

Report to East Cambridgeshire District Council

by Philip Lewis BA(Hons) MA MRTPI

an Inspector appointed by the Secretary of State

Date: 5 October 2023

Planning and Compulsory Purchase Act 2004 (as amended)

Section 20

Report on the Examination of the East Cambridgeshire Local Plan – Single Issue Review (of its 2015 Local Plan)

The Plan was submitted for examination on 19 July 2022

The examination hearings were held on 8 November 2022 and 28 March 2023

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Abbreviations used in this report

LHN	Local Housing Need
NPPF	National Planning Policy Framework
PPG	Planning Practice Guidance
2004 Act	Planning and Compulsory Purchase Act 2004 (as amended)
2012 Regulations	Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended)

Introduction

1. This report contains my assessment of the East Cambridgeshire Local Plan – Single Issue Review (of its 2015 Local Plan) in terms of Section 20(5) of the Planning and Compulsory Purchase Act 2004 (as amended) (the 2004 Act). It considers first whether the Plan’s preparation has complied with the duty to co-operate. It then considers whether the Plan is compliant with the legal requirements and whether it is sound. The National Planning Policy Framework 2023 (paragraph 35) (NPPF) makes it clear that in order to be sound, a Local Plan should be positively prepared, justified, effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local planning authority has submitted what it considers to be a sound plan. The East Cambridgeshire Local Plan – Single Issue Review (of its 2015 Local Plan), submitted in July 2022 is the basis for my examination. It is the same document as was published for consultation in May 2022.

Main Modifications

3. In accordance with section 20(7C) of the 2004 Act the Council requested that I should recommend any main modifications [MMs] necessary to rectify matters that make the Plan unsound and /or not legally compliant and thus incapable of being adopted. My report explains why the recommended MMs are necessary. The MMs are referenced in bold in the report in the form **MM1**, **MM2** etc, and are set out in full in the Appendix.
4. Following the examination hearings, the Council prepared a schedule of proposed MMs. The MM schedule was subject to public consultation for six weeks. I have taken account of the consultation responses in coming to my conclusions in this report.

Policies Map

5. The submitted Plan does not propose any changes to the Council’s policies map and I shall not consider this matter further in my report.

Context of the Plan

6. The Local Plan has been produced following the Council undertaking a formal review of its adopted Local Plan, as required by Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) (the 2012 Regulations), and as set out in paragraph 33 of the NPPF. In that review, the Council found that Policy GROWTH1 needs to be revised, because of an out of date housing requirement. Policy GROWTH1 is also

concerned with jobs growth and retail floorspace provision. Those parts of the Policy were not found to be out of date and are not proposed to be changed.

Public Sector Equality Duty

7. I have had due regard to the aims expressed in S149(1) of the Equality Act 2010. This has included my consideration of the Council’s Equality Impact Assessment – Initial Screening document (CD08).

Assessment of Duty to Co-operate

8. Section 20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on it by section 33A in respect of the Plan’s preparation.
9. The Plan, as a single issue review is concerned with the provision of housing, which is included within the NPPF as one of the matters that the strategic policies should make provision for in local plans. The submitted Plan does not seek to extend the period for which provision would be made for housing beyond the adopted end date of 2031 of the existing local plan. It is seeking a housing requirement for the remainder of the plan period based on local housing need (LHN), calculated using the standard method. On an annualised basis, this provides a housing requirement higher than that in the adopted local plan for the corresponding years. There have been no requests made by neighbours for East Cambridgeshire to accommodate any unmet need through the Plan, and no convincing evidence that such provision should be made in East Cambridgeshire in the years to 2031.
10. Given the scope and content of the Plan, whilst the NPPF identifies that housing is a strategic matter, I am not persuaded that the Plan would have a significant impact on at least two planning areas in this regard. Nevertheless, it is clear that the Council has collaborated with the Duty to Cooperate Bodies in plan preparation in a manner proportionate to the plan being prepared, such as through regular meetings.
11. I am satisfied that where necessary the Council has engaged constructively, actively and on an on-going basis in the preparation of the Plan and that the duty to co-operate has therefore been met.

