Introduction

1. Further to my comments at the resumed hearing session (held on 23 June 2014) I am writing to set out my Interim Conclusions in respect of matters 1 and 2. For the avoidance of doubt, this note does not set out a final view on the soundness of the Plan in respect of these (or any other) matters and is issued without prejudice to the contents of my final report.

2. A further paper on five year housing supply was prepared by the Council after the resumed hearing session\(^1\). This was made available for comment by other interested parties. My interim conclusions take this paper and the representations received into account.

Matter 1 – Assessment of the Duty to Co-operate

3. Section s20(5)(c) of the 2004 Act requires that I consider whether the Council has complied with the duty imposed on it by section 33A of the 2004 Act in relation to the Plan’s preparation. The Council comments on this in its Duty to Co-operate Statement\(^2\), which describes the activities that it has undertaken with other bodies in order to maximise the effectiveness of Plan preparation. These include Cambridgeshire County Council, other planning authorities (including councils in Suffolk) and relevant statutory bodies.

4. In particular, the Council has participated in the Cambridgeshire and Peterborough Joint Strategic Planning Unit, which has enabled consideration of a range of strategic issues and the preparation of a Memorandum of Co-operation (MoC)\(^3\) (discussed in more detail below). This sets out the vision and objectives for the long-term development of the Cambridgeshire and Peterborough area. It also outlines the broad spatial approach towards meeting the area’s growth needs. Other joint working has included the preparation of a Water Cycle Study (with Fenland District Council): this has been updated with the agreement of a joint position statement between the Council, Anglian Water and the Environment Agency\(^4\).

5. While Duty to Co-operate objections to the Plan were raised by some other local planning authorities, these are not now being maintained in the light of the Council’s revised stance on housing numbers as set out below. Outstanding concerns relate to matters of detail only. The Council’s active participation in relevant joint bodies and its

\(^1\) Document ref. HE/16, dated 27 June 2014.
\(^2\) Document ref. SD/17.
\(^3\) Document ref. SD/18.
\(^4\) Document refs. ENE/1 and PST/3.
adoption of the amended position on housing provision as agreed in the MoC represent clear evidence that it has co-operated constructively, actively and on an ongoing basis. Therefore, I am satisfied that the duty has been complied with.

**Matter 2 – Meeting Housing Needs**

a. **Objective Assessment of Housing Needs**

6. The Local Plan as submitted states, with reference to a Housing Requirement Paper dated February 2013, that the evidence indicates that there is likely to be a need for about 9,000 to 10,000 dwellings over the 20 year period 2011-2031. Background papers prepared by the Council raise some concerns about the robustness of the Strategic Housing Market Assessment (SHMA). However, as was confirmed at the relevant hearing session, the Council’s position has changed in respect of this matter. In line with the above-noted Memorandum of Co-operation (MoC), it now accepts the conclusion of the SHMA for the Cambridge sub-region housing market area (HMA) that 13,000 additional homes are needed within East Cambridgeshire District over that period. The Council proposes amended wording to reflect the revised position, which is included in the modifications discussed below.

7. A number of challenges have been made to the Council’s assessment of housing need. Some of these objections relate to the 9,000-10,000 dwelling figure: given that the Council no longer proposes this, and bearing in mind my comments below, there is little merit in discussing that target in any further detail. Concerns in respect of the intended apportionment of housing need within the HMA are also discussed below. However, it is first necessary to consider the objections that have been made to the Council’s amended position in respect of objectively assessed needs: in summary, these take the view that the 13,000 dwelling figure is an inadequate representation of the true level of housing needs within the District between 2011 and 2031.

