Cambridge Local Plan – Towards 2031

Housing and Employment Provision in Cambridge
Draft Technical Background Paper
May 2012

Contents

1. Introduction

1.1 The Local Plan is a key document for Cambridge, setting out policies and proposals to guide future planning and development of the city. The Council has agreed to review the 2006 Cambridge Local Plan and produce a new Local Plan for Cambridge to cover the period to 2031.

1.2 As part of the review of the Local Plan, the Council needs to establish how the city should develop in the future along with setting out what the level of housing and employment provision should be to 2031. Changes brought about through the Localism Act 2011, now require local authorities to be responsible for setting their own level of housing and employment provision rather than targets being set at a regional level through Regional Spatial Strategies. Levels of housing and employment provision will need to be justified and based on local evidence including consultation on a range of options and consideration of any cross boundary and strategic issues.

1.3 Setting the level of housing and employment provision allows the Council to plan for sustainable development effectively and work with stakeholders and infrastructure providers in order to ensure that any infrastructure required can be provided in a timely manner to meet the needs of new development.

1.4 This paper is a technical document that pulls together various sources of evidence and information used to generate options exploring how many new homes and jobs need to be provided in Cambridge to 2031 and how the city should be developed in order to provide for those homes and jobs.

1.5 Much of this paper deals with forecasts, of population, homes and jobs. It is important to remember when considering these forecasts that they are based on a series of assumptions and also on imperfect data. Forecasts should not be treated as a straightforward indication of what will happen in the future. It is an indication of the current direction of travel, and is not an inevitable destination.

1.6 This technical paper will be updated as the Local Plan Review progresses, and a new version published at each main stage of the plan preparation.

2. Current housing target for Cambridge

2.1 The Cambridgeshire and Peterborough Structure Plan (2003) set out development strategy for Cambridgeshire, seeking to support the Cambridge economy while rebalancing the homes and jobs in the city through a number of releases of land from the Green Belt. It also set out a requirement for Cambridge to provide 12,500 homes along with the broad locations of land to be released from the Green Belt for development.

2.2 This strategy was brought into effect by the current Cambridge Local Plan, which under policy 5/1 set out the same requirement for 12,500 homes between 1999 and 2016, 6,500 within the existing urban area and 6,000 in urban extensions to the city.

2.3 The East of England Plan continued the approach to housing apportionment set in the 2003 Cambridgeshire and Peterborough Structure Plan and set a target of 19,000 new homes to be provided in Cambridge to 2021, with 950 homes to be provided per annum. The Council maintained an objection to this level of provision, as it was considered to be unachievable by 2021.

2.4 A review of the East of England Plan was initiated in 2008, and as part of input into the early stages, the East of England Regional Assembly (EERA) asked all the County Councils in the East of England to test higher levels of growth than in the East of England Plan for the period 2011 to 2031.

2.5 Cambridgeshire County Council invited all the District Councils to join with them in preparing its advice to EERA and formed a member group (known as CreSSP) to oversee its work.

2.6 The Cambridgeshire authorities responded to EERA's request by commissioning consultants to prepare a new Cambridgeshire Development Study. The study was completed in July 2009 and looked at how well the existing strategy was working and how the strategy could be developed if further growth was needed.

2.7 EERA consulted on the review of the East of England Plan to 2031 between 2 September and 24 November 2009 and the County Council through CreSSP made a joint response. This response was agreed in a report to the Council's Development Plan Steering Group on 17 November 2009. The response proposed a figure of 14,000 dwellings to be built in Cambridge, between 2011 and 2031, or 700 dwellings per annum. This level of provision was supported on the basis that it was much more realistic and it was also supported by the findings in the Cambridgeshire Development Study (2009)

2.8 A draft version of the revised East of England Plan was approved by the Regional Assembly in March 2010, and included an indicative target of 14,000 new homes in Cambridge between 2011 and 2031 (subject to testing). However, the Coalition Government announced in May 2010 that they intended to abolish Regional Spatial Strategies through the Localism Act.

2.9 In light of these announcements, the Cambridgeshire Authorities agreed a joint position statement setting out the development strategy for Cambridgeshire. For Cambridge, this was consistent with the findings of the Cambridgeshire Development Study (2009) and the agreed response to the review of the East of England Plan in 2009, providing for 14,000 new homes between 2011 and 2031.

2.10 Whilst the East of England Plan 2008 is still technically in place, the Council's 2010 and 2011 Annual Monitoring Reports reported progress against the 14,000 figure as a more realistic assumption of future provision to 2031. It was considered reasonable to do this on the basis that the Government indicated that for those Councils who decide to revise their housing targets, it was appropriate to use the targets that have been agreed between individual local authorities, the Regional Planning Body and those published in the draft RSS. These figures, known as option 1 figures, were the figures agreed through the response to the review of the East of England Plan in 2009 and were included in the draft version of the East of England Plan in March 2010.

2.11 These figures need to be tested alongside other levels of provision.

3. Current employment target for Cambridge

3.1 The East of England Plan included an indicative target of 75,000 jobs for Cambridgeshire between 2001 and 2011. The Cambridge and South Cambridgeshire Employment Land Review 2008 split that down for Cambridge and South Cambridgeshire to 31,780 new jobs and 17,610 new jobs respectively. This represents an annual rate of 1,589 new jobs a year within Cambridge.

3.2 Revised job growth projections from the Cambridgeshire Development Strategy 2009, suggest that fewer than 2,000 new jobs will be created per annum up to 2030 compared to the 3,750 per annum in the current East of England Plan. 69% of this jobs growth was projected for Cambridge and South Cambridgeshire.

3.3 A review of the East of England Plan was initiated in 2008, and a draft version of the Plan, approved by the Regional Assembly in March 2010, included an indicative target of 20,000 new jobs in Cambridge between 2011 and 2031 (subject to testing). This represents an annual rate of 1,000 new jobs a year within Cambridge. The targets in the draft East of England Plan represent an uplift on the level of job growth that might otherwise be expected if the region were to maintain its current share of economic growth, in the Cambridge Sub-Region this was to help it secure its full potential as a centre for world-class research and development. This draft target was not tested at examination and also did not take full account of the recent economic downturn and any merging proposals coming through the Greater Cambridge and Greater Peterborough Local Enterprise Partnership.

3.4 The review of the Cambridge Local Plan presents an opportunity to return to these figures and have a debate on the future levels of job provision in Cambridge.

4. Approach to setting housing and employment provision

4.1 The Coalition Government has not yet produced any best practice guidance on how local authorities should determine local housing and employment levels. However, previous national guidance indicated that when considering future levels of housing and employment provision a range of evidence needs to be considered, including:

- Demand-based issues – including demographics, quantitative and qualitative demand and future forecast employment levels;
- Supply-side issues – including the availability of land, infrastructure, environmental capacity and market deliverability.

4.2 This paper looks at demographic projections and the associated demand for housing, employment projections and land supply.

4.3 Whilst the Coalition Government have abolished the top down approach to setting housing targets through Regional Spatial Strategies, the provision of housing and jobs is still very much encouraged through the New Homes Bonus and the National Planning Policy Framework. Paragraph 156 of the National Planning Policy Framework states that Local Planning Authorities should include strategic policies to deliver the homes and jobs in the area. The main requirement comes under paragraph 47 which states that to boost significantly the supply of housing, local planning authorities should:

- use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period;

- identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) 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 should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;

- identify a supply of specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15;

- for market and affordable housing, illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target; and

- set out their own approach to housing density to reflect local circumstances.

4.4 This is supplemented by two definitions:

To be considered deliverable, sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.

