



Gladman Developments Ltd

Fenland Local Plan – Core Strategy

EiP Hearing Statement

Matter 2 – Overarching strategy and targets

Matter 3 – Housing Growth and Housing Need

Matter 4 – Affordable Housing

Matter 9 – March Policy (CS9)

Matter 11 – Whittlesey Policy CS11



November 2013

INTRODUCTION

- 1.1. Gladman Developments (Gladman) make this submission to the Examination in Public (EiP) having previously made written representations on Fenland Borough Council’s Publication Local Plan in April 2013 and Major Modifications consultation in August 2013. This hearing statement provides the context for the evidence to be given by a representative from Gladman Developments and Development Economics (Steve Lucas) at the EiP.
- 1.2. Gladman has commissioned Development Economics to undertake a detailed assessment of the future housing requirements in Fenland. The findings of this report are included within this hearing statement and the full report is provided in Appendix 1.
- 1.3. These representations focus on the Council’s housing requirement and Development Strategy. They are structured to follow the specific questions identified by the Inspector. The main issues to be addressed are as follows:

MATTER 2 – OVERARCHING STRATEGY & TARGETS

Q1. Since the publication of the Proposed Submission Core Strategy (February 2013) and the amendments as set out in the Core Strategy Proposed Submission Addendum (June 2013) the ‘Objectively Assessed Need for Additional Housing – Memorandum of Co-operation between the local authorities in the Cambridge Housing Market Area (September 2013)’ (CD016) has been published. This explains that the Strategic Housing Market Assessment (SHMA) forecasts a need for an additional 93,000 homes in the Cambridgeshire Sub Region of which 12,000 are identified in Fenland. The authorities that are party to the memorandum acknowledge that Peterborough has already accommodated a proportion of the housing need arising in the Cambridge HMA which could reasonably be assumed to amount to approximately 2500 homes as the respective SHMAs overlap. The various authorities, including Peterborough City Council, have therefore agreed that taking account of the 2500 dwelling element of the Cambridge SHMA already being met in Peterborough’s adopted Local Plan, this leaves 90,500 dwellings to be provided in the Cambridge HMA to ensure that the full objectively assessed need for housing in the Cambridge HMA will be met in forthcoming Local Plan

reviews. Of this requirement, it is agreed that 11,000 dwellings are to be provided in Fenland.

1 In addition, see Q1 relating to development in March

2 Cambridge sub-region SHMA 2012 Chapter 12, Forecasts for homes of all tenures (May 2013)

3 The Fenland Housing Evidence Report (CD025) refers to the 2008 ONS trend based population projections (as does the Fenland Neighbourhood Planning Vision document) whereas the SHMA (May 2013) includes assessment against the 2011 Census.

In light of the above, is the Fenland Local Plan Core Strategy Submission Version (September 2013) based on adequate, up-to-date and relevant evidence to assess and meet the objectively assessed housing needs of the area?

- 2.3. Gladman are concerned that the Memorandum of Co-operation between the Councils of Cambridgeshire and Peterborough allocate housing numbers based upon political need, rather than objectively assessed needs as per §14 of the NPPF. The document states that it could be “reasonably assumed” that Peterborough has already accommodated 2,500 dwellings, however there is no evidence to justify this assumption and whether the figure should be distributed between Fenland (1,000) and East Cambridgeshire (1,500).
- 2.4. The Development Economics report at Appendix 1 assesses the basis of this 2,500 dwellings and details two outstanding issues:
- *Firstly, There is no data that supports the contention that travel-to-work flows between East Cambridgeshire and Peterborough are currently significant: according to the 2011 Annual Population Survey, only about 380 persons commute from East Cambridgeshire to Peterborough (compared to nearly 12,000 who commute to Cambridge)*
 - *Secondly, if the authorities are now proposing that Peterborough delivers on behalf of the two Cambridgeshire districts, it is not clear how this fits within the sustainability principles of the NPPF. In particular, it is not clear why the majority of the 2,500 should be located in the district that is further away from Peterborough, as the resulting consequence would obviously be to encourage additional commuting trips that would require East Cambridgeshire residents to traverse the district of Fenland to get to Peterborough. This would appear to be a direct contradiction of NPPF sustainability principles.*
- 2.5. Furthermore, the Peterborough HMA also overlaps into Northamptonshire and Lincolnshire. What is clear from the memorandum of understanding is that there is no actual evidence to

support the claim that Peterborough have delivered some of the growth of Cambridgeshire, let alone specifically East Cambridgeshire and Fenland.

- 2.6. There is clear evidence (SHMA 2012, Housing Technical Background Report, as well as Gladman’s evidence base) that the currently proposed target for Fenland (as well as for the other Councils in Cambridgeshire) remains too low to meet the full objectively assessed need.
- 2.7. Gladman consider that Fenland’s actual objective need is the region of **690 households per annum** over the period 2011-2031 (13,800) which takes into account 2011 and 2008 population projections.
- 2.8. Gladman previously submitted a Housing Needs Report by Regeneris Consulting with the previous round of consultation, which provides the evidence base for Gladman’s position on Fenland’s Housing numbers. Subsequent to the Council publishing an update of the SHMA which takes into account 2011 population forecasts, Gladman have commissioned consultants Development Economics to update the previous Regeneris Consulting report taking into account this further information, which is attached at Appendix 1. The findings of Development Economics report are that:
- *Both the 2008-based household projections – the latest that cover the whole of the Plan period – and the more recent 2011-based household projections both indicate a substantial trajectory of future household formation for Fenland district that is significantly higher than the Council’s currently proposed housing delivery target.*
 - *The Council’s currently proposed target is unsound as it fails to cater for demographic change anticipated for the district as reflected in long term population and household projections, as it is expected to do by the NPPF (e.g. paragraphs 158 and 159).*
 - *A further area of concern is that the proposed housing delivery target makes little or no allowance for the need to provide for (i.e. house) replacement workers for the increasing proportion of the local resident workforce who will reach retirement age over the period to 2031. One of the key findings of the 2011 Census was that the district suffers from a pronounced and accelerating ageing trend: the Council’s proposed target should address this issue if it is to meet the NPPF tests of soundness in full.*

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- *There is little evidence that the analysis of the 2012 sub-regional SHMA has influenced the Council's proposed housing delivery target to any extent. The Council is not proposing to address the district's affordable housing needs (as quantified by the SHMA) in full, and there is therefore a considerable concern that the proposed target does not make sufficient allowance for the affordable housing needs of the Council's area of responsibility. This is therefore a further point of likely unsoundness with respect to the Council's proposed housing delivery target.*
 - *The Council should replace its proposed target of 550 dpa with an **increased target of 690 dpa** reflecting the level of future household formation that is considered likely to occur on an annual basis by both the 2008-based and the interim 2011-based household projections.*
 - *We are also concerned that at this stage the Council's evidence base does not fully assess the potential socio-economic consequences of its proposal to select a housing delivery target that is insufficient to meet any of the three NPPF drivers of housing requirements: demographic, economic and affordable housing need.*
 - *The failure of the Council to provide an impact assessment of its proposed housing target is a further point of unsoundness with respect to NPPF requirements.*

Q2. Is there sufficient evidence to demonstrate that the proportion of housing to be provided in Peterborough will be effective in addressing the housing requirements arising in Fenland both in terms of the quantum of housing and within appropriate timescales?

- 2.9. Gladman contend that there is not sufficient evidence to support the proportion of housing to be delivered in Peterborough on behalf of Fenland, as previously discussed. In particular, it should be noted that Peterborough Core Strategy was adopted in 2011, and provides for housing need in the Peterborough Housing Market area. The adopted Core Strategy acknowledges that this HMA extends into adjacent authority areas, but in paragraph 2.3.5 of the Core Strategy it is emphasised that this overlap extends into Northamptonshire and south Lincolnshire, rather than Fenland.
- 2.10. The Peterborough Core Strategy makes it clear that the adopted housing delivery target is based on growth aspirations and links directly to the figure that emerged from the RSS for the East of England. There is no mention in the Core Strategy that in devising the adopted figure that any agreement was reached that Peterborough should provide for housing needs

in Fenland and/or East Cambridgeshire. This argument also does not appear to be found in the evidence base that underpins the Peterborough housing delivery target.

2.11. Moreover, the *Population, Housing and Employment Forecasts Technical Report* produced by Cambridgeshire County Council in April 2013 also assesses the current evidence on housing needs for Peterborough as well as the Cambridgeshire district areas. This report provides evidence that indicates that housing market pressures may have increased in Peterborough over the time since the evidence base that underpinned the RSS targets (which led to the Peterborough housing target figure) was prepared. On this basis, there is no clear evidence that Peterborough has the potential for 'surplus delivery' above-and-beyond its own need that could be available for sharing with Fenland and East Cambridgeshire.

