



REPORT TO: Cabinet

9 January 2019

LEAD OFFICER: Joint Director for Planning and Economic Development

Local Plan and Housing Monitoring Update

Purpose

1. The purpose of this report is to set out the current processes for monitoring the Local Plan and housing delivery, and to propose a new approach to the decision making processes for the preparation, consultation, publication and submission of monitoring documents, such as the Authority Monitoring Report and housing trajectory.
2. This is not a key decision because it relates to agreeing the process for the preparation of technical and statistical documents required by national legislation, regulations and planning policy.

Recommendations

3. It is recommended that Cabinet agrees:
 - (a) to publish the South Cambridgeshire Authority Monitoring Report 2017-2018 (included as Appendix 1), with any further minor editing changes delegated to the Joint Director for Planning and Economic Development where they relate to technical matters;
 - (b) that in future a Greater Cambridge Authority Monitoring Report is produced, and that these future Greater Cambridge Authority Monitoring Reports will be agreed for publication by the Lead Member for Planning via a decision outside of a meeting (together with the Executive Member for Planning Policy and Transport at Cambridge City Council), unless the Authority Monitoring Report identifies any significant issue with the implementation of any Local Plan or Area Action Plan policy that requires more detailed consideration by Cabinet;
 - (c) that a decision on whether to submit a Greater Cambridge Annual Position Statement (relating to five year housing land supply) to the Planning Inspectorate (PINS) for consideration will be made by the Lead Member for Planning via a decision outside of a meeting (together with the Executive Member for Planning Policy and Transport at Cambridge City Council) and that the decision will be made before 1 April each year as required by national planning guidance;
 - (d) that, whether or not it is decided to prepare a Greater Cambridge Annual Position Statement, the housing trajectory and five year supply calculations will be agreed by the Lead Member for Planning via a decision outside of a

meeting (together with the Executive Member for Planning Policy and Transport at Cambridge City Council);

- (e) to seek agreement from the Ministry of Housing, Communities and Local Government (MHCLG) that South Cambridgeshire and Cambridge should be considered together for the purposes of the Housing Delivery Test; and
- (f) that, if on publication of the annual Housing Delivery Test results, an Action Plan is necessary in this or future years, it will be agreed by the Lead Member for Planning via a decision outside of a meeting.

Reasons for Recommendations

- 4. In July 2018, the Government published a new National Planning Policy Framework (NPPF) that introduces new national planning policy relating to five year housing land supply (including a revised definition of a deliverable site), and introduces a new test based on housing delivery. In September and October 2018, the Councils adopted the South Cambridgeshire and Cambridge Local Plans. Together these changes have implications for the preparation of the Authority Monitoring Report, housing trajectory and five year supply calculations, and there are also possible additional requirements arising from the new Housing Delivery Test (HDT). The Councils are looking to agree a new, streamlined approach to the decision making process for these technical, statistical and factual documents, to enable them to be prepared and published efficiently and in the required timetables.

Considerations

Authority Monitoring Report (previously known as Annual Monitoring Report)

- 5. Local planning authorities are required to publish information monitoring planning policies included in their development plan documents and progress of the implementation of their Local Development Scheme¹ at least on an annual basis in an Authority Monitoring Report (AMR, previously known as an Annual Monitoring Report). The AMR is also required to give details of what action the Council has taken relating to the duty to co-operate, details of any neighbourhood development orders or neighbourhood development plans made, and if a Council has an adopted Community Infrastructure Levy (CIL) Charging Schedule, information relating to the collection and spending of CIL monies.
- 6. National regulations used to require the AMR to be submitted to the Secretary of State by 31 December each year. Although there is now no longer a specific date by which to publish the AMR, the Councils (SCDC and Cambridge City Council) have continued to publish their AMRs around the end of December where possible. At SCDC, the AMR was initially agreed for submission to the Secretary of State by Cabinet, however more recently the AMR has been approved for publication by the relevant Portfolio Holder. However, this is a technical/factual monitoring document

¹ The Local Development Scheme sets out what planning policy documents the Council intends to prepare and within what timetables.

and has little scope for amendment by Members, and as such has typically been agreed for publication without any changes.

