

<b>Report to:</b>	Cabinet	6 February 2023
<b>Lead Cabinet Member:</b>	Lead Member for Planning	
<b>Lead Officer:</b>	Joint Director of Planning and Economic Development	

# Greater Cambridge Local Plan: Development Strategy Update (Regulation 18 Preferred Options)

## Executive Summary

1. This report recommends that members confirm selected elements of the Greater Cambridge Local Plan development strategy via a Development Strategy Update (Regulation 18 Preferred Options) – see Appendix A. The Development Strategy Update draws on representations to the Local Plan First Proposals consultation held in 2021 and evidence completed since then regarding the following development strategy elements:
  - Updated needs for jobs and homes
  - Exploring provision of employment and housing – what is deliverable and how we will determine what is appropriate in terms of environmental, social and economic impacts – in particular water supply
  - Confirming our development strategy
  - Confirming key strategic sites
  - Development strategy next steps
  
2. Confirming a position so far as is possible at this point on the above topics will enable the Councils to progress towards a confirmed full development strategy at the draft plan stage, and will give confidence to promoters of priority sites for development, and to providers of infrastructure on which those sites rely for effective delivery.

## Key Decision

3. Yes

The key decision was first published in the November 2022 Forward Plan.

## Recommendations

4. It is recommended that Cabinet:
  - i. Agree the Greater Cambridge Local Plan Development Strategy Update (Regulation 18 Preferred Options) (Appendix A), and in particular the proposed policy directions in section 5 for the following proposed policies:
    - a. Policy S/JH: Jobs and homes
    - b. Policy S/DS: Development strategy (to confirm three key sites and development strategy principles to inform identification of any further sites)
    - c. Policy S/NEC: North East Cambridge
    - d. Policy S/CE: Cambridge East
    - e. Policy S/CBC: Cambridge Biomedical Campus
  - ii. Note the findings of Appendix E: Sustainability Appraisal Update as a supporting document that has informed the decisions regarding the Greater Cambridge Local Plan development strategy update
  - iii. Agree the following supporting documents that have informed the decisions regarding the Greater Cambridge Local Plan Development Strategy Update:
    - a. Appendix B: Strategy Topic Paper: Development Strategy Update (Regulation 18 Preferred Options),
    - b. Appendix C: Greater Cambridge Local Plan Consultation Statement: Development Strategy Update (Regulation 18 Preferred Options) which includes responses to representations relating to the content of this report,
    - c. Appendix D: Greater Cambridge Local Plan Consultation Statement: Equalities Impact Assessment: Development Strategy Update
  - iv. Note the findings of the following new evidence documents that have informed the draft policy approaches set out in Appendix A: Greater Cambridge Local Plan Development Strategy Update (Regulation 18 Preferred Options) (see Background papers):
    - a. Greater Cambridge Economic Development, Employment Land and Housing Relationships Evidence Update (Iceni Projects), December 2022
    - b. Greater Cambridge Housing Delivery Study Addendum (AECOM), December 2022
  - v. Agree that any subsequent material amendments be made by the Lead Member for Planning
  - vi. Agree that any subsequent minor amendments and editing changes that do not materially affect the content be delegated to the Joint Director of Planning and Economic Development in consultation with the Lead Member for Planning

## Reasons for Recommendations

5. Cambridge City Council and South Cambridgeshire District Council are preparing a joint Greater Cambridge Local Plan. The proposed policy

directions set out in the Development Strategy Update has been informed by representations to the Local Plan First Proposals consultation held in 2021 and updates to the Local Plan evidence base. Confirming a position so far as is possible at this point on the above topics will enable the Councils to progress towards a confirmed full development strategy at the draft plan stage, and will give confidence to promoters of priority sites for development, and to providers of infrastructure on which those sites rely for effective delivery.

## **Details**

### **Background**

6. Cambridge City Council and South Cambridgeshire District Council (referred to as the Councils in this document), are working together to create a joint Local Plan for the two areas – which we are referring to as Greater Cambridge.
7. The Councils consulted on issues and options for the Plan in a First Conversation consultation in January and February 2020. Having considered comments received and prepared a wide range of supporting and evidence documents, the Councils then consulted on their First Proposals for the plan (the Preferred Options under Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2021) in November and December 2021. Results of the consultation were published in June 2022 and reported to members.
8. The Greater Cambridge Local Development Scheme August 2022, which sets out the timetable for plan making, states that a report on the development strategy would be considered by the councils in January 2023, followed by a full draft Local Plan to be considered by the councils in summer 2023 and subject to public consultation in autumn 2023.
9. Note that Cambridge City Council will be considering an aligned report at the Planning and Transport Scrutiny Committee on 17<sup>th</sup> January.