Assessment of Other Aspects of Legal Compliance

12. The Plan has been prepared in accordance with the Council’s Local Development Scheme.

13. Consultation on the Plan and the MMs was carried out in compliance with the Council's Statement of Community Involvement.
14. The Council carried out a sustainability appraisal of the Plan, prepared a report of the findings of the appraisal, and published the report along with the Plan and other submission documents under regulation 19. The Council reviewed the proposed MMs and concluded that no update of the appraisal was necessary.
15. The Habitats Regulations Appropriate Assessment Habitats Regulation Assessment (Stage 1 Screening) of the East Cambridgeshire SIR Local Plan (Regulation 19) Main Report May 2022 (CD07) sets out why an Appropriate Assessment is not necessary. The proposed MMs were reviewed by the Council who decided that no further assessment was required in this regard.
16. The Development Plan, taken as a whole, includes policies to address the strategic priorities for the development and use of land in the local planning authority's area.
17. The Development Plan, taken as a whole, includes policies designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change.
18. The Plan complies with all other relevant legal requirements, including in the 2004 Act (as amended) and the 2012 Regulations.

Assessment of Soundness

Main Issues

19. Taking account of all the representations, the written evidence and the discussions that took place at the examination hearings, I have identified one main issue upon which the soundness of this plan depends. This report deals with the main issue. It does not respond to every point or issue raised by representors. Nor does it refer to every part of the Plan.

Issue 1 – Are the proposed amendments to Policy GROWTH1 and the explanatory text of the Plan positively prepared, clear, justified and consistent with national policy and will they be effective?

20. The submitted Plan has arisen from the Council's formal review of its adopted Local Plan under Regulation 10A and as per NPPF33. It has a very limited scope, primarily relating to the housing requirement set out in Policy GROWTH1. Through the examination, I have identified a number of soundness concerns with the submitted Plan which I consider below.

The housing requirement 2022 – 2031

21. There is no dispute that the minimum LHN figure as set out in the submitted Plan, derived using the standard method with a base date of 2022 is 599.78 dwellings per annum, which I round to 600 dwellings per annum.
22. The Planning Practice Guidance (PPG)¹ considers when it might be appropriate to plan for where increases in housing need are likely to exceed past trends and provides examples of such circumstances. In this case there is no convincing evidence that the Plan should be accommodating unmet housing needs of neighbours. There has been no formal request nor agreement to do so. Equally, there is no robust evidence to demonstrate that strategic infrastructure improvements are likely to drive an increase in the homes needed locally in the period to 2031.
23. It has been argued by some representors that economic growth factors mean that there is a higher level of housing need than the standard method indicates, citing wider regional growth. Whilst the employment growth provisions set out in Policy GROWTH1 were not found to be out of date by the Council in its Regulation 10A review, more recent sub regional economic forecasts have been drawn to my attention. However, on the basis of the evidence before me, it would appear that the LHN would at least support the number of projected jobs per annum at the lower end of the forecast range. Furthermore, I am not persuaded that the ambitious ‘transformational’ growth scenario is realistic for the plan period to 2031 given the current planning context. Consequently, I have not been persuaded that economic growth factors mean that there is a higher level of housing need than the standard method indicates for the period to 2031.
24. Since 2002/3 the average net annual housing completions is 419 dwellings in the District (EX.LA02(B)), with 619 net new dwellings being completed in 2021/22. There is under delivery of 2,688 dwellings in the plan period to date against the adopted housing requirement. Despite the Council identifying a potential housing land supply (untested in this examination) of 7,371 dwellings to 2031, the delivery of the housing requirement in full for the plan period as a whole, including the under provision, would require a significant increase in the annual delivery of dwellings from historic levels, and over a prolonged period. There is no convincing evidence that seeking to provide for housing over the minimum level of identified need is a realistic proposition, nor that it could reasonably be delivered.
25. I have also had regard to whether provision should be made for more homes to deliver additional affordable housing. The evidence suggests that there would have to be a significant uplift in housing provision for the identified affordable

¹ Housing and economic needs assessment Paragraph: 010 Reference ID: 2a-010-20201216

housing need to be met in full. However, such an uplift would lead to provision in excess of the total identified housing need for the District, with unknown implications for neighbouring areas. Additionally, it has not been demonstrated that the delivery of such a level of housing provision would be realistic. Consequently, the evidence simply does not persuade me that requiring the provision of more housing overall, would lead to a greater provision of affordable housing.

