AECOM

Housing Delivery Study Addendum

Greater Cambridge Shared Planning Service

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Quality information

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The opinions expressed in this report and the comments and recommendations given are based on a desk assessment of readily available information.

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1. Introduction

Purpose of this Addendum

1.1 Consultants supporting Cambridge City Council and South Cambridgeshire District Council ('the Councils') on housing and jobs needs evidence for the Greater Cambridge Local Plan have updated their evidence base, such that the Councils now have additional growth level options that need to be assessed for impacts on the Local Plan and the plan making process more generally.

1.2 The Councils have instructed AECOM to conduct an assessment of the additional growth level options and their potential impacts on housing delivery. The earlier Greater Cambridge Housing Delivery Study (2021) and Interim Findings (2020) provided commentary on the growth level options from 2020 (minimum, medium, maximum) and 2021 (medium+). The earlier reports also considered matters related to: windfall assumptions; build-out rates; lead-in times; and the merits of utilising a stepped housing requirement.

1.3 This Addendum reviews the potential implications of the increased 2022 growth level options (see Section 2 Context) and considers whether the updated growth level options alter any of the earlier conclusions from the Greater Cambridge Housing Delivery Study (2021) or create new challenges/opportunities (see Section 3 Review of 2022 Growth Level Options on Housing Delivery). This advice is prepared to assist the Councils in their plan making and identifying the appropriate housing requirement for the draft Greater Cambridge Local Plan.

1.4 The Councils undertook public consultation on their First Proposals (Preferred Options) version of the Greater Cambridge Local Plan in November-December 2021. The First Proposals was informed by a number of studies commissioned by the Councils to form part of the Local Plan evidence base. Where comments received relate to the findings of one of the studies the Councils have commissioned the consultants to respond to these issues (see Section 2 Context).

1.5 This Addendum therefore also considers the representations received that relate to the conclusions and recommendations made in the Greater Cambridge Housing Delivery Study (2021) relating to matters such as the windfall allowance, build out rates and lead-in times, and responds to those representations (see Section 4 First Proposals Representations Analysis).

1.6 This Addendum to the Greater Cambridge Housing Delivery Study (2021) includes the following sections:

- **Section 2** Context
- **Section 3** Review of 2022 Growth Level Options on Housing Delivery
- **Section 4** First Proposals Representations Analysis
- **Section 5** Conclusions

1.7 Section 2 sets out the context to this Addendum and explains the genesis of the updated 2022 growth level options and the representations that are being considered.

1.8 Section 3 reviews the implications of the 2022 growth level options on housing delivery.

1.9 Section 4 includes a summary of the representations submitted under the First Proposals consultation that specifically included feedback on the Housing Delivery Study or in relation to housing delivery. This section has been prepared for the Councils to help assist in their plan making and to contribute to an update to the Consultation Statement.

1.10 Section 5 summarises the conclusions generated from this targeted review of growth level options and includes recommendations to the Councils in relation to this. It also summarises the conclusions and recommendations from considering the representations.

Approach

1.11 The approach to this Addendum has involved a review of all updated information, including: representations submitted as part of the First Proposals consultation; new data; and evidence of relevance to housing delivery.

2. Context

Review of 2022 Growth Level Options on Housing Delivery

2.1 The strategic growth and spatial options (SSOs) from November 2020 included three housing and jobs growth levels: minimum, medium and maximum, that were consistent across all the spatial options. In 2021, a Preferred Options housing growth level of medium plus (‘medium+’) was analysed in relation to the previously tested growth levels, to provide a consistent understanding of impacts for all four scenarios.

2.2 The medium homes figure assumed 2011 commuting patterns, whilst the maximum assumed 1:1 commuting for homes supporting the additional jobs above those supported by the standard method’s minimum number of homes. The medium+ figure applied a 1:1 commuting assumption to the medium jobs figure, resulting in a modest increase in the medium homes figure. The medium+ growth level was identified by the Councils as their objectively assessed need in the First Proposals (Preferred Options) version of the Greater Cambridge Local Plan.

2.3 The Councils’ appointed consultants have recently updated their employment and housing needs evidence to account for latest available data, which has informed updated 2022 minimum, medium and maximum growth level options (see Table 1). The Councils are seeking to test the impacts of these to inform their consideration of a Development Strategy Update, which will be confirmed by the Councils’ committees in early 2023 and support the preparation of a Draft Plan for consultation in autumn 2023.

2.4 The approach to assessing the new 2022 growth level options needs to be the same as that undertaken for the medium+ growth level last year. Therefore, the Councils need to reconsider the conclusions from various evidence base studies (including Housing Delivery) prepared for the strategic growth and spatial options from November 2020 (the full testing of the minimum, medium and maximum growth levels) and 2021 (the testing of the medium+ growth level), to confirm whether considering the 2022 growth level options could result in different conclusions for the previously completed assessments of the growth level and spatial options.

2.5 The Councils’ appointed employment and housing needs evidence consultants have reviewed and updated their evidence on employment and associated housing growth levels to inform plan-making moving forwards. The Councils have taken the recommendations of the evidence to represent the following growth level options:

- **2022 minimum housing growth level:** derived from government’s Standard Method Local Housing Need and associated employment level,
- **2022 medium growth level:** derived from the ‘central’ ‘most likely’ employment scenario, and the homes required to support those jobs,

- **2022 maximum growth level:** derived from updated a ‘higher’ ‘unlikely’ employment and associated housing scenario.

2.6 Table 1 (overleaf) provides a comparison of the draft 2022 figures against all housing growth figures previously tested in 2020 and 2021, including the medium+ figure.

Table 1 Emerging 2022 growth level options alongside previous levels tested

Growths levels and difference	2020 SSO minimum	2022 minimum	2020 SSO medium	2021 medium+	2022 medium	2020 SSO maximum	2022 maximum
Growth requirement annual housing figure	1,743	1,769	1,996	2,111	2,463	2,690	2,763
Growth requirement 2020-41	36,700	37,200	42,000	44,400	51,800	57,000	58,100
Total figure to find (growth req. + 10% buffer)	40,300	41,000	46,200	48,840	56,900	62,700	64,000
% of difference between 2020 SSO minimum and 2020 SSO medium	0%	9%	100%	-	-	-	-
% of difference between 2020 SSO medium and 2020 SSO maximum	-	-	0%	16%	65%	100%	-

Please Note: in relation to the 2020 SSO maximum, a typographical error was identified in the Employment Land Review during the period of testing the strategic options in 2020, such that the maximum employment growth forecast should have been 78,800 jobs and 56,500 homes (2,690 homes per annum), rather than 79,500 jobs and 57,000 homes (2,711 homes per annum). The Housing Delivery Study - Interim Findings (2020) tested 2,711 homes per annum, however, the small difference between the figures is not considered to be significant in the context of this strategic testing stage.

2.7 For the 2022 minimum housing growth level the difference between the 2020 SSO minimum housing growth level of 36,700 homes for the period 2020-41 (or 40,300 including a 10% buffer) and the 2022 minimum housing growth level of 37,200 homes for the period 2020-41 derived from an annual housing growth level of 1,769 (or 41,000 including a 10% buffer) is 500 homes (or 700 including a buffer).

2.8 For the 2022 medium housing growth level, the difference between the 2020 SSO medium housing growth level of 42,000 homes for the period 2020-41 (or 46,200 including a 10% buffer) and the 2022 medium housing growth level of 51,800 homes for the period 2020-41 derived from an annual housing growth level of 2,463 (or 56,900 including a 10% buffer) is 9,800 homes (or 10,800 including a buffer). To give an indication of the scale of change, the 2022 medium growth level is around 65% of the difference between the SSO medium and SSO maximum housing growth levels (SSO medium was 42,000 homes for the period 2020-41 (or 46,200 including a 10% buffer); SSO maximum was 57,000 homes 2020-41 (or 62,700 including a 10% buffer)). This compares with the 2021 medium+ that was around 16% of the difference between the 2020 SSO medium and maximum.

2.9 For the 2022 maximum growth level, the difference between the 2020 SSO maximum housing growth level of 57,000 homes for the period 2020-41 (or 62,700 including a 10% buffer) and the 2022 maximum housing growth level of 58,100 homes for the period 2020-41 derived from an annual housing growth level of 2,763 (or 64,000 including a 10% buffer) is 1,100 homes (or 1,300 including a buffer).

