

## Save Honey Hill Group

Steve Reed OBE MP  
Secretary of State.  
Water Infrastructure Planning & Delivery Unit  
Department for Environment, Food and Rural Affairs

### **By e-mail only**

6 November 2024

Dear Sir

### **Application by Anglian Water Services Limited for an Order granting Development Consent for the Cambridge Waste Water Treatment Plant Relocation Project (DCO/CWWTPR24): Submission on Revisions to the NPPF**

This is a response from the Save Honey Hill Group (IP 20041423) to your letter dated 16 October 2024 inviting representations from Interested Parties (IPs) in relation to Emerging Planning Policy, specifically the proposed revisions to the National Planning Policy Framework (NPPF) and other changes to the planning system, which were the subject of a Government consultation that commenced on 30 July 2024.

Your letter lists four documents or statements relating to that consultation and invites IPs to address two questions:

- (a) the extent to which the proposed revisions to national planning policy, in particular, as regards house building and green belt, are relevant to the determination of the Application; and
- (b) the weight that a decision-maker should attach to the proposed revisions i) while they remain in draft; and ii) in the event they become adopted national planning policy.

### **Post Examination Submissions by SHH**

SHH has already made two post Examination submissions to the Secretary of State: a letter dated 23 August 2024 relating to the updated Cumulative Impact Assessment, submitted by the Applicant on 19 July 2024, which annexed a letter from SHH to the Secretary of State dated 14 July 2024.

Both of the SHH letters request the Secretary of State to consider fully a range of matters which have changed since the close of the Examination, in particular, the proposed revisions to national planning policy. We thank the Secretary of State for acceding to our request that further representations on the proposed changes to national planning policy be sought from Interested Parties.

The proposed changes to the NPPF in relation to housebuilding and the Green Belt are of such substantial importance that the Secretary of State must take them into account before making a decision on this DCO application.

The SHH letter of 23 August 2024 made three headline points about the proposed revisions to national policy:

- (i) The changes to Green Belt policy in the draft revised NPPF favour the continued protection of almost all of the Cambridge Green Belt from development and, in particular the rejection of this application, which would destroy one of the most valuable parts of that Green Belt.
- (ii) There is no need for the redevelopment of the existing WWTP site to facilitate the continued successful delivery of housing to support the Cambridge economy – a fact reinforced by guidance underpinning the New Standard Method.
- (iii) There are ample sites with planning permission or allocated in adopted local plans to sustain a new housebuilding rate above that set by the New Standard Method, without any need to relocate the CWWTP or redevelop its site. Housebuilding rates in Greater Cambridge remain buoyant, despite recent high interest rates and the disruption caused by Covid.’

These points are further expanded in this submission.

### **The Weight to be given to the draft Revisions to the NPPF and other Changes to the Planning System**

This application for the relocation of the WWTP to a Green Belt site is principally intended to facilitate the redevelopment of the existing WWTP site for housing and employment uses. It is not itself a Nationally Strategic Infrastructure Project (NSIP). As considered at length during the DCO examination, this makes the NPPF and the adopted local plans central to any consideration of the application.

As the Secretary of State for Housing, Communities and Local Government makes clear, both in her statement of 30 July 2024 to the House of Commons ‘Building the Homes We Need’ and in the parallel letter to local planning authorities, the revised policies and other measures represent an urgent and radical change to national planning policy from that of the previous Conservative Government. These are to be delivered through the revised NPPF and through related changes to the planning system.

Greater weight should be accorded to these wide-ranging revisions than would normally apply to draft amendments to the NPPF. They clearly represent part of a wider and coherent overhaul of public policy by the new Government, intended to promote sustainable economic growth, resolve the crisis in housing supply and deliver necessary infrastructure in England. Given this commitment, it is likely that most of the draft revisions to the NPPF will appear in the final NPPF, due to be published by the Secretary of State before the end of 2024.

The consultation on proposed reforms also outlines other changes to planning, housing and infrastructure delivery that will require either secondary legislation and/or additional public spending and resources. In so far as these proposals are clearly set out in the consultation documents, we have considered these as part of this submission.

