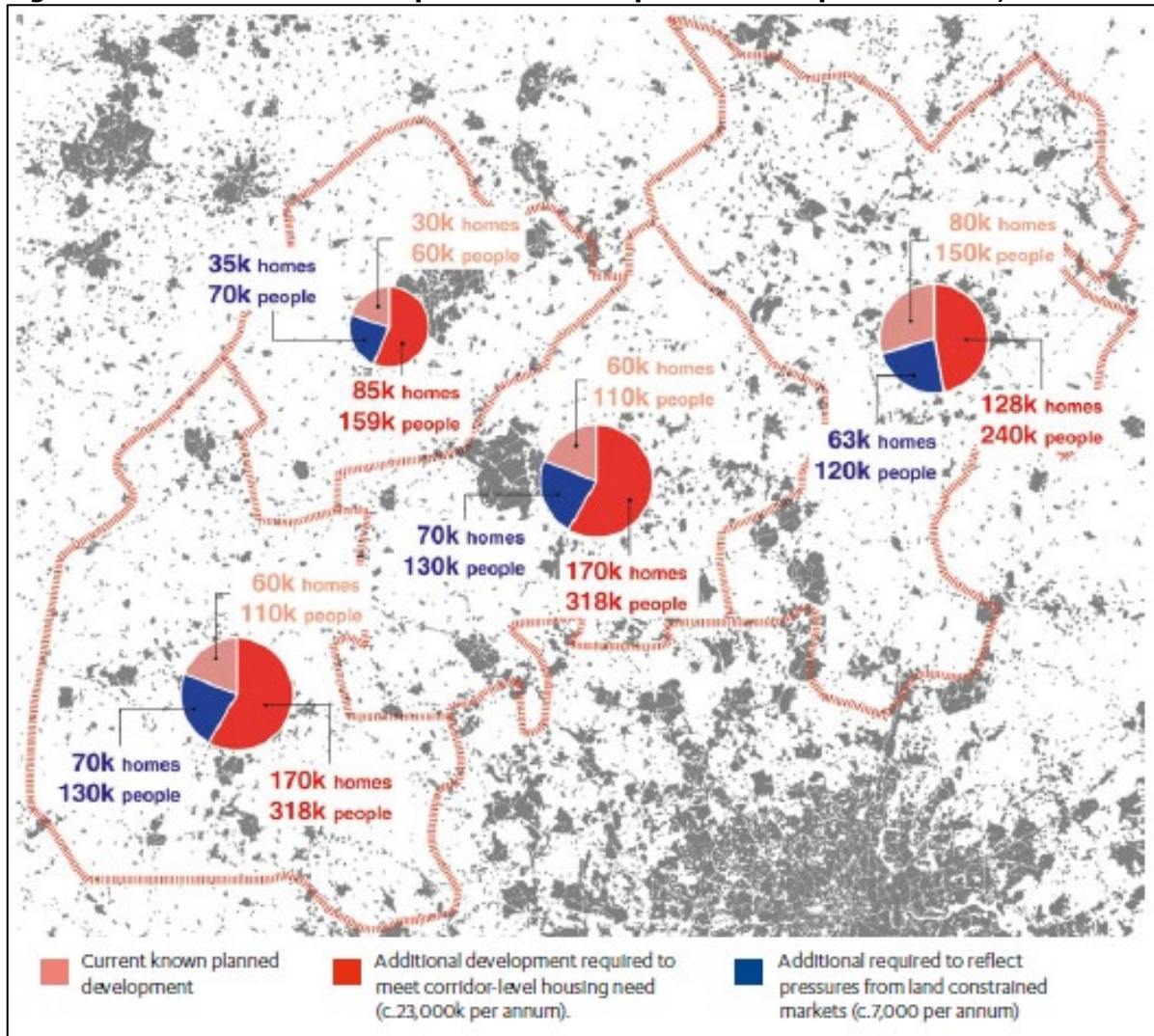
3.9 In November 2017, the Commission published *Partnering for Prosperity: A new deal for the Cambridge-Milton Keynes-Oxford Arc*. In terms of the Cambridge-Milton Keynes-Oxford arc in its entirety, the report highlighted how to remove constraints to growth from an undersupply of housing and to realise a step change in the arc’s economy, performance will require a transformational growth in jobs.

3.10 Figure 3.1 illustrates the quantum of planned and required development across the four different areas of the Arc at the time of the NIC report.

3.11 The Greater Cambridge and northern Hertfordshire component of the arc (the eastern area in Figure 3.1) identified planned development of 80,000 homes, with an additional 128,000 homes needed to meet the corridor-level housing need figure, and a further 63,000 homes required to reflect pressure from land constrained markets.

3.12 The report acknowledges that to unlock the potential of the Arc, Government and local authorities will need to plan for major urban extensions and large new settlements - including the first new towns to be built in over a generation. Delivering development of this scale, character and quality will require local leadership, the support of local communities and skilled planning.

Figure 3.1: An illustration of planned and required development levels, 2016-2050



Source: Figure 6, 'The Partnering for Prosperity: A new deal for the Cambridge-Milton Keynes-Oxford Arc report by National Infrastructure Commission (NIC).

3.13 In terms of the next steps, the Partnering for Prosperity report noted that the success of the Arc depended as much on the decisions and actions of locally elected leaders as it does on Central Government. To this end, the Commission put forward what it considered to be an ambitious timetable. For example, Recommendation 9 of the report stated that:

“Government should work with local authorities and any new delivery bodies from across the arc to prepare and publish a six monthly update, with the first being published in April 2018, enabling the Commission to assess progress achieved in delivering the recommendations set out in this report.”

- 3.14 A report entitled '*Cambridge, Milton Keynes, Oxford, Northampton Growth Corridor – A Final Report for the National Infrastructure Commission*' (November 2016) by SQW, considered the economic rationale for infrastructure investment in the Cambridge, Oxford, Milton Keynes, and Northampton area.
- 3.15 The study area presents a complex geography with no precise definition, but using data on knowledge-based sector specialisation at Local Authority District (LAD) level; a definition was agreed which split the area into four sub-geographies:
1. **Greater Cambridge** and northern Hertfordshire area;
 2. Greater Oxford-Swindon area;
 3. Milton Keynes-Bedfordshire-Luton-Aylesbury Vale region; and
 4. Greater Northampton area.
- 3.16 The study referred to three separate development scenarios:
- **Business as usual** - existing levels of housing delivery are maintained (which are below those required to address the level of housing need identified in Strategic Housing Market Assessments (SMHAs)). The ONS principal population projection is realised. Existing infrastructure commitments and plans are carried through, with basic infrastructure improvement and maintenance carried out but no further ambitious schemes realised;
 - **Incremental Enhancements** - the requirements identified in SMHAs are met. An increase in population is realised in line with the ONS high migration projection. Transport infrastructure investments are made above and beyond the existing plans. Several existing constraints to economic growth are relieved; and
 - **Transformational Enhancements** - housing investment is such that population grows well above the ONS high migration scenario. A high level of transport investment is realised, allowing an increase in economic integration. The study area moves towards the vision of becoming a functional economic corridor and a globally competitive knowledge cluster.
- 3.17 The SQW report stated the following level of employment growth for the Greater Cambridge growth area (2014-2050) for each of the scenarios:
- Baseline = 0.5%;
 - Incremental = 1.0%; and
 - Transformational = 1.3%.
- 3.18 The level of employment growth associated with the 'Incremental' and 'Transformational' scenarios are set out in Table 3.2 (below) for the Greater Cambridge and North Hertfordshire area authorities.

Table 3.2: Projected employment growth (2014-2050); Incremental & Transformational scenario

Local Authority	2014	2050		2014-2050 (per annum)	
		Incremental	Transformational	Incremental	Transformational
Cambridge	104,000	153,000	171,000	49,000	67,000
South Cams	84,000	127,000	142,000	43,000	58,000
East Cams	37,000	55,000	62,000	18,000	25,000
Huntingdonshire	83,000	118,000	136,000	36,000	53,000
North Herts	58,000	78,000	88,000	20,000	30,000
East Herts	73,000	97,000	109,000	23,000	36,000
Stevenage	47,000	65,000	74,000	17,000	27,000
Greater Cams – Northern Herts	487,000	694,000	783,000	207,000 (5,750)	296,000 (8,222)

Source: Cambridge, Milton Keynes, Oxford, Northampton Growth Corridor, Final Report for The National Infrastructure Commission, SQW, 08 November 2016

- 3.19 In its conclusions, the SQW report notes that without the housing and infrastructure interventions outlined in the report, employment, and productivity growth in the Greater Cambridge - Hertfordshire sub area is unlikely to be maintained at current levels, and that genuinely transformational changes will be required to realise the full potential of the study area and effect the Chancellor's envisaged "*knowledge intensive growth corridor*" (page 151).
- 3.20 The most recent '*Planning for sustainable growth in the Oxford-Cambridge Arc*' consultation (February 2021) is yet to update the evidence base we have summarised above. However, this is expected within the next 12 months as the Spatial Framework moves towards submission.
- 3.21 Notwithstanding the fact that new evidence will be published, it is interesting to note how Table 3.2 shows how the incremental and transformational growth scenarios considered in 2016 would have created between 18,000 and 25,000 new jobs in East Cambridgeshire between 2014 and 2050. This equates to growth of between 500 and 700 jobs per annum.
- 3.22 This compares to growth of 9,200 jobs between 2011 and 2031 included in the East Cambridgeshire Local Plan, which equates to 460 jobs per annum. The plans for the Arc therefore indicate job growth between 9% and 52% higher than the adopted East Cambridgeshire Local Plan.

3.23 The importance placed on the Arc by Government was reaffirmed in *'The Oxford-Cambridge Arc: Government ambition and joint declaration between Government and local partners'* report published by the Ministry of Housing, Communities and Local Government (MHCLG) in March 2019.

3.24 In this report MHCLG stated the following:

"Following its response to the National Infrastructure Commission's report on the Arc in October 2018, the Government re-affirms in this document its long-term economic ambitions for the Arc, including an ambition for up to one million high-quality new homes by 2050, to tackle the severe housing affordability issues faced by many, and unlock the Arc's full potential"¹⁰ (Our emphasis).

3.25 In the joint declaration of ambition between the Government and the Arc, the parties signing up to the declaration also acknowledge *"the vital links beyond the Arc: for example, there are important relationships with the Midlands, with the M4 corridor and Heathrow Airport, with London and the Greater South East, and with the rest of East Anglia."*¹¹

3.26 The importance of the Arc for the economic growth of the country is clearly acknowledged throughout the report. It is perhaps best summarised in the Ministerial Foreword as follows:

"The arching sweep of land between Oxford, Milton Keynes and Cambridge has a unique opportunity to become an economic asset of international standing – a place that demonstrates the very best of British business and innovation, and for the benefit of local communities and the country as a whole."

3.27 In this context, the housing requirement must align with Government's ambitions for the wider Oxford-Cambridge Arc.

Cambridgeshire and Peterborough Devolution Deal

3.28 The seven local councils in Cambridgeshire and Peterborough negotiated a 'devolution deal' with central Government in 2016/17. This deal provided for the establishment of a mayoral combined authority, and a directly elected mayor, for Cambridgeshire and Peterborough. It also provided certain specified powers and funding from central Government.

¹⁰ Page 4, *The Oxford-Cambridge Arc: Government ambition and joint declaration between Government and local partners*, March 2019;

¹¹ Page 7, *The Oxford-Cambridge Arc: Government ambition and joint declaration between Government and local partners*, March 2019;

- 3.29 The Cambridgeshire and Peterborough Combined Authority was officially formed in March 2017 by then-Communities Secretary Sajid Javid MP and is made up of representatives from the seven local councils.
- 3.30 Key ambitions for the combined authority include
- doubling the size of the local economy;
 - providing the UK's most technically skilled workforce;
 - growing international recognition for our knowledge-based economy.¹²
- 3.31 As part of the ambitions for the economy, the aim is to **double GVA** by 2042. Furthermore, in the original Devolution Deal with Government the vision for the combined area includes, *"Creating an area that is internationally renowned for its low-carbon, knowledge-based economy - Cambridgeshire and Peterborough will enhance its position as a global leader in knowledge and innovation, further developing its key sectors including life sciences, information and communication technologies, creative and digital industries, clean tech, high-value engineering and agri-business."*¹³