First Proposals Representations Analysis

2.10 The Councils undertook public consultation on their First Proposals (Preferred Options) version of the Greater Cambridge Local Plan in November-December 2021. The representations received are published on the Councils' Greater Cambridge Local Plan website.

2.11 The First Proposals were informed by a number of studies commissioned by the Councils to form part of the Local Plan evidence base. Where comments received relate to the findings of one of the studies the Councils have commissioned the consultants to respond to these issues, in the form of an addendum to their original study.

2.12 Section 4 considers the representations received that relate to the conclusions and recommendations made in the Greater Cambridge Housing Delivery Study (2021) relating to housing delivery matters, and responds to those representations.

2.13 The representations received raised issues relating to the following issues: Windfall allowance; Lead-in times; Build out rates; and Site specific housing trajectories.

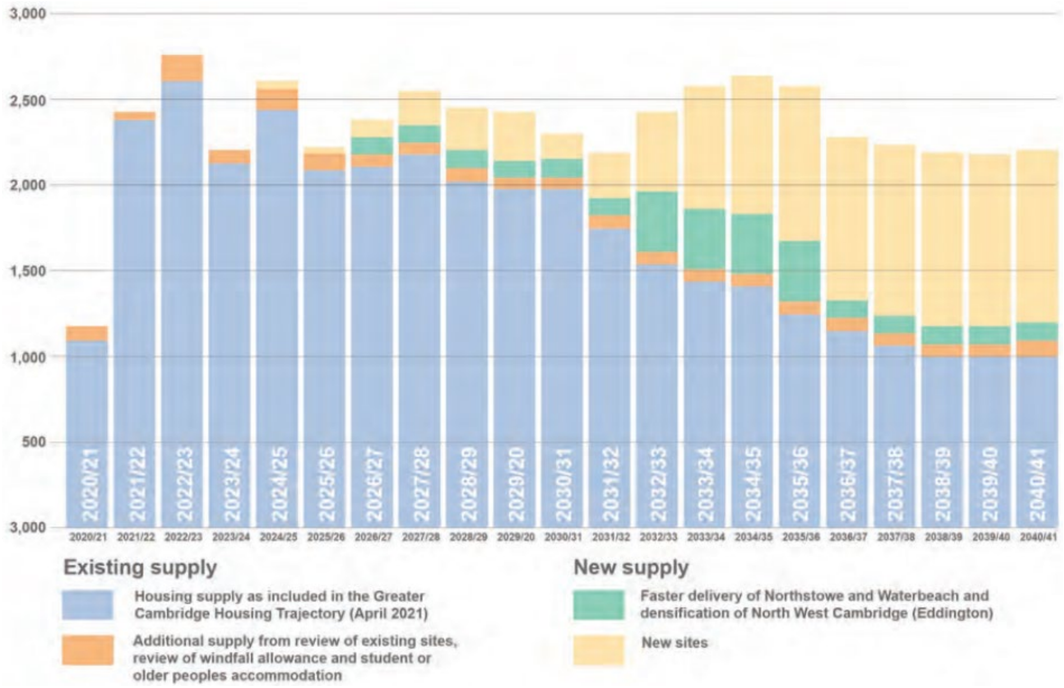
3. Review of 2022 Growth Level Options on Housing Delivery

2022 Medium growth scenario and implications on housing trajectory

3.1 The Councils have not yet worked up a spatial distribution or corresponding list of preferred sites to address the medium 2022 growth level, due to uncertainties at the time of writing the Development Strategy Update of whether that identified need is capable of being delivered due to infrastructure constraints, in particular water supply, and also potential delivery constraints.

3.2 Figure 8 in the Greater Cambridge Local Plan First Proposals (Figure 1 below) illustrates the make-up of housing supply to meet the preferred option housing requirement (i.e. medium+ 2021 growth level). This shows that in the early years of the plan period, anticipated completions are from existing commitments (adopted allocations and sites with planning permission), and that new sites allocated are not anticipated to start delivering completions until after the first five years of the plan period.

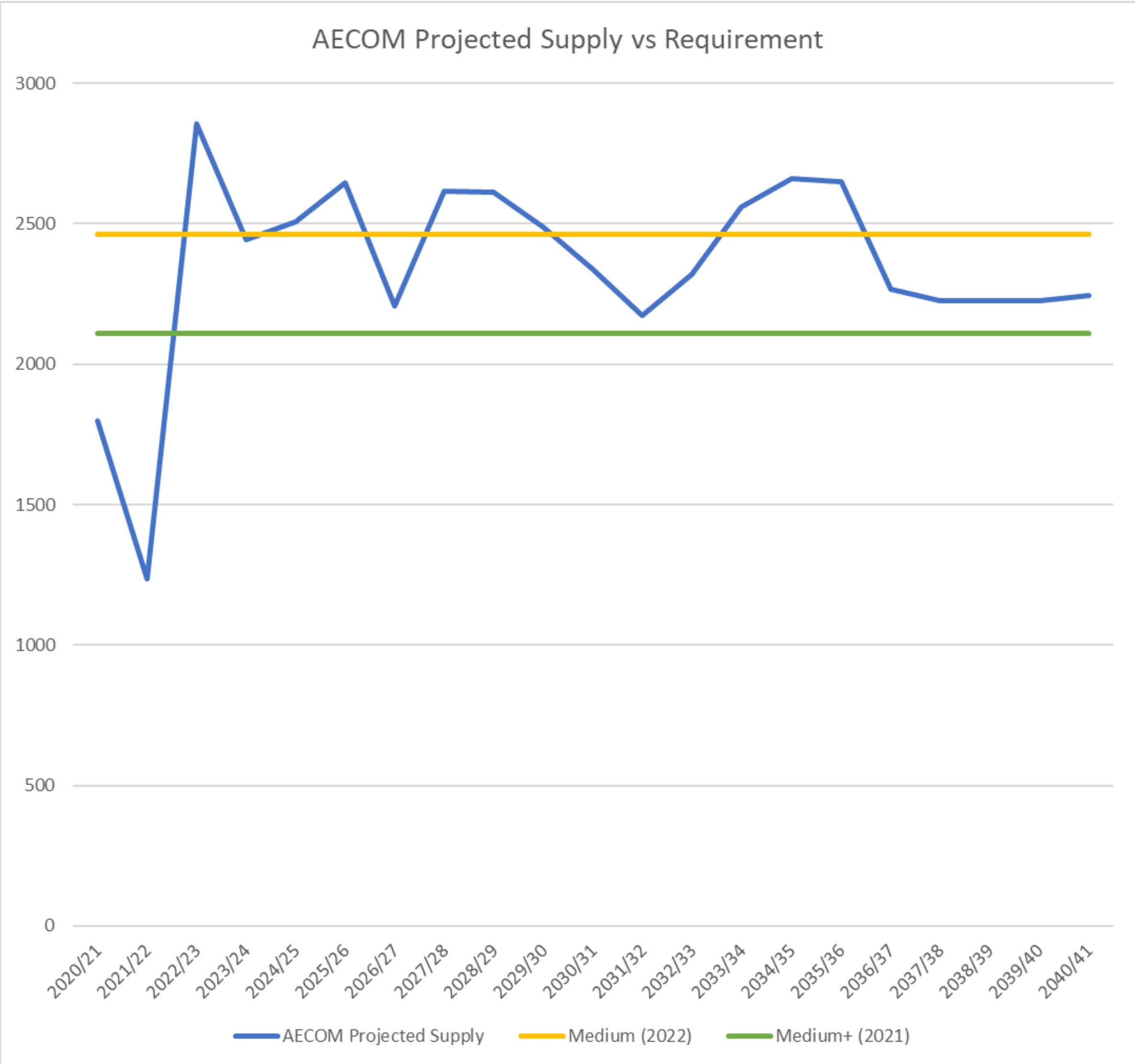
Figure 1 Graph showing proposed housing trajectory, 2020-2041 (First Proposals, Greater Cambridge Shared Planning 2021)



3.3 Figure 2 below shows AECOM projected housing supply over the plan period against both the 2021 medium+ growth level (which is the First Proposals preferred option housing requirement) and also 2022 medium growth level. This AECOM projected supply is based on: actual completions data 2020/21 and the anticipated completions from 2021/22 onwards for existing commitments (adopted allocations and sites with planning permission) taken from the Greater

Cambridge Housing Trajectory (1st April 2022); and anticipated completions from new allocations included in the First Proposals. This projected supply therefore supersedes that shown in the housing trajectory included in First Proposals (illustrated in figure 1 above) as that was based on anticipated completions as set out in the Greater Cambridge housing trajectory (1st April 2021) and anticipated completions from new allocations included in the First Proposals. The AECOM projected supply does not include any anticipated completions from additional sites over and above those included in the First Proposals, and therefore will always fall short in delivering when compared to the medium 2022 growth level due to it being a substantially higher overall housing requirement than included in the First Proposals.

