



Topic Paper – Housing Land Supply

Cambridge City Council

March 2014

RD/Top/070

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Key Evidence:

- National Planning Policy Framework (RD/NP/010);
- National Planning Practice Guidance (RD/NP/020);
- Strategic Housing Land Availability Assessment (Cambridge City Council 2012) (RD/Strat/130)
- Strategic Housing Land Availability Assessment Update (Cambridge City Council 2013) (RD/Strat/140)
- Cambridge Annual Monitoring Report 2013 (RD/AD/350)

1 National Planning Policy Framework

- 1.1 The National Planning Policy Framework (RD/NP/010) requires local planning authorities to plan proactively to meet the objectively assessed need for homes in the area.
- 1.2 To boost significantly the supply of housing, the NPPF at paragraph 47 requires each local planning authority to identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their objectively assessed needs, with an additional buffer of 5% to ensure choice and competition in the market for land. Where there has been a record of persistent under-delivery of housing, local planning authorities are told to increase the buffer to 20% to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land. A supply of developable sites has to be identified for the remainder of the plan period.
- 1.3 The footnote to paragraph 47 of the NPPF states that to be considered deliverable, sites should be available now, offer a suitable location for development now, be achievable with a realistic prospect that housing will be delivered on site within 5 years, and including that the development site is viable. It then states that sites with planning permission should be considered to be deliverable until the permission expires or there is clear evidence that schemes will not be implemented within 5 years.
- 1.4 Paragraph 48 allows local planning authorities to make an allowance for windfall sites in the five year supply where justified by the evidence.
- 1.5 Paragraph 031 of the National Planning Practice Guidance (NPPG) - Reference ID: 3-031-20140306 (RD/NP/020), makes clear the

deliverable sites can include those that are allocated in the development plan as well as those with planning permission, and that sites without planning permission or a plan allocation can also be considered to be deliverable if there are no significant constraints to overcome.

- 1.6 The NPPF at paragraph 154 requires Local Plans to be aspirational, but realistic. Paragraph 158 of the NPPF requires that plans are based on adequate, up-to-date and relevant evidence. A key evidence source for housing supply for the council is provided by past Annual Monitoring Reports (AMRs) which record housing completions, predicted future completions and the current 5 year housing supply situation. The predicted future completions are set out in a housing trajectory, the preparation of which is informed by development industry expectations of how they anticipate the build-out of their sites. Previous AMRs are included in the evidence library to demonstrate how these expectations have changed over time (RD/AD/330; RD/AD/340; RD/AD/350).
- 1.7 Paragraph 159 of the NPPF requires the preparation of Strategic Housing Land Availability Assessments (SHLAA) by local planning authorities. The SHLAA process should establish realistic assumptions about the availability, suitability, and likely economic viability of land to meet the identified need for housing within a local authority's area over the plan period.
- 1.8 The council's position in relation to the supply of housing across the plan period is outlined in Section 2 of the Cambridge Local Plan 2014: Proposed Submission document (RD/Sub/C/010) as amended by the Addendum to the Cambridge Local Plan 2014 Proposed Submission Document (July 2013): Schedule of proposed changes following proposed submission consultation (RD/Sub/C/050). Section 2 of the Cambridge Local Plan 2014: Proposed Submission (as amended) shows the housing trajectory. This trajectory was informed by the anticipated lead in time for sites and information from developers.

2 Strategic Housing Land Availability Assessment

- 2.1 The Strategic Housing Land Availability Assessment (SHLAA) is a technical assessment of the potential suitability, availability and achievability of sites for housing development.
- 2.2 Cambridge's SHLAA has been prepared in accordance with the Government's guidance and the council's assessment methodology agreed in July 2009. It is a technical evidence based document to help the

council to assess the amount of land, which might be available between 2011 and 2031. It does not allocate land or commit to development but assists in informing more detailed work on the review of the Local Plan.