2.12. This position is supported by the Development Economics evidence base which goes on to state:

"Given the lack of any evidence to support the proposition that Peterborough is in fact already taking a proportion of future housing delivery on behalf of the two Cambridgeshire districts (as would be expected if NPPF principles were being adhered to), our conclusion is that the Memorandum merely represents something of a political compromise that appears to have been arrived at to justify the reluctance of the two Cambridgeshire districts to provide for the full, objective assessment of future housing need in their respective areas. This approach should be dismissed as being unsound and contrary to the principles of the NPPF."

2.13. Taking this into account, we consider that the Memorandum of Understanding is fundamentally flawed, and the reliance of the Core Strategy on this evidence base is therefore not **Justified** as there is no evidence which supports the delivery of housing in Peterborough on behalf of Fenland.

2.14. Q3. Will sufficient jobs be created commensurate with housing provision and to support the forecast increase in population over the plan period?

2.15. Although Gladman support the ambitious employment growth target of 7,200 jobs in the Local Plan, which is to the higher end of the scale of 5,000-8,000 jobs as forecasted in the Fenland Employment Evidence Report 2013; the housing growth does not reflect this ambition. Taking this into account, the currently proposed housing delivery target is not **Effective** as it is insufficient to accommodate the levels of future employment growth that are likely to occur in the Council's area.

- 2.16. In order for the Local Plan policies to support the local economy and help achieve its growth potential, sufficient new housing will need to be provided to ensure that the future availability of workers and their skills will not be a constraint to the local business base.

Policy CS3 - Settlement hierarchy

Q5. Is the identification of broad locations for growth an appropriate & effective strategy for delivering growth?

Q6. Is the overall scale and distribution of development in the villages sufficient to achieve thriving local communities as set out in the Vision Statement?

- 2.17. Gladman are concerned that the methodology of the settlement hierarchy stifles thriving communities as the evidence base for categorisation of villages is based upon existing services and facilities. Gladman recommend that the Policy should allow suitable sustainable development in line with the NPPF which can help revitalise a settlement which in turn may help to improve the level of facilities and services in which the settlement offers.

Q7. Policy CS3 is not specific in terms of the scale of individual developments that may be acceptable in Growth Villages and Limited Growth Villages. Does this policy provide a clear indication of how a decision maker should react to a development proposal in accordance with paragraph 154 of the NPPF?

- 2.18. Gladman considers that Policy CS3 does not conform with §153 of the NPPF as it adds more confusion than clarification to the decision maker regarding Growth Villages and Limited Growth Villages. Development in a Limited Growth Village is stated as being “enough to support the village’s sustainability, but less than would be appropriate in a Growth Village.” This sets an ambiguous and vague statement which a planning assessment cannot be based upon.

- 2.19. Taking this into account, it is considered that the policy is not **Consistent with National Policy** and that this wording should be removed and replaced by similar text as stated in §6.15 of the Fenland Settlement Hierarchy Study *“developments are likely to be determined by a number of other factors such as the overall strategic policy and direction of growth, developer interest, the availability of sites and the presence of constraints to development”*

Q8. Is the inclusion of Wisbech St Mary as a Growth Village justified having regard to the evidence and all reasonable alternatives (in particular Elm and Leverington)?

- 2.20. Wisbech St Mary is an example of how a regimented settlement hierarchy does not take into account the roles and relationships of a settlement which may determine its sustainability. The evidence to support the categorisation of villages in *Fenland Settlement Hierarchy 2013*, categorises Wisbech St. Mary as a 'Limited Growth village' in the draft Core Strategy, but in the submission version, the settlement has been moved up the category to 'Growth Village.' The same can be said regarding Parsons Drove which through the versions of the Core Strategy has moved from 'Small Village' (Draft Local Plan) to 'Growth Village' (Submission Version). The settlement hierarchy has not been updated to reflect the changes in village categorisation so it is unclear what evidence these changes are based upon.
- 2.21. Gladman do not believe the lower tiers of the settlement hierarchy of Growth, Limited Growth, Small settlements and other villages needs to be categorised as each village should be able to take sustainable development relevant to the settlements characteristics which determine its sustainability and thus, appropriate housing numbers. This could be accomplished by a simple criterion based policy. Gladman do not consider that the settlement hierarchy is **Justified** given the settlement categories are not based upon the current evidence base, nor the most appropriate option given appropriate alternatives.

MATTER 3 – HOUSING GROWTH AND MEETING HOUSING NEED

Policy CS4 Housing

Q3. Is the use of approximate targets (rather than minimum dwelling numbers) a sound approach? Is the Core Strategy positively prepared in relation to the provision of housing?

- 2.22. The concerns of an objectively assessed housing target for Fenland is evidenced by the amount of changes which the target has seen throughout the development of the Core Strategy. In the Draft Core Strategy of 2011, a target of "between 11,000-16,000 dwellings" was suggested; in the 2012 Core Strategy draft, the target was revised to be a "minimum of 11,000 dwellings" and now in the submission version the removal of "minimum" which must reinforce the political context which Fenland find themselves in.

- 2.23. The target now suggested is unambitious and does not comply with Government's agenda to significantly boost housing and economic growth. The only reasons for limiting growth in line with the NPPF is as a result of lack of capacity to do so; or if there are significant constraints. However, Under Paragraph 4.49 of the '*Housing Evidence Report: Fenland District Council February 2013*,' the Council's own evidence confirms that both reasons are not present in the case of Fenland which states '*there is broadly sufficient appropriate land to potentially allow for growth up to 21,000 homes.*'
- 2.24. Gladman consider that there is insufficient evidence which would result in Fenland setting housing targets which are clearly below the objectively based needs for the Council area. As such, we consider the housing target is not **Positively Prepared** or **Justified**. In order to rectify this, we would recommend that Fenlands annual housing target is increased to 690 dwellings per annum.

Q4. Policy CS4: Part B states that large scale housing proposals away from identified specific or broad locations for sustainable growth will be refused. Is this approach consistent with the NPPF and Policy CS1?

Gladman remain concerned regarding the compliance with the NPPF and the policy wording which states that Council will refuse large scale development away from identified or broad areas of growth. The NPPF only provides that development will be approved if it constitutes sustainable development in line with §14. There is no discretion to apply the approach which is stated in Policy CS4 of the Core Strategy. Gladman considers this policy is not based on any evidence base which justifies the local circumstances which would allow this diversion from the NPPF. As such, we consider the Policy is not **Justified** or **Consistent with National Policy**.

MATTER 4 - AFFORDABLE HOUSING

Q1. The Cambridge sub-region SHMA 2012 identifies a current affordable housing need 2011 to 2031 of 7927 dwellings (based on 2011/12 data). This incorporates a current need of 3,512 homes. Paragraph 3.5.8 of the Submission Local Plan refers to the SHMA: 2009 which identifies a need for 693 dwellings to be affordable per year in the district. Will Policy CP5 be effective in delivering sufficient housing to meet the identified affordable housing needs of the district? How is the backlog to be addressed?

Q2. Are the percentage requirements of affordable housing to be provided justified and based on up-to-date and robust evidence? Are they supported by the viability assessment evidence?

- 2.25. Previously, Gladman commented on the lack of ability of Council to meet affordable housing need, including backlog, with Fenland’s overall housing target of 550 dpa which could hardly be expected to make significant inroads into annual need amounting to 590 affordable dwellings per annum.
- 2.26. Gladman have commissioned Development Economics to look into the affordable housing numbers in light of new evidence, however the predicament which Council finds itself in remains the same. Some of the findings of the Development Economics report found in Appendix 1 were that:
- *Table 3 of the Council’s updated Housing Evidence report appears to be erroneously set out (i.e. the row headings are transposed) However, if the data in the table for affordable completions is reliable and interpreted here correctly it appears to be the case that the Council are reporting 753 gross affordable housing completions which is 11.8% of the 6,785 gross completions of all housing reported in that table.*
 - *Since 2011/12 there have been 57 gross affordable completions, which is just 9.4% of all completions over the first two years of the new Plan Period.*
 - *The Council’s latest data therefore reinforces the evidence that suggests there has been a long term failure to provide sufficient affordable housing across the district.*
 - *The conclusion therefore must continue to be that no substantial progress can be expected to be made with respect to addressing affordable housing need while the proposed target falls so far short of the estimates of current and newly arising affordable housing need.*
- 2.27. Gladman believe the Plan is also **unsound** in relation to the proposed affordable housing percentage requirements. Whilst it is recognised that these requirements have been reduced since the previous stages of consultations, due to the low land values across Fenland, Gladman believe that these requirements may still be too high. This could subsequently act to restrict development and be contrary to §173 of the NPPF.
- 2.28. Gladman note that Policy CS5 (part A) does not appear to reflect the evidence produced by the Council within the Affordable Housing Economic Viability Assessment (2009/10). The

appendices to this report demonstrate that the majority of the larger housing schemes would not be viable with a 20% affordable housing requirement.