Figure 2 AECOM projected supply compared with 2022 medium and 2021 medium+ requirement (AECOM, December 2022)



3.5 We have observed the following:

- Against the 2021 medium+ growth level, existing commitments are the only source of supply for the first five years of the plan period. This would also be true for the 2022 medium growth level, as any additional sites allocated to meet this higher requirement would also not be anticipated to deliver within the first five years of the plan period and prior to adoption of the Local Plan.
- Against the 2021 medium+ growth level, although there is a deficit against the housing requirement of ~311 dwellings in the first year of the plan period and ~876 dwellings in the second year of the plan period, increased anticipated annual housing completions in the next three years would make up this deficit, such that at the end of the first five years there would be a surplus of ~287 dwellings. However, against the 2022 medium growth level, the deficit in the first two years of the plan period would be much higher (~663 dwellings and ~1,228 dwellings), and the increased anticipated annual housing completions in the next three years would not make up this deficit as only one out of the three years is anticipated to deliver significantly more than the average annual housing requirement.
- With a ‘flat’ average annual housing requirement, this early deficit in housing completions against the average annual housing requirement is likely to mean that the Councils would not be able to demonstrate a five year supply at plan adoption.
- Under the ‘Sedgefield’ method of calculating five year supply, the deficit of ~1,473 dwellings at plan adoption under a ‘flat’ average annual 2022 medium requirement would need to be addressed within the first five years after plan adoption. This would necessitate a five year supply requirement of ~3,033 dwellings per annum for 2025/26-2029/30 (including a 10% buffer).
- Accepting that the new Local Plan will not be able to identify sites to make up any deficit prior to the adoption of the Local Plan, to demonstrate a marginal five year housing land supply (of just over five years) at plan adoption (when considered against the 2022 medium growth level), the Councils would need to have a stepped housing requirement. The first step in the housing requirement would need to reflect reasonable delivery ahead of adoption of the new Local Plan informed by the 2018 Local Plan targets and forecast delivery in the most up to date housing trajectory, and then the second step would need to make up the modest shortfall in the early part of the plan period over the remainder of the plan period.

3.6 We noted in the Greater Cambridge Housing Delivery Study (2021) and earlier Interim Findings (2020) assessments that the 2020 maximum growth level of an average of around 2,700 dwellings per annum over the entire plan period would present significant delivery challenges and would likely be unachievable based on assumptions at that time.

3.7 A stepped housing requirement, could produce an average below ~2,700 dwellings per annum (the 2020 maximum scenario) and may be deliverable dependant on the identified sites and spatial strategy. The deliverability of the resulting annual levels of growth later in the plan period required by a stepped housing requirement would depend on what those levels would be and over what period. The housing trajectory for the plan should be informed by the earlier Housing Delivery Study (2021) findings (including lead-in times and build out rates) and further consideration of any likely implications on housing delivery of the spatial strategy and sites to be allocated in the plan.

Local Plan Case Studies

3.8 The Interim Findings (2020) considered the guidance on stepped housing requirements and how housing supply and delivery has been considered by others, and included reference to a number of case studies. We have reviewed recent appeals, court judgements and Inspector's Reports in respect of current local plan making debates pertinent to housing supply and delivery since August 2021.

North Hertfordshire

3.9 North Hertfordshire argued for a "three step Liverpool method" to deal with historic under-delivery and the lead-in for strategic allocations and Green Belt sites (including 13% oversupply buffer or 'headroom' against the requirement)[1]. This approach was found sound by the Inspector in their report dated September 2022.

3.10 Paragraphs 113-123 are pertinent to the considerations of the Councils in terms of a decision whether or not to pursue a stepped housing requirement (our emphasis added in green):

> "113.Of the options considered, the Council proposes to use the 'three-stepped approach' – which sets a requirement of 350 homes per year between 2011 and 2020, 500 per year from 2020 to 2024 and 1,120 per year between 2024 and 2031 – in combination with applying the 'Liverpool' method, spreading the shortfall in delivery since the beginning of the Plan period across the remainder of the Plan period. I shall hereafter refer to the proposed approach as 'the three-stepped Liverpool approach'. I am of the firm view that it is the most appropriate in this case and should form the basis for future calculations of the district's five-year housing land supply.
>
> 114.The anticipated timing of delivery is heavily 'back-loaded' – that is to say, the vast majority of new homes are expected to be delivered later in the Plan period. This is not surprising, given that the Plan relies significantly on strategic and other larger sites that are currently in the Green Belt and will inevitably take longer to be built. But the result is that delivery is considerably lower earlier on in the remainder of the Plan period. The 'three stepped Liverpool approach' generally reflects the expected rates of delivery.

[1] Inspectors Report on the Examination of the North Hertfordshire Local Plan 2011 – 2031

115.Of the approaches considered, it is the most likely to facilitate a positive outcome in terms of the Council being able to demonstrate a rolling five-year supply of land for housing. To demand that a more ambitious five-year requirement be set would increase the probability of failure in this regard, particularly in the earlier years. That could increase the risk of planning permission being successfully secured for less preferable sites not allocated in this Plan. Given that this Plan is providing a reasonable supply margin and is releasing land from the Green Belt to ensure the housing requirement is met, that is a situation that must be avoided.

116.It seems to me that the ‘three-stepped Liverpool approach’ sets the only measure against which the Plan would not be condemned to fail. In the circumstances, therefore, I agree that it represents an acceptable method of setting the five-year housing land supply requirement in the short term. However, this is not ideal and is a situation that should not be allowed to persist any longer than necessary. Indeed, I consider it appropriate only on the basis of an early review of the Plan.

117.The Council has put forward FM190, which introduces a new policy committing the Council to undertaking a whole plan review by the end of 2023 at the latest, to determine whether the Plan needs to be updated in whole or in part. Main modifications MM043/FM065 and FM066 reiterate and ‘signpost’ this commitment as part of the explanatory text in the Plan’s housing section. Other main modifications (including but not limited to FM192, FM193, FM194, FM195, MM375, MM376 and FM196) set out some further reasons why the early review is necessary – which I discuss under separate issues in this report – and the Council’s approach to undertaking the review. All these modifications are necessary to ensure that the Plan is justified in relation to the five-year housing land supply provided and the other matters described in the modifications, and for its effectiveness in those respects. I have made some alterations to the wording suggested by the Council in relation to FM193 and FM195 to ensure that they are consistent with FM190 and properly reflect the Council’s commitment to the review and update processes. Although these changes have not been the subject of consultation, they do not significantly alter the modifications as published, and they do not undermine the participatory processes undertaken.

118.There are other aspects of the Plan which rely on FM190 for soundness. I discuss them later in this report. However, the plan period is one such factor. The Plan will cover a nine-year period from adoption. Paragraph 157 of the NPPF expresses a preference for local plans to cover a 15-year time horizon. Paragraph 47 expects local authorities to identify a supply of specific, developable sites or broad locations for years six to ten following adoption. The Plan cannot be said to be entirely consistent with national policy in this regard. The early review proposed is necessary to overcome this.

119.Considering all the above, it is also necessary to add to the Plan a policy which sets out the ‘three-stepped Liverpool approach’ to the five-year housing land requirement. The Plan should also explain the reasons for undertaking the calculation in the way proposed and replace the submitted housing trajectory chart with an updated one. Main modifications MM040/FM064, MM372/FM187, MM373/FM188 and MM374/FM189 achieve this and are needed for effectiveness.

120.As mentioned above, the five-year housing land supply includes a contribution from both small and large windfall sites. For the reasons given in relation to their inclusion in the overall supply, I consider the inclusion of the windfall allowance proposed to be justified in the terms of paragraph 48 of the NPPF.

121.From the housing trajectory paper, it is apparent that most of the new housing coming forward until April 2023 is expected to be from sites with planning permission. From that point, allocations proposed in this Plan rapidly ‘overtake’ as the primary source of supply.

122.When judged against the proposed method, and notwithstanding that the Council’s figures in the delivery paper only run until April 2024, I consider that the Council will be able to show a rolling five-year housing land supply on the Plan’s adoption up to and including the year 2028/29.