4.5 Paragraph 48 covers windfall sites and paragraph 50 covers the range of houses to be provided:

To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);

- identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and

- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible.

4.6 In terms of employment provision, the National Planning Policy Framework strongly supports sustainable economic growth, stating that planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system. Local planning authorities are required to plan proactively to meet the development needs of business and support an economy fit for the 21st century.

4.7 Paragraph 21 sets out that in drawing up local plans, local planning authorities should:

set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;

- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

4.8 Paragraph 161 states that local planning authorities should, among other things, use their evidence base to assess:

- the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
- the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs.

4.9 Key sources of evidence base to inform the future level of housing and employment provision include demographic projections, economic potential, housing need, housing land supply, housing delivery, community and strategic issues, and infrastructure capacity. These are set out in the following sections.

5. Demographic Projections

5.1 This section examines the demographic projections for Cambridge. There are two main sources of population and household data: the Government and Cambridgeshire County

Council. The results of these two datasets vary.

- Government population projections are produced by the Office of National Statistics (ONS). This data is trend-based, meaning that past trends, for example fertility, mortality and migration are assumed to continue into the future. Dwelling projections are produced by the Department of Communities and Local Government (CLG) in a similar way. The ONS population and CLG Household projections were last published in 2010 and are based on a 2008 dataset.

- Cambridgeshire County Council population and dwelling forecasts are compiled by the Research, Performance and Business Intelligence Team, their projections are policy-based and take into account expected levels of house-building as set out in local policies and projected changes in fertility and mortality. The latest County Council data for populations and dwellings was published in 2011 and forecasts run from a base year of 2010.

5.2 It is important to note that the County Council's population and dwelling forecasts should be considered provisional. The proposed abolition of the Regional Spatial Strategy and ongoing uncertainty over the future of some developments included within the data mean that there is considerable uncertainty over future housing targets and likely trajectories, which are used to compile the forecasts.

5.3 County Council predictions estimate that the population of Cambridge will increase by 29,700 from 2011 to 2031. The County data is based on policy set out in the draft East of England Plan requiring **14,000** homes to 2031 (or **700** dwellings a year).

5.4 The Government estimates a significantly lower dwelling requirement of **9,000** which equates to **450** dwellings a year to support population growth over a 20 year timescale. The time period for these forecasts are slightly different from that of the plan, in that they cover 2013-2033. However, the periods are so close to each other that it is considered reasonable to use these forecasts for the period 2011-2031. These trend based projections provide a useful benchmark in setting out what happens if current trends continue and the level of housing provision needed if it was agreed to support past rates of population growth.

5.5 Currently, work is being undertaken to revise the Government's population estimates for Cambridge due to the large discrepancy with the County Council's figures, and therefore no comparison can be made at this time. New figures are due to be released around November 2012 and will be based on 2011 data. The latest figures are included in the below table for completeness, but the Council currently disputes their accuracy.

Table 1 demonstrates the statistics used for the above analysis.

Table 1 Population and household projections

Population and household projections	Government (ONS/CLG)	Cambs County Council
Population in 2011	105,000[1]	121,300
Population in 2031	106,000[1]	151,000
Rise in population 2011-31	1,000[1]	29,700
Household numbers in 2011	47,000[2]	49,350
Household numbers in 2031	56,000[2]	63,350
Rise in household numbers 2011-31	9,000	14,000
Rise in household numbers per year	450	700

5.6 The population and household projections indicate that somewhere between **450** and **700** dwellings per year may come forward in the future. The trend based forecasts (CLG) do not take into account a variety of factors, such as the economic downturn, housing need or the link between homes and jobs and the need to support the economy. The policy based forecasts (County) are based on an assumption of what could be delivered at that point in time.

6. Economic Projections

6.1 The Cambridge economy is strong and dynamic. The University of Cambridge and the Colleges have helped develop Cambridge as a centre of excellence and world leader in the field of education and research. Their success has helped contribute to the dynamism, prosperity and further expansion of the local economy. The concentration of high technology firms and links between the universities, Addenbrooke's Hospital, and other leading edge research facilities have helped with knowledge transfer from academic research into commercial application.

6.2 The Council has less control over the provision of jobs compared to the provision of homes. While land and buildings can be allocated or safeguarded for employment use, business demand will ultimately determine whether it is developed (similar to housing), and how many jobs there are on the site. New jobs can be created (and lost) in existing offices and shops without any need to involve the planning system. It is therefore far more difficult to even count the number of jobs in an area at any one time, let alone provide a precise number of new jobs. Nevertheless, the Council is required to meet objectively assessed need[3] within the area and can plan to have a suitable amount and range of land available for employment development.

6.3 The past economic strategy in Cambridge has been to promote economic growth in sustainable and accessible locations and enable Cambridge's role as a world leader in higher education, research, and knowledge-based industries. Prior to 2000, high tech employment growth in and close to Cambridge was encouraged, but housing growth was pushed out beyond the Green Belt to the surrounding villages and market towns, such as Ely, Royston, Huntingdon and Cambourne. This led to increased commuting on the radial routes into Cambridge, the A14 and A10, harming the environment, people and businesses. In the Cambridgeshire and Peterborough Structure Plan 2003 and the Cambridge Local Plan

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[1] These figures are included in the table for completeness, but the Council currently disputes their accuracy

[2] The CLG household projections cover the period between 2013 and 2033, rather than 2011 to 2031. It covers the same timespan as the Plan period (20 years) so should provide a rough equivalent.

[3] NPPF, paragraph 14

2006, a change in strategy was implemented to try and redress the imbalance between homes and jobs in the city. This led to a number of limited releases of Green Belt land on the edge of the city for predominantly residential-led schemes.

6.4 The recent economic downturn has not affected Cambridge as seriously as other areas. In November 2011, the Job Seekers Allowance (JSA) claimant rate for Cambridge was 1.8%. While this is up by 0.5% since February 2008, this still compares well to the national JSA claimant rate of 3.9% in November 2011. The number of patents obtained in Cambridge has increased between 2009 and 2010, and Cambridge has more patents per 100,000 residents than the next six cities combined. Over 50% of Cambridge residents have degree level qualifications or better, and only 3.1% of residents have no qualifications. However, Cambridge has seen a larger than average fall in the number of businesses relative to the population. Between 2009 and 2010, the Business Stock per 10,000 population fell from 340.2 to 321.8, a fall of 5.4%. The national picture was a fall of 334.2 to 321.7, or 3.7%. The source of the statistics within this paragraph is: Cities Outlook 2012, Centre for Cities.

6.5 There are two main sources of economic forecasts for Cambridge. Both of these are based on past trends, but incorporate some assumptions on future economic prospects and the growth of particular sectors:

- **East of England Forecasting Model (EEFM)**:
  - Commissioned by the East of England Development Agency to inform the Regional Spatial Strategy. This model was produced by Oxford Economics, and provides economic forecasts for local authorities in the region. It has since been licensed to Cambridgeshire County Council.

- **Cambridge Econometrics Model**:
  - A run of this model was commissioned by Cambridgeshire County Council and districts in 2008 to inform strategic planning for the future growth of Cambridgeshire and input into the Regional Spatial Strategy review. This run fed into the 'Cambridgeshire Development Study'.
  - An additional run of this model was commissioned by the Cambridgeshire authorities in 2012 to inform the production of local plans.