- 2.29. As noted in previous representations the annual rate of affordable housing delivery over the past decade has been roughly 10% of all completions. It is difficult to see how the 550 dpa target could make in-roads into the affordable housing needs. The maximum level of affordable housing that the 550 dwelling target would deliver, when calculated using the proposed affordable percentage requirements (20% or 25%) would not even address the newly arising affordable need let alone make any impact on backlog. Therefore the affordability issues across Fenland will get worse.
- 2.30. Taking this into account, as well as new evidence provided by the Council, we consider that the points raised in this Matter concerning affordable housing is **not sound** as a result of the plan being not **Justified** (as the evidence base and percentage figure is not justified given the large amount of affordable housing which needs to be catered for through market housing provision) or **Effective** (as affordable housing shortage numbers will likely increase as the policy does not cause significant in-roads to affordable housing delivery). This position is supported by evidence compiled by Development Economics (Appendix 1).
- 2.31. Like the issues raised regarding the need to increase housing numbers, a review also needs to be undertaken regarding affordable housing delivery to ensure the Council are making significant in-roads into affordable housing delivery.

MATTER 9 - MARCH (POLICY CS9)

Q1. (a) Is it clear how the Sustainability Appraisal influenced the final plan, particularly in relation to the changes between the Preferred Options / Proposed Submission Core Strategy (February 2013) that included the North East March allocation and the subsequent distribution of housing to the South West March (broad location for growth) and windfall development? (b) Are the locations for new urban extensions the most reasonable having regard to all the alternatives?

- 2.32. Gladman has previously raised concerns on the approach followed by the Council in allocating/de-allocating sites without evidence as well as the reliance and approach of windfall development.
- 2.33. The Council themselves have an element of concern in relation to the delivery of an increased scale of development on the SW March Strategic Allocation. There clearly remains

an element of uncertainty regarding the delivery of this site over the plan period. This brings into question whether the plan as a whole is effective and whether this will be successfully implemented over the plan period.

- 2.34. Gladman consider that the changes in direction for strategic growth require a re-assessment of the methodology of strategic site selection which would lead to a review of how growth is distributed across the Council area.
- 2.35. In the earlier stages of consultation there was also a significant reliance on windfall development at 350 dwellings in March, however the increase to 600 dwellings is almost double what was originally thought with no sound justification for such an increase.
- 2.36. Gladman considers that if March are unable to deliver additional housing, then reliance of additional windfall development to accommodate the growth is not the most appropriate option. It would be more appropriate to re-distribute growth to surrounding regions such as Whittlesey, where Gladman has through past representations put forward a site in Whittlesey capable of delivering 150 dwellings.
- 2.37. Taking this into account, it is considered that this policy is not **Justified** as Council have not considered all the reasonable alternatives and as such, the approach is not **Effective** as required by §182 of the NPPF.

MATTER 11 – WHITTLESEY (POLICY CS11)

Q1. In order to accommodate the proposed growth, improvements are required to several Wastewater Treatment Works (WwTW) to ensure that the increased waste water flow discharged does not impact on the current quality of the receiving watercourses, their associated ecological sites and also to ensure that the watercourses can still meet with legislative requirements. The Stage 2a assessments have shown that improvements beyond conventionally applied technology are required in Whittlesey (due to physical constraints in the Middle Level drainage area). What implication, if any, is this likely to have on the deliverability and phasing of planned growth in Whittlesey?

- 2.38. Gladman consider that improvements required to Waste Water Treatment Works (WwTw) in Whittlesey will not adversely delay the delivery and phasing of planned growth in Whittlesea. Although it should be noted that the appropriate provision of WwTw facilities are a statutory requirement for Anglian water to provide under §94 of the Water Industry

Act 1991. This is a separate matter which should not be confused with planning or be used to delay the delivery of housing. Giving certainty over housing numbers in Whittlesey, and in fact, releasing more housing sites in Whittlesey may actually speed up the rate of delivery of WwTw improvements by Anglian Water.

- 2.39. Paragraph 4.40 of the Fenland IDP (February 2013) reinforces the ability for WwTw to be provided where it states "Additional WWTW infrastructure will be required in the plan period for the growth towns of Whittlesey, March and Wisbech. Ongoing discussions with the Water Service Provider, Environment Agency and Middle Level Commissioners alongside the implementation of Policy CS13 will ensure timely delivery of this supporting infrastructure."
- 2.40. On a related matter, it should be noted that Gladman Developments have recently had a planning permission for 150 dwellings north of Whittlesey at Land North of Snowley Park and Gelnfields (F/YR13/0418/O) refused planning permission at Committee, against officer recommendation. The application had no objections from the Environment Agency or utility providers regarding capacity of WwTw and that Officers *"consider the site can be developed and satisfy drainage concerns and it is in Flood Zone 1."*

**Appendix 1 –
Development Economics Report**



**Assessment of Future
Housing Requirements
for Fenland**

A report by Development Economics Ltd

November 2013

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1: Introduction

1.1 Development Economics was appointed in October 2013 to provide Gladman Developments with updated advice on the future housing requirements for Fenland District Council's area. This report considers future housing requirements through the lenses identified in the National Planning Policy Framework (NPPF), published in March 2012. These lenses are:

- expected future demographic change in the local planning authority area, including the latest available official population and household projections;
- economic conditions, such as anticipated future changes in the numbers of jobs expected to be found in the local planning authority area; and
- analysis of housing affordability.

1.2 The report builds on and updates previous advice received by Gladman Developments in a report from Regeneris Consulting in August 2012. This new report updates the previous advice in a number of respects, and in particular by reference to:

- more up-to-date demographic data, including the 2011-based household projections and the latest Mid-Year Population Estimates
- latest datasets for employment and other key economic indicators, as well as the latest re-runs of the EEFM economic forecasting model
- data and analysis provided in the latest edition of the Cambridge sub-regional SHMA (2012) as well as more up-to-date affordability data released by CLG
- relevant policy developments from the Council and sub-regional partners.

Objectives of the report

1.3 The purpose of this report is two-fold:

- to examine independently the key drivers of future housing requirements in Fenland and to provide conclusions as to the potential adequacy of the planning authority's currently proposed housing target, given the emergence of more recent NPPF-relevant evidence; and
- to outline the potential consequences for Fenland District – and in particular, for its people and businesses – if the Council's currently adopted housing target is not re-calibrated in the light of this evidence.

1.4 The basis of this review of soundness with respect to the Council's currently proposed housing delivery target is the requirement for an objective assessment of housing need that Government has set out in the National Planning Policy Framework at paragraph 47.

Structure of the Report

1.5 The remainder of this report is structured as follows:

- Chapter 2 provides relevant background information and policy context
- Chapter 3 assesses the latest evidence on demographic trends affecting Fenland, including the most recent population and household projections and the data released to date from the 2011 Census.
- Chapter 4 highlights the latest economic data that illustrates the current and potential future trajectory of the District's economy.
- Chapter 5 assesses the available evidence on housing affordability in the District.
- Chapter 6 considers all of this evidence in the round and concludes on the potential soundness of the Council's currently proposed housing delivery target.

2: Policy Context

Fenland Housing Target

- 2.1 Fenland District Council (FDC) submitted its Core Strategy to the Secretary of State on 4th September 2013. This Core Strategy will be tested for soundness at an Examination commencing on 9th December 2013 for five days.
- 2.2 The housing targets set by the Council under Policy CS4 are for 11,000 new homes to be built in the district between 2011 and 2031, at an annual average of 550 per annum.¹
- 2.3 The currently proposed overall housing target is similar to that required for Fenland under the now revoked Regional Spatial Strategy (RSS) for the East of England. This required Fenland to provide 550 dwellings per annum (dpa) over the period 2001-21, plus 550 dpa in the years after 2021. The current FDC proposals therefore remain in line with RSS targets.
- 2.4 Policy CS4 sub-divides the FDC target (11,000) into the following areas:
- Wisbech: 3,000
 - March: 4,200
 - Chatteris: 1,600
 - Whittlesey: 1,000
 - Other locations: 1,200
- 2.5 Policy CS5 sets out the Council's proposed approach to the provision of affordable housing. Put simply, the Policy aims to achieve:
- 20% provision for affordable dwellings on sites of 5-9 dwellings, with a financial contribution to be paid towards 'portions of dwellings' (e.g. for a site of 7 dwellings, 1 affordable dwelling would be expected on site, with a financial contribution towards 0.4 of a dwelling to be provided elsewhere)
 - 25% provision on sites of 10 or more dwellings, rounded to the nearest dwelling
- 2.6 Also relevant to the consideration of the matter of future housing requirements is the Council's expectation of future employment growth in the District. In paragraph 3.3.6 of the submitted Core Strategy it is stated that the Council is planning for an increase of 7,200 jobs to be located in the District over the period 2011-2031.
- 2.7 The overall target set out in Policy CS4 (i.e. 11,000 dwellings over the Plan Period) is the same as that which pertained in the draft Core Strategy at the time that Regeneris Consulting

¹ In addition, an allowance for a further 550 dwellings on the edge of Wisbech in the King's Lynn and West Norfolk area is made. This appears to be a contribution towards the KL&WN housing requirement.

prepared their housing requirements report in August 2012. It appears, therefore, that the economic, demographic and affordability evidence that has emerged since the summer of 2012 has not influenced the Council to adjust its housing target.