The proposed revisions have attracted extensive and informed representations from local authorities, developers, professional bodies, other organisations and individuals who are intimately involved in planning and the environment. This means that the final NPPF will not incorporate all of the revisions, as drafted. However, none of the Interested Parties to this DCO application is in a position to say exactly which of these changes will be dropped or modified.

In our view, it would be prudent for the Secretary of State to defer making a decision on this DCO application until the final NPPF has been published.

## **SHH Response to the draft Revisions to the NPPF that are relevant to the CWWTPR DCO Application**

The Consultation Paper, 'Proposed reforms to the NPPF and other changes to the planning system', (CP), clearly sets out in Chapters 1 and 2, the Government's intentions and policy objectives. Chapter 1 para 3 lists eleven specific sets of changes intended to be made 'immediately to the NPPF', as well as other changes to the planning, infrastructure and compulsory purchase regimes to be made in due course.

The SHH response is structured under seven headings setting out how the revised NPPF needs to be considered in reaching a decision on the CWWTPR DCO.

### *1. Imposition of Mandatory National and Local Housing Targets*

The principal proposed revisions to the NPPF are the imposition of a New Standard Method (NSM) for assessing local housing needs based on a much higher national target of 370,000 additional dwellings per annum for England. Chapter 5 of the NPPF is to be amended to require individual local authorities to plan for their New Standard Method (NSM) housing need, removing the discretion that they had to use alternative methods where these were justified by local circumstances. This is set out in amendments to paras 60 to 62 of the current NPPF, with consequential changes elsewhere.

The NSM does not accurately predict either real local housing needs or demand for additional housing, in most individual local authorities. Despite certain limitations, the previous methodologies, based in part on local demographic and economic forecasting, produced far more credible results. In our view, the correct approach to assessing housing need locally is already set out in what is now para 63 of the revised NPPF. Revised para 61 needs to contain wording that allows for the use of alternative informed local assessments of housing need.

However, the Government appears intent on imposing the results of the New Standard Method on individual authorities. This will require Cambridge City Council and South Cambridgeshire District Council, through the Greater Cambridge Local Plan, to revise their previous housing need assessments, which were set out in in the GCLP First Proposals, in 2021, and the more recent Development Strategy Update (DSU), January 2023. Both of these used a method for housing need assessment, based on unrealistically high employment-led projections, that will no longer be permitted under the revised NPPF.

Table 1 sets out a comparison of the results of the need as calculated by the New Standard Method as applied to Greater Cambridge for 2020 to 2041 with those from the Current Standard Method and those set out in the GCLP First Proposals and the Development Strategy Update.

Table 1 Housing Need Estimates Greater Cambridge: Additional Dwellings Per Annum Required Excluding Buffer

Local Authority	Current Standard Method	New Standard Method	GCLP First Proposals 2021	GCLP Development Strategy Update 2023	Average net additions to stock 2020/1 to 2022/3.
Cambridge City	687	1068	n/a	n/a	629
South Cambridgeshire	1039	1156	n/a	n/a	1329
Greater Cambridge LP Area	1726	2224	2111	2463	1958

SHH gave extensive evidence to the DCO Examination to demonstrate that the housing need of Greater Cambridge as assessed in the GCLP First Proposals (2,111 new dwellings per annum) could be met easily without the need to relocate the existing WWTP or redevelop the core parts of the existing site. The revised NPPF will require the emerging GCLP to use the New Standard Method (2,224 net additions to housing stock per annum). When this figure is adjusted to remove conversions and changes of use to residential, the new housing need arising from the application of the NSM will be below that allowed for in the GCLP First Proposals. The much higher housing need assessed in the Development Strategy Update was inflated to 2,463 new dwellings per annum by the use of an employment-led assessment, a method which is no longer to be permitted under the revised NPPF. It is likely that the next version of the GCLP will actually allocate fewer sites for new housing than were included in the GCLP First Proposals.