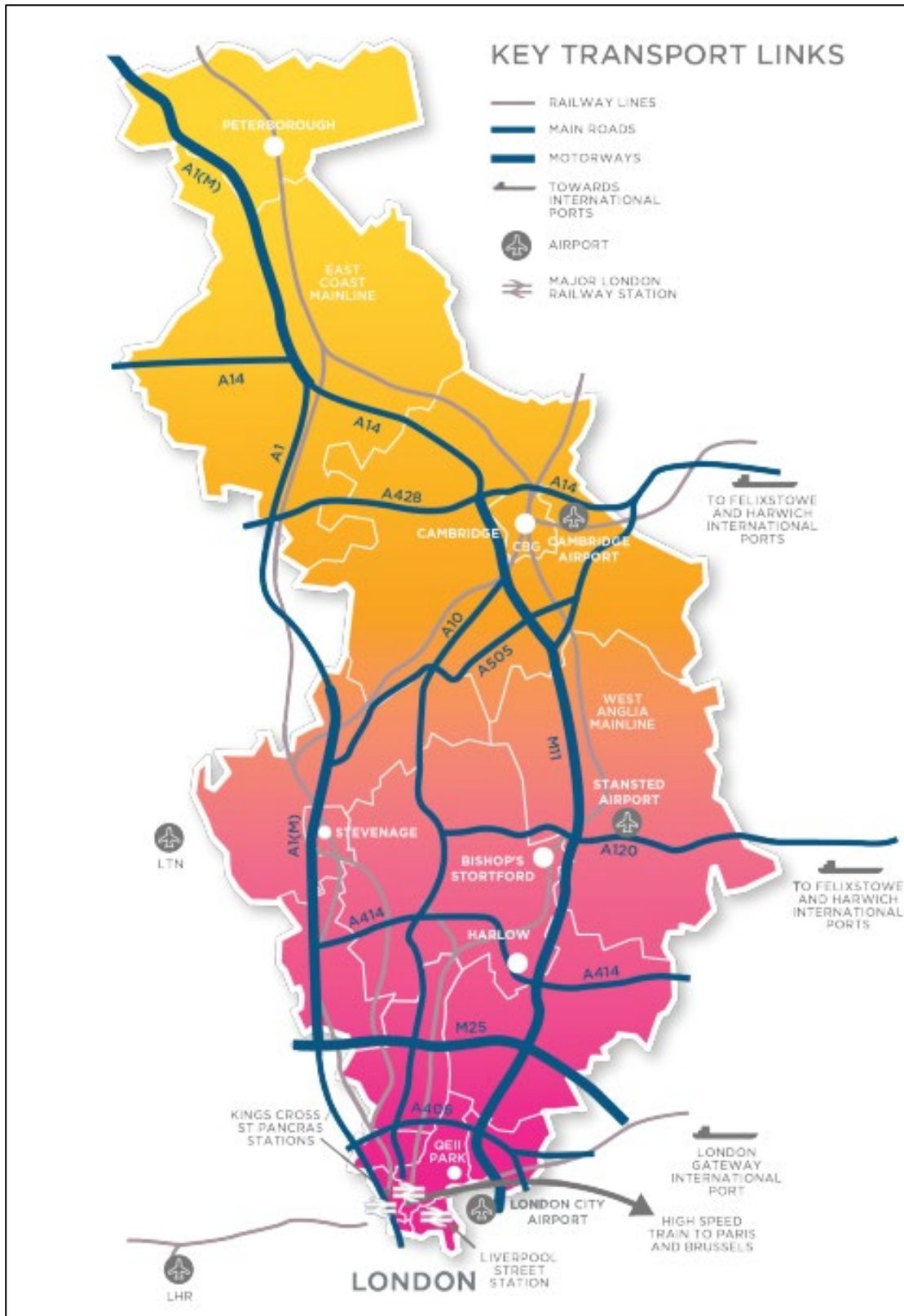
UK Innovation Corridor

- 3.32 The importance of East Cambridgeshire's location in the context of wider economic growth is further emphasised by the UK Innovation Corridor (Figure 3.2). The area is located on an axis with London in this corridor, with Stansted Airport, London City Airport, and St Pancras International station linking the corridor to the rest of the world.
- 3.33 The Innovation Corridor is the UK's leading 'Sci-Tech' region and incorporates 33 members (local authorities, businesses, LEPs, universities, colleges and college groups, and 19 associate partnering organisations, including Chambers of Commerce and other key business organisations.
- 3.34 The corridor is also regarded as Britain's fastest growing region, with advanced technology and biosciences creating a highly advanced sci-tech superhighway.
- 3.35 The Innovation Corridor includes three distinctive and interlocking industrial and investment areas, one of which is the Cambridgeshire Science and Tech Cluster.

¹² <https://cambridgeshirepeterborough-ca.gov.uk/what-we-deliver/>

¹³ Page 3, Cambridgeshire and Peterborough Devolution Deal, 16 March 2017

Figure 3.2: The UK Innovation Corridor area



Source: page 10, The UK Innovation Corridor: Global Scientific Superpower Delivering UK Economic Growth and Post-Pandemic Recovery, November 2020

- 3.36 Partners and affiliates in the corridor include AstraZeneca, the London School of Economics, and SEGRO. The Chair of the UK Innovation Corridor, Dr Ann Limb CBE, sets out the economic vision of the corridor as follows:

“The UK Innovation Corridor is a UK asset of major economic significance with - the capacity to increase GVA from its current level of £189bn to £350bn by 2050; the ambition to become the world’s go-to hub for life and data sciences, health technologies and advanced manufacturing comparable to the North Carolina Research Triangle, Boston Route 128, and Silicon Valley; and, the ability to deliver a distinctive innovation ecosystem for the benefit of all parts of the UK, ensuring economic recovery, high-value growth, increased productivity, and prosperity for all.”¹⁴

Cambridge Norwich Tech Corridor

- 3.37 The Cambridge Norwich Tech Corridor stretches across Cambridgeshire, Suffolk, and Norfolk, and is a partnership that brings together business and political leaders with a shared ambition to make the Tech Corridor region a top-tier destination for technology businesses, talent, and investors from around the world. East Cambridgeshire sits at a key location in that corridor.
- 3.38 In April 2020, International Development Secretary Liz Truss backed a new road map for the future of the Cambridge Norwich Tech Corridor, which set out the path to creating a globally significant tech cluster in the East of England. Ms Truss said:

“Technology will be at the heart of Britain’s vibrant post-Brexit economy, and regional hubs like the Tech Corridor will be key to creating a diverse and compelling offer to the brightest and best from around the world.”¹⁵

- 3.39 The aim of the corridor is to connect the world-leading research centres of Cambridge and Norwich with cutting-edge advanced manufacturing and engineering businesses.
- 3.40 The area boasts excellent transport links, centred around the upgraded A11 and regular train services between Cambridge, Ely and Norwich, and to London and beyond. The airports at Norwich and Stansted, along with the Freeport at nearby Felixstowe, provide excellent international connectivity.

¹⁴ Page 2, The UK Innovation Corridor: Global Scientific Superpower Delivering UK Economic Growth and Post-Pandemic Recovery, November 2020

¹⁵ [Liz Truss backs plans to build world-leading Cambridge Norwich Tech Corridor cluster - UK Property Forums](#)

Summary

- 3.41 This section of our report has highlighted how East Cambridgeshire District is located at the centre of three sub-regional economic growth areas of national and international significance.
- 3.42 Individually, the three growth areas summarised in this section are key to Britain's international economic success. Collectively they represent a significant proportion of the Government's ambition for economic success. East Cambridgeshire has a role to play in achieving the success of all three initiatives.
- 3.43 It is therefore imperative that the housing need assessment for East Cambridgeshire District considers the economic growth objectives of these strategies.
- 3.44 Having identified East Cambridgeshire and Cambridgeshire's strategic importance in the context of national Government ambitions for economic growth, the following section of this report considers the local scale and in particular the objectives set out in the East Cambridgeshire Local Plan and accompanying documents.

4. LOCAL PLANNING POLICY CONTEXT

Introduction

- 4.1 The previous section of this report outlined East Cambridgeshire's place in the context of national, regional, and sub-regional economic growth objectives and ambitions.
- 4.2 This section considers how the planning policy specific to East Cambridgeshire District Council (ECDC) aligns with these strategies and aspirations.

East Cambridgeshire Local Plan (Adopted April 2015)

- 4.3 The ECDC Local Plan was adopted in April 2015 and its spatial vision includes the following statement:

"In 2031, East Cambridgeshire will have maintained a high quality of life and retained its distinct identity as a predominantly rural area of villages and market towns, whilst accommodating the development of new homes and jobs. The district will have taken advantage of the economic vitality of the Cambridge sub-region, and have a diverse and thriving economy, with vibrant and attractive towns and villages which act as employment and service centres for their surrounding rural areas. More residents will have a high quality of life, with increased access to affordable housing, a wider range of local better skilled jobs, and good quality services and facilities" ¹⁶ (Our emphasis).

- 4.4 The Spatial Vision for the Local Plan makes it clear that the Council intend to take advantage of the District's location in respect of the economic potential outlined in the previous section of this report.
- 4.5 However, the Local Plan identifies how the number of employee jobs created in the District between 2000 and 2010 had failed to keep pace with population growth, leading to an increase in out-commuting from the District.
- 4.6 In this context the Plan outlines *"a minimum requirement of 9,200 new jobs in the district between 2011 and 2031 or approximately 460 per annum. This would bring the East Cambridgeshire jobs density ratio closer to the Cambridgeshire average of 0.75. This is an ambitious target when*

¹⁶ Page 15, East Cambridgeshire Local Plan Adopted April 2015

*compared to historical growth rates but one that the Council believes is achievable in light of the growth agenda for the district and through a partnership approach with both the public and private sectors."*¹⁷

- 4.7 This was incorporated into 'Policy GROWTH 1: Levels of housing, employment and retail growth' which states how 11,500 dwellings and 9,200 jobs will be delivered between 2011 and 2031.
- 4.8 However, it is important to emphasise how the level of job growth was underpinned by evidence which is now 10 years old (2012 Jobs Growth Strategy). There is no reference in the Local Plan to the strategies identified in the previous section of this report.

ECDC Single Issue Review (SIR) Regulation 19 consultation (May 2022)

- 4.9 ECDC's SIR is at the third stage (Regulation 19) of the Plan process and provides a version of the SIR which reflects on the comments made at the earlier stages and provides the Council's final proposals it intends to progress.
- 4.10 The SIR addresses the housing requirement of the Local Plan only. No other policies of the adopted Local Plan are reviewed.
- 4.11 In short, the SIR proposes that the housing *requirement* is based on the housing *need* established by the 2021 NPPF's standard method. In this context the SIR is based on a housing need figure of 599.78 dwellings per annum (dpa) for the remainder of the Plan period (5,398 dwellings 2022-2031).
- 4.12 We concur with this calculation of **minimum** need, however, as have emphasised in previous sections of this report the standard method calculation represents **minimum** need only. The SIR does not consider whether housing need is higher than the minimum for any other reasons.
- 4.13 In this context the SIR states "*The Council is aware of the potential circumstances set out in national policy and guidance to create a housing requirement figure which is different from a standard method housing need figure, but sees **no compelling evidence** for doing so in this SIR*"¹⁸ (our emphasis).

¹⁷ Paragraph 3.2.7, Page 21, East Cambridgeshire Local Plan Adopted April 2015

¹⁸ Paragraph 3.7, East Cambridgeshire Local Plan - Single Issue Review (of its 2015 Local Plan), May 2022

4.14 The SIR continues as follows:

“Some of the comments received at the consultation stages suggested that the national standard method for calculating housing need should be treated as a minimum, with the housing requirement set higher. Other factors, it was stated, should be considered such as economic growth and the impact of the Oxford-Cambridge Arc. Also, under the Duty-to-Cooperate with a neighbouring district, there may be a requirement for some of their housing need to be located in East Cambridgeshire. Taking these factors into account could considerably increase the housing needs for the district, representors suggested. We have carefully considered these comments, but the effect of the Oxford -Cambridge Arc is uncertain at present, does not appear to be progressing to the timetable it proposed, and its outcome (should it proceed at all) may not be known for some time. It would be unwise to delay this update to the Local Plan as a result.”¹⁹

4.15 Although this passage of the SIR considers the effects of the Oxford-Cambridge Arc, no mention is made of other factors such as affordable housing need, other economic growth strategies, or unmet need from Greater London. We consider these factors later in this report.

4.16 Furthermore, the SIR states the following:

“Unlike in 2015 (when the current Local Plan was adopted), Government policy now prescribes how a local area determines its housing need (or ‘local housing need’), under what is known as ‘the standard method’. Whilst it is possible for a local area to derive a different housing need figure using a different locally based method, national policy prescribes that such a local based method is only appropriate where “exceptional circumstances justify an alternative approach” (NPPF para 61). The Council does not consider there to be any such ‘exceptional circumstances’ which would apply in East Cambridgeshire.”²⁰

4.17 This section of the SIR suggests that ‘exceptional’ circumstances are required to establish a housing need figure higher or lower than the standard method calculation.

4.18 However, as we have identified in section 2 of this report the ‘Housing and Economic Needs Assessment’ (HENA) section of the Planning Practice Guidance (PPG) makes it very clear that the standard method provides a **minimum, starting point** calculation of housing need and

¹⁹ Paragraph 3.8, East Cambridgeshire Local Plan - Single Issue Review (of its 2015 Local Plan), May 2022

²⁰ Paragraph 4.1, East Cambridgeshire Local Plan - Single Issue Review (of its 2015 Local Plan), May 2022

'exceptional' circumstances are only required to be shown where a local authority suggests a housing need figure is **lower** than the standard method minimum.

- 4.19 In this context the PPG states "*Where an alternative approach results in a **lower** housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are **exceptional** local circumstances that justify deviating from the standard method. This will be tested at examination*"²¹ (our emphasis).
- 4.20 In contrast the PPG openly encourages local authorities to consider whether housing need exceeds the standard method minimum. PPG states "*Where a strategic policy-making authority can show that an alternative approach identifies a need **higher** than using the standard method, and that it adequately reflects current and future demographic trends and market signals, **the approach can be considered sound** as it will have exceeded the minimum starting point*"²² (our emphasis).
- 4.21 The SIR comment that 'exceptional' circumstances are needed to justify a higher or lower assessment of need is therefore plainly incorrect.
- 4.22 The SIR retains the adopted Local Plan aspiration to create 9,200 jobs between 2011 and 2031.
- 4.23 No other topic papers or evidence are provided with the SIR consultation document.