6.6 The latest EEFM run was in May 2012 (forecast A in table 2), and this indicates that there will be an additional 22,100 jobs in Cambridge over the period 2011 to 2031. This represents an average of **1,105 jobs per year**. The trend-based[4] 2008 run of the Cambridge Econometrics model (forecast B in table 2) indicates there will be an additional 17,400 jobs In Cambridge over the period 2007 to 2031. This represents an average of **725 jobs per year**. The policy-led[5] 2008 run of the Cambridge Econometrics model (forecast C in table 2) indicates there will be an additional 21,400 jobs In Cambridge over the period 2007 to 2031. This represents an average of **892 jobs per year**. The EEFM is also set to run a number of scenarios accounting for different levels of growth, these will be incorporated into future iterations of this paper.

6.7 The baseline scenario for the 2012 run of the Cambridge Econometrics model (forecast D in table 2) indicates an additional 14,740 jobs in Cambridge between 2011 and 2031. This represents an average of **737 jobs per year**. The run of the model including population

[4] Reflecting historic shares of growth by district and industry sector.
[5] Incorporating population forecasts produced by Cambridgeshire County Council's Research Group in 2007.

assumptions based on Cambridgeshire County Council Research Group Population Projections of August 2011 (forecast E in table 2) indicates an additional 19,600 jobs in Cambridge between 2011 and 2031. This represents an average of **980 jobs per year**.

6.8 A low growth scenario for the 2012 run of the Cambridge Econometrics model (forecast F in table 2) indicates an additional 9,160 jobs in Cambridge between 2011 and 2031. This represents an average of **458 jobs per year**. A high growth scenario (forecast G in table 2) indicates an additional 19,690 jobs in Cambridge between 2011 and 2031. This represents an average of **985 jobs per year**. These runs of the model assume higher and lower rates of growth in the area. A summary of the jobs projections is set out in table 2 below:

Table 2 – Summary of jobs growth projections for Cambridge

	A. East of England Forecasting Model May 2012	B. Cambridge Econometrics 2009 (trend-based)	C. Cambridge Econometrics 2009 (policy-led)	D. Cambridge Econometrics 2012 (baseline)	E. Cambridge Econometrics 2012 (population projections)	F. Cambridge Econometrics 2012 (low forecast)	G. Cambridge Econometrics 2012 (high forecast)
Number of jobs now	95,900 (2011)	99,700 (2007)	99,700 (2007)	102,720 (2011)	102,670 (2011)	102,720 (2011)	102,720 (2011)
Number of jobs in the future	118,000 (2031)	117,100 (2031)	121,100 (2031)	117,460 (2031)	122,270 (2031)	111,880 (2031)	122,410 (2031)
Annual jobs growth	1,105	725	892	737	980	458	985
Jobs growth 2011-31	22,100	14,500	17,840	14,740	19,600	9,160	19,690

Sources: East of England Economic Forecasting Model (EEFM) – May 2010 –Baseline Forecast; Cambridgeshire Development Study July 2009 and Local Economic Forecasting Model, Cambridge Econometrics April 2012

6.9 The two models produce different job growth estimates for Cambridge. Economic modelling is not an accurate science, and can only provide a broad indication of the scale of changes. The EEFM forecasts are likely to provide an optimistic view of jobs growth, as an examination of the model reveals that it tends to overstate historical rates of population and employment growth in the county (see the Cambridgeshire Development Study, page 30; and EEFM Forecasting Advice October 2011). At the time that the Cambridgeshire Development Study was produced in 2009, the EEFM was not supported by the Cambridgeshire authorities based on the highly optimistic and unachievable forecasts it produces.

6.10 The Cambridge Econometrics figures appear to be a more realistic estimate when compared with past rates of job growth in Cambridge. Between 1991 and 2011, there was an increase of 11,700 jobs in Cambridge (source EEFM May 2012), this equates to an additional **585 jobs per year**. Highlighting the difficulty in even counting jobs, let alone forecasting future numbers of jobs, the Cambridge Econometrics model shows an increase of 4,600 jobs between 1991 and 2011, this equates to **230 jobs per year**.

6.11 It is informative to look at past rates of job growth in more detail. Looking at the EEFM between 2001 and 2011, there were 400 additional jobs in Cambridge, or **40 jobs per year**. Between 1991 and 2001, there were 11,200 additional jobs in Cambridge, or **1,120 jobs per year** (source EEFM May2012). Between 2001 and 2011, there has been slight jobs growth in Cambridge, all the figures being forecast are far higher than that achieved in those years. However, looking back a bit further, the various forecasts (including the EEFM) do not look as unrealistic when compared to the jobs growth between 1991 and 2001, 11,600 additional jobs, or **580 jobs per year**. There are a multitude of factors as to why this has happened:

- It could be a sign of the change in strategy implemented by the Cambridgeshire and Peterborough Structure Plan 2003 and the Cambridge Local Plan 2006, whereby residential development was encouraged over employment development in order to redress the imbalance between homes and jobs;
- It could be a sign of the employment land in Cambridge starting to “dry up”;
- It could be the impact of the “dot com bubble” bursting in the early 2000s;
- It could be a combination of any or all of the above and or a different factor or factors.

6.12 Looking at the Cambridge Econometrics model for between 2001 and 2011, there were 910 additional jobs in Cambridge, or **91 jobs per year**. Between 1991 and 2001, there were 3,690 additional jobs, or **369 jobs per year**. Looking back further, between 1981 and 1991 there were 21,400 additional jobs, or **2,140 jobs per year**. Over the thirty year period, there were 26,000 additional jobs, or **867 jobs per year** (source Cambridge Econometrics model 2012). These records are similar to those of the EEFM for the period 2001 to 2011, in not showing much growth. However, in 1991 to 2001 this model shows a far lower growth than the EEFM. Between 1981 and 1991, growth was far higher however.

6.13 It is also informative to compare these levels of provision with past rates of job growth in South Cambridgeshire. The administrative area of South Cambridgeshire completely surrounds Cambridge and the economy of Cambridge is intrinsically linked to that of South Cambridgeshire. Furthermore, many sites that the public would view as being within Cambridge are actually within the administrative area of South Cambridgeshire, for example the Cambridge Science Park is actually within South Cambridgeshire. Looking at the EEFM between 2001 and 2011 there were 14,900 additional jobs in South

Cambridgeshire, or **1,490 jobs per year**. Between 1991 and 2001, there were 15,600 additional jobs in South Cambridgeshire, or **1,560 jobs per year** (source EEFM 2012). South Cambridgeshire has consistently had higher jobs growth than Cambridge over the period, although it has a lower total number of jobs.

6.14 Looking at the Cambridge Econometrics model between 2001 and 2011, there were 12,790 additional jobs in South Cambridgeshire, or **1,279 jobs per year**. Between 1991 and 2001, there were 18,590 additional jobs, or **1,859 jobs per year**. Looking back further, between 1981 and 1991, there were 18,040 additional jobs, or **1,804 jobs per year**. Over the thirty year period, there were 49,410 additional jobs, or **1,647 jobs per year** (source Cambridge Econometrics model 2012). These records are similar to those of the EEFM for the period with high job growth in all periods, although slightly lower in 2001 to 2011.

6.15 Oxford Economics will be running a number of scenarios in the near future including looking at lower levels of growth in the region.

6.16 The Council's Employment Land Review (ELR) was endorsed in 2008, and is currently being updated. The 2008 ELR looks at nine different employment forecasts, these all start from 2001 and either look forward to 2016 or 2021. These forecasts range from between 32,500 and 53,490 net increase in jobs in Cambridge and South Cambridgeshire. This range narrows to between 32,500 and 42,760 when the higher forecasts are set aside. These equate to an additional **1625** or **2138 jobs per year** for Cambridge and South Cambridgeshire. The Councils are updating the Employment Land Review to inform the plan.