8. The key evidence base underlying the 13,000 figure is the SHMA (notably its updated chapters 12 and 13) supported by the Population, Housing and Employment Forecasts Technical Report (PHEFTR) (April 2013) published by Cambridgeshire County Council (CCC). The relevant methodology is set out in section 2 of the PHEFTR. In summary, this considers a range of forecasts and projections, including national population and household projections (including the 2011-based DCLG household projections), local data

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5 Document ref. HE/3.
6 For example document HE/4.
8 The Cambridge HMA includes the five Cambridgeshire districts as well as Forest Heath and St Edmundsbury in Suffolk.
9 Document SE/10.
(notably CCC’s own population forecasts) and sub-national models (the East of England Forecasting Model (EEFM) and the Local Economy Forecasting Model (LEFM)). The outputs from the different data sources are compared at the district level, with revisions to reflect the 2011 Census. For East Cambridgeshire, the report identifies an indicative population figure of around 110,000 by 2031. Using occupancy ratios of 2.35 and 2.24 people per dwelling (at 2011 and 2031 respectively), this indicative population figure has been used to generate dwelling numbers. For East Cambridgeshire, this equates to a change from 36,000 to 49,000 dwellings (+13,000).

9. A number of technical objections have been raised about this approach, including concerns about migration assumptions and the use of standard occupancy ratios. While the interim 2011-based projections suggest higher levels of net in-migration for East Cambridgeshire than previous projections, these do not cover the full plan period and are in any event interim only. Updated migration figures are, at the time of writing, yet to come from the 2011 Census. The validity of extending interim 2011-based migration assumptions over the remainder of the Plan period (as suggested in one model supplied by representors10) is therefore open to question.

10. In respect of occupancy ratios, the PHEFTR assumes a continued fall in household size through the Plan period. The relevant figures derive from trends between 1996 and 2007 for the East of England, and therefore avoid potential concerns that household size data from the 2011 Census may include an element of suppressed need. This approach appears prudent. While concerns were raised that occupancy ratios may vary depending upon the amount and type of in-migration, I have seen no substantive evidence that the PHEFTR’s approach (which uses different occupancy ratios for different districts) is inherently unsound.

11. Concerns have also been raised about the degree to which the above-noted assessment has taken into account market signals, as is required by the Framework and more recent advice in the national Planning Practice Guidance (PPG). I accept that the latter guidance post-dates the Plan’s submission, and that – in draft form – it did not apply to Local Plans (such as the present one) submitted before October 2013. However, the final version of the PPG does apply to the Local Plan and it is therefore relevant to my considerations. The Council has had the opportunity to consider and respond to its requirements. Various signals are listed in the PPG, including land prices, house prices, rents, affordability, rate of development and overcrowding. In general, these factors are considered in the SHMA. This shows11 house prices and the mean house price to income ratio within the District remaining below sub-regional averages.

10 Barton Willmore East Cambridgeshire District Housing Need Assessment (November 2013): Chelmer Model Demographic-led scenario 2.
11 SHMA section 12.2.3 – document ref. HE/8.
12. As already noted, the PHEFTR’s methodology incorporates economic-based projections as well as those based solely upon demographic change. The population growth suggested for East Cambridgeshire by the PHEFTR lies broadly between the outputs of the EEFM and the LEFM. Both of these baseline forecasts suggest a similar level of jobs growth for the District (somewhat under 8% over the period 2011-2031): the difference in outputs (in population terms) reflects the difference in estimations of job numbers in 2010.

13. More up-to-date data on market signals have been provided on behalf of a representor\(^{12}\). Average house prices in the District are slightly below the sub-regional figure, while rental levels are higher (with a higher rate of growth since 2011). The affordability ratio has worsened between 2000 and 2013, with the District’s figure being broadly aligned with those of the sub-region and region. The rate of change of housing market activity is similarly aligned to the sub-regional and regional figures, while the current rate of housing market activity is the highest in the sub-region (although well below the regional average). As will be discussed below, completion rates for new housing in the District have dropped markedly from previous years where relevant plan targets were met or over-achieved. To my mind these data present a mixed picture and do not therefore amount to a compelling case for adding an upwards adjustment to the 13,000 dwelling figure.