Summary

- 4.24 In summary, neither the adopted Local Plan nor the SIR make any reference to housing need which could be created by the sub-regional strategies we have summarised in section 3 of this report.
- 4.25 Furthermore the SIR considers there are no 'compelling' reasons to consider housing need in excess of the standard method calculation of minimum housing need (600 dpa).
- 4.26 Importantly though the SIR **incorrectly** states that 'exceptional' circumstances must be shown to justify higher or lower need than the standard method. This test is only applied if need is

²¹ Paragraph ID2a-015, Planning Practice Guidance, 20 February 2019

²² Paragraph ID2a-015, Planning Practice Guidance, 20 February 2019

determined to be lower than the standard method. PPG advises how higher need will be looked upon favourably.

- 4.27 We therefore consider that the Council's decision not to explore other circumstances that may warrant an increase to the unconstrained assessment of need to conflict with PPG.
- 4.28 The following sections of our analysis consider whether other circumstances would justify a conclusion that housing need in East Cambridgeshire District exceeds the standard method minimum.

5. AFFORDABILITY ANALYSIS

- 5.1 As the recent (January 2022) House of Lords report 'Meeting Housing Demand' states "*Affordability has worsened **dramatically** over the past 20 years: in England the ratio of median house prices to median earnings has **almost doubled** while in London it has **more than doubled***"²³ (our emphasis).
- 5.2 In 1997, the median full-time worker in England could expect to pay about 3.5 times their annual earnings to buy a home; this had more than doubled by 2020 to 7.7. Homes in the private rented sector have become increasingly unaffordable. In 1980, the average working-age family renting privately spent 12% of its income on housing; today it spends almost three times this proportion (32%).²⁴
- 5.3 This trend has resulted in worsening living conditions and increases in overcrowding and the number of concealed households (where two or more households are living together) across the country.
- 5.4 Various actions are required to improve affordability, not least boosting supply across the country. The House of Lords report includes a statement from the UK Collaborative Centre for Housing Evidence which said "*It is certainly the case that large, sustained increases in housing supply are necessary if the objective is to improve affordability ... But, even then, it is most unlikely that increases in supply alone could bring house price to earnings ratios even close to a value of 4.0.*"²⁵
- 5.5 Furthermore, the National Planning Policy Framework's (NPPF) standard method for calculating minimum housing need is set in the context of Government's ambition to build 300,000 homes per annum by the mid-2020s. However, the House of Lords report includes evidence from Professor Glen Bramley. Professor Bramley's analysis concludes that 340,000 homes per annum would be required to address "*future household projections, backlog of housing need and scale of homelessness.*"²⁶ This indicates a significant increase in need from that determined nationally under the standard method.
- 5.6 Below we consider the affordability position in East Cambridgeshire District.

²³ Paragraph 1, page 11, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

²⁴ Paragraph 52, page 29, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

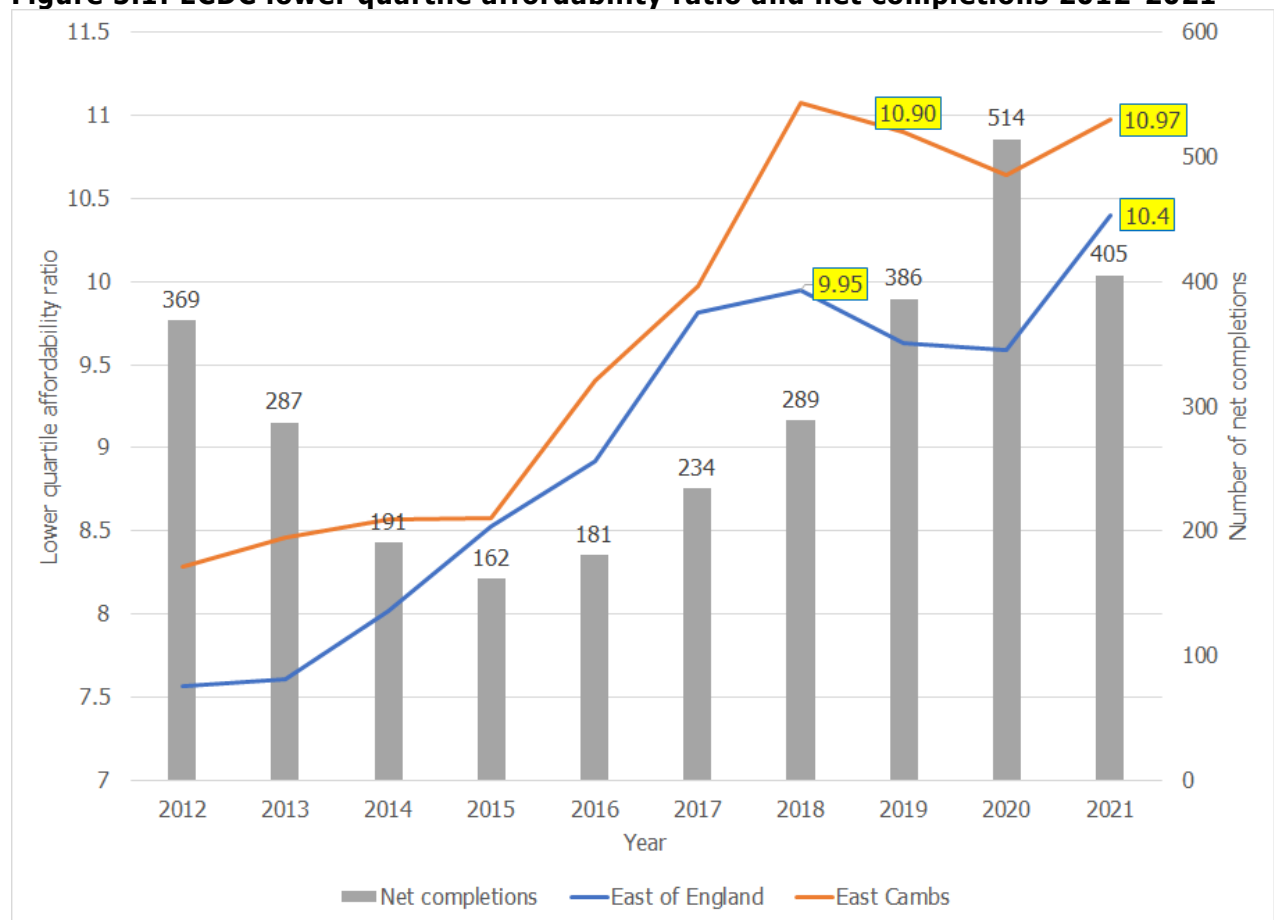
²⁵ Paragraph 31, page 20, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

²⁶ Paragraph 30, page 19, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

Lower Quartile Affordability Ratio

- 5.7 The correlation between net completions and the affordability of housing in ECDC reveals an important pattern, which I summarise below.
- 5.8 The lower and median affordability ratios are published every 12 months by the Office for National Statistics (ONS). Figure 5.1 presents the change in the lower quartile affordability ratio over the past decade for ECDC.
- 5.9 The lower quartile ratio is defined as follows; *"the lower quartile housing affordability ratio (workplace-based) is calculated by dividing house prices by gross annual earnings, based on the lower quartile of both house prices and earnings."* I have presented this data against the net dwelling completions data for ECDC over the same period in Figure 5.1. The regional (East) average is provided for comparison purposes.

Figure 5.1: ECDC lower quartile affordability ratio and net completions 2012-2021

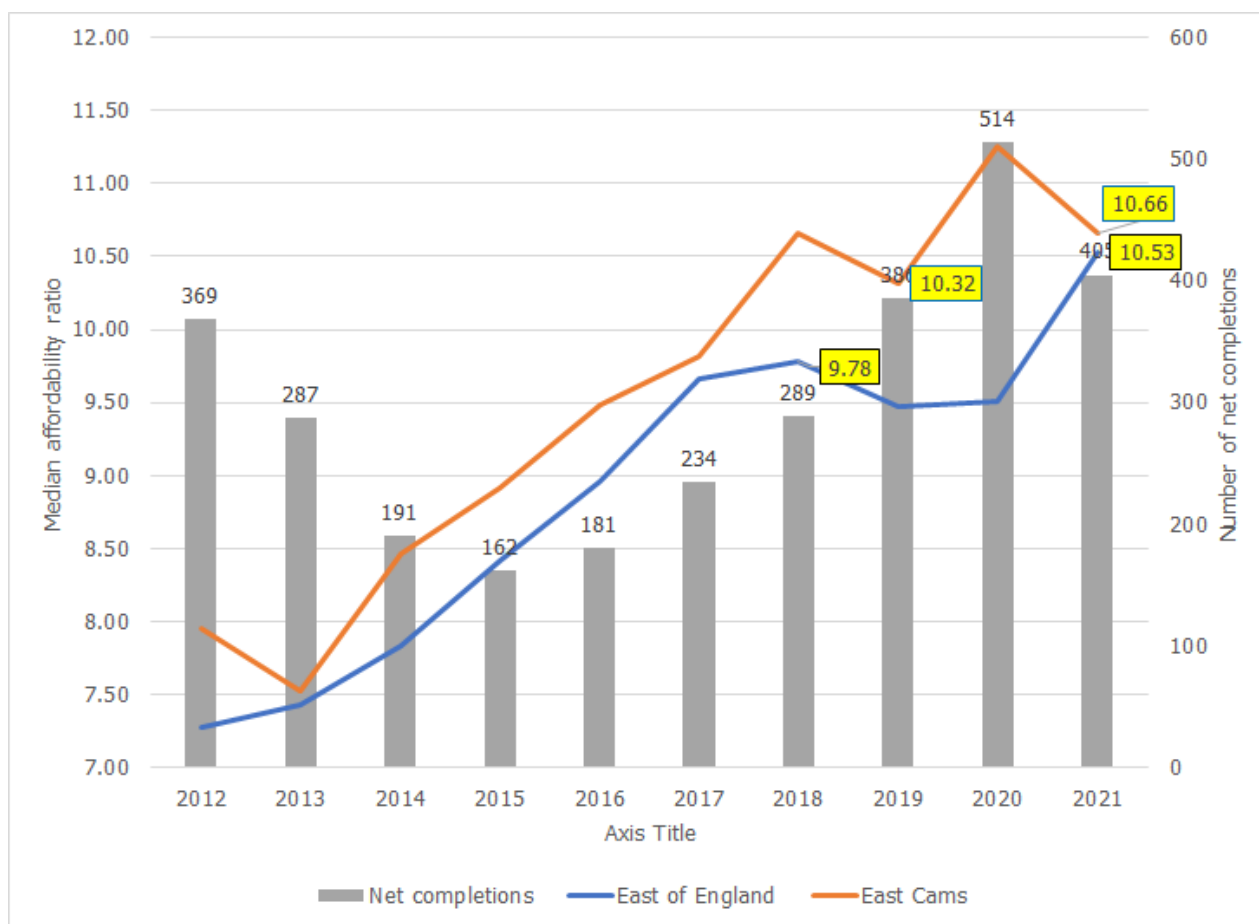


Source: Table 2, page 10, East Cambridgeshire Authority's Monitoring Report (AMR) 2020-21; ONS

- 5.10 Figure 5.1 shows a rapidly rising lower quartile affordability ratio between 2013 and 2018, when net completions averaged 176 dwellings per annum (dpa).
- 5.11 It has only been since 2018 that the rate of increase in the ratio has slowed, albeit there has continued to be an increase in the ratio up to a high of 10.97 in 2021. Despite completions approaching the standard method minimum (599.78 as calculated by ECDC) in 2020 (514 net dwelling completions), there has been a noticeable rise from 10.64 to 10.97 over the past 12 months.
- 5.12 This suggests at least the standard method minimum is required to improve the lower quartile affordability ratio in ECDC.