7. Changes to national planning policy (as set out below) mean that the housing trajectory and five year supply calculations may no longer be published in the AMR, other than the conclusions, and may instead be published in a standalone document (known as an Annual Position Statement) which will be prepared to a different timetable and under a separate process as set out in paragraphs 13-20 below.
8. Individual AMRs have been produced for South Cambridgeshire and Cambridge for 2017-2018. These will be the last individual AMRs. They are separate for this year as although the Local Plans have been recently adopted, the AMRs cover the monitoring period of 1 April 2017 to 31 March 2018 during which the South Cambridgeshire Local Development Framework 2007-2010 and Cambridge Local Plan 2006 were the adopted plans being implemented. As the Local Plans include a joint approach to calculating five year housing land supply, both AMRs for 2017-2018 include the same wording on the five year housing land supply situation, including setting out the latest five year housing land supply calculations as included in the adopted Local Plans. As the five year supply situation is established in the recently adopted Local Plans, the AMRs for 2017-2018 do not include new housing trajectories (see paragraphs 13-20 below).
9. For the 2018-2019 monitoring period, it is proposed that a joint Greater Cambridge AMR will be produced that will provide data on the monitoring indicators included in the recently adopted Local Plans. The Local Plans include individual sets of indicators, however where possible the indicators have been aligned to reduce resource implications, and for consistency as the Councils move towards the preparation of a joint Greater Cambridge Local Plan. Although the Local Plans will only have been formally adopted half way through the monitoring year, the Local Plans cover the period 2011-2031 and therefore the data collected for the whole monitoring year will be a reflection of how the planning policies have been implemented. Where the recently adopted Local Plans introduce new or significantly different planning policies to those in previously adopted plans, the AMR will include commentary to explain this and any anomalies in the data. This reflects the prime purpose of the AMR to monitor the performance of Local Plan and Area Action Plans policies with a view to identifying any planning policies that are not being successfully implemented and to trigger consideration of how that is addressed.
10. The AMR is a technical document capturing statistical and factual data. On this occasion and reflecting past practice, Cabinet is asked to agree to publish the South Cambridgeshire Authority Monitoring Report 2017-2018 (included as Appendix 1). However, reflecting the technical/factual nature of the AMR and in order to ensure a streamlined approach moving forward, Cabinet is asked to agree that future Greater Cambridge AMRs will be agreed for publication by the Planning Lead Member via a decision outside of a meeting (together with the Executive Member for Planning Policy and Transport at Cambridge City Council), unless the AMR identifies any significant issue with the implementation of any Local Plan or Area Action Plan policy that requires more detailed consideration by Cabinet.

Changes to National Planning Policy

11. In July 2018, the Government published a new National Planning Policy Framework (NPPF), which replaces the previous NPPF published in 2012. The new NPPF introduces new national planning policy relating to five year housing land supply (including a revised definition of a deliverable site), and introduces a new test based on housing delivery that is similar to the five year housing land supply in terms of its potential effects on decision making, but that looks backwards at actual delivery over the previous three years, rather than forwards five years at forecast future supply.
12. Accompanying guidance is published in the National Planning Practice Guidance (NPPG, updated in September 2018) and the Housing Delivery Test Rule Book (published in July 2018).

a. Housing Trajectory and Five Year Supply

13. The NPPF 2018 continues to require local authorities to demonstrate a five year supply of deliverable housing sites (with the appropriate buffer). However, the NPPF 2018: makes some changes to how the five year supply should be calculated; includes a revised definition of a deliverable site; and also introduces the possibility for the Councils five year supply to be established for a year through a newly adopted Local Plan or Annual Position Statement. Further detail on the definition of a deliverable site and how the five year supply can be established for a year through a Local Plan or Annual Position Statement is set out in NPPG.
14. Officers consider that the Inspectors' conclusions on the Councils' five year housing land supply set out in their reports on the Local Plans satisfies the requirements set out in the NPPF 2018 and NPPG for their five year land supply to be established in a recently adopted Local Plan.
15. In future, the Councils have the option to seek to confirm their five year supply through an Annual Position Statement, which is a formal process judged by the Planning Inspectorate (PINs) that results in the five year supply being established for a twelve month period starting from October each year. Where the five year supply is established through an Annual Position Statement, the NPPF sets out that a 10% buffer would need to be applied to the five year supply calculations. As the Local Plans already set out that a 20% buffer will be applied, establishing the five year supply through an Annual Position Statement would not have any further implications on the five year supply in terms of the calculations and buffer to be applied.
16. There is a specified process and timetable for the preparation of an Annual Position Statement, which is set out in the NPPG, and is as follows:

Date	Action to be Taken
before 1 April	Advise PINs of intention to submit an Annual Position Statement.

by 31 July	<p>Prepare Annual Position Statement including housing trajectory showing housing completions up to 31 March, and predicted completions for future years.</p> <p>Carry out engagement with developers, landowners, infrastructure providers, neighbouring and upper tier local authorities.</p> <p>Submit Annual Position Statement to PINs.</p>
October	<p>PINs will issue their recommendation on the Annual Position Statement, and if confirmed the five year supply will be established until October the following year.</p>

17. Alternatively the Councils could prepare housing trajectories without going through this formal PINS process, but this would not achieve the benefits of establishing a five year housing land supply for a year and would lay the Councils open to ongoing challenges to their five year housing land supply calculations through the appeal process as has been the case over recent years.
18. Whether or not the formal PINS process is pursued, officers will need to prepare a Greater Cambridge housing trajectory and five year supply calculations for 2019-2024. This would follow a similar process to that carried out for previous housing trajectories, however to ensure that it is as robust as possible it would be prudent to follow the updated national planning guidance. Officers could use this updated housing trajectory, along with actual housing completions data for 2018-2019, to prepare an Annual Position Statement including the housing trajectory and five year supply calculations, if it is decided that an Annual Position Statement should be prepared. The Annual Position Statement could be subject to public consultation in May-June 2019 and, after considering the comments received and making any changes, it could then be submitted to PINs by 31 July 2019.
19. Cabinet is asked to agree that a decision on whether to submit a Greater Cambridge Annual Position Statement (relating five year housing land supply) to PINS for consideration will be made by the Lead Member for Planning via a decision outside of a meeting (together with the Executive Member for Planning Policy and Transport at Cambridge City Council) and that the decision will be made before 1 April each year as required by national planning guidance.
20. Cabinet is asked to agree that the Greater Cambridge housing trajectory and five year supply calculations prepared each year (whether or not the formal PINS process for an Annual Position Statement is pursued) will be agreed for publication by the Lead Member for Planning via a decision outside of a meeting (together with the Executive Member for Planning Policy and Transport at Cambridge City Council).

b. Housing Delivery Test

21. The NPPF 2018 introduces the Housing Delivery Test (HDT) which is an annual assessment of actual housing delivery over the previous three years against the housing requirement for the district for that same period. Government has indicated that it intends that the results of the HDT will be published by the Ministry of Housing, Communities and Local Government (MHCLG) each November.

22. The housing delivery for the district is taken from annual statistical returns to MHCLG, and the housing requirement is either taken from the latest adopted Local Plan (where this is less than five years old) or by calculating the local housing need for the district using the standard methodology as set out in NPPG (once the Local Plan is more than five years old).
23. It was anticipated that the first HDT results would have been published in November 2018, although at the time of writing this report they have not yet been published. This first assessment will look at the three year period from 2015-2018 and government has set out transitional arrangements relating to the housing requirement element of the assessment, such that it is based on household projection figures rather than the adopted housing requirement. The results are expected to be as follows (note these tables have been prepared on best available information at the time of writing this report):

South Cambridgeshire

	Total net homes delivered over three year period			Total number of homes required over three year period
	Net Number of Homes Completed	Student Communal Establishments (number of bedrooms ÷ 2.5, which is the average number of students in student only households)	Other Communal Establishments (number of bedrooms ÷ 1.8, which is the average number of adults in all households)	Household Projection
2015-2016	671	0	$6 \div 1.8 = 3.3$	877
2016-2017	545	0	$93 \div 1.8 = 51.7$	860
2017-2018	729	0	0	840
Total	2,000			2,577
HDT	77.6%			