14. Furthermore, it is noted that the 13,000 dwelling figure does not differ substantially from the output of a Chelmer model scenario presented by representors\(^{13}\), which suggested a requirement of some 13,500-13,700 dwellings over the Plan period. The average number of dwellings per year implied by the 13,000 dwelling target (650) exceeds the 618 dwellings/year figure quoted on the Local Housing Requirement Assessment Working Group’s ‘What Homes Where’ website\(^{14}\). Taking these matters together, I consider that the 13,000 dwelling figure represents an objective assessment of overall housing need within East Cambridgeshire District during the Plan period.

15. As agreed at the relevant hearing session, the Council has provided further detail about the affordable housing component of this figure in an updated paper\(^{15}\). This provides appropriate clarification of the methodology that has been used to calculate affordable housing need and supply during the Plan period, with reference to the revised overall housing land supply figures discussed below.

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\(^{12}\) GVA Market Signals Assessment for Gladman Developments Ltd (May 2014).
\(^{13}\) Barton Willmore East Cambridgeshire District Housing Need Assessment (November 2013): Chelmer Model Demographic-led scenario 1.
\(^{15}\) Additional Note on Affordable Housing Need and Supply – document ref. HE/15.
b. Determining the Local Plan’s Housing Requirement

16. As already noted, the Plan does not seek to provide for the full objectively assessed need of 13,000 dwellings, proposing instead a figure of 11,500 as agreed in the MoC. The Council stated at the relevant hearing session that this approach does not reflect a problem of potential housing capacity within the District. As is made clear in its housing evidence there are no fundamental constraints to delivery in terms of land availability, environmental capacity and infrastructure capacity\textsuperscript{16}. Rather, the proposed housing target arises from a strategic assessment of development patterns within the wider HMA that has been undertaken by Cambridgeshire local authorities jointly with Peterborough City Council.

17. The context for the MoC is set by the abolition of the East of England Plan – the Regional Strategy (RS) – in January 2013. It continues a history of joint working between councils in the Cambridgeshire and Peterborough areas: in part this reflects an overlap between the Cambridge and Peterborough HMAs. The MoC includes a joint statement on the development strategy for these areas\textsuperscript{17}. In summary, the intended approach seeks to secure sustainable development by locating new homes in and close to Cambridge and Peterborough and other main centres of employment, while avoiding dispersed development that could increase unsustainable travel patterns and restrict access to key services and facilities. Implementation of the strategy is already underway, with new urban extensions being delivered in Cambridge and Peterborough.

18. In practical terms, the MoC includes an agreement that two of the authorities concerned (East Cambridgeshire and Fenland District Councils) should not provide for the full need identified in the SHMA. In the case of East Cambridgeshire, this represents a reduction of 1,500 dwellings from the 13,000 dwelling total (2011-2031): the corresponding figure for Fenland is 1,000. The MoC states that an equivalent figure of 2,500 dwellings has already been provided for outside the Cambridge HMA in Peterborough’s Local Plan.

19. Two main objections have been raised to this approach. First, it is queried whether adequate provision has indeed been made for the 2,500 dwellings in Peterborough. Second, given that Peterborough lies outside the Cambridge HMA and there is no overlap between East Cambridgeshire and the Peterborough HMA, concern is raised the resulting outcome conflicts with the requirements of the National Planning Policy Framework – specifically with paragraph 47 which requires among other matters that local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the Framework’s policies. I address each matter in turn.

\textsuperscript{16} See for example paragraph 3.3.1 of document HE/4.
\textsuperscript{17} Appendix 2 of document SD/18.
20. At the relevant hearing session, Peterborough City Council confirmed that it is willing to accommodate a proportion of the need arising in the Cambridge HMA – namely 2,500 dwellings or around 10% of Peterborough’s overall adopted housing target18. In effect, these have already been provided for in the adopted Peterborough Core Strategy (CS) and Peterborough Site Allocations DPD. The relevant housing targets and allocations derive from the RS: an increase of 9,000 dwellings in the final version of the RS made by the Secretary of State was focussed on the two urban areas of Peterborough and Cambridge rather than being dispersed more widely. As such, the relevant housing growth reflected a wider need than that solely arising from Peterborough itself.