Regeneris Report August 2012

2.8 The conclusions reached by Regeneris in August 2012 was that the (then) proposed target of 550 dpa was likely to be inadequate to meet the future housing needs of the district, for the following principal reasons:

- **Past housing delivery:** the average level of housing completions achieved in Fenland over the period 2001/2 to 2010/1 (588 dpa) has exceeded the RSS target (550 p.a.). This was especially the case in the first seven years of this decade, when the average completion rate was 818 dpa: the effects of the recession and credit crunch in the later years of the decade have suppressed the decadal average to 588 dpa.
- **Land capacity:** the evidence from Council's Housing Evidence Paper is that there is available land to build circa 21,000 dwellings in Fenland, so there is no constraint on the supply of sites.
- **Demographic needs:** at the time that the Regeneris report was prepared the (then) most up-to-date household projections (2008-based) from CLG were indicating likely annual household formation in Fenland amounting to 670 p.a. over the Plan Period. At that time 2010-based population projections had been released, and Regeneris concluded that these indicated a potential increase in household formation, to a level of perhaps 700 p.a. On this basis, the proposed provision of 550 dpa would clearly be inadequate to meet either of these projected future rates of household formation.
- **Economic needs:** at the time that the Regeneris report was prepared the (then) most up-to-date run of the East of England Forecasting Model (EEFM) was suggesting that growth of between 5,500 and 7,000 new jobs in Fenland would be possible. Given present patterns for commuting coupled with the ageing of current working age population, Regeneris expressed concerns that the proposed housing target of 550 dpa would be inadequate to cater for future labour market needs in Fenland.
- **Affordability needs:** at the time that the Regeneris report was prepared, the (at that time) most recent housing affordability evidence was suggesting that the annual need was for 590 dwellings p.a. to meet the (then) current backlog, and that 210 p.a. would be needed to meet newly arising need. The backlog of affordable housing need has arisen because of a number of factors, including rising house prices and rents, but also because the supply of affordable housing has only averaged 70 p.a. in Fenland (circa 10% of delivery) since 2001. Regeneris concluded that an overall housing target of 550 dpa could not be expected to make significant inroads into annual need amounting to 590 affordable dwellings per annum.

2.9 Since the August 2012 Regeneris report new evidence has emerged that is relevant to nearly all of the themes highlighted above. This new evidence is introduced and discussed in the following chapters of this report.

2.10 The context for the presentation and discussion of this evidence is NPPF paragraph 158, where it is stated:

Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals.²

Memorandum of Co-operation, July 2013

2.11 The proposition that the housing delivery target for Fenland District should be 11,000 dwellings is also found in the Cambridgeshire and Peterborough Memorandum of Co-operation, agreed by the County, Unitary and District Councils in the sub-region published in July 2013.

2.12 In this document it is stated that:

...it is acknowledged by the authorities that Peterborough, in its up to date Local Plan, has already accommodated a proportion of the housing need arising in the Cambridge Housing Market Area, and it has been agreed that this proportion could reasonably be assumed to amount to approximately 2,500 homes...³

2.13 The relevance of the figure of 2,500 homes is that the two of the authorities in the Cambridgeshire HMA are currently proposing housing delivery figures that are below the levels identified in the most recent Cambridgeshire sub-region housing market assessment. These are:

- Fenland: minus 1,000 homes compared to SHMA assessment
- East Cambridgeshire: minus 1,500 homes compared to SHMA assessment

2.14 Added together, of course, these two figures amount to the 2,500 home that the Peterborough HMA is alleged to be delivering on behalf of the Cambridgeshire HMA.

2.15 One obvious difficulty with the proposition that the Peterborough HMA is delivering on behalf of Cambridgeshire HMA is that the District of East Cambridgeshire does not share a boundary with Peterborough. There are two issues arising from this:

- There is no data that supports the contention that travel-to-work flows between East Cambridgeshire and Peterborough are currently significant: according to the 2011 Annual Population Survey, only about 380 persons commute from East Cambridgeshire to Peterborough (compared to nearly 12,000 who commute to Cambridge)
- Second, if the authorities are now proposing that Peterborough delivers on behalf of the two Cambridgeshire districts, it is not clear how this fits within the sustainability principles of the NPPF. In particular, it is not clear why the majority of the 2,500 should

² NPPF paragraph 158, page 38

³ Cambridgeshire and Peterborough Memorandum of Cooperation, paragraph 3.5, page 17

be located in the district that is further away from Peterborough, as the resulting consequence would obviously be to encourage additional commuting trips that would require East Cambridgeshire residents to traverse the district of Fenland to get to Peterborough. This would appear to be a direct contradiction of NPPF sustainability principles.

- 2.16 However, the use of the phrase ‘*could reasonably be assumed*’ highlights a major concern with the argument that the local authorities are attempting to make: there is no actual evidence to support the claim that is made.
- 2.17 In particular, it should be noted that Peterborough Core Strategy was adopted in 2011, and provides for housing need in the Peterborough Housing Market area. The adopted Core Strategy acknowledges that this HMA extends into adjacent authority areas, but in paragraph 2.3.5 of the Core Strategy it is emphasised that this overlap extends into Northamptonshire and south Lincolnshire, rather than Fenland.
- 2.18 The Peterborough Core Strategy makes it clear that the adopted housing delivery target is based on growth aspirations and links directly to the figure that emerged from the RSS for the East of England. There is no mention in the Core Strategy that in devising the adopted figure that any agreement was reached that Peterborough should provide for housing needs in Fenland and/or East Cambridgeshire. This argument also does not appear to be found in the evidence base that underpins the Peterborough housing delivery target.
- 2.19 Moreover, the *Population, Housing and Employment Forecasts Technical Report* produced by Cambridgeshire County Council in April 2013 also assesses the current evidence on housing needs for Peterborough as well as the Cambridgeshire district areas. This report provides evidence that indicates that housing market pressures may have increased in Peterborough over the time since the evidence base that underpinned the RSS targets (which led to the Peterborough housing target figure) was prepared. On this basis, there is no clear evidence that Peterborough has the potential for ‘surplus delivery’ above-and-beyond its own need that could be available for sharing with Fenland and East Cambridgeshire.
- 2.20 It is also case that none of the Housing Market evidence reports produced by East Cambridgeshire district (in January 2012, February 2013 or August 2013) mention that the Peterborough delivery figure includes a proportion of East Cambridgeshire’s future housing requirements.
- 2.21 It is similarly the case that neither of the Housing Evidence reports produced by Fenland District Council since the Memorandum was signed (i.e. the September 2013 report and the November 2013 updated report) provide any evidence that supports the ‘reasonable assumption’ that a proportion of Fenland’s housing need is being met already by Peterborough.
- 2.22 Having updated the policy context, the next three chapters consider in turn the demographic, economic and affordable housing drivers of future housing need in Fenland.

3: Demographic Drivers of Demand

- 3.1 In order to be conformant with the NPPF, an assessment of future housing requirements for Fenland must take into account the way that the number of households, overall population and the labour market are expected to evolve over the remainder of the proposed Development Plan period.
- 3.2 This requires an assessment of data from the 2011 Census, as well as the most recent population and household projections produced by ONS and CLG.
- 3.3 Since the draft Core Strategy was published, CLG has released interim, 2011-based household projections for local authority areas in England. However, these projections do not appear to have influenced the Council's currently proposed housing delivery target, which has remained at 550 dpa.