Cambridge

	Total net homes delivered over three year period			Total number of homes required over three year period
	Net Number of Homes Completed	Student Communal Establishments (number of bedrooms ÷ 2.5, which is the average number of students in student only households)	Other Communal Establishments (number of bedrooms ÷ 1.8, which is the average number of adults in all households)	Household Projection

2015-2016	884	$752 \div 2.5 = 300.8$	0	296
2016-2017	1,178	$1,061 \div 2.5 = 424.4$	$19 \div 1.8 = 10.6$	309
2017-2018	1,152	$-17 \div 2.5 = -6.8$	0	413
Total	3,943			1,018
HDT	387.3%			

24. National planning policy sets out the consequences of different results of the HDT, and they are as follows:

A HDT result of ...	Consequences
Less than 95%	An Action Plan is required which should assess the causes of under delivery and identify actions to increase delivery in future years. An Action Plan should be published within 6 months of the HDT results being published.
Less than 85%	A buffer of 20% should be applied to the five year supply calculations. Note: <i>A buffer of 20% is already being applied to the Greater Cambridge five year supply calculations as set out in the recently adopted Local Plans.</i>
Less than 25% ²	A presumption in favour of sustainable development applies – in the same way as if you cannot demonstrate a five year supply.

25. The recently adopted Local Plans do not specifically mention the Housing Delivery Test due to it only formally being introduced through the publication of the new NPPF in July 2018. However, the Local Plans do say that *“the housing trajectories for Cambridge and South Cambridgeshire, ..., will be considered together for the purposes of phasing of housing delivery, including for calculating 5-year housing land supply ...”*. Officers consider that for the same reasons as argued through the examinations of the Local Plans that the five year supply should be considered jointly, the HDT should also be considered jointly (i.e. for Greater Cambridge as a whole). The key reason for this is that the two Councils have a joint development strategy and sequence for development which involves more development in Cambridge initially as the edge of Cambridge sites are completed within its administrative boundary, and more development later in South Cambridgeshire as the new settlements and edge of Cambridge sites are completed within its administrative boundary. The wording in the Local Plans would allow the two Councils to be considered together for the HDT as it relates to housing delivery, in a similar way and for a similar reason as for 5-year supply. However, for completeness, Cabinet is asked to confirm it agrees this approach.
26. The phasing of housing delivery across the two areas has implications when calculating the HDT results. MHCLG gathered data from all Councils (at the start of October 2018) on their Local Plans, including the date of adoption and annualised average housing requirement. At that time, the South Cambridgeshire Local Plan had been formally adopted, whereas the Cambridge Local Plan had not been to its full Council meeting for adoption. As a result, officers completed and submitted the HDT questionnaires for the two Councils separately, and therefore it is anticipated that the HDT results for the two Councils will be calculated and published separately.
27. This year considering South Cambridgeshire and Cambridge separately for the purposes of the HDT is likely to mean that an Action Plan will be required for South Cambridgeshire, as its HDT result is expected to be 77.6%, which is less than the

² For the HDT results published in November 2019, the percentage at which this consequence applies increases to ‘less than 45%’, and from November 2020 onwards, the percentage increases to ‘less than 75%’.

95% threshold. The need to prepare an Action Plan for South Cambridgeshire is not surprising given the agreed development strategy and sequence for development in Greater Cambridge, and the implications of this strategy on the phasing of housing delivery (as outlined in paragraph 25 above).