- 2.3 In preparing the first SHLAA for Cambridge, public consultation was undertaken in 2008 and 2009 concerning assessment criteria, density assumptions and methodology. Two calls for sites were undertaken and the draft SHLAA was the subject of public consultation between September 2011 and November 2011. This resulted in a preferred list of sites being formulated which are considered to be deliverable and developable which along with commitments and allocations can be used to produce a housing trajectory to show how housing capacity of its housing requirements can be met by 2031. Following the two calls for sites and consultation, the SHLAA 2012 (RD/Strat/130) was published in May 2012, alongside Issues and Options consultation.
- 2.4 The Issues and Options stage of the Local Plan's preparation in June 2012 (RD/LP/240) was the first stage of consultation on the new plan. The document set out a broad range of issues facing Cambridge and options for dealing with these issues. In general, this document did not look at individual sites. However, as part of the development strategy, it considered ten broad locations for development in the Cambridge Green Belt and the options for the on-going development of a number of key sites were discussed, e.g. Addenbrooke's Hospital.
- 2.5 Following the Issues and Options consultation, there was a further round of public consultation on site options in the Local Plan. This consultation was Issues and Options 2 consultation and took the form of two documents consulted on in January and February 2013. Part 1 of the Issues and Options 2 consultation was prepared jointly by Cambridge City Council and South Cambridgeshire District Council on the Development Strategy and Site Options on the Edge of Cambridge. (RD/LP/150). Each council produced their own Part 2 document for the Issues and Options 2 consultation. Cambridge's Issues and Options 2: Part 2 dealt with site options and policy designations within the urban area of Cambridge (RD/LP/270).
- 2.6 The SHLAA 2013 (RD/Strat/140) updated the SHLAA 2012. This updated version of the SHLAA was produced to take into account changes to sites that had occurred over the last year. This work informed the development of the new local plan at both the Issues and Options 2 and Proposed Submission stages. The SHLAA 2013 was endorsed as part of the evidence base for developing a new plan for Cambridge at the council's Development Plan Scrutiny Sub-Committee in May 2013.
- 2.7 Around 900 sites were subject to detailed assessment within the urban area of Cambridge.

3 Windfall Allowance

- 3.1 Windfall sites are defined in the NPPF as “Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available.” Paragraph 48 of the NPPF allows local planning authorities to make allowance for windfall sites in their five-year supply, if there is compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should have regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens.
- 3.2 The Cambridge Local Plan 2014: Proposed Submission (RD/Sub/C/010) uses a windfall allowance within its calculations. It is usual practice for SHLAAs to exclude any sites below a certain size threshold (typically 0.25 hectares or less than ten dwellings) so that it can focus on more strategic major sites. Sites below these sizes are not usually identified and allocated in development plans.
- 3.3 The SHLAA 2013 focused on strategic sites of 0.5ha or more and undertook detailed research on small windfall sites.
- 3.4 Due to the highly built up nature of the city with its tight boundary surrounded by the Cambridge Green Belt and the continuing demand for housing, many windfall sites have come forward in the past and they remain a significant and continuing component of housing supply.
- 3.5 The methodology for calculating a realistic windfall allowance takes account of:
- Past trends;
 - Allowance for changing trends;
 - Application of a discount for new sites coming forward from this source at the beginning of the plan period to avoid overlap with any existing consents.
 - Need to avoid double counting with SHLAA sites;
 - Allowance for any changing market conditions;

Past Trends

- 3.6 Taking these issues in turn, past trends have been analysed using monitoring data. Completions on windfall sites over 10 years between March 2002 and 2012 were analysed on an annual basis and indicated the following number of completions on windfall sites below 0.5ha.

These are mapped in Annex 2 of the SHLAA 2013. No windfalls were counted from data on garden land in accordance with the NPPF.

Table 3.1: Completions on Windfall Sites: March 2002 – March 2012

Year												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Completions	93	83	163	141	268	117	257	138	59	92	119	1,530

Allowance for Changing Trends

- 3.7 An annual average was taken over the completions on windfall sites over 10 years between March 2002 and 2012. This average excluded the two years with the highest windfall completions and the two years with the lowest windfall completions to allow for any potential anomalies in the data.

Table 3.2: Completions on Windfall Sites: March 2002 – March 2012 making allowance for changing trends

Year												
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Completions	93	0	163	141	0	117	0	138	0	92	119	863

Discounting any overlap with existing consents

- 3.8 The number of completions minus the two highest and two lowest years as shown in Table 3.2 was 863. This figure is then divided by 7 years (as the two highest and two lowest years have been removed from the analysis). This resulted in 123.3 completions per annum. This figure was then applied to the remaining 15 years from 2016/17 onward to avoid any double counting of any existing consents granted since the plan base data in March 2011. This resulted in a forecast level of 1,850 dwellings to 2016/17 to 2030/31.

Avoiding double counting of SHLAA Sites

- 3.9 GIS software was used to check for overlapping of windfall sites with identified SHLAA sites. There were no overlaps found to March 2012. The resulting map is included at Annex 2 of the SHLAA 2012.