26. In the response to the MM consultation, I was referred to the Secretary of State’s speech of July 2023 in which he set out his long-term plan for housing, including for Cambridge. These plans however appear to be at an early stage and do not lead me to a different conclusion on the calculation of LHN for the Plan.
27. The LHN for the remainder of the plan period should be 600 dwellings per annum. I am satisfied that this figure should be used as the minimum annual dwelling requirement for the remainder of the plan period. To be justified and effective, Policy GROWTH1 should be amended to set out that for the period 2022 to 2031 that the Council should make provision for 5,400 dwellings. **MM1** and **MM3** amend the dwelling requirement figure of 5,400 to be justified and effective. **MM2** amends the Policy so that it is clear that the dwelling requirement of 5,400 dwellings would apply between 2022 and 2031 for effectiveness.

The housing requirement 2011 – 2022

28. The submitted Plan sets out that the housing requirement for 2011 to 2022 would be the number of housing completions in that period. The Council has confirmed that this figure is 3,637 (net) dwellings in examination document EX.LA02.
29. The Council’s approach for this period is inconsistent with national policy as it does not relate to an assessment of LHN. I do not consider that this approach is one which falls under exceptional circumstances to justify an alternative approach as set out in NPPF61 in that it does not reflect current and future demographic trends and market signals. Rather, it simply reflects what has taken place. Consequently, I find that the application of past completions to determine part of the housing requirement to be unsound as it is not justified nor consistent with national policy. **MM1** and **MM2** delete the parts of the submitted Plan which seek to amend the dwelling requirements for 2011 – 2022. For the reasons detailed below I conclude that it is not necessary for the Plan to have a requirement figure for 2011-2022.

Under-delivery 2011-2022 against the adopted Local Plan housing requirement

30. The standard method requires the calculation of LHN from a base date, in this case 2022, at the start of the plan-making process. It is then applied forward over the plan period. In the context of NPPF61, I am satisfied that the standard method would be applied in the Plan (as amended by MMs) rather than some alternative approach.
31. As I have already noted, for the period of the adopted local plan to 2022, the Council identifies that 3,637 dwellings have been provided. This leaves a shortfall in delivery of 2,688 dwellings against the adopted requirement. This is a significant amount, equivalent to over 4 years worth of housing land supply against the requirements of the adopted local plan.
32. The application of the standard method to calculate LHN includes an affordability adjustment which is applied to take account of past under-delivery. The PPG² explains that the standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately. The PPG is also clear that the standard method provides authorities with an annual number, based on a 10 year base line, which can be applied to the whole plan period.
33. The PPG³ sets out that ‘Under-delivery may need to be considered where the plan being prepared is part way through its proposed plan period, and delivery falls below the housing requirement level set out in the emerging relevant strategic policies for housing’. In this case, whilst the Plan is part way through the plan period, delivery has not fallen below the housing requirement set out in the proposed amendments to Policy GROWTH1 in the submitted Plan.
34. Past under-delivery in the adopted local plan would be addressed through amending Policy GROWTH1 so that the requirement is based on LHN, derived using the standard method, through the application of the affordability adjustment. I acknowledge that NPPF22 includes that strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure. However, there is nothing in national policy or guidance which specifically indicates a timescale over which the requirement derived from the standard method should be applied to address past under provision of housing.
35. Through the application of the standard method to calculate LHN, and establishing a new dwelling requirement for 2022 to 2031, it is no longer necessary to set out a dwelling requirement for the years to 2022. This is because the application of the standard method to calculate LHN and taking that as the basis for the dwelling requirement, addresses past under-delivery of

² Housing and Economic Needs Assessment Paragraph: 011 Reference ID: 2a-011-20190220

³ Housing Supply and Delivery Paragraph: 031 Reference ID: 68-031-20190722

housing. To be effective and consistent with national policy, the dwelling requirement through recommended **MM2** would be rebased to 2022.