28. In future years, with the adoption of both Local Plans, the commitment to start the preparation of a Greater Cambridge Local Plan in 2019, and the establishment of the Greater Cambridge Shared Planning Service, it is considered that the two Councils should be considered jointly for the purposes of the HDT.
29. Whilst the first HDT results are unlikely to take a joint approach, the implications of an approach to combine the expected results from the two individual areas (as set out in the tables following paragraph 23) would produce the following result for Greater Cambridge:

	Total net homes delivered over three year period			Total number of homes required over three year period
	Net Number of Homes Completed	Student Communal Establishments (number of bedrooms ÷ 2.5, which is the average number of students in student only households)	Other Communal Establishments (number of bedrooms ÷ 1.8, which is the average number of adults in all households)	Household Projection
2015-2016	1,555	$752 \div 2.5 = 300.8$	$6 \div 1.8 = 3.3$	1,173
2016-2017	1,723	$1,061 \div 2.5 = 424.4$	$112 \div 1.8 = 62.2$	1,169
2017-2018	1,881	$-17 \div 2.5 = -6.8$	0	1,253
Total	5,943			3,595
HDT	165.3%			

30. On the basis of the table above, which shows that if the two areas had been considered together as Greater Cambridge the HDT result would be 165.3%, there would be no planning consequences arising from the HDT. This will inform SCDC's approach to the preparation of an Action Plan, if it is required to prepare one once the HDT results have been published. Cabinet is asked to agree that if a Housing Delivery Test Action Plan for South Cambridgeshire is necessary on the publication of the results, that it will be agreed by the Lead Member for Planning via a decision outside of a meeting.
31. Cabinet is also asked to formally agree to seek agreement from MHCLG that South Cambridgeshire and Cambridge should be considered together for the purposes of the Housing Delivery Test. The Councils can then write to MHCLG to advise them that given the adoption of both Local Plans, the Councils consider that future HDT results should be calculated for Greater Cambridge as a whole.

Monitoring System

32. Currently both Councils commission housing monitoring from the Research and Monitoring Team at Cambridgeshire County Council through a Service Level Agreement and financial contribution. In recent years, with the increased national focus on housing delivery, the annual provision of housing data from the Research and Monitoring Team received in Summer for the previous monitoring year (April-March) is increasingly not meeting our requirements.
33. In exploring options to gain more up-to-date housing data and intelligence on an ongoing basis during the year, South Cambridgeshire's Planning Policy Team has engaged with other services and identified a number of areas where similar data is collected (e.g. Council Tax, Section 106 monitoring, Building Control). There appears to be significant potential to streamline systems and capture data coherently across the Council. A project is being set up with a view to developing a single monitoring system that will allow the existing different datasets to be captured in one place, and used by all. This is expected to result in monitoring being brought in house at an appropriate point in the future.

Options

34. Options relate to the preparation of the Councils' housing trajectory and five year supply calculations, and whether these should be confirmed through an Annual Position Statement. Detailed consideration of the options are set out in the Considerations section above (see the paragraphs relating to Housing Trajectory and Five Year Supply). Options also relate to the Housing Delivery Test and whether Members agree that agreement should be sought from MHCLG that South Cambridgeshire and Cambridge should be considered together as Greater Cambridge for the purposes of the Housing Delivery Test. Detailed consideration of the options are set out in the Considerations section above (see the paragraphs relating to Housing Delivery Test).

Implications

35. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Legal

36. Local planning authorities are required to publish information monitoring progress on the implementation of their Local Development Scheme and planning policies included in their development plan documents at least on an annual basis. National planning policy sets out the consequences of different results of the HDT, and they are outlined in paragraph 24 above.

Consultation responses

37. None.

Effect on Strategic Aims

Objective 1 – Living Well: support our communities to remain in good health whilst continuing to protect the natural and built environment

38. The Local Plan aims to satisfy the development needs of the area while preserving and enhancing its rich built and natural heritage and distinctive character and providing quality places where people are happy to live, work and play. The AMR provides detailed analysis on how the Council's adopted planning policies have performed.

Objective 2 – Homes for Our Future: secure the delivery of a wide range of housing to meet the needs of existing and future communities

39. The AMR provides detailed analysis on how the Council's adopted planning policies have performed, and includes a number of indicators related to the Council's planning policies on housing.

Background Papers

National Planning Policy Framework (July 2018):

<https://www.gov.uk/government/publications/national-planning-policy-framework--2>

National Planning Practice Guidance on Five Year Supply (updated September 2018):

<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment#housing-delivery-5-year-land-supply>

National Planning Practice Guidance on Housing Delivery Test (published September 2018):

<https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment#housing-delivery-test>

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