Median Affordability Ratio

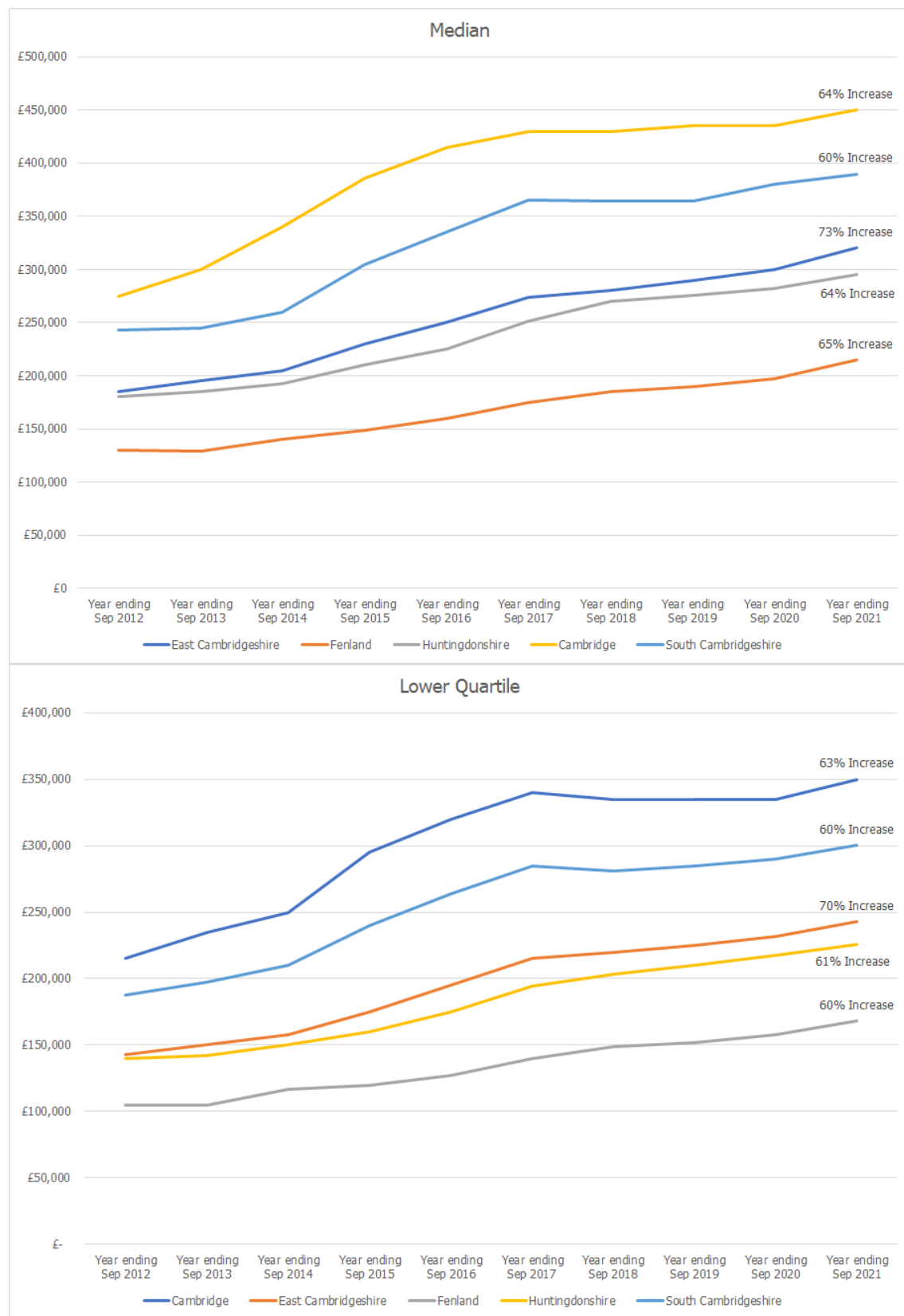
- 5.13 The median affordability ratio is used to calculate the 2021 NPPF's minimum housing need. Median housing affordability ratio refers to the ratio of median price paid for residential property to the median workplace-based gross annual earnings for full-time workers. The change in the ratio against net completions is shown for ECDC in Figure 5.2.
- 5.14 The median ratio shows an unbroken and sharp increase in the ratio for ECDC between 2013 and 2018, when delivery averaged 176 dpa.
- 5.15 As with the lower ratio the increase has slowed since 2018 although it has continued to rise and remains marginally higher than the regional average.
- 5.16 A median ratio of 10.66 in 2021 illustrates the significant affordability constraints in the District. The authority has the second highest median ratio of the five Cambridgeshire authorities at 10.66. The ratio is higher than South Cambridgeshire (10.55), Huntingdonshire (9.62), and Fenland (8.91). Only Cambridge City has a higher median ratio (12.61).

Figure 5.2: ECDC median quartile affordability ratio and net completions 2012-2021

House Prices in East Cambridgeshire

- 5.17 The increase in house prices across the country over the recent past has been significant. East Cambridgeshire has experienced a 73% increase in median house prices over the past decade. We have compared this with the figures for the other Cambridgeshire authorities (see Figure 5.3). This analysis shows how East Cambridgeshire has experienced a more significant increase than all the other authorities of Cambridgeshire, including Cambridge City. In Cambridge City the increase over the same period has only been 64%. The national average for England has only been 57% over the same period.
- 5.18 The same pattern is repeated when looking at lower quartile house prices. East Cambridgeshire has experienced a 70% increase over the past decade. This compares with Cambridge City (63%), Huntingdonshire (61%), South Cambridgeshire, and Fenland (both 60%). The national average for England has only been 48% over the same period.

Figure 5.3: Median and Lower Quartile House Price Change 2011/12-2020/21



5.19 This significant increase in East Cambridgeshire compared with the remainder of Cambridgeshire will be in part due to poor delivery in the District. The 'Cambridgeshire and West Suffolk Housing Needs of Specific Groups' report (October 2021) emphasises how poor East Cambridgeshire's housing delivery has been when compared with the other Cambridgeshire authorities. We have reproduced this data in Table 5.1:

Table 5.3: Housing Completions and Local Plan Targets: Cambridgeshire & West Suffolk

Local Authority	Net Completions 2011/12 to 2019/20	Average Dwellings completed per Annum	Local Plan Target per Annum	Over/Under – Supply per annum	% Shortfall/Surplus from Local Plan Target
Cambridge	7,383	820	700	120	+17
East Cambs*	2,527	281	575	-294	-51%
Fenland	3,549	394	550	-156	-40%
Huntingdonshire	6,466	718	804	-86	-11%
South Cambs	6,929	770	975	-205	-21%
West Suffolk	5,734	637	857	-220	-26%
HMA	32,588	3,620	4,461	-841	-19%

Source: Table 17, page 62, Cambridgeshire and West Suffolk Housing Needs of Specific Groups' report

*the 2019/2020 AMR has not been published and an estimation of the housing delivery has been taken from previous delivery trajectories.

5.20 We have updated the figures in Table 5.3 following publication of East Cambridgeshire's most recent Annual Monitoring report. This shows an average of 302 dpa delivered over the past decade. This would result in a reasonably better 47% deficit in provision which would remain the worst in Cambridgeshire.

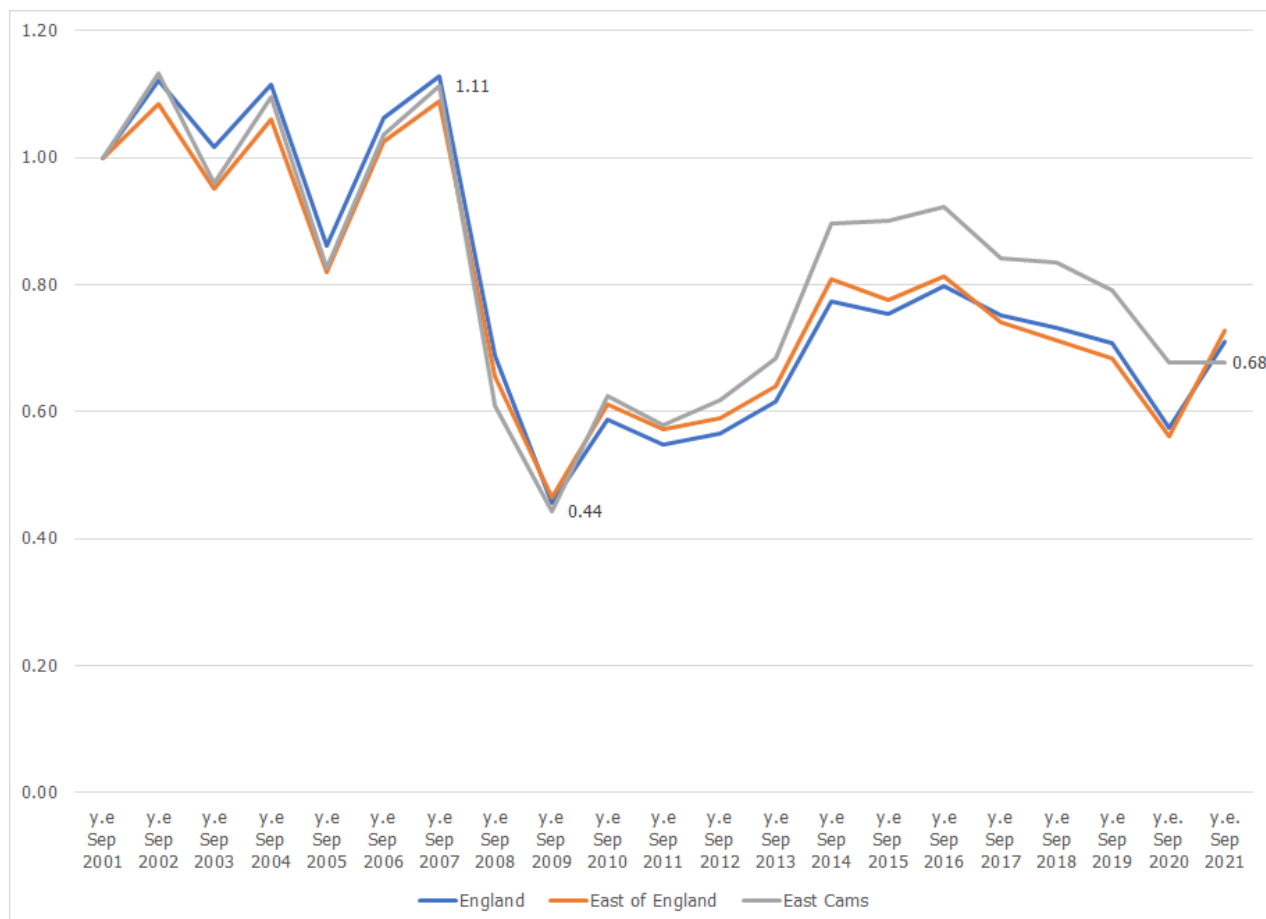
Housing Sales Volumes in ECDC

5.21 A constrained supply of new housing will have contributed to the worsening affordability of housing for sale as illustrated above in Figures 5.1, 5.2, and 5.3. In turn, constrained supply and the lack of choice that this entails, will serve to restrict movement into and within the local housing market.

5.22 Having regard to all housing for sale and not restricted to additional stock, it is evident that, in common with national and regional comparators, transactions (sales volumes) declined considerably after 2007 and as of 2021 remain at least 15 percentage points below the level of sales achieved annually between 2001 and 2007 (see Figure 5.4).

5.23 During the period of more buoyant housing market activity, sales volumes averaged 6,700 per annum (2001 to 2007) in East Cambridgeshire. Thereafter, during and immediately post financial crisis and recession (2008 to 2012), sales volumes averaged 3,600, a fall of 44%. In the last five years, sales volumes have averaged 5,000 per annum, 25% below the pre-recession average.

Figure 5.4: Index Change in Housing Transactions (2001 = 100)



Source: HPSSA Dataset 6, 2022

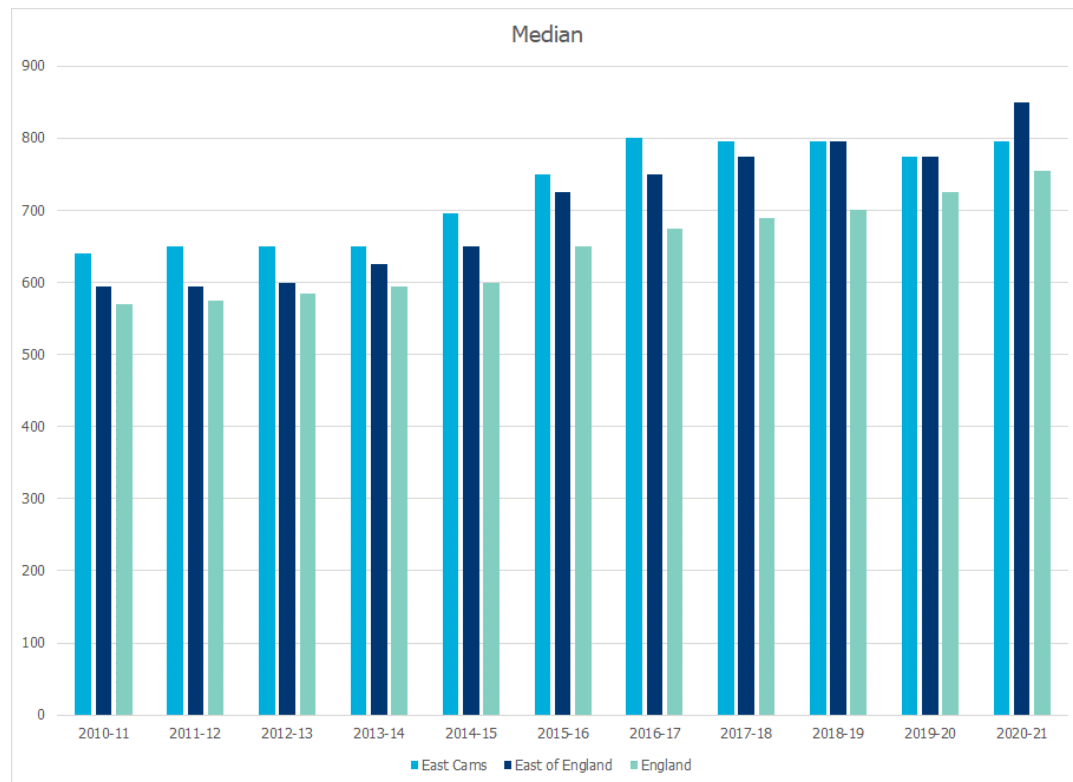
5.24 The reasons behind the fall in transactions are numerous and complex. Undersupply, a miss match between demand and supply, and changes to lending practices have all played a part. Whatever the weight that should be attributed each, to increase sales activity supply will need to be increased and affordability reduced.