21. Further support is provided by the ‘What Homes Where’ website, which suggests an average figure of 882 households per year for Peterborough (in the period 2011-2031). This is markedly less than the planned annual delivery rate (2006-2021) of 1,420 dwellings set out in the adopted Peterborough CS19. For these reasons, I am satisfied that adequate provision has been made for the relevant dwellings within Peterborough City Council’s area.

22. As already described, the MoC envisages that part of the objectively assessed needs of the Cambridge HMA (2,500 dwellings) would be met outside that HMA. While there is a geographical overlap between the Peterborough and Cambridge HMAs, this does not include East Cambridgeshire District. Representors observe that there is limited interaction (for example in respect of commuting) between East Cambridgeshire and Peterborough: they query whether it would be appropriate to encourage such movements across intervening districts. However, such concerns do not take account of the strategic nature of the apportionment that is now proposed. This relates to the Cambridge HMA as a whole, rather than solely to East Cambridgeshire.

23. As is recognised by the SHMA, the definition of HMAs is an imprecise science. Peterborough is the largest urban area within the sub-region. It is a major centre for employment with good transport links and other infrastructure. Recent figures suggest a net daily in-commute from Cambridgeshire of some 7,000 people20. The Peterborough HMA overlaps with the Cambridge HMA, which itself extends close to Peterborough’s urban edge. In functional terms, I have therefore seen no substantive evidence that providing an element of the Cambridge HMA’s needs within Peterborough would conflict with the Framework’s sustainable development objectives. Indeed, given Peterborough’s accessibility, infrastructure availability and range of service provision, the intended arrangement would broadly accord with general sustainable development principles.

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18 See also statement of common ground (Document SCG/1).
19 Peterborough Core Strategy paragraph 5.3.5.
20 Paragraph 3.4, document SD/18.
24. Furthermore, given that the intended apportionment of development has been agreed by local authorities working in co-operation as required by the legal duty already discussed, it seems to me that the approach that is now proposed is consistent with the principles of localism. National planning policy allows for circumstances where development requirements from one local authority area will be met in another. In view of the close relationship between the Cambridge and Peterborough HMAs, the intended provision of 2,500 dwellings across the HMA boundary does not therefore appear either unreasonable or inconsistent with the overall policy thrust of the Framework. Accordingly, I am satisfied that the objectively assessed housing needs described above would be adequately provided for. As such, the 11,500 dwelling target that the Council now proposes is both justified and consistent with national policy.

c. **Housing Land Supply**

*Housing Land Supply over the Plan period*

25. The Plan’s references to housing land supply (notably table 3.2 and supporting text) relate to the original housing target that has now been superseded. The Council accepts that this is out of date and an amended version of table 3.2 was proposed in the pre-hearing modifications: this sought to demonstrate that the revised 11,500 dwelling total could be achieved during the Plan period. It also used an amended time period (2011-2031) consistent with that set out in the MoC. As will be discussed below, these figures have been subject to yet further changes in the post-hearing modifications, reflecting updated housing land supply evidence set out in the Housing Supply Background Paper (HSBP) (March 2014)\(^{21}\).

26. Given the Council’s present position, I do not intend to consider the submitted version of table 3.2 in detail. However, as the revised figures proposed in the pre-hearing modifications (and supporting paper\(^{22}\)) were discussed at the relevant hearing session in February, it is appropriate to consider them in more detail before reviewing the Council’s more recent amendments.

27. Following the February hearing, I raised a number of concerns with the Council in respect of its housing land supply evidence\(^{23}\). I summarise these below, along with the Council’s responses.

28. First, housing supply should demonstrate appropriate flexibility in line with paragraph 14 of the Framework. The total housing supply set out in the revised version of table 3.2 was exactly equivalent to the Plan’s 11,500 dwelling total. As such, any slippage in housing delivery, or any over-estimation in the underlying assumptions,

\(^{21}\) Document ref. HE/13.
\(^{22}\) Dated September 2013 (document HE/10).
\(^{23}\) Inspector’s note dated 19 February 2014.
would mean that an adequate supply could not be demonstrated. The Council has responded to this by including additional supply from the proposed ‘broad locations’ at Soham and Littleport. Taking into account other adjustments (see below) the overall housing land supply for the Plan period increased to just under 12,000 dwellings. This includes a ‘headroom’ of some 500 dwellings over the 11,500 figure.