123.Considering the above, with the main modifications put forward by the Council and as discussed above, I conclude that the Plan’s provision for new housing is justified, effective, consistent with national policy and positively prepared.”

Tewkesbury Borough Council

3.11 A High Court judgment[2] has confirmed that councils can use the over-delivery of homes in previous years as part of their housing land supply calculations, but it will be a matter of planning judgment for decision-makers according to the particular circumstances. The ruling did not clarify the issue fully and therefore it is advisable for authorities adopting such an approach to argue it on a case-by-case basis.

3.12 Mr Justice Dove noted that there is nothing in national policy on this matter, either explicitly or implicitly, that requires inspectors to have regard for oversupply. It is not the role of the courts to fill gaps in national policy and where these gaps arise, it is a question of planning judgement as to what inspectors should do. Therefore, each individual inspector will have to decide how to approach the oversupply issue. Developers and local authorities cannot simply argue that past oversupply should now be taken into account. The court held that there is no definitive answer to this question and it will remain a topic

[2] Tewkesbury Borough Council v Secretary of State for Housing, Communities and Local Government (18 October 2021). Ref: [2021] EWHC 2782 (Admin)

of debate for residential schemes in local authority areas where there has been an oversupply (until such time that this is made explicit in policy).

3.13 This finding supersedes the commentary on the matter in the Housing Delivery Study (2021) and Interim Findings (2020), and in light of this new judgment it is therefore recommended that the Councils explicitly state in the Local Plan that any future oversupply will be taken into account in calculating a rolling five year housing land supply. This will ensure that the Council is not penalised in five year housing land supply terms should projected development materialise quicker than anticipated during the plan-making process.

Worthing Borough Council

3.14 Worthing Borough Council's emerging Local Plan has been found sound despite proposing to deliver just a quarter of its objectively assessed housing need, after an inspector found the authority had "done everything it realistically could" to identify potential housing sites.

3.15 A capacity-based 74% undersupply against the objectively assessed housing need figure was found sound by the Planning Inspector principally due to the level of constraints present in Worthing. Also of note regarding 'oversupply buffer' or 'headroom' arguments is the following extract from the Inspector's Report at paragraph 179:

> "Given the relationship between the housing requirement and supply, there is inevitably little to no headroom between the overall supply figure and the requirement. Had any additional suitable supply been identified, this would have added to the overall requirement."[3]

Implications for Greater Cambridge

3.16 In the Greater Cambridge Housing Delivery Study (2021) and earlier Interim Findings (2020) we were cautious about the prospect of banking any over-supply against the average annual housing requirement. The new court decision ([2021] EWHC 2782 (Admin)) has changed our understanding of the issue from the last report. The Courts have now confirmed it's "a matter for the decision-maker". To assist in maintaining a rolling five year housing land supply the new Greater Cambridge Local Plan needs to allow for future oversupply to count in the five year supply calculation (futureproofing the plan).

3.17 The Councils could, in theory, choose to argue through the plan-making process that any over-delivery can be used to offset future supply. However, this is entirely dependent on actual housing completions delivered in the early years of the plan period and prior to adoption of the Local Plan, and how they compare to the identified housing requirement for these years. As illustrated above, with the 2022 medium growth level, it is unlikely that an over-supply will be created in the early years of the plan period when considered against the average annual housing requirement.

[3] Inspectors Report on the Examination of the Worthing Local Plan 2020-2036

3.18 The North Hertfordshire Inspector noted the futility of adopting a housing trajectory and five year housing land supply requirement that would be ‘condemned to fail’. Based on the 2022 medium growth level, it would be unlikely that the Councils would be able to identify much more supply in the early part of the plan period, given the step change in the annual delivery rate between the 2018 Local Plans and the emerging new Local Plan, notwithstanding that predicted delivery rates in the latest published housing trajectory (April 2022) exceed the adopted plans annualised average, but not sufficiently to meet the new annualised figure for the period until the new local plan is likely to be adopted.

3.19 The potential new sources of supply in addition to the First Proposals’ proposed allocations that could be identified by the Councils to deliver against the 2022 medium growth level would be drawn from the spatial options tested. These could include new brownfield sites (possibly the more complex sites that are more difficult to unlock and/or deliver); further expansion of villages; edge of Cambridge Green Belt; and new standalone settlement(s). All such sources of supply would require a comprehensively planned approach and we would urge very cautious assumptions on potential lead-in times in all instances reflecting the need to remediate (brownfield) and provide commensurate infrastructure to serve strategic sites (village expansion/new settlement). The choice of new sites and their relationship with already identified sites would also need to be considered for impacts on delivery e.g. are newly identified sites adjacent or in close proximity to already identified sites and might this impact on the ability of both housebuilders to maintain delivery rates (as identified in the earlier Housing Delivery Study (2021) and Interim Findings (2020)) when market absorption and competition factors are factored in.

3.20 Greater Cambridge is less constrained than Worthing (a coastal authority with portions of a National Park amongst other constraints), notwithstanding the Green Belt protecting the setting of historic Cambridge, and thus naturally there are likely to be fewer reasons representing ‘exceptional circumstances’ for a lower housing requirement.

3.21 Nevertheless, the 2022 medium growth level presents an unprecedented challenge to housing delivery in Greater Cambridge that would require a step change in housing delivery far above delivery rates of the past two decades. It is also noted that water related issues could potentially have a large bearing on the overall housing delivery in the plan period and the phasing of that delivery. Therefore, we recommend the use of a two or three stepped approach to the housing requirement in response to the 2022 medium growth level. This should take account of further analysis of the likely phasing of sites as they emerge, taking account of the potential timing of adoption of the local plan and also infrastructure constraints that may influence the timing of delivery of a number of sites, as well as the wider water issue.

3.22 As per the North Hertfordshire example, it is likely that any stepped housing requirement would need to be accompanied by an explicit policy, with the Local Plan explaining the reasons for the approach taken alongside the proposed trajectory. Whilst the North Hertfordshire solution of a three stepped approach was introduced at a relatively late stage in the plan making process and requires an immediate plan review, the Councils have the time available to prepare a plan for Greater Cambridge with a 15 year plan period. Officers have consistently built in assumptions around a buffer which would help to mitigate against the risk of a Planning Inspector requesting an early plan review in this instance.

3.23 The average annual housing requirement for the 2022 medium growth level is highly likely to be unachievable from the start of the plan period, due to it being a significant increase on historic annual completions and as the anticipated annual completions from allocations in the 2018 Local Plans and extant planning permissions (that are the sources of housing supply from the start of the plan period until plan adoption) are significantly less than the average annual housing requirement necessary to deliver these growth levels. As such, until the Greater Cambridge Local Plan is adopted, the annual housing completions will not be able to ‘step up’ to higher annual rates. It may take some years following adoption for completion rates to rise, especially if the new sources of supply include sites which have longer lead-in times.

3.24 Therefore, for any of the medium or maximum growth levels, if anticipated annual housing completions in the early years of the plan period are less than the average annual housing requirement, a stepped annual housing requirement will be necessary to enable the Councils to demonstrate a five year housing land supply. The annual housing requirement for the later years of the plan period will then need ramping up to meet the overall housing requirement for the plan period. Depending on the annual rates required in those later years to make up any earlier shortfall, it may not prove to be possible for the Councils to demonstrate delivery of the full housing need based on reasonable assumptions. This would be a significant issue for the plan and will need further consideration as the draft plan is prepared.

Pros and cons of the different housing growth level options (2020, 2021 and 2022)

3.25 The Greater Cambridge Housing Delivery Study (2021) and earlier Interim Findings (2020) adjudged the 2020 medium and 2021 medium+ growth levels as being achievable. However, the 2020 maximum scenario was adjudged to be unachievable in relation to the spatial options that were reviewed. The earlier assessments did not identify where there may be a deliverable average annual housing requirement that falls between the medium and maximum growth level scenarios. Instead a series of assumptions and recommendations were put forward for applying to the draft housing trajectory which involved average lead-in times and build-out rates.