Allowance for Changing Market Conditions

- 3.10 The period 2002 to 2011 covers a range of different market conditions from an extremely buoyant market in the period 2002 to 2007, to a downturn nationally between 2007 and 2011. In Cambridge, the housing market has remained fairly buoyant throughout this period though commencement of construction has slowed slightly on some of the larger urban extension schemes. Information from developers suggests that, generally speaking, they expect developments to start one or two years later than planned. In addition, larger developments are likely to be spread over a longer time period.
- 3.11 There remain a number of reasons why the rate of housing completions may remain high during the next plan period:
- The housing market in Cambridge remains strong, with a continued demand and high prices achieved;
 - High densities have continually been achieved in Cambridge;
 - Intensification of existing residential plots and redevelopment of existing residential sites has been relatively consistent.
- 3.12 The number of smaller households continues to increase nationally and this increased demand for small dwellings can be partly met by houses converted into flats. It is considered that no significant adjustments are necessary to allow for different market conditions on small sites.
- 3.13 There has been little difference in the nature of small sites coming forward over the past 11 years. These comprise conversions, limited infill development, and changes of use. It should be noted that Cambridge has not been granted any exemption in the temporary permitted development rights recently introduced for the change of office to residential use without the need for planning permission (introduced 30 May 2013). It is therefore anticipated that a greater level of windfall development will come forward from this source during the three year period set out by the Government for the relaxation of permitted development rights.

5 year Housing Land Supply 2014-2019

- 3.14 The council's AMR 2013 (RD/AD/350) updates the housing supply situation since the publication of the Cambridge Local Plan 2014: Proposed Submission document (this is reflected in the amendments suggested in the Addendum to the plan). The AMR 2013 also includes the council's five year supply position. In advance of new monitoring data being available in summer 2014, this is the most up to date position on the five year supply of housing. Table 3.3 below sets out the council's five year supply of housing land using both Liverpool and Sedgfield methods.

Table 3.3: Five Year Supply for Cambridge based on both Liverpool and Sedgfield methods

Dwellings completed April 2011 - March 2014		2,021
Dwellings predicted to be completed April 2014 - March 2019		5,705
Annual requirement April 2011 - March 2031		700 (= 14,000 / 20)
	Liverpool Method	Sedgfield Method
Annual requirement April 2014 - March 2031 taking into account past completions	704.65	715.80
Number of years' supply assuming a 5% buffer	7.71	7.59
Number of years' supply assuming a 20% buffer	6.75	6.64

- 3.15 Under each method of calculation, the number of dwellings expected to be completed April 2014 - March 2019 is greater than five years' worth. This ranges from 6.64 years, under the Sedgfield method with a 20% buffer, to 7.71 years under the Liverpool method with a 5% buffer.
- 3.16 The council is of the opinion that the most appropriate method for calculation is the Liverpool method. The Liverpool method has been used by Cambridge for its Development Plan Documents since the requirement to demonstrate a 5 year supply was first introduced.

3.17 The Sedgefield method is not considered to be the most appropriate method for use in Cambridge, taking account of the tightly drawn Cambridge Green Belt inner boundary around the city. The Sedgefield method requires that past rates of undersupply are met in the next five years, rather than across the entire plan period. The implications of this are that past rates of undersupply are more likely to require new allocations or windfall developments. For Cambridge, our significant urban extensions have planning permission and are expected to deliver many new dwellings over the next five years. With the tightly drawn Green Belt boundary around Cambridge, the recent review of the Cambridge Green Belt and the thorough nature of the SHLAAs undertaken by the council, the sites identified in the plan along with the assumed windfall completions represent the maximum capacity of Cambridge to accommodate residential growth.

5% or 20% buffer

3.18 The council considers that the 5% buffer is the correct buffer to apply to Cambridge. The NPPF requires a 20% buffer to be provided if there is evidence of persistent under delivery in an area. The council does not consider this applies to Cambridge.

3.19 The Cambridge Local Plan 2006 (RD/AD/300) plans for 12,500 dwellings between 1999 and 2016, or 735 dwellings a year. Just under half (6,000) of these dwellings are planned to be built in the urban extensions on the edge of Cambridge. These were always anticipated to be built in the second half of the plan period. However, the economic downturn, beginning in 2007/8 had a significant impact on the delivery of dwellings in Cambridge. This pushed back delivery such that Cambridge is only now seeing significant levels of completions on the urban extensions (1,208 anticipated for 2013/14). Furthermore, two of the larger allocations that the council was relying on to deliver dwellings (later on in the plan period) are no longer available for development. The majority of Cambridge East is no longer available for development within the period to 2031. The Marshall Group announced in 2010 that they did not have a deliverable relocation option and they intended to remain at Cambridge Airport for the foreseeable future. Cambridge Northern Fringe East is also no longer available for residential development as the waste water treatment works are no longer planning to move north of the A14. These three changes in circumstances were outside the council's control and the council has done everything within its power to try and achieve the planned for level of delivery.