6.17 The draft review of the East of England Plan that was published in March 2010, included a figure for Cambridge of 20,000 jobs between 2011 and 2031 (subject to testing), or 1,000 jobs per year. The draft document recognises that "the regional targets represent an uplift on the level of job growth that might otherwise be expected if the region was to maintain its current share of economic growth" (draft East of England Plan, March 2010). It also notes that this will help Cambridge to secure its full potential as a centre for world-class research and development.

7. Economic led housing projections

7.1 There is a relationship between homes and jobs delivery that the development strategy needs to have regard to. The EEFM 2012 predicts that projected job growth of **22,100** over the period 2011-31 would require an additional **12,900** houses to be provided in the district (645 per year). This calculation takes into account of current rates of employment, economic activity and in/out-commuting levels. The EEFM forecasts are likely to provide an optimistic view of jobs growth, as an examination of the model reveals that it tends to overstate historical rates of population and employment growth in the county (see the Cambridgeshire Development Study, page 30; and EEFM Forecasting Advice October 2011). At the time that the Cambridgeshire Development Study was produced in 2009, the EEFM was not supported by the Cambridgeshire authorities based on the highly optimistic and unachievable forecasts it produces.

7.2 The Cambridge Econometrics work does not translate the jobs projections into household projections, although the Cambridgeshire Development Study does recommend a level of housing provision for the county to support the jobs growth. This is based on delivery of the current strategy (75,000 new homes to 2031) with a possibility for an additional 15,000 homes. It is from this recommendation that the 14,000 figure for Cambridge was arrived at in the draft East of England Plan 2010, although it is worth noting that this was reliant on Cambridge East being developed, which will now not happen before 2031.

8. Housing Need

8.1 Affordable housing includes social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

8.2 When determining future housing provision it is important to take into account the need for affordable housing. High housing prices and rental costs in Cambridge mean that it is difficult for people at the lower end of the economic scale to affordable to live in the city. It is not possible to identify definitive overall housing need from the sources available but the Strategic Housing Market Assessment (SHMA) provides some useful information and provides a figure for affordable housing need. The SHMA (with data from Hometrack) shows the average house price in Cambridge to be £276,294 between November 2008 and April 2009. More recently, Hometrack Sales and Valuation figures estimate that the average house prices in Cambridge between September 2010 and March 2011 was £321,189.

Table 1: Average House Prices in Cambridge

	September 2010 to February 2012	November 2008 to April 2009
Terraced	£317,982	£283,361
Semi Detached	£339,204	£273,230
Flat/Maisonette	£211,726	£170,348
Detached	£580,092	£459,488

8.3 These figures show a dramatic increase in house prices within the Cambridge local authority area over 2 years from an already high base.

8.4 Figures on average house prices and average wage levels suggest that in 2011 the ratio or multiplier of wages to average house prices in the city was around 9.2, and has remained fairly consistent over the last two years, even at a time of ongoing economic uncertainty. The ratio of lower quartile earnings, which is more appropriate for first time buyers, against the cheapest housing available was around 9.5 in 2010 up from 8.2 in 2009, this highlights the continuing issue of affordability for first time buyers in Cambridge. Average (mean) house prices are now around £321,189, an increase of 12% from 2009[6]. The average (mean) house prices is the best information available, however this should be treated with caution as high (and low) prices can distort this average.

[6] Communities & Local Government, 2011. *Live tables on housing market and house prices* [online]. London: Communities and Local Government. Available at: http://www.communities.gov.uk/documents/housing/xls/322286.xls

8.5 From the data acquired through the SHMA[7], figures show 8,210 people to be on the housing needs for social housing in April 2012 . In 2001, this figure was 4,472, although caution should be exercised in comparing these two figures since a new system of registering through a Choice Based Lettings system was introduced during this period. Figures indicate that in 2009 there was a requirement for 199 four or more bed houses, 652 three-bed houses, 1,527 two-bed houses and 4519 1-bed houses to meet the requirements of the housing needs register. These figures may not include some first time buyers who do not feel it is appropriate to apply to the housing needs register but still cannot afford a property due to the high housing costs (see the paragraph above). Current figures held by the Council (April 2012) show that there are 8,204 people on the register with 367 applicants on the Homebuy Register living in Cambridge and seeking intermediate housing (e.g. shared ownership, shared equity or intermediate rent housing).

8.6 At April 2012, there were 8,204 'live' applicants for social housing to rent on the Council's Home-Link housing register (including new applicants and those already in social housing applying to transfer).

8.7 Applicants applying for housing on the register are placed into one of four priority bands, A-D. At April 2012 the number of applicants in each band was as follows:

Band A: 306
Band B: 666
Band C: 4,171
Band D: 3,061

8.8 Bands A-C are for applicants considered to be in 'Urgent', 'High', and 'Medium' need – examples include those who are homeless, have medical reasons for needing to move, are living in overcrowded conditions, etc. Around 62% of applicants in the City are in priority bands A-C.

8.9 Band D is for those who do not fall into any of the priority Bands A-C. Although this Band is labelled 'adequately housed', this applies to the suitability of their current accommodation itself, not whether they can afford to remain there. The main reason cited by Band D applicants for wanting to move (other than existing social tenants wanting to transfer) is that they are finding it difficult to afford to remain in their current accommodation. (The sub-regional and Cambridge City Lettings policies, including decisions on how applicants should be 'banded', are currently being reviewed).

8.10 It is also generally accepted that there are likely to be other people in housing difficulties who have not applied to go onto the housing register because they think there is little chance of them being housed, or maybe because they feel that social housing is not for them. The government states that the introduction of new Affordable Rents at higher than social rents but below market rents is aimed partly at providing a 'more varied menu' of housing options. This could potentially lead to a wider range of people applying for social housing in the future, and increase demand further.

8.11 The total net need for affordable housing in Cambridge is identified as 2,140 dwellings per

[7] Chapter 17, Table 7

year over the next five years. This incorporates a backlog over a five year period as well as newly arriving need over that period. Newly arriving need on an annual basis for Cambridge is 592 dwellings. Therefore total affordable housing need is for 2012-32:

(2,140 x 5) + (592 x 15) = 19,580 affordable homes or 979 per annum.

8.12 Some caution should be used when viewing these figures as the time period identified is for 2012-2032 and not the same period as the plan, 2011-2031. This is because the most up to date data covers the period from 2012. However, it covers the same timespan as the Plan period (20 years) so should provide a rough equivalent.

8.13 If you compare the annual net need for affordable housing figure of 979 with the level of housing provision in the draft East of England Plan of 700 dwellings per year, then 140% of housing delivered per annum would need to be affordable housing. This is obviously not possible.

8.14 40% of 14,000 dwellings (from the draft East of England Plan) is 5,600. With a level of affordable housing provision of 40% on all sites of 15 or more dwellings (existing Local Plan policy 5/5), 5,600 is the maximum number of affordable houses that would be completed (assuming no sites of more than 40% affordable housing). In reality there would be less than this 5,600 affordable homes as some sites would provide under 15 dwellings and hence wouldn't have an affordable housing requirement. This is well below the need for 19,580 affordable homes.

8.15 A similar calculation can be completed for other options identified in this document. All options are unable to meet the affordable housing need identified.

9. Housing Land Supply

9.1 The National Planning Policy Framework requires the Council to undertake a Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period. The SHLAA aims to ensure there is an informed understanding of the likely availability of land for housing over the period of the next Local Plan. The SHLAA has been prepared in accordance with the government's Strategic Housing Land Availability Assessment: Practice 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.

9.2 The SHLAA aims to identify sites with potential for housing, assess their housing potential, and assess if and when they are likely to be developed. It does not allocate land or commit to development but assists in informing more detailed work on the Local Plan Review.