3.26 The Greater Cambridge Housing Delivery Study (2021) re-assessed the 2020 growth levels and spatial options in light of its recommendations, and the following bullet points provide a summary of that re-assessment (see pages 11-12 of the Greater Cambridge Housing Delivery Study (2021) for the full commentary):

- The eight spatial options at the [2020] minimum growth level option would still be capable of delivering their stated housing requirement and a five-year housing land supply at plan adoption.
- The five-year housing land supply position at plan adoption for the eight spatial options at the [2020] medium growth level option has been improved slightly with the application of the new assumptions.
- To provide a sufficient buffer of sites we would still recommend that for these two growth level options [2020 minimum and 2020 medium] the Councils include new allocations that provide short/medium/long-term ‘top-up’ supply alongside the existing commitments; and/or a small number of sites could be replaced with alternatives to help deliver a ‘smoother’ trajectory over the plan period.
- All of the eight spatial options at the [2020] maximum growth level option would be unachievable during the plan period and would not result in a five year housing land supply at plan adoption. To deliver a five-year housing land supply at plan adoption, for any of the eight spatial options at the [2020] maximum growth level option, it would still require the application of a stepped annual housing requirement or the ‘Liverpool method’ to address any shortfall in the five-year housing land supply.
- Overall in terms of the housing growth level options we still consider that there is scope to deliver higher rates of delivery in Greater Cambridge than under the [2020] Medium growth level option.
- It is still the case that generally the spatial options that mix short-medium term sources of supply (smaller sites in urban areas and villages) with longer-term sources (new settlements, urban extensions and Green Belt release) are better able to deliver across the plan period as a whole with a smoother trajectory. These sites also have different characteristics and are likely to result in variety in terms of location, size, type and tenure of housing, and also be more geographically spread to reduce competition, thus better matching the housing supply with demand.
- The housing delivery assumptions in this report still show that in order to optimise housing delivery, demonstrate a five-year housing land supply and maintain delivery across the plan period, it will be necessary to gap-fill the ‘troughs’ in the housing trajectory with additional sources of supply. This should be underpinned by cautious but realistic lead-in times and build-out rates, and an ‘over-allocation’ of land against the eventual housing requirement (we recommend at least a 10% buffer) in order to ensure that any unforeseen delays to delivering individual site allocations during the plan period, or changes to market conditions, do not result in under-delivery that would threaten the five year housing land supply or performance against the Housing Delivery Test.

3.27 The Greater Cambridge Housing Delivery Study (2021) also assessed the 2021 medium+ growth level in light of its recommendations, and the following bullet points provide a summary of that assessment (see pages 12-13 of the Greater Cambridge Housing Delivery Study (2021) for the full commentary):

- This performs similarly to the previously assessed [2021] ‘medium’ requirement but slightly better in that it better-matches housing supply against jobs.

- Delivering against [2021] medium plus requires new allocations in the mid-latter part of the plan period as the beginning of the plan period is largely met by existing commitments, which should result in the ability to deliver a five-year housing land supply at plan adoption and pass the Housing Delivery Test.
- No concerns were raised in the engagement with the development industry about the ability to deliver against this requirement.

3.28 The Greater Cambridge Housing Delivery Study (2021) and earlier Interim Findings (2020) assessments of the spatial options therefore highlight that for housing delivery there are pros and cons of each of the spatial options (based on a particular growth level) in relation to housing delivery and this is partially dependent on the spatial option proposed (and basket of site allocations) to deliver the identified growth.

3.29 Table 2 (overleaf) includes extracts from the earlier Housing Delivery Study (2021) and Interim Findings (2020) in the form of a summary of the pros and cons of the different housing growth level options from 2020 and the medium+ scenario from 2021. Additional columns are added to consider the 2022 housing growth level options, taking account of the conclusions and recommendations from the earlier reports but also the additional conclusions and recommendations included in this Addendum.

Table 2 Pros and cons of the different housing growth level options (2020, 2021 and 2022)

Growth Level	2020	2021	2022
Minimum	**2020 SSO Minimum (1,743 dwellings per annum (dpa))** **Pros:** Can be largely met via existing commitments and windfall allowance. Housing allocations would be required in the longer-term after 2032/33 to “top up” the baseline trajectory where annual delivery is predicted to drop below the annual requirement. Although the housing requirement can largely be met by existing anticipated supply, without additional supply later in the plan period to deliver annual completions in line with the annual requirement there will be under-delivery implications in terms of five-year housing land supply and the Housing Delivery Test. Supply is in line with historic trends which should be easily accommodated by the housebuilding industry. **Cons:** Wider sustainability concerns in terms of worsening housing affordability, increased commuting distances and environmental implications given the high level of existing employment commitments.	**N/A**	**2022 Minimum (1,796 dpa)** The 2022 minimum housing growth level is derived from government’s Standard Method Local Housing Need and associated employment level. The growth levels from 2020 and 2022 are broadly comparable and therefore the earlier summary of Pros and Cons still apply.

Growth Level	2020	2021	2022
	Would not change the pattern of housing delivered e.g. similar mix of tenures, types and sizes.		
Medium	**2020 SSO Medium (1,996 dpa)** **Pros:** Requires additional supply of approximately 2,000 dwellings (excluding any over-supply buffer), alongside the existing commitments and windfall allowance. Housing allocations would be required in the medium-longer term after 2032/33 to "top up" the baseline trajectory where annual delivery is predicted to drop below the annual requirement. Without additional allocations providing additional supply in the mid-latter part of the plan period annual completions will fall below the annual requirement and there will be under-delivery implications in terms of five-year housing land supply and the Housing Delivery Test. This level of supply is consistently above historic trends, but not significantly so, which should be able to be accommodated by the housebuilding industry. Has the potential to change the pattern of housing delivered and rebalance supply to meet demand if there is a mismatch. **Cons:**	**2021 Medium 'plus' (2,114 dpa)** **Pros:** New housing allocations would be required in the medium-longer term after 2029/30 to "top up" the baseline trajectory where annual delivery is predicted to drop below the annual requirement. The housing requirement would be largely met in the short term through existing commitments. Without additional allocations in the mid-latter part of the plan period there will be under-delivery implications in terms of five-year housing land supply and the Housing Delivery Test. This better-matches housing delivery with committed employment opportunities, with resultant benefits in terms of housing affordability and reduced rates of long-distance commuting. The number of committed jobs to homes would be balanced to meet housing need nearest to where it arises. The housing and economic land supply would be more flexible to changing circumstances with less reliance on a smaller more concentrated basket of sites as would likely occur under a lower requirement. **Cons:**	**2022 Medium (2,463 dpa)** The growth levels are markedly different between 2020 medium, 2021 medium+ and the most recent 2022 medium. Therefore not all of the earlier summary of pros and cons are applicable to the 2022 medium growth level. **Pros:** The 2022 medium growth level is derived from the 'central' and 'most likely' employment scenario, and thus the homes required to support those jobs. As such, and as with the 2021 medium+ growth level, this scenario best matches housing with likely employment opportunities, with resultant benefits in terms of housing affordability and reduced rates of long-distance commuting. The number of jobs to homes would be balanced to meet housing need nearest to where it arises. As for the 2021 medium+ scenario, the 2022 medium growth level would also require a diverse housing and economic land supply that is flexible to changing circumstances and less reliant on a smaller more concentrated basket of sites (as would likely be the case under the

Growth Level	2020	2021	2022
	Wider sustainability concerns in terms of worsening housing affordability, increased commuting distances and environmental implications given the high level of existing employment commitments and historic economic growth.	Previous recorded delivery in the Greater Cambridge area is 2,020 dwellings (in 2018/19) and the average over 2002/03-2018/19 is 1,439 dpa, therefore this requirement will be a significant jump in delivery over the period to 2041. Sustaining such high levels of completions is challenging, however it is considered a small delivery risk given the strength of the housing market locally and the relationship with the planned number of jobs. It should be noted that no concerns were raised in the engagement with the development industry about the ability to deliver against this requirement.	2022 minimum scenario) to maximise market absorption. Such an unprecedented growth level may be possible if the Councils were able to pursue more interventionist routes to delivery which could in turn help the Councils to diversify their housing land supply and lessen reliance on traditional private sector models of housebuilding. **Cons:** Requires additional supply of approximately 8,160 new dwellings (factoring in a 10% buffer) in comparison to the 2021 medium+ scenario, which in turn would require approximately 390 additional dwellings above the 2021 medium+ scenario each year over the plan period. The 2022 medium scenario represents a significant jump in required annual delivery in comparison to historic delivery rates (for the entire plan period – even utilising a stepped approach). Sustaining such high levels of completions is challenging and represents a delivery risk (even considering the strength of the housing market locally and the relationship with the likely number of jobs/economic growth). This is a substantial amount of land that will require a materially different spatial

Growth Level	2020	2021	2022
			strategy that mixes sites with different characteristics and locations, as well as variety in site size, house types and tenures. This brings its own infrastructure delivery challenges and could result in a less sustainable spatial strategy. Even if the Councils were to pursue more interventionist routes to delivery, this will naturally have a limit in terms of additional supply over and above what can be delivered by the private sector alone. For example, macro-economic challenges will continue to impact all development in the short to medium term and any contraction in funding from Government will have implications early in the plan period.
Maximum	**2020 SSO Maximum (2,711 dpa)** **Pros:** Requires additional supply of approximately 17,000 dwellings (excluding any over-supply buffer) alongside the existing commitments and windfall allowance. This would best match housing with the high employment growth forecast, reflecting the maximum employment growth scenario, with resultant benefits in terms of housing affordability and reduced rates of long-distance commuting. The housing and economic land supply would be more flexible to	**N/A**	**2022 Maximum (2,763 dpa)** The 2022 maximum growth level is derived from an updated ‘higher’ and ‘unlikely’ employment and associated housing scenario. The growth levels from 2020 and 2022 are broadly comparable and therefore the earlier summary of Pros and Cons still apply.