### **Current stage**

10. The Greater Cambridge Local Plan Development Strategy Update (Regulation 18 Preferred Options) – see Appendix A - updates the Councils' position in respect of the development strategy for the new Greater

Cambridge Local Plan. This report is a stage towards the preparation of a draft Local Plan and is not itself to be subject to public consultation.

11. The Development Strategy Update considers representations to the Local Plan First Proposals consultation held in 2021 and evidence completed since then regarding the following development strategy elements:

- Updated needs for jobs and homes
- Exploring provision of employment and housing – what is deliverable and how we will determine what is appropriate in terms of environmental, social and economic impacts – including particular water supply
- Confirming our development strategy
- Confirming key strategic sites
- Development strategy next steps

12. The following sections summarise the position in relation to each of the elements listed above.

### **Updated needs for jobs and homes**

13. Our First Proposals in 2021 was informed by evidence regarding the need for homes and jobs in Greater Cambridge. As part of that consultation we said we would update that evidence prior to the draft plan stage, including to take account of the impacts of the Covid-19 pandemic. In 2022 we updated our employment evidence and also the work translating employment growth into housing need (see Background papers: Greater Cambridge Economic Development, Employment Land and Housing Relationships Evidence Update). Key conclusions from this update are that Greater Cambridge's key sectors have continued to see fast growth even accounting for COVID-19 impacts, and also that population growth in Cambridge in particular has been significantly higher than previously estimated, influencing a higher future forecast for the number of jobs that support the local population.

14. Continuing the principle of the approach to need for jobs and homes set out in the First Proposals, but taking account of the updated evidence, results in an increase in the objectively assessed need for jobs and homes. Table 1 below shows a summary of the conclusions of this work set alongside the figures included in the First Proposals.

**Table 1: 2022 and First Proposals needs for homes and jobs**

	<b>First Proposals Jobs</b>	<b>2022 Update Jobs</b>	<b>First Proposals Homes</b>	<b>2022 Update Homes</b>
<b>Total in Greater Cambridge 2020-2041</b>	58,400	66,600	44,400 (rounded up)	51,800 (rounded up)
<b>Average annual rate</b>	2,781	3,171	2,111	2,463

**Exploring provision of employment and housing**

- 15. The NPPF requires all Councils to have a clear understanding of their “objectively assessed” housing need for their area. This reflects the Government’s expectation that Councils plan to deliver sustainable development “...meeting the needs of the present without compromising the ability of future generations to meet their own needs.” (National Planning Policy Framework 2022 Para 7). Having identified our objectively assessed needs for jobs and homes, the Councils are required to confirm appropriate targets for jobs and homes to plan for in the new local plan, taking into account a range of potential constraints, as well as economic, social and environmental impacts, and if it does not prove possible to meet needs in full within Greater Cambridge to bring in Duty to Cooperate considerations – such as whether future needs can or should be met beyond the Councils’ areas.
- 16. Having objectively identified the “need” for new homes to support the forecast jobs and address the requirements of a growing population, and thereby reduce the pressures on existing housing (with consequent impacts upon house prices and rents and carbon emissions caused by long distance commuting) this section explores two key considerations; water supply and housing deliverability as important factors determining appropriate jobs and housing targets for Greater Cambridge.
- 17. In relation to water, the First Proposals was clear that it was contingent on evidence of adequate water supply without unacceptable environmental harm, which at that time awaited the publication of the Regional Water Resources Plan and also Cambridge Water’s Water Resource Management Plan (WRMP) anticipated in autumn 2022. Water Resources East published its draft Water Resources Plan for consultation in November 2022 (see Background papers), proposing additional supply including: a medium term water transfer from Anglian Water’s area expected to be operating from around 2030 (or potentially earlier), and in the longer term from the proposed

Fens Reservoir expected to be operating from around 2035-37. Detail on the quantum of water supply and how that relates to housing and non-domestic growth will be provided in the Water Company WRMPs, but publication of Cambridge Water's draft Water Resource Management Plan has been delayed. Therefore, while there is significant supply planned in the long term, we don't know currently whether adequate water supply can be provided without unacceptable environmental harm to accommodate in full our First Proposals strategy as proposed, or our updated needs as above, within the 2020-41 plan period. Recent engagement with the Environment Agency in particular, has prompted officers to take a cautious approach on this matter at this time. The Councils will need to continue to explore this issue further before confirming a position. However, it is clear that there will be capacity for some additional homes to be delivered during the plan period to 2041 above current supply contained in the adopted 2018 Local Plans. In particular, we can be confident that there will be considerable capacity in terms of water supply once the new reservoir becoming operational in around 2035-37 and the piping of water to the area from around 2030 may also provide additional capacity.