There are ample sites with planning permission or allocated in adopted local plans to sustain a new housebuilding rate at or above that set by the New Standard Method, without any need to relocate the CWWTTP or redevelop the core parts of the existing site. Housebuilding rates in Greater Cambridge remain buoyant, despite the very high local affordability ratios, persistent high mortgage interest rates and the disruption to housing delivery that resulted from Covid. Rates of housebuilding are running ahead of the housing requirements set in the adopted local plans and these rates are likely to persist well into the 2030s, even without an updated Greater Cambridge Local Plan.

We expect that the Greater Cambridge local authorities will be content to adopt the annual housing need estimated by the New Standard Method. The adoption of the NSM as the basis for the GCLP reinforces SHH’s evidence to the DCO Examination, that the CWWTTP relocation has no local planning justification, based on a pressing need for the existing site to be redeveloped for housing.

*2. The Resumption of Strategic Planning at a Regional and Sub-regional Level*

Paras 24 to 28 of the Consultation Paper sets out the Government’s intention to improve effective co-operation between neighbouring planning authorities, reinforcing the Duty to Cooperate, in order to resume sensible regional and sub-regional planning in England, particularly in relation to the sharing of housing need and coherent transport and other infrastructure delivery. This is of particular importance where, as in Cambridge, the housing market and travel to work areas extend widely beyond the Greater Cambridge Local Plan area and include large parts of East Cambridgeshire, Huntingdonshire, West Suffolk and North Hertfordshire. The intention is to make changes to paras 24 to 27 of the NPPF and identify ‘priority’ groupings of local authorities to deliver effective co-operation

and to progress Spatial Development Strategies. SHH strongly supports these proposals for a wider sub-regional approach to planning for growth in the wider Cambridge area.

Cambridge City and South Cambridgeshire District Councils are well advanced in preparing a joint Greater Cambridge Local Plan and in coordinating infrastructure delivery, working closely with DHCLG, Homes England, neighbouring planning and highway authorities, as well as all of the key infrastructure providers, to re-establish sub-regional planning.

Planning has to operate at the right spatial scale to reflect local housing market and travel-to-work areas, transport and other infrastructure requirements. The commitment given in para 9 of the Consultation Paper to a return to 'a model of universal strategic planning covering functional economic areas' must be implemented as soon as possible, in the form of Spatial Development Strategies (SDS). For many large urban areas, the combined mayoral areas will be a sensible basis for sub-regional planning, but in Cambridge and Peterborough, there are two distinct housing market and travel to work areas which will need to be considered separately in sub-regional plans.

Where there are formal arrangements for devising and adopting joint local plans, as in Greater Cambridge, these arrangements should be reflected in the revised NPPF and Planning Policy Guidance (PPG) and allow, for example, the sharing of housing needs and targets, including 5 year land supply calculations and delivery trajectories. Although not stated in the draft revisions to the NPPF, the case for this has been made by many local authorities, including the Greater Cambridge authorities, and seems likely to be agreed by DHCLG.

### *3. Responsibility of LPAs to Prepare Local Plans and to 'Deliver' Housing to Local Targets*

Various changes to the NPPF, in particular those reversing changes made by the last Government in December 2023, are designed to make sure that local planning authorities (LPAs) deliver up to date local plans. Unfortunately, rather than promoting an active partnership with local authorities to increase rates of housing delivery, some of the revisions are designed to punish local authorities if they do not deliver housing on the ground to meet the arbitrary targets set by the New Standard Method.

Apart from social housing, local authorities do not actually deliver housing, only facilitate the delivery by private housebuilders and housing associations. Punishing local authorities for failing to achieve housing delivery targets will, we believe, be counter-productive and self-defeating. Delivering the Government's vision requires properly resourced local government, which has a full understanding of local needs and priorities.

Revised para 76 of the NPPF imposes the unreasonable requirement on LPAs that they must add a buffer of 20% to their assessed housing need and identify sites to meet this, 'where there has been significant under-delivery of housing over the previous three years'. Under-delivery is defined as housebuilding rates that are below 85% of projected requirements, under the Housing Delivery Test (HDT).