Growth Level	2020	2021	2022
	changing circumstances with less reliance on a smaller more concentrated basket of sites as would likely occur under a lower requirement. Has the potential to change the pattern of housing delivered and rebalance supply to meet demand if there is a mismatch. **Cons:** Given the level of supply through existing commitments (as included in the baseline trajectory) the plan period would begin with under-delivery, which in turn would require a stepped annual housing requirement later in the plan period to make up for under delivery during the period from the plan base date to the adoption date (given the scale of the shortfall plus the significant increase in the requirement), and also to allow for lead-in times for new development to come on-stream. Previous recorded delivery in the Greater Cambridge area is 2,020 dwellings (in 2018/19) and the average over 2002/03-2018/19 is 1,439 dpa (as shown in Appendix 2), therefore this will be a significant jump in delivery over the period to 2041. This is true before any stepped annual housing requirement is added to the latter end of the plan period. This level of supply is significantly above historic trends (88%), and the adopted		

Growth Level	2020	2021	2022
	annual housing requirement in the Local Plans 2018 (62%), which may present issues for the local housebuilding industry in terms of gearing up to deliver that quantity of development in a short amount of time. Given our recommendations for revised lead-in times and build out rates for strategic sites, more new site allocations would be needed than anticipated by the spatial scenarios to deliver the requirement by 2041, which may not be achievable given the significant increase in development above historic trends.		

4. First Proposals Representations Analysis

Windfalls

Summary of Issues Raised in Representations

- Concern there is an over-reliance on windfall sites for housing supply. Particularly given the Greater Cambridge Housing Delivery Study (2021) recommends that the Councils could increase their windfall allowance from 350 dwellings per annum to 425-450 dwellings per annum.
- Comments that historic delivery of windfall sites is artificially high due to the large number of speculative development proposals approved in the last decade.
- Concern that windfall sites are a finite resource that has been partially exhausted by the recent high delivery, but also due to settlement boundaries and environmental considerations limiting opportunities for future greenfield windfall sites. Reference specifically to previously developed land within the definition of windfall sites in the First Proposals.
- Comments that it is inappropriate and contrary to the National Planning Policy Framework (NPPF) to assume the delivery of dwellings on garden land.
- Concern that there is a heavy reliance on as yet unidentified sites, compared to the amount included in the housing supply that was found sound for the adopted Local Plans.

Response to Issues Raised in Representations

- The Greater Cambridge Housing Delivery Study (2021) considered historic housing delivery from windfall sites and provides recommendations in terms of levels of future anticipated supply from windfall sites. It recommends the use of a mid-point figure between delivery from historic windfall site completions and the previously calculated windfall allowance used by the Councils. The calculation of historic housing delivery from windfall sites (see Table 4 of the Housing Delivery Study (2021)) shows both the average across 2006-2020, and also the average excluding the two highest and two lowest years so that it excludes outlier data. The exclusion of the outlier years from the historic windfall completions data is a cautious approach that is likely to under-estimate housing supply, rather than being over-optimistic.
- As a matter of principle, dwellings completed on windfall sites in South Cambridgeshire that were permitted as a departure to the development plan while the Council was unable to demonstrate a five-year supply have been excluded, as they are not windfall developments that would normally be expected to come forward as part of implementing a Local Plan.

- The Councils allowance for windfall sites was calculated in accordance with the 2012 NPPF definition and paragraph 48 that was relevant to calculating a windfall allowance. The NPPF (2021) no longer specifically requires dwellings completed on garden land to be excluded from any calculations of delivery from windfall sites. The Housing Delivery Study (2021) therefore included any dwellings on windfall sites within its calculations of historic delivery from windfall sites, irrespective of whether the site was greenfield, brownfield or garden land. The Councils adopted Local Plans both include planning policies for resisting inappropriate development in gardens, and this is consistent with the NPPF (2021). These policies do not prevent new homes being permitted on garden land, but ensure that specific issues have been addressed before any development proposal is permitted. Dwellings completed on garden land will therefore continue to come forward, even with the Councils proposing to retain the policy approach to resist inappropriate development in gardens in the Greater Cambridge Local Plan. The Housing Delivery Study for Greater Cambridge (2021) justifies this approach.
- The Councils' planning policies for windfall housing developments within both Cambridge and South Cambridgeshire, which restrict housing development to within the defined boundaries of each of their settlements and to particular types of housing development within the countryside, have been in existence now for over 15 years, and there has been a continued supply of windfall sites for housing brought forward and completed during this time. There will always be new opportunities to redevelop sites within settlements, and this is supplemented by permitted development rights that now enable a greater number of new homes to be delivered both within the countryside through the change of use of agricultural buildings or within settlements through the change of use of non-residential buildings. The Councils are proposing to retain their planning policies for windfall housing developments largely unchanged in the Greater Cambridge Local Plan, and therefore a supply of windfall sites will continue to come forward within the plan period. There are no additional policies proposed that would further constrain windfall development compared to past trends.
- The windfall allowance recommended in the earlier Housing Delivery Study (2021) is based on robust evidence. It is based on a realistic calculation having had regard to the Housing and Employment Land Availability Assessment, historic windfall delivery rates and expected future trends (in accordance with paragraph 71 of the NPPF). The emerging Local Plan policies do not seek to limit the delivery of windfall sites compared to current or previous policies, therefore it is considered realistic to assume that development will occur in line with the windfall calculation. The recommendations made by the Greater Cambridge Housing Delivery Study (2021) for windfalls are considered realistic and reliable for use in plan-making in the Greater Cambridge area.

Lead-in times

Summary of Issues Raised in Representations

- Comments that lead-in times should take account of national and local data, evidence from other examinations, and national research (such as the Letwin

Review and Lichfields' reports Start to Finish reports which suggest longer lead-in times in some instances).

- Comments raised about whether there is sufficient evidence to ensure that the lead-in times for strategic sites are achievable given the complexities of delivering housing on large sites, including the required post-adoption supplementary plans or guidance, dependencies on infrastructure provision, the relocation of existing uses and / or land ownership issues.

Response to Issues Raised in Representations

- The recommended lead-in times in the Greater Cambridge Housing Delivery Study (2021) are broad assumptions based on:
  - a detailed analysis of housing delivery for strategic scale developments in Greater Cambridge, Cambridgeshire, and across the OxCam Arc,
  - Lichfield's Start to Finish report recommendations,
  - a literature review of published housing delivery information including from Inspectors Reports and other research reports, and
  - consideration of the local market.
- The recommendations in the Greater Cambridge Housing Delivery Study (2021) are a starting point for developing detailed, site-specific trajectories which consider information including any post-adoption supplementary plans and guidance, the landowner's intentions, business model and disposal strategy (if applicable), and any infrastructure triggers. The study therefore allows for variations where there is site-specific evidence to support a nuanced approach.
- The site-specific assumptions made by the Greater Cambridge Housing Delivery Study (2021) are considered realistic and reliable for use in plan-making in the Greater Cambridge area, reflecting the strength of the market but without being overly-optimistic and avoiding applying a single average to all site sizes/types. Lead-in time assumptions for each of the specific site allocations will continue to be kept under review and refined if necessary during the plan-making process.