Whether the Plan would look ahead 15 years on adoption?

36. There is no dispute that Policy GROWTH1 is a strategic policy within the meaning of that term set out in the NPPF. The amended Policy GROWTH1 would apply to 2031, thereby looking ahead around 8 years from adoption of the Plan. This is a consequence of the outcome of the Council's review of its development plan under Regulation 10A, where the scope of the submitted Plan does not extend to altering the plan period beyond 2031. The amended Policy GROWTH1 would not look ahead over a minimum 15 year period from adoption as is set out in NPPF22.
37. The Plan before me is a partial review, prepared as per NPPF33 and following the Regulation 10A review, with the Council proposing the updates to the local plan they consider necessary. In my view, NPPF22 is concerned with new local plans addressing the matters set out in NPPF20, rather than a partial update arising from the legal requirements set out in Regulation 10A, and prepared consistent with NPPF33. In addition, there is no requirement in Regulation 10A to extend a plan period forward to at least 15 years post adoption. That said, even if the Plan were to be considered to be not consistent with the strict wording of NPPF22, I consider the period over which the new dwelling requirement would apply to be justified, effective and positively prepared and that, overall, the Plan is sound in this respect.
38. The Council has set out in the submitted plan document 'that a comprehensive update of the Local Plan will be undertaken once clarity is available in respect of a forthcoming Planning Act. Commencing a comprehensive review ahead of such changes could lead to considerable resource expenditure and the potential of such a Plan not being completed'. Whilst I heard from a number of representors that a wider review of the local plan should be undertaken, it is clear that the Council intend to do just that, and in any event, I can only examine the Plan before me, not some desired alternative version.
39. Some representors suggested that I modify the Plan so that it should be the subject of an immediate review. I do not consider that such a change would be necessary for soundness, nor would it be effective or justified, given that the Council has recently undertaken a review of its Local Plan and found it up to date in all other respects. In addition, there has been no significant change in national policy relating to the matters covered by Policy GROWTH1 since that review was undertaken by the Council.

Other matters

40. Paragraph 3.5.6 of the submitted Plan refers to the Broad Areas which are identified in the adopted Local Plan, stating that ‘...in the meantime the principle of development coming forward on the Broad Areas is now established’. This statement has not been justified as not all of the identified Broad Areas benefit from planning permission, and site allocations would be needed to achieve this in the Plan, which is beyond its scope. **MM3** includes that the relevant text should be deleted to ensure that the Plan would be justified in these respects. Existing Local Plan policy relating to the identified Broad Areas consequently remains unchanged.
41. To be effective, paragraph 3.5.7 and Table 3.2 should be amended to provide the latest information as set out in EX.LA02 Letter to Inspector: Update on Housing Statistics (15 August 2022) and a trajectory illustrating the expected rate of housing delivery over the plan period. These changes are set out in **MM4**.

Conclusion

42. I find the Plan sound subject to the recommended MMs. As so amended, Policy GROWTH1 and the explanatory text of the Plan are positively prepared, clear, justified and consistent with national policy and will be effective.

Overall Conclusion and Recommendation

43. The Plan has a number of deficiencies in respect of soundness for the reasons set out above, which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explained in the main issue set out above.
44. The Council has requested that I recommend MMs to make the Plan sound and capable of adoption. I conclude that the duty to cooperate has been met and that with the recommended MMs set out in the Appendix the East Cambridgeshire Local Plan – Single Issue Review (of its 2015 Local Plan) satisfies the requirements referred to in Section 20(5)(a) of the 2004 Act and is sound.

Philip Lewis

Inspector

This report is accompanied by an Appendix containing the Main Modifications.