Cambridge and South Cambridgeshire have up to date local plans and are delivering a high rate of housebuilding when considered together. They should not be at risk of failing the HDT, unless the Government only applies that test to the tightly physically constrained City of Cambridge alone, rather than the wider functional housing market and travel to work areas.

This is especially important in ensuring that housing demand by people working in the Greater Cambridge area can be met. The housing affordability ratio for the City of Cambridge has been consistently high at around 12.5, whereas the affordability ratios for those parts of the housing market area outside South Cambridgeshire are far lower. For example, in Huntingdonshire the ratio in 2023

was 8.8 and in West Suffolk it was 8.4. This allows people who work in Cambridge on moderate salaries their only opportunity to buy houses that they can afford within sensible commuting range of the City, and this remains crucial to the effective functioning of the Cambridge economy.

#### *4. The New Standard Method for assessing local housing needs*

The Consultation Paper, in paragraphs 1 to 6 of Chapter 4, sets out the aspiration that the Government has to rapidly increase the supply of additional dwellings in England to deliver 370,000 per year and the ambition to deliver 1.5 million over the life of this Parliament. No explanation or justification has been provided for the national target of 370,000 per year, despite requests to MHCLG to publish the analysis on which it is based. Investment in additional housing, both from new build and from improvement and repurposing of existing stock and buildings, does need to be higher than in recent years to meet national housing needs, but the target needs to be realistic and based on a sound demographic and economic justification at both the national and sub-regional level.

Local authorities need to be resourced to resume social and genuinely affordable housebuilding at scale, both alone and in partnership with housing associations and other private investors. This needs to lift provision by these sectors across England to around 90,000 dwellings per year from the present delivery rate of at most 35,000 per year. This is a target which many informed housing analysts agree is the minimum required.

In high priced areas, such as Cambridge, new housing at 80% market rent is not 'genuinely affordable' and this needs to be addressed. There is a large amount of private capital, including pension funds, seeking sustainable long term property investment in affordable housing, providing long term and attractive returns. There is also an urgent need for sustainable investment in the existing housing stock not only to deliver energy conservation and carbon reduction objectives, but, even more importantly, to encourage better use of the existing stock by conversion and sub-division, reducing under-occupation.

The Consultation Paper does helpfully focus on a more useful measure of housing supply, net additions to stock, instead of new build rates. This will logically be carried through to the local level of assessment, allowing local planning authorities (LPAs) to include reasoned assessments of future rates of additions that are not new-build as one of the ways in which they will meet local 'housing need'.

Previous national guidance on calculating 'Objectively Assessed Need' (OAN) at the local level had the merit of being founded on local household projections, which take account of local migration patterns and can be adjusted to consider concealed households and forced sharing. Criticisms of that guidance, including the apparent volatility in household projections since 2014, has been overstated and these methods remain valuable at least down to the level of housing market areas. Unlike the previous OAN methodology, the NSM no longer allows LPAs to uplift their housing requirements specifically to match local employment growth projections. This is a sensible change.

The NSM variables are (i) a baseline requirement of 0.8% of existing housing stock per annum and (ii) an affordability ratio.

The published MHCLG spreadsheet for 'the Outcome of the Revised Standard Method' does not disaggregate the results for each LPA according to those variables, but only provides an authority level comparison with the current method and an average net addition to stock figure. No evidence is provided to justify the specific annual requirement of 0.8% of local stock, except a comparison with recent national average housing delivery and the observation that the current standard method

underestimates the amount of housing actually being built in lower priced, more affordable housing market areas, in the Midlands and North of England.

It is a myth that increasing the number of sites allocated for housing development at the local level reduces the market price of new housing (or housing to rent). This idea, perpetrated first by the Barker Review in 2004, was based on a fundamental misunderstanding about how housing markets work. Prices achieved locally are predominantly dictated by the average transaction prices from the sale of existing dwellings, not new build. Both developers and property owners actively seek to keep prices as high as possible. Developers, whose primary responsibility is to their shareholders and owners, devote considerable effort to managing the rate at which they deliver new build housing to avoid any glut or reduction in sale prices. Similarly, house owners do not try to sell in markets where the price is falling or likely to fall, and the rate of transactions drops sharply.