Build-out rates

Summary of Issues Raised in Representations

- Concern the build out rate for new settlements of 300 dwellings per annum is not evidenced.
- Comments that the build out rate for new settlements is very high, particularly given the complex nature of these developments.
- Concern that average build out rates are inconsistent with the recommendations in the Housing Delivery Study (2021), and that multiple years at the peak is highly optimistic.
- Comments that build out rates should take account of national and local housebuilding rates, evidence from other examinations, and national research

(such as Lichfields' Start to Finish reports) suggest lower build out rates, as does evidence from the delivery of other strategic sites.

- The most recent housing trajectory for Greater Cambridge (published April 2021) already predicts high average annual housing delivery rates for the new settlements. The predicted average housing delivery rates at Northstowe, Waterbeach New Town and Cambourne West/Bourn Airfield New Village already appear to be at levels comparable to or higher than other new settlements elsewhere.

Response to Issues Raised in Representations

- As for lead-in times, the recommended build out rates in the Greater Cambridge Housing Delivery Study (2021) are broad assumptions based on:
  - a detailed analysis of housing delivery for strategic scale developments in Greater Cambridge, Cambridgeshire, and across the OxCam Arc,
  - Lichfield's Start to Finish report recommendations,
  - a literature review of published housing delivery information including from Inspectors Reports and other research reports, and
  - consideration of the local market.
- The recommendations for build out rates in the Greater Cambridge Housing Delivery Study (2021) vary by site size, site location, and housing mix.
- At the Interim Findings stage, prior to any stakeholder engagement, build-out rate assumptions of ~300 dwellings per annum were identified as a reasonable base assumption for the delivery rates of strategic sites. Following further analysis, and stakeholder engagement, the recommendations in the Housing Delivery Study (2021) include a gradual build up to peak rates for strategic sites resulting in anticipated completions ranging from 50 to 350 dwellings per annum over the lifetime of the development, and varying anticipated completions from 40 to 75 dwellings per annum for non-strategic sites, depending on the site typology. The Housing Delivery Study (2021) differentiates between different types of strategic sites, with a recommended peak of 300 dwellings per annum for new settlements and a recommended peak of 350 dwellings per annum for urban extensions during the main years of build out (i.e. once the build out has gradually increased over the first few years, and before the build out gradually decreases at the end of its delivery).
- Recommendations are included in the Housing Delivery Study (2021) in terms of average build out rates across the lifetime of the development and expected number of outlets per development that are likely to achieve the build out rates assumed.
- AECOM has considered the average build-out rates across the whole of the delivery timetable for the new settlements and urban extensions included in the First Proposals housing trajectory. The average build out rates for the majority of these developments are lower than or within the recommended range set out in the Housing Delivery Study for Greater Cambridge (2021). The average build out rates across the whole of the delivery timetable for Northstowe and Waterbeach

New Town are slightly higher than the range recommended in the Housing Delivery Study for Greater Cambridge (2021), but still lower than the peak build out rate. This reflects the scale of these new towns of 10,000+ dwellings, compared with the examples in the Housing Delivery Study (2021) of 2,000+, or even the worked example of a new settlement of 4,500 dwellings (see Table 19 in the Housing Delivery Study (2021)), where the considerable length of build out between the early building up of delivery rates and the end slowing down in delivery rates, means that the lifetime average of a scheme of 10,000+ homes will inevitably be higher than for a more modest strategic development.

- Table 19 in the Housing Delivery Study (2021) includes example build out rate patterns for sites of varying sizes based on the recommendations in the rest of the study. The new settlement and urban extension examples are for smaller numbers of overall dwellings than allocated by the Councils for sites such as Northstowe, Waterbeach New Town, Cambridge East and North East Cambridge. The Councils have consistently applied the recommendations from the Housing Delivery Study to these sites by extending the peak completions within the middle of the build out period for these developments, without exceeding the peak outlet assumptions.
- AECOM has considered the pattern of build-out rates across the whole of the delivery timetable for the new settlements and urban extensions included in the First Proposals housing trajectory. For all these strategic sites, there is a gradual build up in annual housing completions, followed by a number of years delivering peak housing completions, before gradually slowing down towards the end of the build. For some of these sites, the gradual slowing down is beyond the end of the plan period.
- The site-specific assumptions made by the Greater Cambridge Housing Delivery Study (2021) are considered realistic and reliable for use in plan-making in the Greater Cambridge area, reflecting the strength of the market but without being overly-optimistic and avoiding applying a single average to all site sizes/types.

Site Specific Housing Trajectories

Summary of Issues Raised in Representations

- Comments that the changed assumptions around delivery rates at Northstowe and Waterbeach New Town have not been evidenced, that there are no site specific circumstances that would result in above average completions for these sites, and that no evidence for how delivery will be sped up compared to previous assumptions. Significant weight seems to be being given to Modern Methods of Construction.
- Concern that the lead-in times and build out rates for North East Cambridge, Cambourne, Cambridge East and North West Cambridge are not consistent with the recommendations from the Housing Delivery Study and do not provide sufficient time for post adoption supplementary plans or guidance.
- Comments that the combined annual delivery rates for Cambourne West, Cambourne and Bourn Airfield New Village of 400 dwellings per annum are unrealistic due to market absorption.

- Specific comments relating to North East Cambridge:
  - 3,900 dwellings by 2041 is not consistent with the housing trajectory agreed with Homes England as a pre-requisite for the funding for the relocation of the Waste Water Treatment Works. Need to include 5,600 dwellings on the Core Site by 2041.
  - Redevelopment of this site is complex and involves the relocation of existing uses. Delivery expectations for this site need to be realistic, taking account of challenges to be overcome.
- Specific comments relating to Cambridge East:
  - Ambitious that this site will start delivering 350 dwellings a year from 2031/2032, particularly if Cranfield Airfield is only expected to be available from 2030 at the earliest.
  - Redevelopment of this site is complex and involves the relocation of existing uses. Delivery expectations for this site need to be realistic, taking account of challenges to be overcome.
  - Delivery of only 2,900 homes on this site by 2041 appears to be lacking in ambition and as the site is not in the Green Belt can accommodate housing more quickly.
  - Need to start planning for this development ahead of Marshalls leaving.
- Specific comments relating to Bourn Airfield New Village:
  - Developer considers that there is potential for higher delivery rates of up to 190 dwellings a year.
  - Proposed delivery rates and timings do not appear reliable or robust given status of planning application and necessary infrastructure including Cambourne to Cambridge Busway.
- Specific comments relating to Cambourne:
  - Not sufficient certainty for this site to justify 1,950 dwellings within the plan period.

Response to Issues Raised in Representations

- The changed assumptions for peak annual delivery at Waterbeach New Town and Northstowe of 300 dwellings per annum rather than 250 dwellings per annum is a reflection of the recommendations of the Housing Delivery Study (2021) in relation to build out rates for new settlements. These recommendations are supported by evidence that the Councils have specifically from the developers of these sites from their annual updates to the Greater Cambridge housing trajectory that show that they are anticipating higher annual completions.
- The Housing Delivery Study for Greater Cambridge (2021) highlighted Modern Methods of Construction as a way of increasing housing delivery, but the recommended build out rates are based on sites providing a variety of products through a number of sales outlets, and are not solely based on homes being delivered by this one method.

- As set out above (in the responses to the representations on Lead-in times and Build-out rates), the recommendations included in the Housing Delivery Study (2021) in terms of both lead-in times and build out rates are a starting point for developing detailed, site-specific trajectories, and the study therefore allows for variations where there is site-specific evidence to support a nuanced approach.
- Due to the proximity and potential competition between Bourn Airfield New Village and Cambourne that could affect market absorption, reduced annual completion rates have been assumed on each of these sites individually compared to other new settlements.
- As the Councils continue with the preparation of the Local Plan, it is recommended that they engage with the developers/promoters of each of the new allocations and existing strategic sites to gather evidence to support the anticipated delivery of each of the sites, in a similar way to how officers engage with developers/promoters as part of the annual update to the Greater Cambridge Housing Trajectory. This should include information on:
    - Delivery aspirations/strategies for each site, including anticipated timetables for development, number of outlets, market absorption rates in light of other proposed site allocations and existing strategic sites, and any key dependencies that pose a risk to housing delivery; and
    - The relationship between housing and infrastructure delivery, including identifying any infrastructure triggers, and whether there is a Statement of Common Ground, phasing plan, equalisation agreement, s106 or site-specific Infrastructure Development Plans in place for the development.

5. Conclusions

Review of 2022 Growth Level Options on Housing Delivery

5.1 Table 3 (page 38) summarises our view that the previous conclusions on the 2020 minimum and maximum growth levels are generally applicable to the latest 2022 minimum and maximum levels and would not result in materially different conclusions in either case. As such a comparative analysis of the 10 spatial options at the 2022 minimum and maximum levels would be unnecessary at this stage.