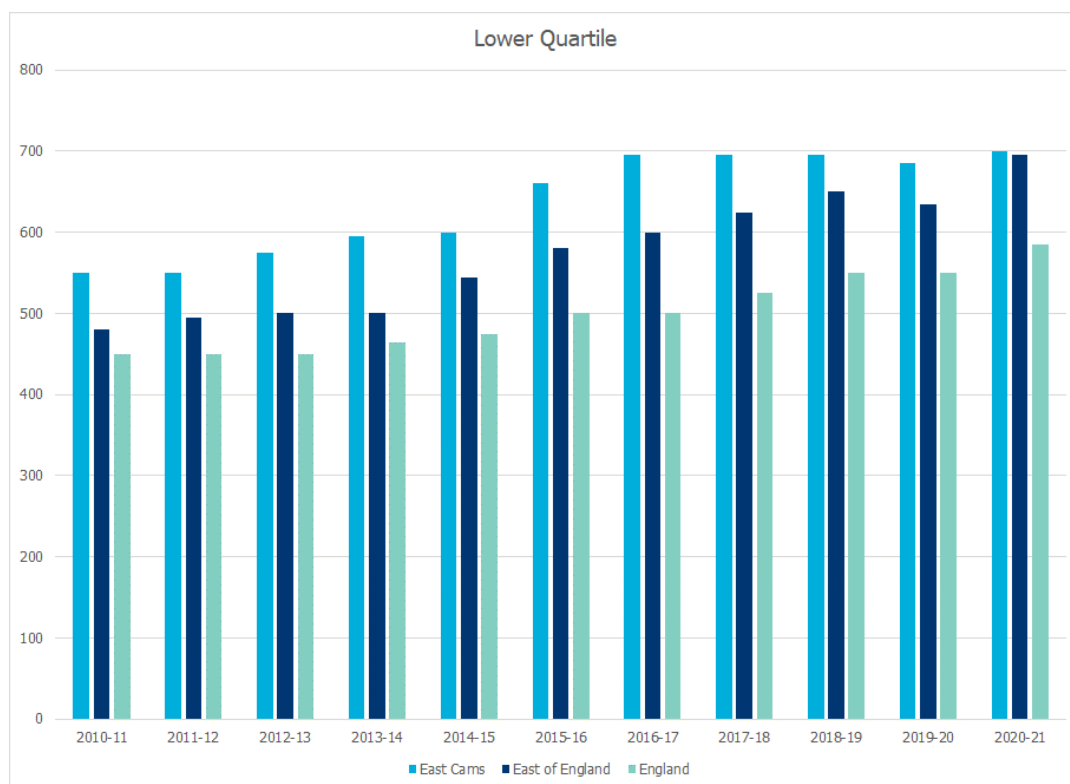
5.25 It is also clear that the supply of homes will need to be of a type and in the settings (to address the housing offer sought) that are needed by different groups in the housing market, so that absorption rates can be maximised as part of strategy to stimulate and increase housing market activity. Doing so will be fundamental to fixing the broken housing market.

The Cost of Privately Rented Housing and its Affordability

- 5.26 Figure 5.5 provides a comparison of median and lower quartile rental change (monthly rent) in East Cambridgeshire, compared with the regional and national averages. It is clear in absolute terms that median rents remain higher than the regional average and significantly higher than the national average. Lower quartile rents are higher than the national average but in the last year have become lower than the regional average.
- 5.27 Comparing the East Cambridgeshire median rents tabulated above with incomes across the East of England gives insight into rental affordability. The median gross annual earnings of employees living in the East of England during the 12 months to April 2021 are estimated to be £26,899 according to the Annual Survey of Hours and Earnings.
- 5.28 The same source estimates that nationally, full-time employees aged 22-29 earn about 90% of the all-employee median. Applied to the East estimate, provides an adjusted full-time employee earnings estimate of about £24,209 for the age 22 to 29 group, a reasonable proxy for would be first movers / family formers.

Figure 5.5: Median and lower quartile rental change, 2010/11 – 2020/21





- 5.29 For this group, median rents in ECDC would consume 39% of their full-time earnings, an amount that is widely viewed as unaffordable and is according to Shelter's definition, close to being extremely unaffordable.

There is no official UK measure of what constitutes an "unaffordable" rent, but based on recommendations from housing organisations the analysis uses a threshold of no more than 30% of income. The National Housing Federation recommends 30% of gross median income as the measure generally used by people in the housing sector and academics. Shelter defines anything over 33% as "unaffordable" and additionally anything over 50% as "extremely unaffordable".

- 5.30 From reference to the rental data by bedroom size, only studio and one-bedroom properties would be considered affordable for the 22-29 age cohort based on my analysis. Studio and one-bedroom properties would require £6,600 and £7,500 rent over 12 months respectively. This would constitute 27% (studios) and 31% (one-bedroom) of the median average earnings calculated for the same age group (£24,209).

5.31 To rent a 2-bed property would require 37% of gross annual median earnings for the 22-29 age group, with 3-bed requiring 46%, and 4-bed 64%. This emphasises the current unaffordability of housing in East Cambridgeshire, particularly for young families in the 22-29 age group.

Summary

5.32 The affordability position in East Cambridgeshire is not unique; the country as a whole has experienced rapidly worsening affordability for the past 20 years. However, some of these indicators in East Cambridgeshire are above national, regional and local averages.

5.33 The 2021 lower quartile and median affordability ratios (10.97 and 10.66 respectively) for East Cambridgeshire are higher than all other authorities in Cambridgeshire, with the exception of Cambridge City. They are also higher than the regional averages for the East of England (10.40 and 10.53 respectively) and significantly higher than the national averages of 8.04 (lower quartile) and 9.05 (median).

5.34 House price change over the past decade reveals an increase which is higher than all other authorities in Cambridgeshire, including Cambridge City, and the regional and national averages. This is likely to be due in part to the significant lack of delivery (47% of the Local Plan target) over the past decade, which is worse than all other Cambridgeshire authorities.

5.35 Furthermore, our analysis of private rents suggests those in the 22-29 age group in East Cambridgeshire can only reasonably afford a studio or one-bed flat.

6. AFFORDABLE HOUSING NEED

- 6.1 Affordable housing need has become acute across the country as the affordability of housing has worsened over the past two decades. The recent House of Lords report 'Meeting Housing Demand' identifies *"there were 1,187,641 households on local authority housing waiting lists in 2021"* and *"as of March 2021, 95,450 families had been placed into temporary accommodation by local authorities."*²⁷
- 6.2 Research for the National Housing Federation and Crisis in 2018 identified a need for 145,000 new affordable homes per year, of which 90,000 for the next 15 years should be for social rent, 30,000 for affordable rent and 25,000 shared ownership homes.²⁸
- 6.3 However despite this need the House of Lords report states, *"There has been a steady decline in social rent as a proportion of new supply, from over 75% in 1991/92 to 11% in 2019/20. In 50 local authorities, no homes for social rent were built over the five-year period from 2015/16 to 2019/20"*²⁹ (our emphasis).
- 6.4 To put this into context, only 52,100 new affordable homes were delivered across England in 2020/21, approximately 24% of all net completions. Average delivery over the past decade has been just over 50,000 affordable dwellings per annum.
- 6.5 This has led the House of Lords report to conclude on this issue with the following two points:
- There is a serious shortage of social housing, which is reflected in long waiting lists for social homes and a large number of families housed in temporary accommodation. The Government should set out what proportion of funding for the Affordable Homes Programme it believes should be spent on homes for social or affordable rent;
 - Right to Buy has left some councils unable to replace their social housing stock. Right to Buy must be reformed to help councils replenish their social housing stock: councils should keep more of the receipts from Right to Buy sales, have a longer period to spend the receipts, and there should be tighter restrictions on the conditions under which social homes can be bought.³⁰
- 6.6 In this section of the report we consider the affordable housing position in East Cambridgeshire District.

²⁷ Paragraph 69, page 36, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

²⁸ Professor Glen Bramley, Crisis and National Housing Federation Housing supply requirements across Great Britain (November 2018)

²⁹ Paragraph 65, page 33, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

³⁰ Paragraphs 76-77, pages 37-38, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

Affordable Housing Need in East Cambridgeshire District

- 6.7 At the outset, Barton Willmore do not advocate that affordable need necessarily be met in full, given the judgment of Mr Justice Dove's in the Kings Lynn case (High Court Judgment)³¹, which concluded that neither the NPPF nor the PPG suggest affordable housing need must be met in full.
- 6.8 However, the need should be considered in the context of PPG which states "*An **increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes***"³² (our emphasis). This should be considered in the context of the 2015 Local Plan's 'Vision' for the District in 2031, which stated how "*More residents will have a high quality of life, with **increased access to affordable housing***"³³ (Our emphasis)
- 6.9 The most recent assessment of affordable housing need for East Cambridgeshire District is set out in the Cambridgeshire and West Suffolk 'Housing Needs of Specific Groups' report (October 2021).
- 6.10 The 2021 report calculates that the estimated annual net need for social/affordable rental housing in East Cambridgeshire is **215 affordable rent** dwellings per annum (dpa).³⁴ The same document estimates a net need for **39 affordable home ownership** properties.³⁵ This equates to **254 net affordable dpa in total**.
- 6.11 Given the affordable rental need of 2,066 dwellings per annum across the Housing Market Area (HMA), the 2021 report states that "*the Councils would be **justified in seeking to secure additional affordable housing***"³⁶ (our emphasis).
- 6.12 As the 2021 report states "*The **acute need for rented affordable housing means that a supply of rented affordable housing must be maintained to meet the needs of this group including those to which the authorities have a statutory housing duty.***"³⁷
- 6.13 This 'acute' need in East Cambridgeshire is emphasised in the 2021 report's analysis of 'First Homes', and the discount which would need to apply in the Cambridgeshire authorities. This section of the report concludes "*only Fenland, Huntingdonshire and West Suffolk have median*

³¹ Paragraphs 32-25, pages 10-11, High Court Judgment, Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd, 09 July 2015

³² Paragraph: 024 Reference ID: 2a-024-20190220

³³ Page 15, East Cambridgeshire Local Plan Adopted April 2015

³⁴ Table 37, page 109, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

³⁵ Table 42, page 120, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

³⁶ page 136, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

³⁷ Paragraph 6.125, page 121, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

*incomes which exceed the requirement based on a 30% discount. This would suggest that First Homes would be an appropriate product in these areas with the 30% discount. In Cambridge, South Cambridgeshire and **East Cambridgeshire** the cost of first homes is likely to require a **greater discount than 30% in order for them to be affordable** to those households on a median income.”³⁸*

- 6.14 The Single Issue Review (SIR) does not provide an update to the expected affordable housing provision in East Cambridgeshire District set out in Policy 'HOU 3: Affordable housing provision' of the 2015 East Cambridgeshire District Local Plan.
- 6.15 Policy HOU 3 states that a minimum 40% affordable provision will apply in the south of the district, and minimum 30% in the north, applied to all developments of more than 10 dwellings.
- 6.16 On this basis, a need of 254 affordable dpa would require overall provision of between 635 dpa (based on 40% provision), and 847 dpa (30% provision). The SIR's proposal to amend the housing requirement to 599.78 dpa would fall short of both calculations, and significantly short (-29%) of the overall need required based on 30% provision.
- 6.17 Notwithstanding the evidence set out in the 2021 report summarised above, below we have prepared our own analysis of affordable housing in East Cambridgeshire District. This considers past delivery and the change in the actual affordable housing stock.

Past affordable housing delivery in East Cambridgeshire

- 6.18 Past delivery of affordable housing in the District should be analysed. The most recent Annual Monitoring Report (AMR) for East Cambridgeshire (December 2021) provides data on **gross** affordable completions over the past decade, but not **net** completions.
- 6.19 The gross affordable completions published in the AMR are set out in Table 6.1.

Table 6.1: Gross affordable completions in East Cambridgeshire District

2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017 /18	2018/ 19	2019/ 20	2020/ 21
82	14	24	19	54	11	88	63	67	57

Source: Table 6, page 12, East Cambridgeshire Annual Monitoring Report, December 2021

- 6.20 Table 6.1 shows how affordable housing completions have **averaged 48 dpa** over the past 10 years. Over the past 5 years this has increased to **57 dpa**. This is significantly **lower** than

³⁸ Paragraph 6.168-169, page 135, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

the need (**254** affordable dwellings per annum) identified in the recent 'Housing Needs of Specific Groups' report and represents only **19% to 22%** of identified need.

6.21 This indicates very strongly that East Cambridgeshire District have been significantly under-delivering affordable housing over the past decade. This needs to be considered in the context of the affordable need being described as 'acute' by the 2021 'Housing Needs of Specific Groups' report.

6.22 Table 3.4 provides a comparison of affordable completions set against completions of all tenures. The table shows that ECDC have delivered affordable housing at a rate of approximately **16% over the past decade and 16% over the past five years**. This has fluctuated between 5% (2012/13) and 30% (2015/16 and 2017/18).

