

# Huntingdonshire Local Plan to 2036 Examination

## Response to Huntingdonshire District Council Matter 4 Supplementary Notes 1 and 2 (EXAM/05 and EXAM/06)

Abbey Properties Cambridgeshire Limited and De Bene Esse Ltd

Respondent No. 753723

- 1.1 This note responds to documents Exam/05 and Exam/06 submitted to the Inspector by the Council in response to requests for further information during the Matter 4 hearing session of the EiP.

### Note 1, EXAM/05

- 1.2 The note responds to the request for additional evidence on the jobs growth figure tied to the Council's ONS2014+4% uplift scenario. The Council's evidence to the examination did not contain a jobs figure for this scenario.
- 1.3 **Table 1** simply shows that the 4% uplift scenario results in a marginally lower jobs growth figure than the 5% uplift scenario. The difference is 100 net additional jobs over 25 years, so 4 additional jobs per annum.
- 1.4 The note does not provide further details on the assumptions about the relationship between population, labour force, jobs and housing which the Council has applied in making this calculation, since it is not included as a scenario in the EEFM model output.
- 1.5 The underlying points raised during the EiP remain: there is a lack of transparency in the Council's evidence on how it has aligned its population, labour force, jobs and housing projections, and that it appears to have simply accepted the EEFM modelling and assumptions without critical scrutiny.
- 1.6 Table 1 also reinforces the negligible market signals adjustment of 5% relative to the uplift to the demographic-based projection that the Council considers is necessary to support economic growth. Since the two jobs figures for the 4% and 5% uplift scenarios are virtually the same, the Council's evidence essentially concludes that, if it plans housing for the demand linked to jobs growth, a 1 percentage point uplift (4% to 5%) will enable Huntingdonshire both to support employment growth and address housing affordability problems. This amounts to 190 homes (8 a year) to address both of these priorities. There is no additional evidence in the note to explain why planning for such a small increase in the future supply of housing relative to demand would have any impact on affordability.
- 1.7 **Table 2** makes some aspects of the Council's OAN evidence a little clearer:
- 1.8 The number of employed people living in the area rises by c. 15,000-16,000 from 2014-36 in both scenarios. In Table 5 of the CRG 2017 report (HOUS/01), the working age population increases by only 2,800 in the Council's population figures and by 4,100 in the EEFM modelling (2011-36)
- 1.9 The official projections (SNPP2014) show an increase of 3,800 working age people from 2014-36. Even assuming each of these additional residents aged 16-64 were in work, this still leaves an increase of 11-12,000 in the number of residents assumed to be in work by 2036. The Council's note offers only that the EEFM forecasts a rise in the employment

rate to 2036, without any explanation about where these increases arise in the population (for example, is it older people working, participation rates rising in younger age groups etc).

- 1.10 This is a relevant matter in the robustness of the Council's figures, because the validity of rate increases assumed in some economic forecasting models has been challenged in several public inquiries and found to be flawed.<sup>1</sup>
- 1.11 The assumption in the EEFM on which the Council relies must be that there will be increases in participation rates in the long run that enable the model to show that the extra resident workers will be available in the district to support jobs growth. This forecast increase in rates would occur over a period when the age profile of Huntingdonshire's population also skews towards older cohorts who are less likely to be in employment. The assumption therefore needs further consideration which is not provided in the note or in the Council's supporting evidence for the Plan.
- 1.12 The net out-commuting figures in Table 2 suggest that a substantial change occurred between 2011 and 2014 with a large reduction in net out-commuting. This implies that there was a significant shift either (or both) within Huntingdonshire and the wider area. No explanation is given as to why this is assumed to have occurred and its implications for labour flows within Cambridgeshire.
- 1.13 Over the years from 2014-36, commuting then reverts back to towards the level captured in the 2011 Census. Again, there is no explanation of why the EEFM model shows this change and what it implies about the flows of workers within the HMA. During the Matter 4 hearing session, this issue and the lack of transparency in the assumptions was raised in the context of discussion about the duty to cooperate. The note does not provide any further clarity on this point.
- 1.14 Finally, in addressing the question of employment growth and the Alconbury enterprise zone, the note simply restates the Council's position. Its position is understood to be that jobs growth linked to Alconbury might occur, but is not factored into the preferred employment growth position of the Council because it requires a 'positive strategy' (ie is policy on). The position of representors in the Matter 4 hearing session was that there are good reasons to assume that this jobs growth is occurring, that the site is reasonably expected to deliver substantial jobs in the future, and that the OAN should take account of the housing necessary to support this jobs growth.

## **Note 2 (EXAM/06)**

- 1.15 This note responds to a request for clarification about affordability ratios in the base year of each of the OAN figures for Cambridgeshire housing market area authorities, relating to the comparative position which the Council indicates informed its conclusion on the appropriate percentage uplifts in each area.
- 1.16 The table in Note 2 shows clearly that, for South Cambridgeshire, an uplift of 10% was applied when the affordability ratio stood at 7.40 in the base year of the projection (2012). This compares to a 5% uplift for Huntingdonshire in a base year (2014) when the ratio stood at 7.11.
- 1.17 It is clear from the table that, only one year later (2015) the affordability ratio in Huntingdonshire had worsened to 8.06, a significantly higher figure than the 7.40 which was considered to justify a 10% uplift in South Cambridgeshire.

<sup>1</sup> For example, Inspector's Decision, APP/W1525/W/15/3049361 Land off Plantation Road, Boreham, Essex, esp. paras. 31-32; Inspector's Decision APP/V0728/W/15/3018546 Longbank Farm, Ormesby, Middlesbrough, para. 21