29. Second, no explicit allowance had been made for the non-delivery of outstanding commitments and ‘large potential sites’. In respect of the first of these categories, the particular circumstances of the sites concerned (some of which are presently under construction) support the Council’s view that they are likely to be delivered during the Plan period. However, the deliverability of sites in the latter category is less certain. While they are all identified in the Strategic Housing Land Availability Assessment, they have not been allocated in the Plan, although all lie within identified development envelopes. A number of representors have queried whether all will be deliverable during the Plan period. The Council has reviewed the sites concerned and has taken the view that a ‘discount rate’ should not be applied to this element of supply. In any event, bearing in mind that the overall supply anticipated from this source is estimated at 622 dwellings, any slippage would be unlikely to exceed the 500 dwelling headroom referred to above. As such, this is not a serious weakness.

30. Third, it is clear from the supporting evidence that the windfall assumptions include allowance for developments within private residential gardens from year 6 of the Plan period onwards. This is at odds with paragraph 48 of the Framework, which states (among other matters) that any windfall allowance should not include residential gardens. In its 2014 HSBP, the Council proposes to exclude garden land from the windfall estimate. I return to this matter below in the context of the Council’s more recent submission.

31. Fourth, while the principle of identifying some of the housing requirement within broad locations (rather than specific allocations) is consistent with national policy, and while there is no substantive evidence that the suggested scale of housing development in these broad locations would not be deliverable, two concerns arose with the Council’s approach in this regard. First, the amount of housing that the revised table 3.2 expected the broad locations to accommodate (1,776) was both unduly precise and inconsistent with the revised policy GROWTH1 (which refers to 1,500 dwellings ‘or so’). Second, the Council’s changes to the proposals map in respect of these broad locations appeared unduly site-specific. This could prejudice the consideration of actual sites when allocations are brought forward in the Local Plan review.

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24 Paragraph 2.2.9 of the Council’s Matter 2 Hearing Statement.
25 Paragraph 157 of the Framework.
32. In response, the Council has amended its ‘broad locations’ total to a round figure of 2,300. Its amended changes to policy GROWTH1 and supporting text are consistent with this figure. In respect of the second point, a revised notation has been proposed to denote the ‘broad locations’ in Soham and Littleport. These changes appropriately address the relevant concerns.

33. Although completions in the first two years of the Plan period were below the target now proposed, with projected completions for 2013/14 showing a similar trend, there is no evidence of a record of persistent underdelivery. In fact up to 2009, when economic conditions clearly worsened, the Council generally exceeded (often substantially) its relevant annual housing targets.

34. The potential rural exception sites relate to locations where specific discussions have taken place with registered social landlords or a Community Land Trust. The total yield (70 dwellings) is modest. The March 2014 HSBP clearly distinguishes these from the estimate of small rural windfalls within settlements: I am therefore satisfied that there has been no ‘double-counting’ in respect of this figure.

35. Taking all of the above together, and subject to my conclusions with respect to the merits of particular sites that have been the subject of representations, I consider that a robust supply of housing land has been demonstrated for the Plan period as a whole. I now turn to consider the five year housing land supply.

*Five Year Housing Land Supply*

36. The March 2014 HSBP sets out the Council’s assessment of its housing land supply in the five years from 2014/15 to 2018/19. This identifies a supply of 4,089 dwellings compared to five year requirements calculated at 3,884 or 3,285 dwellings using the ‘Sedgefield’ or ‘Liverpool’ methods respectively. The substance and the methodology of these assessments have been challenged.