Table 6.2: Affordable housing completions as a proportion of all net completions

Completions	2011 /12	2012 /13	2013 /14	2014 /15	2015 /16	2016/ 17	2017 /18	2018 /19	2019 /20	2020 /21	2011 - 2021
Affordable	82	14	24	19	54	11	88	63	67	57	479
All tenures	369	287	191	162	181	234	289	386	514	405	3,018
Affordable % of all completions	22%	5%	13%	12%	30%	5%	30%	16%	13%	14%	16%

Source: East Cambridgeshire District Annual Monitoring Report 2020-21, December 2021

6.23 Based on 16% affordable housing delivery, **overall** housing need would have to increase to **1,588 dwellings per annum** to deliver the affordable need (254 dwellings per annum) calculated by the 2021 'Housing Needs of Specific Groups', in full. This is a significant increase (+165%) than the 599.78 dwellings per annum proposed in the Single Issue Review.

6.24 As we have identified at the outset of this chapter, we do not consider that affordable housing need must be met *in full*. However, as PPG states, "*An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes*"³⁹ (our emphasis).

6.25 In the context of the inadequate delivery of affordable housing over the past decade, the level of unconstrained overall housing need (as required by PPG) is clearly higher than the standard method calculation.

Affordable Stock Losses

6.26 The historic delivery measured at 16% above is based on **gross** affordable stock and takes no account of losses to affordable housing provision through demolition or schemes such as Right to Buy and Right to Acquire. This is an important factor to consider.

³⁹ Paragraph: 024 Reference ID: 2a-024-20190220

- 6.27 ECDC's 2020/21 Annual Monitoring Report states that 479 affordable dwellings (gross) were completed in HDC between 2011/12 and 2020/21. But this is the **gross figure only**.
- 6.28 We have used DLUHC live table 100 to determine how demolition and other housing schemes (such as Right to Buy) have affected the actual affordable housing **stock** on the ground in East Cambridgeshire.
- 6.29 The data shows that stock losses amounted to **414** affordable dwellings over the past decade. So, despite **479** affordable homes being completed over the past decade, stock has only increased by **65** dwellings (**7 affordable dwellings per annum**).
- 6.30 Based on this measure, affordable delivery has only been 2% (65 affordable stock increase) of delivery across all tenures (3,018 dwellings) over the past decade. Based on 2% delivery, overall housing need would have to be over 12,700 dpa to deliver the HEDNA's calculation of need (254 affordable dwellings per annum).
- 6.31 This analysis only serves to emphasise the acute affordable housing need position which East Cambridgeshire District Council finds itself in.

Summary

- 6.32 The 2021 'Housing Needs of Specific Groups' report for Cambridgeshire and West Suffolk concludes on there being a need for 254 affordable dpa (for rent and ownership) in East Cambridgeshire District, and that affordable need in the District is 'acute'.⁴⁰
- 6.33 The 2021 report also states how East Cambridgeshire District Council "*would be justified in seeking to secure additional affordable housing.*"⁴¹
- 6.34 Our analysis has shown there to be overall housing need of between 635 and 847 dpa if affordable housing need (254 dpa) is to be provided at between 30% and 40%.
- 6.35 However, **gross** affordable housing delivery in the District has been as low as 11 dpa over the past decade. This has equated to affordable provision as low as 5% of all delivery in some years. On average, affordable delivery has been 16% of overall delivery over the past 5 and 10 years.

⁴⁰ Paragraph 6.125, page 121, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

⁴¹ page 136, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

- 6.36 A continuation of 16% affordable delivery would require overall need of 1,588 dpa to deliver 254 affordable dpa in full. This does not include the backlog in affordable delivery over the past decade.
- 6.37 Our stock analysis shows that the change in affordable housing stock over the past decade has been much lower than the gross completions figure of 16%. Once demolitions and schemes such as 'Right to Buy' are taken into account, the change in stock has only been 65 affordable dwellings over the past decade. This equates to just 2% of all delivery over this time.
- 6.38 The affordable housing position in East Cambridgeshire is clearly one of acute need and as PPG requires local authorities to do, "*An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes*"⁴² (our emphasis).
- 6.39 Net affordable housing delivery must significantly improve if the 2015 Local Plan's 'Vision' to increase access to affordable housing is to be realised. The Council should do all it can to target a housing requirement which exceeds the Standard Method minimum level of housing need to achieve this.

⁴² Paragraph: 024 Reference ID: 2a-024-20190220

7. LONDON'S UNMET HOUSING NEED

- 7.1 The New London Plan was adopted on 02 March 2021 and plans for **52,287 dpa** between 2019/20 and 2028/29. However, the Standard Method's minimum housing need calculation for London is approximately **93,000 dpa**. This leaves an **annual shortfall of at least 40,000 dwellings per annum (dpa)**.
- 7.2 However, the shortfall is likely to be significantly higher than 40,000 dpa. This is because actual delivery in Greater London has been consistently below the target which the New London Plan is targeting (52,287 dpa). The most recent year (2020-21) has seen delivery of only 37,183 dwellings, and the 10-year average is only 31,267 dpa.
- 7.3 On the basis of this average delivery over 10 years, shortfall could be as high as 60,000 dpa.
- 7.4 This issue is acknowledged by the London Plan in policy CD2 'Collaboration in the Wider South East'. This policy states that *"The Mayor will work with partners across the Wider South East (WSE) to address appropriate regional and sub-regional challenges"*⁴³
- 7.5 This complements the GLA Act requirement for the spatial development strategy to address matters of strategic importance to Greater London (GLA Act, VIII, S.334 (5)) and the Mayor's statutory Duties to Inform and Consult (GLA Act, VIII, S.335 'with adjoining counties and districts', S.339 'authorities outside London', S.348 'authorities in the vicinity of London'.⁴⁴
- 7.6 The WSE is made up of all local authorities in the South East and East regions, and therefore includes East Cambridgeshire District and the other Cambridgeshire authorities.
- 7.7 To add to this, the Secretary of State (SoS) wrote to the Mayor of London on 13 March 2020 identifying the unmet need issue and stating *"I would like you to commit to maximising delivery in London, including through taking proactive steps to surpass the housing requirement in your Plan. This must include producing and delivering a new strategy with authorities in the **wider South East** to offset unmet housing need in a joined-up way."*⁴⁵
- 7.8 The SoS followed this up with a further letter on 10 December 2020 in which he said *"You will recall that in my letter of 13th March I required you to commit to a range of activities to support future housing growth in London. I am pleased that the communication between our teams is*

⁴³ Policy SD2 Collaboration in the Wider South East, page 62, The London Plan, March 2021

⁴⁴ Paragraph 2.2.6, page 63, The London Plan, March 2021

⁴⁵ Letter from the Secretary of State to the Mayor of London, 13 March 2020

ongoing and positive. I would like to see details of work on a strategy with the wider south east authorities"⁴⁶ (our emphasis).

- 7.9 This emphasises the expectation of Central Government for local authorities to work in partnership with the Mayor of London in meeting unmet housing need from Greater London.
- 7.10 In this section of our report we set out the migration flows of different age groups from London to Cambridgeshire to provide an understanding of the pressure that migration places on housing need in East Cambridgeshire specifically.

Migration from Greater London to Cambridgeshire and East Cambridgeshire

- 7.11 The 2021 'Housing Needs of Specific Groups' report identifies East Cambridgeshire's links with Greater London. The report states *"Agents describe East Cambridgeshire's demand as split between the Ely housing market and the market for other larger towns and the villages. Ely is popular with young families who commute into Cambridge and London enabled by the good train links, whereas the smaller villages offer larger and more expensive family homes"*⁴⁷ (our emphasis).
- 7.12 This ease of access to the heart of London means that it is possible for people to comfortably work in London and live in East Cambridgeshire District. In this context, Table 7.1 sets out the number of in-migrants from Greater London to the Cambridgeshire authorities for the individual years of 2018, 2019, and 2020.

Table 7.1: In-migration to Cambridgeshire from Greater London, 2017/18-2019/2020

Rank	Total Moves In					
	2018	Persons	2019	Persons	2020	Persons
1	Cambridge	3,538	Cambridge	3,774	Cambridge	3,444
2	Huntingdonshire	996	South Cambridgeshire	1,158	South Cambridgeshire	989
3	South Cambridgeshire	935	Huntingdonshire	943	Huntingdonshire	853
4	Fenland	432	East Cambridgeshire	396	East Cambridgeshire	379
5	East Cambridgeshire	352	Fenland	365	Fenland	356
	CAMBRIDGESHIRE	6,254	CAMBRIDGESHIRE	6,637	CAMBRIDGESHIRE	6,023

Source: ONS Mid-Year Population Estimates

- 7.13 Table 7.1 shows the total number of people which have moved from Greater London to Cambridgeshire in the most recent three years for which data is available.

⁴⁶ Letter from the Secretary of State to the Mayor of London, 10 December 2020

⁴⁷ Paragraph 4.88, page 67, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

- 7.14 It shows how nearly 20,000 people have moved from Greater London to Cambridgeshire in only the past three years.
- 7.15 The majority of this has been to Cambridge although of the 10,756 people overall which have migrated from London to Cambridge, 5,135 migrants (48%) were in the 18-24 age group. This therefore accounts for a significant number of students which move to Cambridge for the education institutions located there.
- 7.16 Further analysis set out in Table 7.2 shows that **over half** (53%) of the total migration to Cambridgeshire has been in the 0-17 and 25-44 age groups, those most closely related to first-time buyers with young families.

Table 7.2: In-migration of First-Time Buyers and Young Families to Cambridgeshire from Greater London, 2017/18-2019/2020

Rank	Total Moves In					
	2018	Persons	2019	Persons	2020	Persons
1	Cambridge	1,637	Cambridge	1,834	Cambridge	1,538
2	Huntingdonshire	648	South Cambridgeshire	731	Huntingdonshire	603
3	South Cambridgeshire	626	Huntingdonshire	610	South Cambridgeshire	551
4	Fenland	231	East Cambridgeshire	230	Fenland	231
5	East Cambridgeshire	209	Fenland	185	East Cambridgeshire	189
	CAMBRIDGESHIRE	3,351	CAMBRIDGESHIRE	3,590	CAMBRIDGESHIRE	3,114

Source: ONS Mid-Year Population Estimates

- 7.17 In East Cambridgeshire, 606 (59%) of the 1,128 migrants 2018-2020 have been in the three age groups shown above. This compares with South Cambridgeshire (64%), Huntingdonshire (65%), Cambridge (47%) and Fenland (52%).
- 7.18 The Cambridgeshire area is clearly influenced by migration out of London, the majority of which is in the first-time buyers/young families age groups. This will have created extra pressure on the housing market in Cambridgeshire and East Cambridgeshire District, fuelling demand and driving up house prices.
- 7.19 East Cambridgeshire District should be considering how this factor affects housing need in the District and how they can respond to the demand.

Summary

- 7.20 In summary, East Cambridgeshire District Council has a responsibility to assist in addressing London's significant unmet housing need alongside the other local authorities of the Wider South East, and this should come into the consideration of unconstrained housing need.

- 7.21 The recent (2021) 'Housing Needs of Specific Groups' report identified the link between East Cambridgeshire District and London, stating "*Ely is **popular with young families who commute into Cambridge and London enabled by the good train links, whereas the smaller villages offer larger and more expensive family homes***"⁴⁸ (our emphasis).
- 7.22 The five local authorities of Cambridgeshire experience significant in-migration from Greater London, amounting to 20,000 people in total over the past three years for which data is available (2018-2020).
- 7.23 The vast majority of in-migration is from the first-time buyers age group, particularly in Huntingdonshire (65%), South Cambridgeshire (64%), and East Cambridgeshire (59%). This is the age group which find it hardest to access the housing market due to spiralling affordability.
- 7.24 Although East Cambridgeshire's in-migration from London is lower than some of the other Cambridgeshire authorities (Cambridge, South Cambridgeshire, and Huntingdonshire) in terms of overall numbers, East Cambridgeshire experiences significant net in-migration from Cambridge and South Cambridgeshire.
- 7.25 This indicates that the significant in-migration from London to Cambridge and South Cambridgeshire 'pushes' people out of those areas into East Cambridgeshire District. This has the effect of exacerbating demand and therefore affordability in East Cambridgeshire.

⁴⁸ Paragraph 4.88, page 67, Housing Needs of Specific Groups: Cambridgeshire and West Suffolk, October 2021

8. ECONOMIC-LED HOUSING NEED

- 8.1 The 2021 National Planning Policy Framework (NPPF) includes a section titled 'Building a strong, competitive economy' which states the following in its introduction:

"Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential"⁴⁹ (our emphasis).

- 8.2 In this context the NPPF moves on to state "*Planning policies should seek to address potential barriers to investment, such as **inadequate** infrastructure, services or **housing**, or a poor environment*"⁵⁰ (our emphasis). An unconstrained assessment of need to establish how many homes would be needed to support economic growth aspirations in East Cambridgeshire District is therefore imperative.
- 8.3 The NPPF refers to the Government's 2017 'Industrial Strategy: Building a Britain fit for the future' in terms of the reference to 'innovation' in paragraph 81 (set out above). The Industrial Strategy states "*There are substantial established and emerging research clusters across the UK – such as life sciences in the north west and **Cambridge's Laboratory of Molecular Biology***"⁵¹ (our emphasis).
- 8.4 The Strategy moves on to reference the 45,000 new jobs targeted by the 'Greater Cambridge City Deal'; the Cambridge-Milton Keynes-Oxford corridor which it states has "*the potential to be the UK's Silicon Valley*"⁵²; and how "*the Cambridgeshire and Peterborough Combined Authority are working to back the area's world-class science and innovation assets.*"⁵³
- 8.5 Cambridgeshire as a whole is therefore central to Government ambitions for the country. Section 3 of this report outlined the various strategies for economic growth which will affect East Cambridgeshire District. The adopted Local Plan's 'Vision' makes it clear that the Council's objective is to take advantage of the opportunities for growth that these strategies offer by stating that by 2031, "*The district will have **taken advantage of the economic vitality of***

⁴⁹ Paragraph 81, page 23, National Planning Policy Framework, 2021

⁵⁰ Paragraph 82c, page 23, National Planning Policy Framework, 2021

⁵¹ Page 84, Industrial Strategy White Paper, 2017

⁵² Page 232, Industrial Strategy White Paper, 2017

⁵³ Page 232, Industrial Strategy White Paper, 2017

*the Cambridge sub-region, and have a diverse and thriving economy with vibrant and attractive towns and villages which act as employment and service centres for their surrounding rural areas. More residents will have a high quality of life, with increased access to affordable housing, a wider range of local better skilled jobs, and good quality services and facilities”*⁵⁴ (Our emphasis).