9.3 The overall residential capacity findings from the SHLAA are set out below:

Draft SHLAA – November 2011

Commitments	10,382
Sites over 10 dwellings	950

Small Sites	820
Total	12, 152
Additional capacity within the urban area	1,770

Current SHLAA May 2012

Commitments (2010 – 2011)	10, 612
Sites over 10 dwellings	1,260
Small Sites	800
Total	12,672
Additional capacity within the urban area	2,060

9.4 The SHLAA identifies potential capacity for up to 2,060 new homes within the built up area of Cambridge. These homes would be on top of existing commitments of 10,612 (e.g. sites with planning permission or sites already allocated for development). This gives a total capacity for around **12,700** new homes with existing planning permission, already allocated (including in the urban extensions) and in the existing urban area in sites identified in the SHLAA.

10. Housing Delivery

10.1 Past housing completion rates can show the ability of the market to deliver housing in the future and it is important to take this into consideration when considering future levels of housing provision. Past completions rates give an indication of the likely levels of housing completions. However, the availability of land and economic factors do influence the rate of completions.

10.2 Table 1 shows net housing completions taken from Council's Annual Monitoring Report 2011.

Table 1: Net housing completions

2001/02	159
2002/03	287
2003/04	505
2004/05	601
2005/06	731
2006/07	629
2007/08	521
2008/09	587
2009/10	288
2010/11	390

10.3 Over this period, a total of 4,698 dwellings were completed, demonstrating an average yearly build of **470 dwellings per year**. Between 2004/5 and 2006/7, there is a peak in house building when completions reached over 600 and 700 dwellings per year. This peak was due to a number of large sites within the urban area (e.g. Accordia, Simoco and the Triangle site near the station) seeing completions at this time. Completions then fell off, to a low of just under 300, as the economic downturn began to be felt and a number of developments (including the urban extensions) in Cambridge encountered delays. These sites are now under construction and new homes are being delivered at CB1 and in the Southern Fringe sites.

10.4 Projecting the annual figure forward will give a level of housing provision that has been deliverable by the market over the last ten years. If this level of provision were projected to 2031, this would give **9,400** dwellings between 2011 and 2031. This figure does not take account of the urban extensions that currently have permission and are just beginning to be built out: these are likely to significantly increase the level of annual housing completions. Furthermore, some of the completions over the last ten years have been on “one off” sites in the urban area, the like of which should not be assumed to come forward again. For example, former industrial sites along Cromwell Road, Accordia and the Cambridge University Press site on Brooklands Avenue, Simoco by the river and sites on Rustat Road, were all sizeable opportunities to meet Cambridge housing need. Similar opportunities cannot necessarily be assumed to be achievable in the future. Smaller windfall sites are still likely to make up a part of the housing supply in Cambridge in the future. Nevertheless, these considerations make the projection forward of previous completion rates unreliable as a tool to forecast deliverable sites in the future, although they do offer a useful comparison.

10.5 A more reliable prediction of future completions is found in the housing trajectory in the Annual Monitoring Report. This is based on asking when the developers of sites are intending to develop them. The latest housing trajectory predicts there will be 10,612 completions between 2011 and 2031, this is based on the build out of existing commitments. These commitments deliver large numbers of houses in the years up to 2020, before it starts to fall off. The housing trajectory does not identify any housing completions from the year 2025 onwards.

10.6 It is important to note that the urban extensions will contribute to this figure in the future as they currently make a significant contribute to the overall supply in Cambridge and good progress is being made in the Southern Fringe and at North West Cambridge including NIAB. Despite land being allocated and planning permissions in place development of the urban extensions has not come forward as fast as previously anticipated, this is due to the recent economic downturn. Development is now starting to pick up on the urban extensions with houses beginning to go up on many of them.

10.7 The economic downturn will inevitably have an effect on housing delivery in the next few years. Information from developers suggests that, generally speaking, they expect developments to start one or two years later than planned. This is especially so for developments thought likely to start within the next year or two. In addition, larger developments are likely to be spread over a longer time period. It should be noted the effects of the recession relate to the timing of development rather than its extent, or location.

10.8 Developers’ reasons for other possible delays in housing developments include: market conditions, site preparation costs, infrastructure costs, and planning obligations. All these cost factors have the potential to affect delivery of housing on this site.

10.9 It is difficult to project forward completions in such times of economic uncertainty. To an extent, development predictions in the longer term are based on a return to normal market conditions, including the availability of mortgage lending but there is no quantifiable way of knowing how long a recession will last.

11. Broad Locations on the Edge of Cambridge

11.1 Alongside exploring what the right level of development for Cambridge should be over the next 20 years, it is important to explore where such development could be directed. As part of this, a key issue for consideration at this stage is to explore the principle of whether there should be more development on the edge of Cambridge and whether exceptional circumstances exist to justify the release of further land from the Green Belt to meet the housing and employment needs of the area.

11.2 In order to ensure that the testing process for the local plan is robust, a comprehensive approach to reviewing the land on the edge of Cambridge has to be taken at this stage, with all locations being assessed and presented for comment as part of this Issues and Options consultation. Some of the broad locations are within the city and others straddle the boundary with South Cambridgeshire. For the purposes of completeness, three broad locations on the edge, which are wholly in South Cambridgeshire have also been included in this consultation.

11.3 For land in the city, the broad locations cover the area between the urban edge and the administrative boundary. The only exception to this approach is broad location 3 on land west of Trumpington Road, where a smaller area has been looked at and excludes land towards the River Cam and Grantchester Meadows. This is on the basis this land would not be a reasonable option for development.

11.4 All of the broad locations identified for testing could theoretically be built out for housing in whole or in part, taking account for example of planning constraints such as flooding, environmental designations or heritage assets. The suitability of land on the edge of Cambridge for housing will, however, turn on the principle of whether the Green Belt should be reviewed as part of a developing a new sustainable development strategy for the Cambridge area, and if so, whether individual sites, or parts of sites, could be released. Or whether these releases and their attendant level of harm to the purposes of the Green Belt are considered on balance to be acceptable within that strategic framework.

11.5 Given the tight administrative boundary and close interrelationship with South Cambridgeshire, both Councils will need to work together and consider holistically how best to meet the needs of the wider Cambridge area, especially in relation to housing and employment. The current development strategy that came through the cooperative Structure Plan process in 2003, was based on the principle of providing as much housing as possible in and close to Cambridge to create a better balance between jobs and homes and to provide for the most sustainable development strategy that was consistent with protecting the most important qualities of Cambridge and its rural neighbours. The Councils will need to consider how best to achieve a Green Belt boundary that is compatible with long term sustainable development that will endure into the future, and whether this requires the boundary to be revisited in this round of plan-making.

11.6 The NPPF states that the Government attaches great importance to Green Belts whose essential characteristics are their openness and permanence. Five purposes for Green Belts are set out, which are essentially the same as those dating from 1955 (as amended in 1988 and 1995). The key one for the Cambridge Green Belt being: "*To preserve the setting and special character of historic towns".* The Cambridge Green Belt is one of the few to which this criteria applies. The purposes and functions of the Cambridge Green Belt are intended to help achieve the preservation of the setting of Cambridge and its special character and prevent coalescence with and between surrounding villages.

11.7 Green Belt boundaries can only be established in Local Plans and "*once established can only be altered in exceptional circumstances, through the preparation or review of the Local Plan*". For the current Local Plan, the exceptional circumstance was provided by the policies of the 2003 Structure Plan and the objective of delivering a sustainable development strategy focusing new homes close to jobs in Cambridge. After the withdrawal of the majority of the Structure Plan, the approach was continued in the Regional Spatial Strategy. Green Belt guidance has always made clear that Green Belt boundaries should be drawn so that they can endure beyond the end of the plan period. Current inner Green Belt boundaries have been established in a suite of recent plans – the Cambridge Local Plan 2006, three Area Action Plans from 2008 and 2009 and in the South Cambridgeshire Site Specific Policies DPD from 2010.