37. While the Council has presented its figures based on both the ‘Sedgefield’ and ‘Liverpool’ methods of calculation, its most recent paper argues that there are local circumstances to support use of the ‘Liverpool’ method. However, the PPG states that local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible:26 I do not share the Council’s view that there is any ambiguity in this requirement. In the present case, as already noted, there is a shortfall arising from relatively low completion numbers (actual and projected) between 2011/12 and 2013/14. The shortfall equates to some 865 dwellings, based on the housing target that is now proposed. As also discussed above, it is part of the Council’s general case that there are no fundamental constraints to delivery in terms of land availability, environmental capacity and infrastructure capacity within the District.

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26 PPG paragraph reference ID: 3-035-20140306
Accordingly, there appears to be no substantive reason to depart from the PPG’s guidance in respect of this matter. The ‘Sedgefield’ method should therefore be applied and the above-noted shortfall should be apportioned during the first 5 years of the Plan period.

38. The Council’s assessment of the five year housing land requirement using that method adopts a 5% buffer in line with the requirements of paragraph 47 of the Framework. Given the evidence of previous over-delivery prior to 2009 mentioned above, I do not share the view of some representors that a 20% buffer should be applied. Equally, I do not feel that a 5% buffer should be added to the shortfall in addition to the overall housing requirement figure (as has been suggested by a representor): this seems at odds with the Framework’s statement that the buffer should be moved forward from later in the Plan period. For these reasons, the Council’s assessment of a 3,884 dwelling five year requirement in its March 2014 HSBP is robustly based. (I consider more recent changes that the Council suggests in respect of this figure below.)

39. However, I consider that the Council’s assessment of its five year housing land supply is over-optimistic. National planning policy requires a five year supply of specific deliverable sites, explaining (among other matters) that to be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Additional guidance is provided by the PPG, which states that local planning authorities will need to provide robust, up to date evidence to support the deliverability of sites, ensuring that their judgements on deliverability are clearly and transparently set out. It notes that the size of sites will be an important factor in identifying whether a housing site is deliverable within the first five years. Plan makers will need to consider the time it will take to commence development on site and build out rates to ensure a robust five-year housing supply.

40. In my post-hearing note I raised concern about the assumptions of likely delivery from allocated housing sites, notably North of Ely (ELY1). The Council responded by amending the likely start of completions from 2014/15 to 2015/16. However, it increased the likely yield of dwellings in the first years of the development from 180 to 220 dwellings/year. The justification for the increased annual completion rate derives from discussions with two of the developers concerned, who each give figures of 100-120 units per annum as a reasonable expectation – a total range of 200-240 dwellings/year. However, these figures are estimates only. It is noted that one developer states that 100 dwellings/year is ‘probable’ while 120 is only ‘possible’. To my mind, a conservative assessment should

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27 Document HE/16 (June 2014).
28 See footnote 11 to paragraph 47 of the Framework.
29 See PPG paragraph reference ID: 3-031-20140306.
therefore use the lower estimate (200 dwellings/ year) rather than a mid-range figure.

41. I also agree with representors that a more cautious figure is justified in the first year of completions as development commences and sales begin to increase. Given the site’s scale and complexity, a figure of 160 dwellings for that year (i.e. 80 dwellings per developer) would appear a more prudent assumption. I note that reduced completion rates in the initial year are anticipated by the Council at other large sites such as Ely Station Gateway and Soham Eastern Gateway.

42. The Council’s revised start date for North Ely assumes that completions will begin in 2015/16. At the time of writing, the beginning of that period is only some 9 months away. The Council is minded to approve two applications for a total of 2,000 dwellings on this site. However, these are outline rather than full applications and, in both cases, the relevant permissions have yet to be issued. Negotiations are underway in respect of conditions and legal agreements. The Council anticipates that these will return to Committee in early September 2014. It will then be necessary for reserved matters applications to be submitted, considered and approved: while the Council anticipates that the first of these will be approved in early 2015, this is by no means certain. As noted above, some of the Council’s previous assumptions about the site’s likely delivery have proved to be over-optimistic.