8.6 It is therefore imperative that the assessment of unconstrained housing need considers whether the Single Issue Review’s (SIR) proposal to adopt the standard method’s calculation of **minimum** housing need as the housing requirement can support the Council’s ambitions for economic growth.

Economic growth and housing need in East Cambridgeshire

8.7 The Council’s most recent analysis of housing need in ‘Housing Needs of Specific Groups’ (2021) does not consider the relationship between economic growth and housing need in East Cambridgeshire.

8.8 However, the SIR retains the reference in ‘Policy GROWTH1: Levels of housing, employment and retail growth’ to *“Maximise opportunities for jobs growth in the district, with the aim of achieving a **minimum** of 9,200 additional jobs in East Cambridgeshire.”*⁵⁵

8.9 It is therefore clear that East Cambridgeshire District Council continue to target growth of **at least** 9,200 jobs between 2011 and 2031 (460 jobs per annum). However, this is a **minimum** and the policy is clear that opportunities for new jobs growth will be maximised.

8.10 As we have outlined in section 3 of this report, SQW’s ‘Cambridge, Milton Keynes, Oxford, Northampton Growth Corridor Final Report’ for The National Infrastructure Commission (November 2016) included ‘Incremental’ and ‘Transformational’ scenarios of growth for the Cambridgeshire local authorities.

8.11 The ‘Incremental’ scenario projected growth of 18,000 new jobs 2014-2050 in East Cambridgeshire District (500 jobs per annum/1.0% growth per annum). However, the ‘Transformational’ scenario projected growth of up to 700 jobs per annum (1.3% growth per annum).

8.12 The ‘Transformational’ scenario is a very realistic prospect when considered in the context of historical job growth in the District. Reference to the most recent (April 2022) Oxford Economics data shows an increase of 22,417 jobs between 1991 and 2021. This equates to

⁵⁴ Page 15, East Cambridgeshire Local Plan Adopted April 2015

⁵⁵ Paragraph 81, page 23, National Planning Policy Framework, 2021

747 jobs per annum, or an average annual increase of 2.9%. On this basis the 'Transformational' scenario is not considered to be unreasonable.

- 8.13 An assessment of how many homes would be required to support job growth is therefore required to determine whether the standard method would act as a barrier to job growth, and if so, what unconstrained housing need would be to balance homes and jobs.
- 8.14 We have therefore utilised the PopGroup demographic forecasting model to determine what level of job growth would be supported by the standard method minimum. Table 8.1 shows how many jobs would be supported by the SIR's proposed delivery of 600 dpa over the remainder of the Plan period (2022-2031).

Table 8.1: Standard method dwelling-led scenario (600 dpa 2022-2031)

	2022	2031		2022-2031	2022-2031 per annum
Population	91,601	102,971		11,370	1,263
Households	38,215	43,451		5,236	582
Dwellings	39,397	44,795		5,398	600
Economically active population	50,085	56,757		6,673	741
Jobs supported	34,491	39,086		4,595	511
*Jobs supported	32,860	37,237		4,378	486

*Commuting ratio based on APS data 2011-2021 (1.48)

- 8.15 Table 8.1 indicates that the standard method minimum would support approximately 511 jobs per annum over the remainder of the Plan period. This is based on the 2011 Census commuting ratio (1.41) continuing up to 2031. The APS data for the 2011-021 indicates the commuting ratio has increased to an average of approximately 1.48. On this basis the standard method would support a lower figure of approximately 486 jobs per annum.
- 8.16 This is significantly lower than the job growth (700 jobs per annum) which would be generated under the 'Transformational' scenario set out above. We have therefore modelled an economic-led scenario based on creating 700 jobs per annum. This is set out in Table 8.2 below based on the two approaches to commuting set out above.

Table 8.2: Economic-led (Transformational) scenario (700 jpa 2022-2031)

	2022	2031	2022-2031	2022-2031 per annum
Jobs supported	34,491	39,086	4,595	511
Economically active population	50,085	56,757	6,673	741
Population	91,832	107,148	15,317	1,702
Households	38,300	45,046	6,746	750
Dwellings	39,484	46,439	6,955	773
*Dwellings	39,513	46,761	7,248	805

*Commuting ratio based on APS data 2011-2021 (1.48)

- 8.17 As Table 8.2 shows, the creation of 700 jobs per annum in East Cambridgeshire District would require between 773 and 805 dpa between 2022 and 2031.
- 8.18 **Unconstrained economic-led housing need can therefore be considered to range between 600 and 805 dpa in East Cambridgeshire.**
- 8.19 The Standard Method minimum (600 dpa) being proposed as the housing requirement in the SIR would support the 'Incremental' job growth scenario of the NIC's 2016 report but would fall approximately 200 dpa below what's needed to support the 'Transformational' scenario.

Summary

- 8.20 In summary the key points to note are as follows:
- NPPF states inadequate levels of housing **should not** act as a barrier to investment;
 - NPPF states planning policies should place **significant** weight on the need to support economic growth, particularly where Britain can be a global leader in driving innovation;
 - The Cambridgeshire and Peterborough Combined Authority are **working to back** the area's world-class science and innovation assets⁵⁶;
 - ECDC's Adopted Local Plan promises to **take advantage** of the economic vitality of the Cambridge sub-region;
 - A housing requirement which reflects the standard method's minimum calculation of housing need would support approximately 500 jobs per annum, well below the Local Plan target;
 - To achieve 'Transformational' job growth in line with the NIC's 2016 report, between 773 and 805 dpa are required between 2022 and 2031;
 - 'Transformational' job growth is realistic in the context of the past 30 years growth.

⁵⁶ Page 232, Industrial Strategy White Paper, 2017

9. THE NEED FOR OLDER PERSONS ACCOMMODATION

The National Need for Older Persons Accommodation

- 9.1 The Planning Practice Guidance (PPG, 2019, CD9.16) summarises the critical need for specialist accommodation for older people as follows,

“The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing. In mid-2016 there were 1.6 million people aged 85 and over; by mid-2041 this is projected to double to 3.2 million. Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems. Therefore, an understanding of how the ageing population affects housing needs is something to be considered from the early stages of plan-making through to decision-taking”⁵⁷ (Our emphasis).

- 9.2 In this context it is imperative that local planning authorities plan positively for the ageing population.
- 9.3 The recent (January 2022) House of Lords report ‘Meeting housing demand’ has emphasised this, reporting evidence that *“By 2032, the number of people over 80 is estimated to rise to 5 million, up from 3.2 million presently”* and *“failure to meet this demand will put **greater pressure** on already overstretched resources, including **adult social care and the NHS**.”⁵⁸*
- 9.4 Furthermore, many older people simply do not want to move into stereotypical older persons accommodation. As the House of Lords report highlighted, *“only 5% of over-65s live in specialist housing, while the vast majority of older people live in mainstream housing and 80% **wish to remain in their own homes as they age**”* (our emphasis). The House of Lords report goes on to state *“Older people are a **diverse group with varying needs** and require a **range of mainstream housing options**, and specialist homes only form a small part of the solution.”⁵⁹*
- 9.5 The House of Lords report also heard how many older people live in under-occupied properties. Some participants to the hearing sessions stated how *“a **lack of retirement housing** is one of the key factors contributing towards older people staying in large, unsuitable houses for longer instead of downsizing”* and that this *“can cause **stagnation in the housing market**, as it prevents younger buyers from trading up to larger houses, which in turn prevents first-*

⁵⁷ Paragraph: 001 Reference ID: 63-001-20190626

⁵⁸ Paragraph 78, page 38, Meeting Housing Demand, House of Lords, 10 January 2022

⁵⁹ Paragraph 80, page 38, Meeting Housing Demand, House of Lords, 10 January 2022

time buyers from entering the housing market at all and can result in older people needing to spend more time in hospitals and care homes as their homes do not meet their needs.”⁶⁰

9.6 The House of Lords report concluded on the issue of ‘Homes for older people’ with the following two recommendations:

- **There will need to be a mix of more suitable, accessible ‘mainstream’ housing and specialist housing for the elderly if the housing market is to be sustainable in the coming years as the population ages. Older people’s housing choices are constrained by the options available** (our emphasis).
- **Little progress has been made on housing for the elderly. As demand changes as the population ages, a more focussed approach is needed. The Government must take a coordinated approach to the issue of later living housing, between departments and through the National Planning Policy Framework** (our emphasis).⁶¹

9.7 In response to the conclusions of the House of Lords report, the Government published its response on 28 March 2022.

9.8 In response to paragraph 18 of Chapter one of the report which reads, *“The UK has an ageing population: one in four people in the UK will be over 65 by 2050. Changes in age demographics should be reflected in the types of new homes built, particularly as there will be an increase in older people living alone”* the Government have made several comments.

9.9 The Government have commented *“Ensuring older people can live in **suitable homes tailored to their needs** can help them to live **healthier lives** for longer, retain their **independence** and feel more connected to their communities. It can also help to **reduce pressure on health and social care services**”⁶²* (our emphasis).

9.10 To add to this the Government have stated, *“This Government is committed to supporting the growth of a **thriving older peoples’ housing sector**, one that builds enough homes to match growing need, gives certainty to developers and investors, and empowers consumers with choice from a **diverse range of housing options**”⁶³* (our emphasis).

9.11 The Government also realise how more needs to be done and state *“we realise that **more needs to be done** to meet the housing needs of our ageing population. That is why we are launching a **new taskforce** on the issue of older people’s housing this year, which will look*

⁶⁰ Paragraph 84, page 40, Meeting Housing Demand, House of Lords, 10 January 2022

⁶¹ Paragraphs 90-91, page 41, Meeting Housing Demand, House of Lords, 10 January 2022

⁶² page 1, Her Majesty’s Government’s response to the House of Lords Built Environment Committee report on Meeting Housing Demand, 28 March 2022

⁶³ Ibid

at ways we can provide better choice, quality and security of housing for older people across the country"⁶⁴ (our emphasis).

- 9.12 In response to the two recommendations we have listed above in paragraph 9.5, the Government commented as follows.
- 9.13 At the outset they state "*We are committed to further improving the **diversity of housing options** available to older people. **Boosting** a range of specialist housing across the country will be **key** to achieving this*"⁶⁵ (our emphasis).
- 9.14 Prior to the above, in 2016 the third '*Housing our Ageing Population: Positive Ideas Making Retirement Living a Positive Choice*' (HAPPI3)) report was published by the All-Party Parliamentary Group on Housing and Care for Older People. 'HAPPI 3' sets the current context for older persons accommodation in the UK.
- 9.15 Quoting market research, HAPPI3 reported that 8 million people aged over 60, in 7 million homes (30% of total housing stock), were interested in downsizing. However, the stock of specialist accommodation for older people was estimated to be only 560,000 or 2.4% of total stock.⁶⁶
- 9.16 The limited availability of accommodation for older people in the UK, in an international context, is clearly illustrated by HAPPI 3, which reported "*1% of Britons in their 60s are living in tailor-made retirement properties, **compared to 17% in the US, and 13% in Australia and New Zealand***"⁶⁷ (our emphasis).
- 9.17 In this context the 'Elderly Accommodation Counsel' (EAC) is acknowledged to be the most comprehensive and reliable source of older persons accommodation stock numbers available. The EAC 2022 Quarter 1 database records about 760,000 units of accommodation within England. This includes the year of the original build, and the year of refurbishment (where refurbishment has occurred).
- 9.18 In terms of tenure, only 183,367 units (less than 25%) are listed as being available on the open market. Thus, it is reasonable to conclude, in the context of a prevalence of owner occupation (with no mortgage) amongst people of retirement age, that older people wishing to purchase accommodation that meets their needs are especially underprovided for.

⁶⁴ page 2, Her Majesty's Government's response to the House of Lords Built Environment Committee report on Meeting Housing Demand, 28 March 2022

⁶⁵ page 7, Her Majesty's Government's response to the House of Lords Built Environment Committee report on Meeting Housing Demand, 28 March 2022

⁶⁶ Page 12, Housing our ageing population: Positive Ideas HAPPI 3 Making Retirement Living a Positive Choice, All party parliamentary group on housing and care for older people (June 2016)

⁶⁷ Ibid

9.19 In this context HAPPI 3 reported as follows:

“Overall there has been a fall in older social rented retirement housing from 81% to 75% of the total, with a corresponding increase in new retirement housing and extra care housing for sale by private developers and social landlords. But since over 70% of those over pension age are owner-occupiers, and so many would wish to continue to own if they downsize, this does suggest that the range of retirement housing models available is still inappropriate as well as insufficient to meet demand.” ⁶⁸ (Our emphasis)

9.20 The above extract, which is attributed by HAPPI 3 to John Galvin, Chief Executive of EAC (Elderly Accommodation Counsel) brings us back to the two key beneficial outcomes of enabling the development of homes for older people. The first beneficial outcome is a positive and appropriate response to meeting identified need.