The current standard method adopts an affordability multiplier of 0.25% for every 1% that local affordability ratio in the most recent year exceeds 4:1, which is itself no more than a historic average dating back to the 1990s and earlier. It also caps any affordability increase to no more than 40% above the annual housing requirement in existing policies. The NSM radically increases that multiplier, without any justification, to 0.6%, applied to an average of the three most recent years. There is now to be no cap applied to local affordability uplifts, and the previous urban uplift provisions are also being withdrawn. The reasons given in para 17 of the Consultation Paper are spurious. Where the results of the NSM are significantly higher than 'likely revealed demand', for which recent average rates of completions, including additions from conversions, are a good indicator, this approach will NOT result in the desired 'significant boost' in the supply of market housing.

A simple analysis of the outcomes from the NSM makes it clear that the method will lead to perverse results. Over 100, around one third, of local authorities are likely to be incapable of meeting even 85% of the targets set by the NSM. In 32% of authorities, the NSM calculates a 'housing need' that is more than 120% higher than that achieved in the most recent three years. A significant number of authorities, around 5%, are being given targets that are below recent rates of delivery, which is also perverse. Crucially, there is no evidence, from the UK or comparable markets, that modestly increasing the rate of delivery of market housing in a local area will have any effect in reducing prices.

For Greater Cambridge, the NSM does however produce a mandatory housing target which will be sustainable and is likely to be adopted as the basis for the emerging Greater Cambridge Local Plan. That target can be achieved in the GCLP without any new release of land in the Cambridge Green Belt for housing.

##### *5. Changes to Green Belt Policy to encourage Development of 'Grey Belt' Land*

The Consultation Paper proposes complicated changes to Green Belt policy in the NPPF (and to compulsory purchase and affordable housing rules) intended to make it easier to develop 'previously developed land' and increase the rate of delivery of housing.

Local planning authorities already apply the principle that the redevelopment of 'previously developed land' is generally acceptable in principle. They undertake Green Belt reviews and release land in Green Belt for development in an orderly way through local plans. This has certainly been the case in relation to the Cambridge Green Belt, which is far smaller and narrower than the Green Belt around other larger conurbations. It includes very little land that could meet the definition of 'grey belt'. All of the Green Belt is within the Greater Cambridge Local Plan area and at each iteration of the local plans has been subject to exhaustive study to identify whether there is land which should be released for development.

The proposed revisions to the NPPF in what are now paragraphs 142, 151 (g), 152, 155 and 156 of the NPPF are unnecessary and unhelpful. Taken overall, those revisions will erode the overall protection of Green Belt to which the Government remains committed.

The proposed definition of 'grey belt' in Chapter 5 paragraph 10 of the Consultation Paper is unsatisfactory and will lead to numerous contentious applications seeking to develop land that has been deliberately neglected in unsustainable locations in the Green Belt. There is a well-established definition of 'previously developed land' (PDL) that applies to numerous parcels of land within built-up areas and more widely in rural areas. It should not be made confusing by adopting a different definition where that land happens to be inside a designated Green Belt. The long-standing definition of 'inappropriate development' in the NPPF should not be changed.

The NPPF, in what is now para 140, defines five purposes of Green Belt, which have to be considered together, not just separately. It is also the case that for certain Green Belts eg Cambridge, there are subtly different formulations of those purposes in adopted local plans. In Cambridge, there are three defined purposes, which have then been used to undertake wide ranging reviews of land within Green Belt to inform the potential for planned release of land for housing and other uses. The methodology and value of doing those studies has been well tested. The fifth purpose of Green Belt, to encourage the recycling of urban land inside urban areas, has been effective in the past and should not be lightly discarded. If there is to be a definition of 'grey belt', it must include wider sustainability criteria in particular in relation to access/proximity to non-car modes of transport and links to the conurbation concerned.