18. In relation to housing delivery, in the context of an increased need for jobs and homes and the consequential increase in the annual average delivery rate needed to meet those needs during the plan period, our consultants have completed a Housing Delivery Study Addendum (see Background papers) which identifies that it is not clear whether the housing market could actually deliver the higher number of homes that would be required each year to meet the updated assessment of housing needs. Given the step change in the annual delivery rate associated with the new housing needs, significant intervention in the housing market or a significant change to the development principles underpinning the spatial strategy would need to be explored, and even then it may not be possible to fully meet needs. This will require further consideration as the draft plan is prepared.
19. The consultants advise that a diverse housing supply - involving potentially a range in the size and tenure of sites, and also a significant dispersal of new homes across the two districts (with a consequent impact upon carbon footprint) might be more flexible to changing circumstances and less reliant on a smaller more concentrated basket of sites and be more able to maximise market absorption (the rate at new homes could be built). Such a shift would however require both Councils to revisit the balance of distribution set out in the First Proposals – which focused upon accessible brownfield sites and a number of strategic growth locations connected together by a new public transport infrastructure network, drawing on our climate and transport evidence.
20. In addition, they advise that a stepped housing target is necessary to address the challenge that the increased annual housing rate associated with 2022 housing need can't be delivered until the Local Plan is adopted around 2027, and to respond to the expected timing of water supply infrastructure as above.

The Councils will need to explore this issue further before confirming a position.

21. Drawing on the above, and having regard to the obligations upon the Council set out in the NPPF, the Councils' position is that the Greater Cambridge Local Plan should seek to provide for the identified objectively assessed needs for housing and jobs, but only so far as this can be provided without unacceptable sustainability impacts. Once the water supply position is understood, the councils will need to consider the environmental, social and economic impacts of the alternatives of meeting or not meeting our objectively assessed needs for homes and potentially also jobs in full.
22. Informed by the Housing Delivery Study, it will also be necessary to consider the spatial distribution of additional growth both in terms of whether it provides a development strategy that is capable of being delivered by the market or by more interventionist means, and also whether it would represent genuinely sustainable development. This would be particularly important if it would need to involve a dispersed development strategy, at odds with the principles that informed the First Proposals that were strongly endorsed during consultation and are still considered to form a good basis to build on for any future strategy. We will need to revisit the view taken at the First Proposal stage that development levels set as targets for the Local Plan should not cause unacceptable environmental harm taking the full range of considerations into account.

### **Confirming our development strategy**

23. Notwithstanding the challenges relating to water and housing delivery explored above, given the conclusion that whatever the outcome on those issues there will be capacity for some additional development beyond current commitments in the 2018 Local Plans, particularly later in the plan period once the reservoir is operating, it is appropriate to consider whether there are some parts of the development strategy that it is reasonable to confirm a position upon at this point in time having regard to the updated evidence base and the conclusions drawn from the 2021 public consultation on the First Proposals.
24. As such, we propose to confirm the inclusion of North East Cambridge, Cambridge East and the existing Cambridge Biomedical Campus site and allocation (with further work to confirm if Green Belt release is appropriate at this site). Confirming a position on these three key strategic sites that formed part of the First Proposals and being clear that they will form central building blocks of any future strategy for development will give confidence to promoters of these priority sites for development, and to providers of infrastructure on which those sites rely for effective delivery. It will also justify time spent working up proposals for these sites to be included in the draft plan, including working with promoters.

25. Beyond these key three sites, and noting we are not yet in a position to confirm the targets for the Local Plan for jobs and homes or confirm the overall preferred development strategy and sites, ahead of draft plan we will:

- Define appropriate housing and employment targets, having regard to all material factors including water supply and housing delivery
- If needed, identify further sites beyond North East Cambridge, Cambridge East and Cambridge Biomedical Campus to meet our settled targets. Having reviewed First Proposals representations the report seeks to confirm that the First Proposals development strategy principles remain valid, and we would build on these to inform the identification of any additional sites.
- Talk with our neighbouring authorities about the potential for them to provide for any part of our needs that cannot be met within Greater Cambridge.

26. Beyond the above tasks, we will also need to review the Local Plan timetable once the DCO for the relocation of the WWTP has been submitted.

## Summary

27. In summary, we recommend that the Councils agree the draft policy positions set out in Appendix A: Greater Cambridge Local Plan Development Strategy Update (Regulation 18 Preferred Options), which address:

- The 2022 updated objectively assessed needs for jobs and homes
- The principle of seeking to meet the updated objectively assessed needs identified in 2022 if this was to be shown to be deliverable without causing unacceptable harm
- The inclusion and prioritisation of delivery of North East Cambridge and Cambridge Airport as the most sustainable strategic scale locations for development identified in the First Proposals strategy
- The inclusion of the existing Cambridge Biomedical Campus, and continuation of work exploring the case for the allocation of additional land to the south and its removal from the Green Belt
- Development strategy principles informing the allocation of additional sites beyond North East Cambridge and Cambridge East if this was to be shown to be deliverable without causing unacceptable harm.