Key 2011 Census Findings

- 3.4 The most recent Census found that the population of the district of Fenland in 2011 was 95,260. The population of the district increased by around 11,600 (13.8%) over the 2001-2011 period. This was a slightly greater rate of increase than had occurred in the District in the previous decade (1991-2001) where the population grew by around 11% (approximately 8,600 persons).
- 3.5 Another important finding from the Census was that the median age of residents of Fenland increased significantly over the decade 2001-2011, from 41 to 43 years. This is illustrative of an overarching and accelerating ageing trend that is already affecting the demography of the District, and which is expected to continue.

Population Projections

- 3.6 The implications of the 2008-based population and household projections and the 2010-based population projections were discussed by Regeneris in their August 2012 report. Essentially, this evidence points to an expectation of between 670 households forming per year (2008-based projections) and 700 p.a. (the implications of the 2010-based population projections).
- 3.7 Both sets of projections are considerably in excess of the currently proposed target of 550 dwellings per annum that is contained in Policy CS4.
- 3.8 A new set of interim population projections taking on board the results of the 2011 Census were released by ONS in September 2012. However, these interim population projections only cover the period to 2021, so they do not cover the entirety of the emerging Fenland Core Strategy (i.e. to 2031).
- 3.9 However, the 2011-based interim population projections are relevant, and it is notable that they indicate an **acceleration** in the expected levels of population increase in Fenland over the first half of the Plan Period (i.e. 2011-2021).

- 3.10 Whereas the 2010-based population projections anticipated an increase of 13,300 in the District's population between 2011 and 2021: the 2011-based projections now anticipate an increase of 13,800 persons over the same period. This is despite the fact that the 2011 interim projections are based on a slightly lower population baseline, which relates to the fact that the 2011 Census revealed that the mid-year population estimates series had slightly over-estimated the level of population growth in Fenland in the period up to 2010.

Table 2-1: Population Projections for Fenland District

Series	2011	2021	Population change 2011-2021	Change % 2011-2021
2011-based (interim)	95.5	109.3	13.8	14.5%
2010-based	95.7	109.0	13.3	13.9%

Source: ONS Population Projections, 2010-based and 2011-based.

- 3.11 Another relevant point is that the 2011-based population projections also anticipate a continued ageing trend among the resident population of Fenland District. The numbers of people aged 65 and over is expected to increase by 6,200 in absolute terms from 2011 to 2021, equivalent to a 32% increase over the 2011 baseline. The proportion of the overall population of Fenland accounted for by those aged 65 and over is expected to increase from 20.4% (2011) to 23.5% (2021). At the same time the proportion accounted for by the 16-64 population (usually regarded as 'working age population' is expected to decline from 62.0% to 58.5%.
- 3.12 This ageing trend has the potential to create substantial longer term difficulties for the local economy, unless businesses and public service providers can source new and replacement workers, such as from an increased rate of new housing completions.

Household Projections

- 3.13 Allied to the 2011-based population projections released by ONS, CLG has released 2011-based interim household projections for the period up to 2021.
- 3.14 Remarkably, the anticipated level of household formation in Fenland over the 2011-2021 period anticipated by the 2011-based projections is virtually identical to the increase anticipated by the preceding series: the 2008-based series anticipates 694 dpa over this 10-year period, while the 2011-based series anticipates 693 dpa.
- 3.15 This figure is also very similar to the estimate for future household formation arrived at by Regeneris Consulting based on the 2010-based population projections (i.e. 700 dpa).
- 3.16 It is also obviously the case that the levels of future household formation anticipated by both the 2008-based household projections and the 2011-based interim projections are in both cases very much in excess of the proposed housing delivery target of just 550 dpa currently proposed by the District Council in Policy CS4.
- 3.17 It should also be emphasised that the interim 2011-based household projections do not extend beyond 2021. Therefore, the 2008-based series is still the most recent set of household projections that covers the entirety of the period of the Core Strategy for Fenland district.

Implications for Housing Demand

- Fenland has experienced very strong growth in recent decades in terms of both population and household numbers, and the rate of growth in the most recent decade has been stronger than the previous decade.
- Despite the population growth trends the district is experiencing an ageing trend among its resident population: the median age of the District has increased from 41 to 43 in just 10 years.
- The rate of household growth over the past decade was above the rate of population growth, reflecting the national trend towards smaller and single households. This illustrates the importance of social trends driving the demand for housing.
- Recent series of population projections point to accelerated levels of population growth in the District.
- The latest series of household projections (the interim 2011-based series) points towards an annual rate of household growth of around 693 households per annum over the period 2011-2021. This is virtually identical to the previous, 2008-based projection over the same timeframe (694 p.a.)
- All sets of household projections (both 2008-based and interim 2011-based) point to significantly greater levels of household formation than the District Council is proposing to accommodate via Policy CS4 (550 dwellings per annum).
- On this basis, the proposed provision of 550 dpa would clearly be inadequate to meet the projected future rates of household formation as anticipated by the projections series released by CLG since 2008.

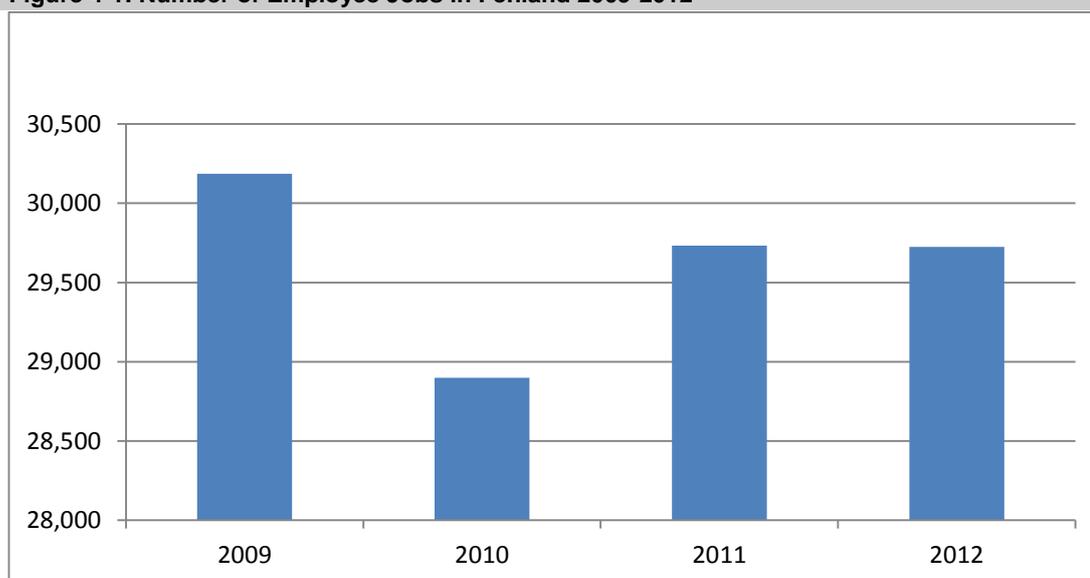
4: Economic Drivers of Demand

- 4.1 The NPPF states that local planning authorities should ensure that their Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics of their area. The NPPF also states that planning authorities' assessments of and strategies for housing and employment uses should take full account of market and economic signals.
- 4.2 The text that follows highlights some of the salient characteristics of the Fenland district economy and labour market, in particular those that have a bearing on future housing demand, and focusing in particular on evidence that has emerged since August 2012.

Employment Trends

- 4.3 The Regeneris report of August 2012 reported that there has been long-term growth in workplace based employment in Fenland, with the district's employment base:
- growing by 20% between 1995 and 2000
 - growing by a further 10% between 2000 and 2008
- 4.4 The report also acknowledges that the trend over the two years 2009 and 2010 has seen a reversal of some of these gains, with employment losses occurring in 2009 and 2010 reflecting the national economic recession over those years.
- 4.5 More recent data has emerged since the August 2012 report that suggests a greater level of resilience in the Fenland employment base. The data – originating from the BRES survey and reported by ONS – indicates growth in employee jobs in the district since 2010:

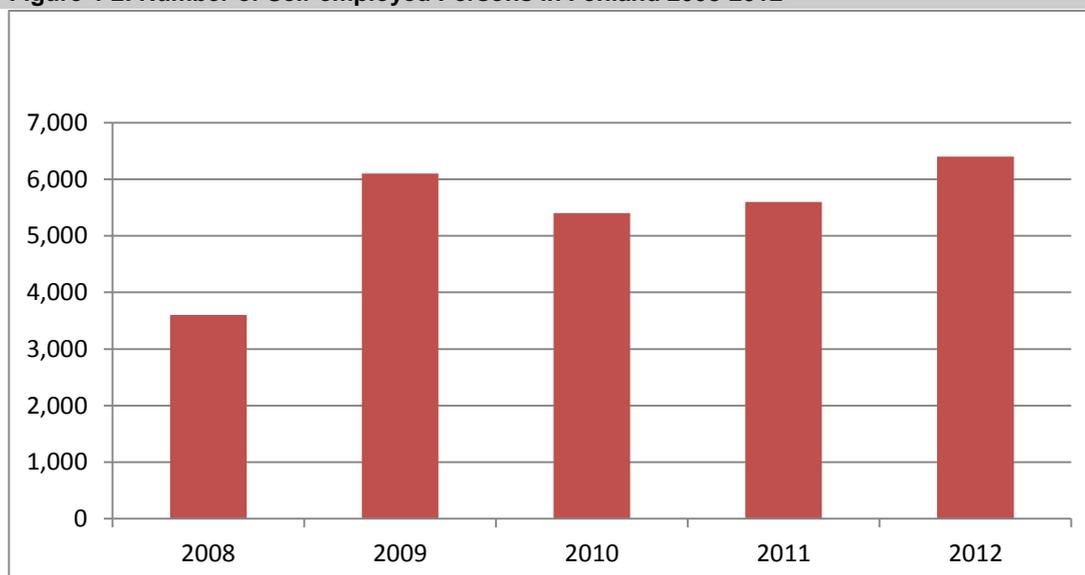
Figure 4-1: Number of Employee Jobs in Fenland 2009-2012



Source: NOMIS (BRES data)

- 4.6 It is also relevant to consider a parallel economic trend, namely the growth of self-employment in Fenland over a similar period. The data in the chart below suggests that to a great extent the loss of employee jobs in Fenland over the period of the recession may have been compensated for by the increase in the number of self-employed persons in the area over the same period.

Figure 4-2: Number of Self-employed Persons in Fenland 2008-2012



Source: ONS Annual population survey (data is for the January-December period in each case)

Travel to work patterns

- 4.7 Census 2001 data indicated that Fenland is relatively highly self-contained, with 75% of jobs filled by local residents and that 63% of residents worked in Fenland.
- 4.8 Comprehensive data on commuting patterns from the 2011 census are not expected until 2014. However, an indication of trends can be obtained from the annual survey of population carried out by ONS. This data suggests that outward flows are still more important than inward flows. The following data summarises the most important destinations for out-commuting Fenland residents and the most important origins of in-commuting workers.

Table 4-1: Origins and Destinations of Cross-boundary Commuting Trips

Destination of Out-commuters	Numbers	Origin of In-commuters	Numbers
Peterborough	5,961	Kings Lynn and West Norfolk	6,185
Huntingdonshire	4,686	Peterborough	3,456
Kings Lynn and West Norfolk	3,148	South Holland	1,624
South Cambridgeshire	1,154	Huntingdonshire	628

Source: 2011 Annual Population Survey

- 4.9 Peterborough and Huntingdonshire appear to be most important destination for out-commuting residents, while King's Lynn & West Norfolk and Peterborough are the most important source of in-commuting workers.

Future employment growth

- 4.10 As we have already commented, at the time that the Regeneris report was prepared (August 2012) the most up-to-date run of the EEFM indicated that growth of between 5,500 and 7,000 new jobs in Fenland would be possible between 2011 and 2031. Given present patterns for commuting coupled with the ageing of current working age population, Regeneris expressed concerns that the proposed housing target of 550 dpa would be inadequate to cater for future labour market needs in Fenland.
- 4.11 The most recent run of the EEFM dates from 2012 and post-dates the Regeneris report of the same year. The EEFM 2012 is more downbeat about the employment growth prospects for Fenland, and the model now anticipates an increase of 5,000 jobs in the district over the Plan period.
- 4.12 However, the EEFM job forecast total is ‘policy off’. As we have previously commented, the Council is currently planning for growth of 7,200 jobs in the district over the Plan period. The evidence for this is found at paragraph 3.6.6 of the submitted Core Strategy, where it is stated that:

All of this evidence points to the need to plan for a net increase in jobs of around 7,200 over the period 2011 to 2031.⁴

Implications for Housing Demand

- Fenland has grown its employment base strongly since 1995, but some of these gains were lost during the 2009 and 2010 recession. Recent data suggests that the employment base is showing signs of resilience, with gains in the number of employee jobs in 2011 and stable levels of employment in 2012.
- At the same time, there is an indication of growing levels of self-employment in the District.
- The economy is also supported by its relationship to nearby job markets, in particular in Peterborough, Huntingdonshire and King’s Lynn & West Norfolk. The net outflow of commuters was around 6,000 in 2001, the latest year for which comprehensive data is available.
- Forecasts from the 2012 EEFM model suggest that Fenland could grow its employment base by 5,000 over the 2011-2031 period. However, the Council has embraced a more ambitious target for 7,200 net additional jobs over the same period as part of its Submission Core Strategy.
- In order for the Local Plan policies to support the local economy and help achieve its growth potential, sufficient new housing will need to be provided to ensure that the future availability of workers and their skills will not be a constraint to the local business base. This is particularly the case because of the ageing trend among the District’s working age population, discussed in the previous Chapter of this report.
- A failure to provide sufficient housing will make it increasingly difficult for local employers, inward investors and new businesses to recruit and retain labour in the area.

⁴ Fenland District Council *Submission Core Strategy* paragraph 3.6.6 page 24

5: Affordable Housing Needs

- 5.1 The NPPF states that local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends, and the needs of different groups in the community in order to deliver a wide choice of high quality homes, widen opportunities for home ownership, and create sustainable, inclusive and mixed communities.
- 5.2 At the time that the Regeneris report was prepared (August 2012), the then most up-to-date housing affordability evidence (from the 2010 Strategic Housing Market Assessment) indicated that the annual need was for 590 dwellings p.a. to meet the (then) current backlog, and that 210 p.a. would be needed to meet newly arising need.
- 5.3 Given this, the report rightly concluded that an overall housing target of 550 dpa could hardly be expected to make significant inroads into annual need amounting to 590 affordable dwellings per annum.
- 5.4 Since then, some more recent data and evidence concerning housing delivery and affordability in Fenland have become available and are described below.

Housing Delivery

- 5.5 At the time that the Regeneris report was prepared, the average rate of housing completions achieved in Fenland over the period 2001/2 to 2010/1 (588 dpa) exceeded the RSS target (550 p.a.). This was especially the case in the first seven years of this decade, when the average completion rate was 818 dpa: the effects of the recession and credit crunch in the later years of the decade have suppressed the decadal average to 588 dpa.
- 5.6 The Council has very recently released new annual monitoring data for 2012/13, which enables the trajectory of housing delivery, including for affordable housing, to be assessed over a longer time period.
- 5.7 The Council has recently published its Annual Monitoring Report for 2012/13 which provides completion data for 2012/13 (as well as 2011/12):⁵
- In 2011/12 a total of 209 completions were reported
 - In 2012/13 a total of 319 completions were reported.
- 5.8 The long term average (since 2001/02) is therefore reduced to 533 completions per annum.
- 5.9 Table 3 of the Council's updated Housing Evidence report appears to be erroneously set out (i.e. the row headings are transposed) However, if the data in the table for affordable completions is reliable and interpreted here correctly it appears to be the case that the Council are reporting 753 gross affordable housing completions which is 11.8% of the 6,785 gross completions of all housing reported in that table.

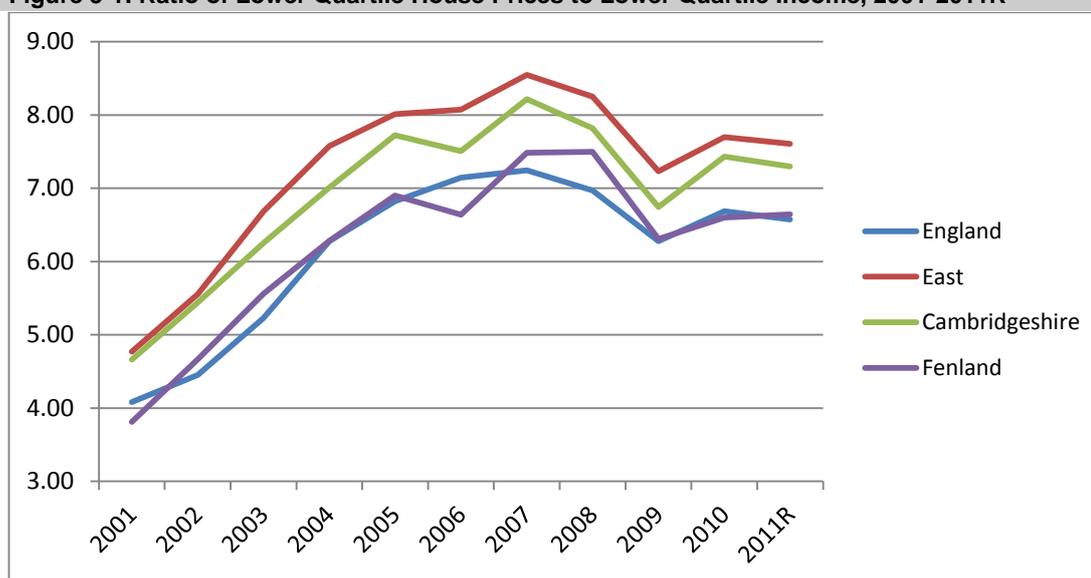
⁵ Source: Fenland District Council, updated Housing Evidence Report, November 2013, Table 1 (page 6)

- 5.10 Since 2011/12 there have been 57 gross affordable completions, which is just 9.4% of all completions over the first two years of the new Plan Period.
- 5.11 The Council's latest data therefore reinforces the evidence that suggests there has been a long term failure to provide sufficient affordable housing across the District.