11.8 The current Green Belt boundary around the city was established with the expectation that its boundaries could endure beyond the end of the 2016 plan period first established by the Structure Plan, which set out broad locations for development. Given that growth strategy is at an early stage in its delivery, a key question for the issues and options stage is whether there are exceptional circumstances that would justify further alterations to the Green Belt to cover the period to 2031 and beyond.

11.9 Broad locations identified at this stage are set out in the table below:

Broad Locations within the city (only includes the parts of locations within Cambridge City Council's administrative boundary)

Broad Location	Area (ha)	Min capacity	Max capacity
1. North & South of Barton Road	87.97	1,980	2,969
2. East / West of Grantchester Road	20.18	454	681
3. West of Trumpington Road	45.36	1,021	1,531
4. West of Hauxton Road	4.82	108	163
5. South of Addenbrooke's Road	34.50	776	1,165
6. South of Addenbrooke's and Babraham Road	40.86	919	1,379
7. Cambridge South East	136.39	3,069	4,608
Total	370.08	8,327	12,496

11.10 The theoretical capacity for each location has been calculated using the following approach:

Max capacity = Area x 0.75 x 45

Min capacity = Area x 0.5 x 45

11.11 This allows for a percentage of the location (either 25% or 50%) to be deducted from the area for major roads, open space etc, and then the remainder of the site to be developed at 45 dwellings per hectare. This density is consistent with sites now being developed in the southern fringe and represents a realistic average consistent with a site which is capable of delivering a range of house types, from single detached dwellings through to terraced and flat dwellings.

12. Strategic Issues

12.1 The current development strategy for the Cambridge area stems as far back as 1999, with the work undertaken by Cambridge Futures and the recognition that a change in approach was required in order to redress the imbalance between homes and jobs in and close to Cambridge, and provide for the long term growth of the University of Cambridge and Addenbrooke's Hospital, whilst minimising increases in congestion on radial routes into the city. The strategy makes provision for development within Cambridge or as sustainable extensions to the urban area, at the new town of Northstowe (linked to the guided busway), and at the most sustainable rural settlements. The Cambridgeshire and Peterborough Structure Plan 2003 also identified the ring of market towns around Cambridge that lie beyond South Cambridgeshire as having a role in the sequence between Northstowe and the rural area.

12.2 The 2003 Structure Plan identified broad locations to be released from the Green Belt and the strategy was given effect through the Cambridge Local Plan, the South Cambridgeshire Local Development Framework, and the joint Area Action Plans for North West Cambridge and Cambridge East. All of these Plans were subject to extensive periods of public consultation and all decisions were arrived at in a democratically accountable manner. Throughout the preparation of these plans, there was strong local acknowledgement of the growing need for the most sustainable form of development and delivery of new affordable homes in the Cambridge area.

12.3 As part of the review of the RSS for the East of England, the Cambridgeshire authorities commissioned consultants to prepare the Cambridgeshire Development Study. The study was completed in 2009 and looked at how well the existing development strategy was working and how the strategy could be developed if further growth was needed.

12.4 The study identified a range of challenges for growth beyond the current development strategy. One key issue was that significant additional expansion to Cambridge (where the economy is stronger) would impact on the integrity of the Green Belt and the concept of Cambridge as a compact city. The study also concluded that there are significant issues with the capacity of Cambridge's city centre to cater for such growth and without deliverable solutions for transport and land supply, Cambridge centred growth will be difficult to achieve, and would require a fundamental step change in traffic management and travel behaviour.

12.5 The study recommends a spatial strategy for Cambridgeshire that is based on delivering the current strategy with further balanced expansion through regeneration in selected market towns and focussing on making best use of existing infrastructure. However, it does indicate that some additional growth could be located on the edge of Cambridge incorporating a limited review of the Green Belt boundary. The key objective of the strategy remains to locate homes close to Cambridge or other main employment centres, avoiding dispersed development, and ensuring that travel by sustainable modes is maximised through connections focussing on improved public transport and reducing the need to travel.

12.6 The NPPF states that public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.

12.7 Councils are required to work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Furthermore, joint working should enable Councils to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies in the NPPF.

12.8 The Council will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when the Local Plan is submitted for examination. This could be by way of a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. As part of examining the "soundness" of plans, inspectors will be required to assess whether a plan has been prepared in accordance with the duty to cooperate.

12.9 Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development including housing and employment.

12.10 At a County level, appropriate arrangements have also been put in place with the establishment of a joint Strategic Planning Unit and Board in order to facilitate the duty to cooperate on strategic planning issues across the county.

12.11 More locally, joint working between the City Council, South Cambridgeshire District Council and the County Council is well established. In particular, the City Council and South Cambridgeshire jointly commission much of the evidence base to support Local Plan preparation because of the interaction between the two areas.

12.12 The timetables for reviewing both Councils' Local Plans are broadly in line with each other, with both Councils consulting on Issues and Options in the summer 2012. These consultations will include options for housing and employment provision and looking at how future provision can be accommodated. In addition to this, the Councils along with Cambridgeshire County Council have set up a joint member group (known as the Strategic Transport and Spatial Planning Group) to oversee the production of the Plans and discuss relevant cross boundary issues. There is a good history of cooperation and joint working on planning issues in Cambridgeshire.

12.13 Given the current development strategy for the Cambridge area, it is important for the Councils to jointly explore future options and levels of provision. A key issue for the consideration at the issues and options stage is whether there should be more development on the edge of Cambridge and further land released from the Green Belt to accommodate this. A joint assessment of the land on the edge of Cambridge has been undertaken and it has been agreed for the purposes of the Issues and Options consultation, that the first step is to establish whether the principle of more develop on the edge of

Cambridge is acceptable and where should this be. The agreed approach is to outline at this stage the broad locations and provide factual/technical information on each location.

13. Localism

13.1 The Localism Act 2011 puts the community at the forefront of the planning system and contains proposals to make the system clearer, more democratic and more effective. In particular, it aims to place more influence in the hands of local people over issues that make a big difference to their lives.

13.2 The Council has a good track record of involving the community in planning and it is a key component of the plan-making system with key stages outlined for consultation. Therefore, it is important that the Local Plan review builds on this record and involves the community from an outset. Given the need for more housing and the importance of creating and maintaining jobs in Cambridge, it is essential that the views of the community are sought before any key decisions are taken. Whilst provision is now set at a local level, the Council will have to balance the views of the community against identified need and evidence which identifies this need. All decisions need to be sound and justified as well as being part of transparent decision-making process.

13.3 Any decisions and approaches will be tested at Public Examination by an Independent Inspector who will want to understand why certain decisions have been taken and whether the overall approach is reasonable and sound.

14. Infrastructure Provision

14.1 In exploring the level of housing and employment provision, it is also important to consider the capacity of infrastructure to deal with future provision. A key component of plan-making is to ensure that all relevant stakeholders and service providers are involved in the process from the very beginning in order to plan effectively and understand any constraints or barriers to future development, including how these can be overcome. Key infrastructure such as schools, transport, community facilities, health facilities and water supply need to be in place to support new development. If there is a lack of infrastructure capacity, this may affect the delivery of housing. In terms of employment provision, the NPPF clearly states that Councils should work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.

14.2 The Council is currently exploring infrastructure capacity and working with infrastructure providers as part of the Local Plan review process. A joint Infrastructure Study was commissioned with South Cambridgeshire District Council. This work was based on the current spatial strategy and will need to be updated, should more provision be identified through the Issues and Options consultation.