9.21 The second beneficial outcome is the impact on the wider housing market, specifically freeing up family homes. Research cited in HAPPI 3 estimates that two thirds of the country’s current stock of retirement properties are occupied by people who have moved from homes with 3 or more bedrooms, proving the link between freeing up family homes and developing accommodation for older people and the clear benefits of encouraging far greater rates of development than the trend rate.

Older persons housing need in East Cambridgeshire

9.22 Section 8 of the October 2021 Cambridgeshire and West Suffolk ‘Housing Needs of Specific Groups’ sets out the Council’s most recent evidence on the need for specialist older persons accommodation.

9.23 The 2021 report calculates that 20.4% of East Cambridgeshire’s 2019 population was made up of people aged 65+. The report states this as being higher than the Housing Market Area (HMA) average (19.6%), the regional average (19.9%), and the national (England) average (18.4%).⁶⁹

9.24 Reference to the most recent 2018-based ONS Sub National Population Projections (SNPP) shows the 65+ age group is projected to represent 27% of East Cambridgeshire’s by 2043. This compares with Cambridge (19%), Fenland (28%), Huntingdonshire (27%), South Cambridgeshire (26%), and West Suffolk (27%). This compares with 26% across the East of England and 24% nationally.

⁶⁸ Page 13, Housing our ageing population: Positive Ideas HAPPI 3 Making Retirement Living a Positive Choice, All party parliamentary group on housing and care for older people (June 2016)

⁶⁹ Table 90, page 180, Cambridgeshire and West Suffolk Housing Needs of Specific Groups, October 2021

- 9.25 Table 92 of the October 2021 report also cites how East Cambridgeshire District will have the **second highest increase** (+41.5%) in households headed by someone in the 65-74 age cohort in Cambridgeshire between 2020 and 2040. Only Cambridge City (+46.8%) is projected to be higher, with the HMA average being noticeably lower (+35.5%).
- 9.26 The 65+ population will therefore grow at a rate which is higher than average, and East Cambridgeshire District Council will need to plan for this change in the context of recommendations such as those set out in the House of Lords 'Meeting Housing Demand' report.
- 9.27 The House of Lords report identifies how many older people live in 'under-occupied' homes, where at least one bedroom is unoccupied. Data from the 2011 Census shows how **over half** (54%) of the 65 and over population in East Cambridgeshire live in a property where 2 or more bedrooms are unoccupied. A further 33% live in a property where 1 bedroom is unoccupied.
- 9.28 This means that **87% of all people aged 65 and over in East Cambridgeshire live in an under-occupied property**. Many of these properties, particularly those where 2+ bedrooms are unoccupied could be utilised by families with children.
- 9.29 As the House of Lords heard in their hearings which informed the 'Meeting housing demand' report, *"a lack of retirement housing is one of the key factors contributing towards older people staying in large, unsuitable houses for longer instead of **downsizing**. This can cause **stagnation** in the housing market, as it **prevents** younger buyers from trading up to larger houses, which in turn **prevents** first-time buyers from entering the housing market at all and can result in older people needing to spend **more time** in hospitals and care homes as their homes do not meet their needs."*⁷⁰
- 9.30 An increase in delivery of a range of types and tenures of older persons accommodation would help to increase the number of people aged 65 and over who choose to downsize and 'free up' the under-occupied stock of family sized housing in the District.
- 9.31 The Council's 2021 report provides its own assessment of **existing** and **future** need for older persons accommodation of different tenures. To do this they have used the 'Housing LIN's SHOP@ Toolkit' which provides baseline provision rates as follows:
- **Housing with Support (retirement/sheltered housing)** – 125 units per 1,000 population aged 75 and over;
 - **Housing with Care (enhanced sheltered and extra-care housing)** – 45 units per 1,000 population aged 75 and over; and

⁷⁰ Paragraph 84, page 40, Meeting Housing Demand, House of Lords, 10 January 2022

- **Residential care bedspaces (residential and nursing care)** – 110 units (bedspaces) per 1,000 population aged 75 and over.

9.32 The Council's report makes adjustments to these rates based on the health of people in the individual authorities, tenure split for the housing with support and housing with care categories. The assessment is then linked to the 2014-based ONS Sub National Population Projections which underpin the Standard Method calculation of minimum housing need.

9.33 The results of the assessment for East Cambridgeshire District are reproduced in Table 9.1.

Table 9.1: Specialist Housing Need using SHOP@ Assumptions, 2020-40 – East Cambridgeshire (Units)

Housing type	Housing demand per 1,000 75+	Current Supply	2020 Demand	Current Shortfall/ Surplus	Additional Demand to 2040	Shortfall/ Surplus by 2040
Rented Housing with Support	43	724	356	-368	280	-88
Leasehold Housing with Support	74	127	614	487	482	969
Rented Housing with Care	19	154	155	1	121	122
Leasehold Housing with Care	23	77	195	118	153	271
Total	158	1,082	1,320	238	1,036	1,274

Source: Table 98, page 196, Cambridgeshire and West Suffolk Housing Needs of Specific Groups, October 2021

9.34 Table 9.1 reveals an **existing** shortfall as of 2020 in 'leasehold housing with support' (487 units) and 'leasehold housing with care' (118 units).

9.35 Additional demand between 2020 and 2040 will be generated in all housing types as Table 9.1 also illustrates. This will increase the overall need to 2040 for 'leasehold housing with support' (969 units), 'leasehold housing with care' (271 units), and 'rented housing with care' (122 units).

9.36 Combined, the **market** need for older persons accommodation is 1,240 units by 2040.

9.37 In addition to the Council's assessment set out in Table 9.1, the Council's report moves on to assess older persons care bed-space requirements, 2020-2040. This reveals a shortfall of 2,134 bed spaces across the Cambridgeshire and West Suffolk HMA in 2020, of which 475 bed spaces are in East Cambridgeshire District.

9.38 This shortfall is projected to increase to 7,701 beds in 2040, of which 1,145 will be in East Cambridgeshire District. Added to the specialist housing need we have identified above in Table 9.1, there is significant need solely for the older population in East Cambridgeshire.

Summary

9.39 In summary the key points to note from this section are as follows:

- The PPG identifies the need for older persons accommodation as 'critical';
- The recent House of Lords 'Meeting Housing Demand' emphasises the extent of need;
- By 2032, the number of people over 80 is estimated to rise to 5 million, up from 3.2 million presently;
- Failure to meet the housing demand this creates will put greater pressure on already overstretched resources, including adult social care and the NHS;
- The House of Lords concluded that older people's housing choices are constrained by the options available;
- They also concluded a more focussed approach is needed by the Government;
- Less than 25% of supply nationally is available on the open market;
- Most people in the 65+ age group are owner-occupiers;
- Most people aged 65+ want to remain in the same tenure if they downsize;
- The market accommodation group is severely under-provided for;
- East Cambridgeshire will have the second highest increase (+41.5%) in households headed by someone in the 65-74 age cohort in Cambridgeshire between 2020 and 2040;
- 87% of people aged 65+ in East Cambridgeshire District live in an under-occupied property;
- An increase in older persons accommodation supply could encourage downsizing, releasing under-occupied family housing to younger families who need these homes most;
- The Council's 'Housing Needs of Specific Groups' report identifies an existing need as of 2020 for 605 leasehold units of accommodation for older people;
- This will increase to 1,240 units by 2040;
- There is projected to be an additional increase in the need for older persons care bed-spaces of 1,145 bed spaces by 2040.

10. SUMMARY AND CONCLUSIONS

- 10.1 This report has considered what unconstrained housing need may be for East Cambridgeshire District. The assessment is made in the context of Planning Practice Guidance (PPG) which is clear that the assessment of housing **need** should be **unconstrained** and undertaken before and separately to establishing a housing **requirement** figure.
- 10.2 Furthermore, it has been undertaken to establish whether unconstrained housing need in East Cambridgeshire exceeds the **minimum** level of housing need calculated using the PPG's standard method. The PPG is clear that the standard method identifies the minimum number of homes expected to be planned for and **does not** produce a housing requirement figure.
- 10.3 PPG confirms that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. PPG lists some of the circumstances where this could be the case, but the list is not exhaustive.
- 10.4 Furthermore, where local authorities can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.
- 10.5 The PPG's test is very different where a local authority suggest housing need is lower than the standard method minimum. In this case 'exceptional local circumstances' have to be shown at the Local Plan examination to justify the figure.
- 10.6 The analysis in this report has shown there to be a number of reasons as to why unconstrained housing need exceeds the standard method minimum **need** which East Cambridgeshire District have adopted as the housing **requirement** for the purposes of their Single Issue Review (SIR).

Circumstances which indicate housing need exceeds the standard method minimum

- 10.7 At the outset it is pertinent that there is no supporting documentation to indicate that the Council has undertaken an assessment to show whether unconstrained housing need exceeds the standard method minimum of 600 dwellings per annum (dpa). The Council considers there are no 'compelling' circumstances for need being higher.
- 10.8 The first reason we have identified relates to **economic growth aspirations**. The Council's 2015 Adopted Local Plan states that by 2031 *"the district will have taken advantage of the economic vitality of the Cambridge sub-region"*.
- 10.9 Furthermore, the aim of the Cambridgeshire and Peterborough Combined Authority is to **double GVA by 2042** and its 'Vision' is to create *"an area that is internationally renowned for*

its low-carbon, knowledge-based economy - Cambridgeshire and Peterborough will enhance its position as a global leader in knowledge and innovation, further developing its key sectors including life sciences, information and communication technologies, creative and digital industries, clean tech, high-value engineering and agri-business."⁷¹

- 10.10 As section 3 of our report summarises, Cambridgeshire, and therefore East Cambridgeshire District, is located at the centre of three sub-regional economic growth areas of national and international significance.
- 10.11 The National Infrastructure Commission's (NIC) Cambridge, Milton Keynes, Oxford, Northampton Growth Corridor Report (2016) also determined that job growth could be between 500 and 700 jobs per annum (jpa) between 2014 and 2050 in East Cambridgeshire as part of the 'Cambridge, Milton Keynes, Oxford, Northampton Growth Corridor'.
- 10.12 Using bespoke demographic modelling we have determined that the standard method minimum housing need (600 dpa) would support approximately 500 jpa. However, to support the NIC report's 'Transformational' scenario, housing need is **between 773 and 805 dpa**.
- 10.13 **Affordable housing need** is another factor which indicates that unconstrained housing need is higher than the standard method minimum. Section 6 of our report shows how gross affordable housing delivery has been 16% over the past 5 and 10 years.
- 10.14 This means that overall housing need would need to be 1,588 dpa to deliver the affordable need (254 affordable dpa) determined by the Council's 2021 'Housing Needs for Specific Groups' report in full. This does not include the backlog in affordable delivery over the past decade.
- 10.15 Our analysis of stock change suggests that the actual change in affordable stock has only been approximately 2%. This would necessitate a significant increase to overall need of 1,588 dpa identified above.
- 10.16 We do not advocate that affordable housing need must be met in full, but this must be considered in the context of PPG which states that "*An **increase** in the total housing figures included in the plan **may need to be considered** where it could help deliver the required number of affordable homes*"⁷²
- 10.17 Another factor is the **out-migration from London**, and the delivery of London's significant unmet housing need. The Council identify strong links between Ely and London, stating "*Ely is popular with young families who commute into Cambridge and London enabled by the good train links.*"

⁷¹ Page 3, Cambridgeshire and Peterborough Devolution Deal, 16 March 2017

⁷² Paragraph: 024 Reference ID: 2a-024-20190220

- 10.18 This will have an impact on housing need in the area surrounding Ely, as people choose to live in East Cambridgeshire and travel to work in London. The Secretary of State has also made it clear that the Mayor of London must work with the Wider South East (East of England and South East regions) to address London's unmet need.
- 10.19 Authorities such as East Cambridgeshire District must therefore consider whether any unmet need from London can be delivered.
- 10.20 **Older Persons Accommodation Need** is a further factor, and one that is explored in the 'Housing Need for Specific Groups' report. The analysis contained in the report identifies a significant **existing** need for 605 leasehold units of accommodation for older people as of 2020, a need which will increase to 1,240 units by 2040.
- 10.21 There is a further significant need for care home bed spaces. The Council's own report determines the shortfall to be 1,145 bed spaces by 2040.

Way Forward

- 10.22 In the context of our conclusions, we consider there are a number of circumstances indicating unconstrained housing need is significantly higher than the standard method minimum of 600 dpa.
- 10.23 Our economic growth analysis and bespoke demographic modelling indicates this could be as high as 800 dpa. Our affordable housing need analysis indicates that unconstrained need exceeds 1,000 dpa. Older persons accommodation need, and the relative unaffordability of East Cambridgeshire District add further weight to the argument that need exceeds 600 dpa significantly.
- 10.24 We consider that East Cambridgeshire District Council need to undertake a full assessment of unconstrained housing **need** as an entirely separate exercise from establishing a requirement, in line with PPG. The process of establishing a housing requirement can then determine how much of this need can be accommodated.