CLG Metrics of Relative Affordability

- 5.12 CLG data⁶ indicates the scale of challenge of housing affordability in Fenland. Revised data for 2011 indicates that the ratio of lower quartile house prices to lower quartile earnings in the district was 6.64:1.00. In common with benchmark areas, the affordability ratio for the district has considerably since 2001. In 2001 the ratio for Fenland was just 3.81:1.00.

Figure 5-1: Ratio of Lower Quartile House Prices to Lower Quartile Income, 2001-2011R



Source: CLG Live Table 576

- 5.13 The extent of the increase in the ratio illustrates the impact of a long-term failure to provide an adequate housing supply for the area.

Housing Waiting List data

- 5.14 Another source of insight into affordable housing need is the number of households on the local authority waiting list for housing. According to CLG Live Table 600, there were 3,033 households on the local authority waiting list in Fenland in 2012.⁷
- 5.15 Moreover, since 2008 there has been an increase of about 1,230 households on the local authority waiting list, equivalent to an increase of around 68% over the 2008 total.

⁶ CLG Live Table 576, data accessed 1st November 2013

⁷ CLG Live Table 600, data accessed 1st November 2013

- 5.16 This trend may reflect the slow-down in house-building that has occurred in Fenland since the advent of the 2008/09 recession, but it also might reflect a greater number of households who now face more difficult financial circumstances, or both.

Cambridge sub-region SHMA assessment 2012

- 5.17 The most recent SHMA that covers Fenland is the updated sub-regional assessment produced on behalf of the Cambridge sub-region local authorities in 2012. This report updates the previous 2010 SHMA which was the most recent at the time the Regeneris report was prepared.
- 5.18 The evidence base for the 2012 SHMA update includes 2008-based population and household projections, 2010-based population projections and the interim 2011-based population and household projections. It also includes data released from the 2011 census. The evidence base that underpins the SHMA update should therefore be regarded as the most up-to-date that was available at the time the update was produced and therefore as being in conformity with NPPF principles.
- 5.19 The key findings of the 2012 SHMA update for Fenland are set out in the table below, which also provides a summary of the equivalent results from the previous (2010) SHMA.

Table 5-1: Fenland: Summary of Updated Assessment of the Current Affordable Housing Need: annual figures

Fenland	Based on 2010/11 data	Based on 2011/12 data
Current Annual Net Need	759	805
Newly arising need	234	221

Source: Cambridge Sub-region SHMA 2012, Table 22, Chapter 12 page 35

- 5.20 As already stated, the equivalent figures from the 2010 SHMA was for 590 dwellings p.a. to meet the (then) current backlog, and 210 p.a. needed to meet newly arising need.
- 5.21 The newly arising need has thus increased marginally since the 2010 SHMA was undertaken, but the current net need (backlog) has increased significantly, from 590 to 805 (the latter figure based on 2011/12 data).
- 5.22 Given the lack of new housing building over the two-year period, it is not surprising that the backlog of affordable housing need has worsened over this time.
- 5.23 However, it is disappointing that the Council's proposed Core Strategy target has remained the same, despite the clear evidence of continuing worsened housing affordability in the area.
- 5.24 The conclusion therefore must continue to be that no substantial progress can be expected to be made with respect to addressing affordable housing need while the proposed target falls so far short of the estimates of current and newly arising affordable housing need.
- 5.25 Moreover, the 2012 sub-regional SHMA also assessed the overall housing need for Fenland; this level of requirement was assessed by the SHMA to amount to 12,000 dwellings between

2011 and 2031.⁸ This figure is 1,000 dwellings greater than the target proposed under Policy CS4.

⁸ Cambridge Sub-regional SHMA Table 26, Chapter 12 page 40

Implications

- CLG data confirms that the affordability of housing in Fenland district is a significant challenge, with affordability ratios worsening considerably since 2001, providing evidence of long-term housing supply under-delivery
- In addition, the number of households on the local authority's housing waiting list has increased by more than 68% since 2008, which is further evidence of an increased demand for affordable housing in the District.
- The most recent SHMA (2012) is based on up-to-date evidence including data emerging from the 2011 Census. The 2012 SHMA evidences the considerable backlog of need for affordable housing as well as an expectation of future high levels of need. Although the newly arising need has increased only marginally, the backlog of need for affordable housing has increased significantly since the production of the previous SHMA in 2010.
- The estimated overall annual shortfall for affordable housing in the district is now (2012) estimated to be over 1,000 dwellings, consisting of backlog of 805 dwellings and newly arising need of 221 dwellings per annum. The overall figure is considerably in larger than the Council's currently proposed overall supply for housing in the district, which has remained at 550 dpa despite the evidence of worsening conditions for housing affordability.

6: Conclusions and Implications

- 6.1 The overall thrust of the NPPF is that is that although local authorities have the responsibility to set their own targets, there is now a much more onerous requirement to meet the full identified need for housing than existed under the previous policy regime.
- 6.2 This report has accordingly considered three key drivers of future housing requirements in Fenland, based on the factors identified as important by the NPPF: demographic change; economic growth; and affordable housing need.
- 6.3 Fenland District Council has submitted their Core Strategy for Examination, scheduled for December 2012. The Council's proposed housing delivery target remains at 550 dpa, which was the same level that was proposed in the draft Core Strategy. This proposed target in effect represents a continuation of the RSS target for Fenland up to 2021, but the new Core Strategy will extend to 2031.

Demographic Drivers

- 6.4 Fenland has experienced very recent growth in recent decades in terms of both population and household numbers, and the rate of growth in the most recent decade has been stronger than the previous decade. Despite these trends the district is experiencing a significant ageing trend among its resident population, with the median age rising from 41 (2001) to 43 (2011).
- 6.5 Recent series of population projections for Fenland point to increased levels of population growth in the District. However, the most recent set of population and household projections only extend to 2021 which is only half of the Core Strategy period (2011-2031).
- 6.6 The latest series of household projections (the interim 2011-based series) point towards an annual rate of household growth of around 693 households per annum over the period 2011-2021. This is virtually identical to the previous, 2008-based projection over the same timeframe (694 p.a.)
- 6.7 However, all of the recent series of household projections (i.e. both 2008-based series and the interim 2011-based series) indicate significantly greater levels of future household formation than the District Council is proposing to accommodate via Policy CS4 (i.e. 550 dwellings per annum).
- 6.8 On this basis, the proposed provision of 550 dpa would clearly be inadequate to meet the projected future rates of household formation as anticipated by the projections series released by CLG since 2008
- 6.9 Given that the most recent population projections also confirm the expected continuation of the ageing trend affecting the District, a longer term failure to provide adequate supplies of new housing in Fenland could stifle the business and employment economic growth potential of the area if constrained housing supply leads in turn to labour supply constraints.

Economic Drivers

- 6.10 Fenland has grown its employment base strongly since 1995, but some of these gains were lost during the 2009 and 2010 recession. Recent data suggests that the employment base is showing signs of resilience, with gains in the number of employee jobs in 2011 and stable levels of employment during 2012.
- 6.11 At the same time, there is an indication of strong growth in levels of self-employment in the District, which – in combination with the employee trends described in the preceding paragraph – implies that there has been an overall net gain in employment in the area from 2008 to 2012.
- 6.12 The economy is supported by its relationship to nearby job markets, in particular in Peterborough, Huntingdonshire and King’s Lynn & West Norfolk. The net outflow of commuters was around 6,000 in 2001, the latest year for which comprehensive data is available.
- 6.13 Forecasts from the 2012 EEFM model suggest that Fenland could grow its employment base by 5,000 over the 2011-2031 period. However, the Council has embraced a more ambitious target for 7,200 net additional jobs over the same period as part of its Submission Core Strategy.⁹
- 6.14 In order for the Local Plan policies to support the local economy and help achieve its growth potential, sufficient new housing will need to be provided to ensure that the future availability of workers and their skills will not be a constraint to the local business base. This is particularly the case because of the ageing trend among the District’s working age population, discussed in the previous Chapter of this report.
- 6.15 On the other hand, a failure to provide sufficient housing will make it increasingly difficult for local employers, inward investors and new businesses to recruit and retain labour in Fenland.