5.2 However, the difference between the 2020 medium and 2021 medium+ and the latest 2022 medium scenario is much greater and therefore the earlier conclusions on 2021 medium+ scenario are not always applicable to the 2022 medium scenario.

5.3 The Housing Delivery Study (2021) found the spatial options at the 2020 maximum growth level (2,690 dwellings per annum) would be unachievable during the entire plan period and would not result in a five-year housing land supply at plan adoption (based on the current national and local policy frameworks, historical precedents and assuming no stepped approach). To deliver a five-year housing land supply at plan adoption, for any of the spatial options at the maximum growth level, it would require the application of a stepped annual housing requirement or the 'Liverpool method' to address any shortfall in the five-year housing land supply.

5.4 The Housing Delivery Study (2021) concluded that there was scope to deliver higher rates of delivery in Greater Cambridge than envisaged under the 2020 medium growth level. But the report did not state at what level additional delivery, over and above the 2021 medium+ scenario (2,111 dwellings per annum), would become unachievable (as per the 2020 maximum scenario – 2,690 dwellings per annum). At this stage, it is hard to quantify the tipping point at which delivery in excess of the 2021 medium+ scenario becomes unachievable as this would require a more detailed analysis of the sites likely to form part of the spatial strategy/options to meet the 2022 medium growth level (2,463 dwellings per annum).

5.5 It is also the case for the 2022 medium scenario that a stepped housing requirement or the 'Liverpool method' for calculating five year housing land supply would be needed, given the step change in the annual housing rate necessary to deliver the 2022 medium growth level that can only occur once the plan is adopted and additional sites can start to come forward. Recent examples such as North Hertfordshire Local Plan examination lend weight to such an approach.

5.6 Based on the housing delivery assumptions set out in the Housing Delivery Study (2021) on windfalls, lead-in times, and build-out rates, any stepped annual housing requirement would require a strategy and sites capable of delivering a higher number of homes later in the plan period in excess of what is currently planned and would require levels of growth in excess of historical annual housing completion rates. Adding new and/or expanded allocations/sites alone would not guarantee increased levels of delivery later in the plan period given the unprecedented levels of housing completions required to meet the overall housing requirement over the plan period. In addition, the lead-in times required for any new sites would mean their contribution to delivery would come at the end of the plan period without robust evidence to the contrary e.g. mechanisms/funding for earlier and/or accelerated delivery.

5.7 Therefore, under the 2022 medium scenario it will still be important to bring forward a spatial strategy and sites that mix short-medium term sources of supply (e.g. smaller sites in urban areas and villages) with longer-term sources (e.g. new settlements, urban extensions and Green Belt release). If a stepped trajectory is taken forward in the next iteration of the Local Plan, there may now need to be less focus on ensuring a smoother trajectory and greater attention on maximising market absorption and alternative sources of supply beyond private developers (e.g. alternative models for delivery such as Public/Private Joint Ventures, public sector direct delivery which could include a Development Corporation). The allocation of sites with different characteristics/locations will be important for ensuring variety in site size, house types and tenures.

5.8 A housing land supply that is more geographically spread could help to reduce competition between sites, thus better-matching the housing supply with demand. But this brings its own infrastructure delivery challenges and could result in a less sustainable spatial strategy (subject to further Sustainability Appraisal assessment) if the Councils prioritised a strategy that maximised housing delivery of as much of the new local housing need figure as possible.

5.9 The majority of the housing supply over the plan period comes from sites that are already committed, such that the new sources of supply identified as allocations in the Greater Cambridge Local Plan do not begin to deliver completions at scale until the middle of the plan period. The current proposal to include a 10% buffer would still be required to provide flexibility over the plan period should sites not progress as intended. These factors may render many of the spatial options obsolete under the 2022 medium growth level as the requirement for land is so high and the reasonable alternatives become narrower in scope with more fixed elements. Avoiding a homogeneity of sites in these fixed elements would be advisable.

5.10 Whilst there is little insight to be gained from re-testing the 2022 growth levels on all 10 previously tested spatial options, we recommend that any emerging spatial scenarios developed to address the 2022 medium growth level should comprise a range of sites and locations, with more detailed housing trajectories for sites prepared in order to help establish the likely risks that may emerge in relation to particular new sites in terms of lead-in times, delivery rates and market absorption. An updated housing trajectory should be prepared in advance of being included in the draft Greater Cambridge Local Plan, and the Councils should engage with the promoters of the sites likely to make up the majority of the housing land supply.

5.11 The Councils already engage with the promoters/developers/agents of existing commitments as part of preparing the annual update to the housing trajectory, and a similar approach should be considered to include engagement with the promoters of new sites proposed for allocation as the plan continues to be developed. Feedback received should be used to ‘stress test’ the assumed delivery of the identified housing requirement and to highlight any issues with lead-in times and delivery rate assumptions for individual sites and explore known constraints and infrastructure triggers impacting combinations of sites.

Table 3 Conclusions regarding updated growth levels

Evidence	Are there specific differences between conclusions for different 2020 SSO growth levels?	Do the updated 2022 minimum, medium and maximum growth levels make a material difference to previous conclusions regarding SSO growth levels?	Would this specific conclusion vary by spatial option?	Comments
Housing Delivery Study	Yes – SSO findings concluded that an annual housing requirement higher than the medium level may be achievable, but that maximum level is unlikely to be deliverable based on the current policy framework and evidence for historical precedents.	The 2022 minimum and maximum growth levels do not make a material difference to the previous conclusions on the 2020 minimum and maximum growth levels. The leap between the 2020 medium and 2021 medium+ to the latest 2022 medium growth level would make a material difference to previous conclusions regarding medium SSO growth levels.	Yes – the final spatial strategy and site selections will have a bearing on how quickly sites can be brought on stream and then how quickly they build out.	Most conclusions relate to locations per se, and separately to the deliverability of achieving the medium and maximum growth level. Considerations of whether a five year land supply can be delivered varies depending on growth level and spatial option. The material increase in annual housing completions from the 2020 medium and 2021 medium+ to the 2022 medium will require significant new sources of supply over and above the additional allocations proposed in the First Proposals version of the Local Plan. Therefore additional testing of spatial options (baskets of sites) is required to estimate at what level the housing requirement becomes unachievable.

First Proposals Representations Analysis

5.12 Having considered the representations received to the First Proposals (Preferred Options) version of the Local Plan in relation to housing delivery, the recommendations included in the Housing Delivery Study (2021) in relation to windfalls, lead-in times and build out rates are still considered to be robust and realistic for the Councils to use as part of their plan making process and also for other updates to the Greater Cambridge housing trajectory.

5.13 The windfall allowance takes account of the definition and guidance in the NPPF 2021, and the Housing Delivery Study (2021) recommends a supply from this source that is a mid-point between delivery from historic windfall site completions and the previously calculated windfall allowance used by the Councils.

5.14 The recommended lead-in times and build out rates in the Housing Delivery Study (2021) are made on the basis of:

- a detailed analysis of housing delivery for strategic scale developments in Greater Cambridge, Cambridgeshire, and across the OxCam Arc,
- Lichfield's Start to Finish report recommendations,
- a literature review of published housing delivery information including from Inspectors Reports and other research reports, and
- consideration of the local market.

5.15 The site-specific assumptions made by the Greater Cambridge Housing Delivery Study (2021) are considered realistic and reliable for use in plan-making in the Greater Cambridge area, reflecting the strength of the market but without being overly-optimistic and avoiding applying a single average to all site sizes/types. The recommendations allow for variations where there is site-specific evidence to support a nuanced approach.

5.16 As the Councils continue with the preparation of the Local Plan, it is recommended that they engage with the developers/promoters of each of the new allocations and existing strategic sites to gather evidence to support the anticipated delivery of each of the sites, in a similar way to how officers engage with developers/promoters as part of the annual update to the Greater Cambridge Housing Trajectory. This should include information on:

- Delivery aspirations/strategies for each site, including anticipated timetables for development, number of outlets, market absorption rates in light of other proposed site allocations and existing strategic sites, and any key dependencies that pose a risk to housing delivery; and
- The relationship between housing and infrastructure delivery, including identifying any infrastructure triggers, and whether there is a Statement of Common Ground, phasing plan, equalisation agreement, s106 or site-specific Infrastructure Development Plans in place for the development.