15. Conclusions and Options

15.1 It is important to evaluate all the options available in a comprehensive and robust manner in order to plan for an appropriate level of homes and jobs in Cambridge to 2031.

15.2 Cambridge is an acknowledged world leader in higher education, research and knowledge-based industries and has a prosperous and dynamic economy. It also has a renowned landscape setting with a network of open spaces linking into a thriving and accessible historic centre. The success of Cambridge means there are also many competing development needs and pressures on what is a small compact, city. There is a high demand for housing, a need for more affordable housing; a need to maintain the economy; provide more jobs; support the continued success of the University of Cambridge, the colleges and Anglia Ruskin University; provide essential services and facilities to meet the day to day needs of residents and to maintain the city as a sub-regional centre for shopping, leisure and cultural activities.

15.3 Changes brought about through the Localism Act 2011, now require local authorities to be responsible for setting their own level of housing and employment provision rather than targets being set at a regional level through Regional Spatial Strategies (RSS). This means that alongside establishing where future development should go, the Council needs to establish an appropriate level of housing and employment provision to 2031. Levels of housing and employment provision will need to be justified, based on evidence and include consideration of any cross boundary and strategic issues/implications. Furthermore, given the completing development pressures in Cambridge, the Council will need to consider how these needs can be met and balanced with environmental and infrastructure constraints along with improving the quality of life for all.

15.4 Demand for housing in Cambridge is high, with high rents and high house prices. The availability of affordable housing to meet housing need is a key issue. It is also vital in order to support economic growth, and promote and improve the health and well-being of Cambridge residents. There needs to be a good range and choice of housing to help a growing population including young people, families and the elderly. If we do not address this need, it is likely that house prices will continue to rise, worsening affordability and possibly leading to more people living outside of Cambridge and commuting on congested roads into Cambridge. This could also have an impact on the growth of the economy and harming the opportunity for people to get jobs.

15.5 Planning for an appropriate level of housing provision requires us to take account of a range of forecasts for population, homes and jobs. This information has been pulled together in a background document to inform the development of options.

15.6 The table below pulls together and compares the various sources of information for potential levels of housing provision.

Housing Provision

Source	2011 - 2031	Rate per year	Difference against 14,000
East of England Plan to 2021	19,000	950	+ 5,000
Draft East of England Plan	14,000	700	-
Government population and household projections	9,000	450	- 5,000
County Council population and	14,000	700	-

household projections			
East of England Forecasting Model – baseline	12,900	645	- 1,100
Affordable Housing Need	16,330	817	+ 2,330
Past Completions	9,400	470	- 4,600
Commitments (2010 – 2011)	10, 612	531	- 3,388
Commitments + SHLAA	12, 700	635	- 1,300
Commitments + SHLAA + Green Belt - Max capacity	25,196	1,260	+ 11,196
Commitments + SHLAA + Green Belt - Min capacity	21,027	1051	+ 7,027

15.7 Government population and household projections, historic completions and current commitments are not considered to go far enough in terms of meeting need. The SHLAA demonstrates that there is capacity within the urban area of approx 2,080 homes.

Option 1 - 12,700 new homes to 2031 – 'urban growth'

12,700 new homes to be provided within the urban area to 2031.

This option is based on current housing commitments of 10,612 and the capacity of 2,060 identified through the Strategic Housing Land Availability Assessment.

Development would continue within the urban area and on agreed urban extensions. No more land would be released from the Green Belt within the Plan period.

Advantages

- New housing focused within the built up area of Cambridge and agreed urban extensions;
- Sustainable approach to development, providing more homes close to jobs;
- Balanced against other factors such as continued protection of important open spaces, community facilities and key employment locations in the city;
- Infrastructure requirements associated with this level of development are considered to be manageable and deliverable;
- Transport – minimal additional impact on the existing network, maximising sustainable modes through public transport (guided bus), cycling and walking.

Disadvantages

- Level of provision will not meet overall need and requirements for more affordable housing;
- Risk that provision would not support economic vision for Cambridge;
- Increase pressure on existing housing stock and house prices, leading to more people living outside of Cambridge and commuting to jobs in Cambridge;
- Increased in commuting and pressure on the existing transport network;
- Increased pressure on land for housing and competing uses.

Option 2 – up to 14,000 new homes to 2031 – ' the current development strategy'

14,000 new homes to be provided to 2031.

This option is based on current housing commitments of 10, 612 and the capacity of 2,060 identified through the Strategic Housing Land Availability Assessment. 1,300 new homes would need to be provided on new, additional land released from the Green Belt

Development would continue within the urban area and on agreed urban extensions. However, because Cambridge East is now not progressing some land would need to be released from the Green Belt within the Plan period.

At this stage, specific sites in the Green Belt have not been identified. The principle of whether there should be more development on the edge of Cambridge and whether exceptional circumstances exist to justify the release of further land from the Green Belt to meet the housing and employment needs of the area has not yet been decided upon.

Advantages

- Level of provision would continue to support the economic vision for Cambridge;
- Level of provision would continue to meet housing need and affordable housing provision in Cambridge;
- Sustainable approach to development, providing more homes close to jobs;
- Balanced against other factors such as continued protection of important open spaces, community facilities and key employment locations in the city;
- Infrastructure requirements associated with this level of development are considered to be manageable and deliverable.

Disadvantages

- Level of provision would not meet overall need and need for more affordable housing;
- Further land would have to be released from the Green Belt. The NPPF advises that Green Belt boundaries should only be reviewed every 20 years and continued nibbling away of the Green Belt is not considered acceptable.
- Infrastructure requirements – further investigation would be required in order to understand the full impact;
- Transport – likely increased pressure to the network without further measures put in place to relieve congestion and improve movement within and around the city.

Option 3 – up to 21,000 new homes to 2031 – 'enhanced levels of urban and Green Belt growth '

21,000 new homes to be provided to 2031.

This option is based on current housing commitments of 10,612 and the capacity of 2,060 identified through the Strategic Housing Land Availability Assessment. Up to 8,300 new homes would need to be provided on new land released from the Green Belt. The 8,300 homes figure is based upon the minimum physical capacity within Cambridge of all of the possible broad locations for new housing development set out later in this chapter.

Development would continue within the urban area and on agreed urban extensions. However, a significant amount of new land would need to be released from the Green Belt within the Plan period.

At this stage, specific sites in the Green Belt have not been identified. The principle of whether there should be more development on the edge of Cambridge and whether exceptional circumstances exist to justify the release of further land from the Green Belt to meet the housing and employment needs of the area has not yet been decided upon. This option is based on all broad locations within Cambridge coming forward.

Advantages

- Provision would make a major contribution to the overall housing need and supply of affordable housing;
- Sustainable approach to development, providing more homes close to jobs;
- Level of provision would continue to support the economic vision for Cambridge and provide more land for jobs on the edge of Cambridge as part of mixed use developments.

Disadvantages

- Significant land released from the Green Belt and impact on the setting of the city. Purposes of the Green Belt would be undermined;
- Infrastructure requirements – further investigation would be required in order to understand the full impact. Significant investment would be required as part of new developments coming forward;
- Transport – likely increased pressure to the network without significant measures put in place to improve congestion and movement within and around the city.

It is questionable whether the housing market could actually deliver this number of homes over the Plan period, based on historical completions and current economic climate.

Option 4 – up to 25,000 new homes to 2031' significantly increased levels of urban and Green Belt growth '

25,000 new homes to be provided to 2031.