43. North Ely is a substantial site with a range of requirements that are set out in LP policy ELY1. Detailed designs have yet to be approved and infrastructure has to be put in place. While the Council states that a new primary school will open on the site in September 2015, and that a main estate road will be provided into the western part of the development, the relevant planning application has yet to be determined. Furthermore, other infrastructure works and pre-commencement requirements are likely to be needed before any housebuilding can commence on site.

44. I note the Council’s view, expressed at the resumed hearing session, that previous experience suggests that once development is on site then take up could be relatively rapid. However, bearing in mind the scale and complexity of the site, I consider it unlikely that 220 (or even 160) dwellings will be completed by April 2016. To my mind, a more pragmatic assessment would be to assume that completions will start a year later. Taking the above two assessments together would reduce the anticipated five year yield from the North Ely site from the 880 set out in the March 2014 HSBP to 560 – a reduction of 320 dwellings from the stated figure.

45. An assessment prepared on behalf of a representor\(^30\) has provided a detailed commentary on the Council’s assumptions in respect of this

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\(^30\) Updated Assessment of East Cambridgeshire District Council 5 Year Housing Land Supply (Savills on behalf of Gladman Developments) (May 2014).
and other sites listed in the March 2014 HSBP. In general, this seems to me to present a pessimistic picture of likely future housing delivery. For example, delivery of housing at Ely Station Gateway (policies ELY7/8) would not necessarily depend upon relocation of the Tesco store, as this site includes other land (such as the Westmill Food site north of Angel Drove). Nevertheless, that land has not yet been the subject of a planning application, and (as set out in policies ELY7/8, as proposed to be modified) any such development, which the Plan envisages as being mixed-use rather than housing-only, would be required to take account of the Ely Station Supplementary Planning Document – which is yet to be finalised. It therefore seems to me prudent to assume that delivery of housing from this site will begin in 2016/17 rather than 2015/16. This would reduce the anticipated five year yield from the 310 set out in the March 2014 HSBP to 220 – a reduction of 90 dwellings.

46. The proposed site at Newmarket Road, Burwell has been the subject of objections, which I will address in my main report. However, in land supply terms, the Council has retained its previous assumption that completions will begin on site in 2015/16. Furthermore, it has increased the likely annual yield in the later part of the five year period from 40 to 50 dwellings/year. I accept that recent evidence suggests a particularly strong housing market in Burwell and, as such, the proposed increase in housing delivery rate appears justified. However, like the sites discussed above, this scheme does not yet have planning permission. Indeed, a planning application has yet to be submitted. While a draft masterplan has been prepared, the supporting information was not available at the time of the resumed hearing session. These factors suggest that if the site is allocated as is now proposed completions are unlikely to be in place within the timescale that is now anticipated. To my mind, a more realistic assumption would be to assume that completions will not begin until 2016/17. This would reduce the five year yield from 190 to 140 dwellings, a reduction of 50 dwellings.

47. While I do not intend to provide a detailed site-by-site commentary on the large potential sites within settlements, it seems to me that there is sufficient uncertainty about a number of those included within table 4 of the March 2014 HSBP to question the robustness of the approximate 600 dwelling yield that is anticipated during the five year period. Specific concerns include sites where viability issues remain to be determined, where particular infrastructure constraints (such as access) remain to be resolved and where landowners have failed to provide updated information about the site’s likely delivery. Given that the inclusion of a site within the five year land supply requires that it is deliverable, rather than simply developable, some caution is necessary. To my mind, it would be prudent to apply a 10% ‘discount’ rate in respect of these sites: this would reduce the five year yield from some 600 to 540, a reduction of 60 dwellings.

48. Taken together, the above adjustments would represent a reduction of some 520 dwellings in the stated five year land supply. Given that
the Council’s figures suggest an oversupply of some 200 dwellings above the five year housing requirement (using the Sedgefield method), it seems to me that **there is in practice a shortfall of some 320 dwellings from the required total.** A robust five year housing supply has not therefore been demonstrated.