Affordable Housing Need

- 6.16 CLG data confirms that the affordability of housing in Fenland district is a significant challenge, with affordability ratios worsening considerably since 2001. This trend also provides an indication of long-term housing supply under-delivery in Fenland.
- 6.17 Moreover, the number of households on the local authority’s housing waiting list has increased by more than 68% since 2008, which is further evidence of an increased demand for affordable housing in Fenland District.
- 6.18 The most recent Cambridge sub-region SHMA (2012) is based on up-to-date evidence including the latest population and household projections and the data emerging from the 2011 Census.
- 6.19 The 2012 SHMA evidences the considerable backlog of need for affordable housing as well as an expectation of future high levels of need. Although the newly arising need has increased only marginally (from 210 p.a. to 221 p.a.), the backlog of need for affordable housing has

⁹ Submission Core Strategy, paragraph 3.6.6

increased significantly (from 590 to 805) since the production of the previous regional SHMA in 2010.

6.20 The estimated overall annual shortfall for affordable housing in the district is now (2012) estimated to be over 1,000 dwellings, consisting of backlog of 805 dwellings and newly arising need of 221 dwellings per annum. The overall figure is considerably in larger than the Council's currently proposed overall supply for housing in the district, which has remained at 550 dpa despite the evidence of worsening conditions for housing affordability.

6.21 Moreover, the 2012 sub-regional SHMA also assessed the overall housing need for Fenland; this level of requirement was assessed by the SHMA to amount to 12,000 dwellings between 2011 and 2031.¹⁰ This figure is 1,000 dwellings greater than the target proposed under Policy CS4.

Potential Consequences of Inadequate Provision

6.22 On the basis of the available evidence discussed above, we consider that the currently proposed housing delivery target for Fenland District continues to fall short of an objective and comprehensive assessment of the District's likely future housing requirements.

6.23 A further consideration is that any failure to meet objectively assessed need has the potential to result in significant **economic** and **social** harm for the businesses, workers and residents of the District.

6.24 From the perspective of **economic development and future prosperity**, a key consequence of an inadequate future housing supply in the District could be to hinder the efficient working of the local labour market and the local economy more generally. This could be manifested in the following:

- difficulties for local employers in terms of recruitment and retention of appropriately skilled staff
- upward pressures on the cost of labour, with potential adverse consequences for employers who are competing in national and/or international markets
- a potential deterrent to new inward investment, given that the availability of an appropriately skilled workforce is a key location determinant of business location decisions
- a potential deterrent effect on entrepreneurship and new business formation and growth
- in the longer term, businesses already established in the area may look to relocate elsewhere so they can recruit sufficient supplies of appropriately skilled workers in order to remain competitive.

6.25 From the perspective of **social equity**, constraints on supply could serve to increase the cost of housing, and to reduce the affordability of that housing for both first time buyers and existing home-owners who need a larger house (e.g. for growing families). The result over the longer

¹⁰ Cambridge Sub-regional SHMA Table 26, Chapter 12 page 40

term would be to further stimulate the trend of wealth transfer towards existing home owners from future entrants to the housing market, with negative consequences for social equity in the District.

- 6.26 Moreover, national research has confirmed that a lack of supply of affordable housing can result in significant adverse social consequences, including for health outcomes, children's educational performance and other metrics of societal well-being.

Memorandum of Understanding

- 6.27 The proposition that the housing delivery target for Fenland District should be 11,000 dwellings is also found in the Cambridgeshire and Peterborough Memorandum of Co-operation, agreed by the County, Unitary and District Councils in the sub-region published in July 2013. In that document it is stated that the adopted Peterborough Core Strategy housing delivery target includes provision for 2,500 dwellings in Cambridgeshire, including 1,000 for Fenland District. Specifically, it is stated in the Memorandum that:

*...it is acknowledged by the authorities that Peterborough, in its up to date Local Plan, has already accommodated a proportion of the housing need arising in the Cambridge Housing Market Area, and it has been agreed that this proportion **could reasonably be assumed** to amount to approximately 2,500 homes...*

(Memorandum of Understanding, paragraph 3.5, page 17, emphasis added)

- 6.28 However, there are a number of reasons why this claim should be regarded as dubious:
- There is no evidence that this proposition has been taken into account by the technical evidence produced over the past two years by Cambridgeshire County Council, the latest SHMA or either Fenland or East Cambridgeshire district councils
 - It is particularly unclear how Peterborough's housing figure can be addressing East Cambridgeshire's need: the two authorities do not share a boundary and commuting relationships between the two authorities are not strong
 - It is not clear how a strategy of providing for East Cambridgeshire's need in Peterborough is compatible with NPPF sustainability principles, and in particular the objective of reducing commuting lengths
- 6.29 A further point is that it is not clear how provision of housing in Peterborough will help address the large backlog and expected future arising of affordable housing need in either Fenland or East Cambridgeshire.
- 6.30 Moreover, the use of the phrase '*could reasonably be assumed*' in the Memorandum of Understanding itself highlights that there is no actual evidence to support the claim that is being made there.
- 6.31 Given the lack of any evidence to support the proposition that Peterborough is in fact already taking a proportion of future housing delivery on behalf of the two Cambridgeshire districts (as would be expected if NPPF principles were being adhered to), our conclusion is that the Memorandum merely represents something of a political compromise that appears to have been
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arrived at to justify the reluctance of the two Cambridgeshire districts to provide for the full, objective assessment of future housing need in their respective areas

6.32 This approach should be dismissed as being unsound and contrary to the principles of the NPPF.

Further Conclusions on Soundness

6.33 Apart from the conclusions on the appropriateness and robustness of the claim that Peterborough is already taking care of a proportion of future housing requirements for Fenland (and East Cambridgeshire), we are additionally concerned that the currently proposed housing delivery target for Fenland is unsound in NPPF terms, for the following further reasons:

- Both the 2008-based household projections – the latest that cover the whole of the Plan period – and the more recent 2011-based household projections both indicate a substantial trajectory of future household formation for Fenland district that is significantly higher than the Council’s currently proposed housing delivery target.
- The conclusion, therefore, is that the Council’s currently proposed target is unsound as it fails to cater for demographic change anticipated for the District as reflected in long term population and household projections, as it is expected to do by the NPPF (e.g. paragraphs 158 and 159).
- It is also concerning that the currently proposed housing delivery target is insufficient to accommodate the levels of future employment growth that are likely to occur in the Council’s area. Economic forecasts dating from the 2012 run of the EEFM model suggest that Fenland is expected to grow its employment base by 5,000 over the 2011-2031 period. However, the Council has embraced a more ambitious job growth target amounting to 7,200 additional jobs over the same period.
- In order for the Local Plan policies to support the local economy and help achieve its growth potential, sufficient new housing will need to be provided to ensure that the future availability of workers and their skills will not be a constraint to the local business base.
- A further area of concern is that the proposed housing delivery target makes little or no allowance for the need to provide for (i.e. house) replacement workers for the increasing proportion of the local resident workforce who will reach retirement age over the period to 2031. One of the key findings of the 2011 Census was that the District suffers from a pronounced and accelerating ageing trend: the Council’s proposed target should address this issue if it is to meet the NPPF tests of soundness in full.
- There is little evidence that the analysis of the 2012 sub-regional SHMA has influenced the Council’s proposed housing delivery target to any extent. The Council is not proposing to address the District’s affordable housing needs (as quantified by the SHMA) in full, and there is therefore a considerable concern that the proposed target does not make sufficient allowance for the affordable housing needs of the Council’s area of responsibility. This is therefore a further point of likely unsoundness with respect to the Council’s proposed housing delivery target.

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- 6.34 Given all of these points, there is clear evidence that the currently proposed target remains too low to meet the full objectively assessed need.
- 6.35 On that basis, we suggest that the Council should replace its proposed target of 550 dpa with an **increased target of 690 dpa** reflecting the level of future household formation that is considered likely to occur on an annual basis by both the 2008-based and the interim 2011-based household projections.
- 6.36 We are also concerned that at this stage the Council's evidence base does not fully assess the potential socio-economic consequences of its proposal to select a housing delivery target that is insufficient to meet any of the three NPPF drivers of housing requirements: demographic, economic and affordable housing need.
- 6.37 The failure of the Council to provide an impact assessment of its proposed housing target is a further point of unsoundness with respect to NPPF requirements.