## Options

28. Members may decide to:

- a. Agree the Development Strategy Update and supporting documents as proposed, without making any further amendments;

- b. Agree the Development Strategy Update and supporting documents, making any further amendments; or
- c. Not agree to issue the Development Strategy Update and supporting documents.

## **Implications**

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

### **Financial**

30. Local Plan costs are currently anticipated to be within current budgets. This will be kept under review alongside other work priorities.

### **Legal**

31. The legal implications of preparing the statutory Local Plan have been considered in the writing of this report.

### **Staffing**

32. The Local Plan is currently anticipated to be delivered within our existing staffing team. This will be kept under review alongside other work priorities.

### **Risks/Opportunities**

33. The Local Plan is a key corporate priority and will be monitored against the timetable set out in the Local Development Scheme.

### **Equality and Diversity**

34. The Development Strategy Update has been subject to an Equalities Impact Assessment (see Appendix 4).

### **Climate Change**

35. The plan is subject to a detailed Sustainability Appraisal / Strategic Environmental Assessment Process. The First Proposals was also informed

by a Net Zero Carbon Study. Transport is the biggest generator of carbon from new development, and the development strategy principles proposed seeks to focus development where there are opportunities for travel by active modes or public transport.

## **Health & Wellbeing**

36. Health and Social Inclusion is a major theme for the local plan. The Development Strategy Update has been subject to an Equalities Impact Assessment (see Appendix 4).

## **Consultation responses**

37. The local plan is accompanied by a Statement of Consultation at each stage in its preparation to set out what consultation has taken place in preparing the next version of the plan. The Consultation Statement supporting the Greater Cambridge Local Plan Development Strategy Update (Regulation 18 Preferred Options) is Appendix 3 to this report.

## **Alignment with Council Priority Areas**

### **Growing local businesses and economies**

38. The 2022 economic and housing evidence base considered both jobs growth and the need for different types of employment space. The Development Strategy Update seeks to meet the objectively assessed needs for jobs, subject to not causing unacceptable environmental, social or economic harm.

### **Housing that is truly affordable for everyone to live in**

39. The 2022 economic and housing evidence has considered the need for new housing. The Development Strategy Update seeks to meet the objectively assessed needs for homes, subject to not causing unacceptable environmental, social or economic harm. This would include a substantial number of affordable homes.

### **Being green to our core**

40. The plan is subject to a detailed Sustainability Appraisal / Strategic Environmental Assessment Process. The First Proposals was also informed by a Net Zero Carbon Study. Transport is the biggest generator of carbon from new development, and the development strategy principles proposed seeks to focus development where there are opportunities for travel by active modes or public transport.

## A modern and caring Council

41. The approach to engagement and participation on the Local Plan supports the Council's priority of being a modern and caring Council. The draft plan will be subject to full consultation.

## Background Papers

Background papers used in the preparation of this report include:

Updated evidence documents supporting the Greater Cambridge Local Plan, available at [Greater Cambridge Local Plan: Development Strategy Update](#):

- Greater Cambridge Employment and Housing Evidence Update (Iceni Projects), December 2022
- Greater Cambridge Housing Delivery Study Addendum (AECOM), December 2022

Previously published evidence documents supporting the Greater Cambridge Local Plan:

- Responses to the First Proposals consultation can be viewed in full on the [First Proposals website](#). We also asked for comments using an anonymous quick questionnaire, results are in the form of a [spreadsheet](#), and drawn out some of the key results in our [report on the consultation](#). Call for sites submissions can be found on the [Call for Sites](#) page.

Selected documents as below, available at [Greater Cambridge Local Plan – First Proposals document library, November 2021](#)

- Greater Cambridge Local Plan: First Proposals (Preferred Options 2021)
- Supporting documents: all shown
- Topic paper: Strategy topic paper, September 2021
- Evidence base:
  - all documents listed under Strategy
  - Integrated Water Management Study - Outline Water Cycle Strategy (Stantec), August 2021

[Papers supporting the Joint Local Planning Advisory Group meeting held 24<sup>th</sup> October 2022 regarding First Proposals representations on the development strategy](#). A recording of the meeting is also available to view.

Externally produced documents:

- [Water Resources East draft Regional Water Resources Plan](#)

## **Appendices**

- Appendix A      Greater Cambridge Local Plan: Development Strategy Update (Reg. 18 Preferred Options)
- Appendix B      Strategy Topic Paper: Development Strategy Update (Reg. 18 Preferred Options)
- Appendix C      Greater Cambridge Local Plan Consultation Statement: Development Strategy Update (Reg. 18 Preferred Options)
- Appendix D      Equalities Impact Assessment: Greater Cambridge Local Plan: Development Strategy Update
- Appendix E      Greater Cambridge Local Plan SA Addendum

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