49. In its June 2014 paper\(^{31}\), the Council states that a number of factors suggest that its assessment of the five year housing land supply is conservative. First, it proposes that the overall supply should be increased by 85 dwellings, on the assumption that the small site windfall developments (sources 5 and 7) should be distributed over 18 rather than 15 years – i.e. the period 2013/14-2030/31 rather than 2016/17-2030/31). However, given that outstanding commitments, including small site commitments, are already factored into the calculation (within sources 2 and 3), such an assumption seems to me to risk double-counting during the early years. The Council’s initial decision to exclude those years from the anticipated five year supply was therefore robust: I see no reason to amend it.

50. Second, the Council notes that while it has excluded residential gardens from its windfall estimates, evidence suggests that such sites will indeed come forward. It refers to past rates of some 29 dwellings/year, which it considers (if reduced by a 20% discount) would result in a supply of some 115 dwellings during the five year period. While I do not dispute the historical evidence, paragraph 48 of the Framework is clear that such an allowance should not be included in the five year land supply. It is necessary that the Council’s evidence base accords with national policy.

51. Third, the Council refers to the potential for large windfall sites to come forward on sites that have not previously been identified. While historical evidence suggests a rate of some 53 dwellings/year, these have come forward on a highly variable basis (ranging from 5 dwellings in 2010/11 to 100 in 2011/12). The Council has recently (in support of the Local Plan) carried out a substantial site search exercise that will have identified many of the larger sites that might otherwise have come forward as windfalls: these are already included in the ‘large potential sites within settlements’ category (source 4). I therefore agree with the Council’s initial approach of not including an additional ‘large windfall sites’ category.

52. The Council also refers to a number of current applications for new housing that have not been previously referenced in its trajectory. However, these have not yet been determined. Indeed, some relate to sites that are the subject of representations that are being resisted by the Council. To include these sites within the five year land supply in advance of their respective applications being determined would be clearly premature. I note however that some are due for consideration in forthcoming months: in principle, and subject to meeting the relevant national policy criteria, any new planning

\(^{31}\) Document ref. HE/16.
permissions on sites that had not previously been referenced could be considered within the five year land supply.

53. I accept that the above-noted shortfall is markedly less than that suggested by some representors. However, failure to demonstrate a robust five year housing land supply at the time of adoption would (in the light of paragraph 49 of the National Planning Policy Framework) render relevant policies for the supply of housing out of date. In such circumstances, it would be difficult to find the Local Plan sound. While the Council intends to commence the formal stage of a Local Plan review within two years, this would not affect the provision of a five year supply of housing at the time of the present Plan’s adoption. The PPG requires that there should be a five year housing land supply at all points during the Plan period:\(^\text{32}\): this is not therefore a matter that can be addressed by future review.

**Conclusions**

54. As I have already advised:\(^\text{33}\), it is for the Council in the first instance to consider how best to respond to my concerns about its five year housing land supply. It seems to me that this is a matter that can be resolved in the context of the ongoing examination – for example by the Council proposing new allocations, as suggested in my note dated 19 February 2014. Such changes would need to be subject to public consultation along the lines of previous exercises, although this would only need to be focussed on the relevant changes. Any resumed hearing would be similarly focussed. Clearly, any such changes should be underpinned by appropriate evidence – including sustainability appraisal, flood risk assessment and Habitats Regulations assessment. Any new allocations should meet relevant national policy criteria for inclusion in the five year land supply.

55. I look forward to receiving the Council’s confirmation that it is willing to address the concerns set out above regarding the five year land supply. My suggestion is that the examination should be paused for a period of not more than two months to enable the Council to consider these comments and take action accordingly. Progress can then be reviewed at that stage. I would be grateful if the Council could confirm that this course of action is acceptable in principle and I would welcome a response by **3pm on Thursday 17 July 2014**.

Michael J Hetherington  
Inspector, East Cambridgeshire Local Plan Examination  
14 July 2014

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\(^{32}\) Planning Practice Guidance paragraph ref ID 3-030-20140306.  
\(^{33}\) Email from the Inspector to East Cambridgeshire DC dated 25 June 2014.