The present tests for releasing Green Belt when subject to a planning application work well and we see little useful purpose in adopting a new grey belt definition. If such a definition is to be adopted it must more closely reflect the five purposes of Green Belt, noting that sites that perform moderately against several of the GB purposes must be protected. The proposed definition of 'limited contribution' in Chapter 5 para 10 is unnecessary and should not be a partial reworking of the fundamental five purposes of Green Belt.

Crucially, in relation to this DCO application, the proposed site for the CWWTP is acknowledged by the Applicant as being on high value Green Belt separating Horningsea and the other villages from the Cambridge built-up area. It is in no sense 'grey belt' and, as set out extensively in SHH evidence, the relocation would cause substantial and irreversible harm to the openness and other purposes of Green Belt. It does not comply with the policies either in the current NPPF (or the proposed revisions) and does not comply with the policies in the adopted local plans. There are no 'very special circumstances' that might allow the development and the DCO application should be refused.

#### *6. Changes to the Regime for Delivery of Nationally Significant Infrastructure Projects*

Chapter 9 of the Consultation Paper sets out changes to be made to the NPPF in relation to renewable energy applications and to potentially to some of the thresholds and definitions of NSIPs in the Planning Act 2008. Para 26 of the CP identifies four changes being considered in relation to water infrastructure. None of these changes are directly relevant to this DCO application.

In responses to the CP, the case has been made that s29(1) of the Planning Act 2008 should also be amended to clarify that a project should only automatically become an NSIP if a WWTP provides for 'raw (or untreated) sewage capacity exceeding 500,000 PE.' Such a definition would be consistent with the definition of 'connected' in the UWWT Directive. SHH promoted this argument at the DCO Examination, and the Act needs to be amended accordingly.



The intention of the Planning Act 2008 was that NSIPs should be new WWTPs for large conurbations. It was never intended that the relocation of a medium sized WWTP, where there is no operational or capacity justification for relocation, should be defined as an NSIP. The import of sewage sludge that can and should be sustainably treated at the originating works should not be counted as part of the capacity of a WWTP for the purposes of meeting the NSIP threshold.

#### 7. *Protection for Productive Agricultural Land*

Paragraph 180 (b) of the current and revised NPPF requires a planning decision maker to take account of 'the economic and other benefits of the best and most versatile agricultural land'. That is reinforced by what is now footnote 63, which was amended in December 2023, by the addition of the second sentence, which states '*The availability of agricultural land used for food production should be considered, alongside the other policies in this Framework, when deciding what sites are most appropriate for development*'.

Without any explanation, the revised NPPF deletes the second sentence. As far as SHH is aware, there has been no change to the Government's commitment to food security and it remains a material consideration when determining planning and DCO applications.

#### **Conclusions**

SHH takes the view that the proposed revisions to the NPPF are of substantial relevance to the decision whether or not to approve this DCO application. The most relevant revisions are those highlighted in the SHH letter of 23 August 2024 and expanded in this submission.

Crucially, in relation to this DCO application, the proposed site for the CWWTP is acknowledged by the Applicant as being on high value Green Belt separating Horningsea and the other villages from the Cambridge built-up area. It is in no sense 'grey belt' and, as set out extensively in SHH evidence, the relocation would cause substantial and irreversible harm to the openness and other purposes of Green Belt. It does not comply with the policies either in the current NPPF (or the proposed revisions) and does not comply with the policies in the adopted local plans. There are no 'very special circumstances' that might allow the development and the DCO application should be refused.

SHH gave extensive evidence to the DCO Examination that demonstrated that the housing requirements of Cambridge can be easily met without the need to relocate the existing WWTP or redevelop the core existing site. The adoption of the lower new housing need, as assessed by the New Standard Method, reinforces that conclusion. There are ample sites with planning permission or allocated in adopted local plans for Greater Cambridge to sustain a new housebuilding rate at or above that set by the New Standard Method, without any need to relocate the CWWTP or redevelop its site.

For these reasons and for the other reasons set out in SHH evidence to the DCO Examination, the Secretary of State should refuse the CWWTP Relocation DCO application.

Yours sincerely,



Mrs Margaret Starkie

Chair, Save Honey Hill Group