This option is based on current housing commitments of 10,612 and the capacity of 2,060 identified through the Strategic Housing Land Availability Assessment. 12,300 new homes would need to be provided on new land released from the Green Belt. The 12,300 homes figure is based upon the maximum physical capacity within Cambridge of all of the possible broad locations for new housing development set out later in this chapter.

Development would continue within the urban area and on agreed urban extensions. However, a significant amount of land would need to be released from the Green Belt within the Plan period.

At this stage, specific sites in the Green Belt have not been identified. The principle of whether there should be more development on the edge of Cambridge and whether exceptional circumstances exist to justify the release of further land from the Green Belt to meet the housing and employment needs of the area has not yet been decided upon. This option is based on all broad locations within Cambridge coming forward.

Advantages

- Provision would make a major contribution to the overall housing need and supply of affordable housing;

- Sustainable approach to development, providing more homes close to jobs;
- Level of provision would continue to support the economic vision for Cambridge and provide more land for jobs on the edge of Cambridge as part of mixed use developments;

Disadvantages

- Significant land released from the Green Belt and impact on the setting of the city. Purposes of the Green Belt would be undermined. Undermining the important perception of the City as a compact city surrounded by countryside close to its heart;
- Infrastructure requirements – further investigation would be required in order to understand the full impact. Significant investment would be required as part of new developments coming forward. Without sufficient investment there would be significant impact on people's quality of life;
- Transport – likely increased pressure to the network without significant measures put in place to improve congestion and movement within and around the city;
- It is questionable whether the housing market could actually deliver this number of homes over the Plan period, based on historical completions and current economic climate.

15.8 These options encompass the remaining ways in which new homes can be delivered in Cambridge. Whilst the need to provide more homes to meet demand is paramount, there are constraints on the amount of new homes that can be accommodated in Cambridge given its limited area; historic environment; limited infrastructure; and the importance of the Green Belt, especially in terms of protecting and enhancing the unique setting of Cambridge. Competing need and demands for a range of uses need to be considered against quality of life factors and an appropriate balance needs to be struck to 2031.

Employment Provision

Source	**2011 - 2031**	**Rate per year**	**Difference against 20,000**
East of England Plan to 2021	31,780	1,589	+ 11,780
Draft East of England Plan	20,000	1,000	-
East of England Forecasting Model May 2012 baseline	22,100	1,105	+ 2,100
Cambridgeshire Development Study 2009 – trend based	14,500	725	- 5,500
Cambridgeshire Development Study 2009 – policy based	17,833	892	- 2,277
Cambridge Econometrics baseline 2012	14,740	737	- 5,260
Cambridge Econometrics population projections 2012	19,600	980	- 400
Cambridge Econometrics low growth 2012	9,160	458	- 10,840

Cambridge Econometrics high growth 2012	19,690	985	- 310
Past levels of job provision 1991-2001 – source EEFM	23,800	1,190	+ 3,800
Past levels of job provision 2001-2011 – source EEFM	4,200	210	- 15,800
Past levels of job provision 1991-2011 – source EEFM	14,000	700	- 6,000
Past levels of job provision 1981-1991 – source CE	42,800	2,140	+ 22,800
Past levels of job provision 1991-2001 – source CE	7,380	369	- 12,620
Past levels of job provision 2001-2011 – source CE	1,820	91	- 18,180
Past levels of job provision 1981-2011 – source CE	17,340	867	- 2,660

15.9 The Employment Land Review 2008 identifies 176.38 hectares of available employment land in Cambridge and South Cambridgeshire. Of this 33.74 hectares was in Cambridge; and of the land in Cambridge, 25.74 hectares did not have any constraints on it. This land, along with a number of additional sites, was capable of meeting the employment needs of both districts as identified in the East of England Plan 2008.

15.10 The Councils are updating the Employment Land Review and this will inform the levels of job provision in the future.

Option 1 – 10,000 new jobs to 2031

10,000 new jobs to be provided to 2031.

This option is based on delivery of a lower number of jobs than expected to arise in Cambridge to 2031.

Advantages:

- This option will have less of an impact on the supply of land in Cambridge;
- This option will have the smallest impact on demand for new homes.

Disadvantages:

- This option could lead to less new jobs than were provided over the last 20 years;
- This would lead to less job opportunities available for people than the higher options;

This option is likely to constrain Cambridge's economic potential and hinder the city's role as a world leader in higher education, research and knowledge based industries;

Option 2 – 15,000 new jobs to 2031

15,000 new jobs to be provided to 2031.

This option is based on delivery of the same number of jobs expected to arise in Cambridge to

2031.

Advantages

- This will continue to support the economic vision for Cambridge maintaining the city's role as a world leader in higher education, research and knowledge based industries and supporting wider area;
- This option would provide slightly more jobs than has been delivered over the past 20 years.

Disadvantages

- If the economy does better than expected it may constrain Cambridge's economic potential;
- This could lead to less job opportunities being available for people than higher options.

Option 3 – 20,000 new jobs to 2031

20,000 new jobs to be provided to 2031.

This option is based on delivery of the number of jobs set out in the draft East of England Plan 2010. This represents an uplift on the level of job growth that might otherwise be expected.

Advantages:

- This will continue to support the economic vision for Cambridge growing the city's role as a world leader in higher education, research and knowledge based industries and supporting wider area;
- This option would provide more jobs than has been delivered over the past 20 years;
- This would lead to more job opportunities for people than the lower options.

Disadvantages:

- This option will have a larger impact on the supply of land in Cambridge;
- This option will have the largest impact on demand for new homes.

15.11 Whilst the need to provide more homes and jobs to meet identified needs is paramount, there are constraints on the amount of new homes and jobs that can be accommodated in Cambridge given its constrained area, historic environment, and limited infrastructure as well as the importance of protecting the Green Belt and enhancing the unique setting of Cambridge. Competing need and demands for a range of uses need to be considered against quality of life factors and an appropriate balance needs to be struck for development planned to 2031.

15.12 This task is a hugely important one and has the potential to affect the lives of all who live and work in the city now and in future. We are starting that process with this issues and options report as a means of identifying the key questions and issues that lie ahead, and the possible ways that we could respond to those challenges. We want to facilitate the fullest engagement of our communities from the outset of this process and this report will be the subject of a six-week consultation period in June and July.

15.13 These issues need to be worked through and informed by the views of our communities. As the preparation of the Local Plan continues, everything will be brought together in order to ensure that the right approach is developed and agreed. There will be difficult choices to be made but are decisions that we need to make locally, not have handed down to us.

Appendix A: Comparing Homes and Jobs in the options

Existing Homes: 49,400[8]
Existing Jobs: 102,720[9]
Existing Working Age Population: 94,600[10]
Existing Jobs / Homes: 2.08
Existing Jobs / Working Age Population: 1.09

New Jobs / Home based on each option permutation

		New Job Options				
		4,200	10,000	14,000	20,000	22,000
New Home Options	12,700	1.72	1.82	1.88	1.98	2.01
	14,000	1.69	1.78	1.84	1.94	1.97
	17,800	1.59	1.68	1.74	1.83	1.86
	19,600	1.55	1.63	1.69	1.78	1.81
	24,000	1.46	1.54	1.59	1.67	1.70

This analysis is crude and does not account for changes to household size over the period.
Calculating Jobs / Working age Population for the models is complicated as each of the jobs options has associated population assumptions, and the homes options will also have implications around population.

[8] Cambridge City Annual Demographic and socio-economic report April 2012 plus completions identified in Cambridge City Council's Annual Monitoring Report 2011 for years 2009/10 & 2010/11
[9] Cambridge Econometrics Baseline Run 2012
[10] Cambridge Econometrics Baseline Run 2012