

HBF Home
Builders
Federation

Cambridge and Peterborough Mayor Manifesto

2025



Home Builders Federation manifesto for the new Mayor of Cambridgeshire and Peterborough

Introduction

The Government's 'devolution revolution' offers a unique opportunity for the incoming Mayor of Cambridgeshire and Peterborough to support housing delivery and unlock economic growth.

The revival of strategic planning sits at the heart of this devolution agenda. The Mayor will receive the power to prepare a Spatial Development Strategy (SDS), which will share out housing allocations among constituent local authorities based on an agreed pattern of distribution, ensuring that the housing needs of the Combined Authority area are delivered in full. This strategic approach will also allow the Mayor to better coordinate housing development with skills, transport, and environmental goals.

Seizing the opportunities of devolution and strategic planning will not only alleviate housing pressures but will also boost the local economy and communities. If the new Standard Method target of 23,208 new homes within the Combined Authority area over the Mayor's four-year term were achieved, this would:

- Support **17,000 jobs** a year
- Generate over **£5 billion** in economic activity
- Lead to investment of **£1 billion** in Affordable Homes
- Generate investment of **£145 million** in new infrastructure including **£65 million** for new and improve schools
- Lead to over **£650 million** of spending in local shops.

This manifesto from the Home Builders Federation (HBF) outlines ten key recommendations for the new Mayor aimed at boosting housing delivery across the Combined Authority area in the years ahead.



Background

Housing affordability in Cambridgeshire and Peterborough

Over recent decades, the housing affordability crisis has deepened in Cambridgeshire and Peterborough. As housing supply has failed to keep up with demand, the ratio of average house prices to wages has increased in all parts of the Combined Authority area compared to twenty years ago. Unsurprisingly, the trend of worsening affordability is most pronounced in Cambridge, where the average house price has risen from 8 times the average wage in 2004 to 11 times in 2024.

Table 1: Housing affordability ratios, 2004 vs. 2024

Constituent local authorities of the Cambridgeshire and Peterborough Combined Authority

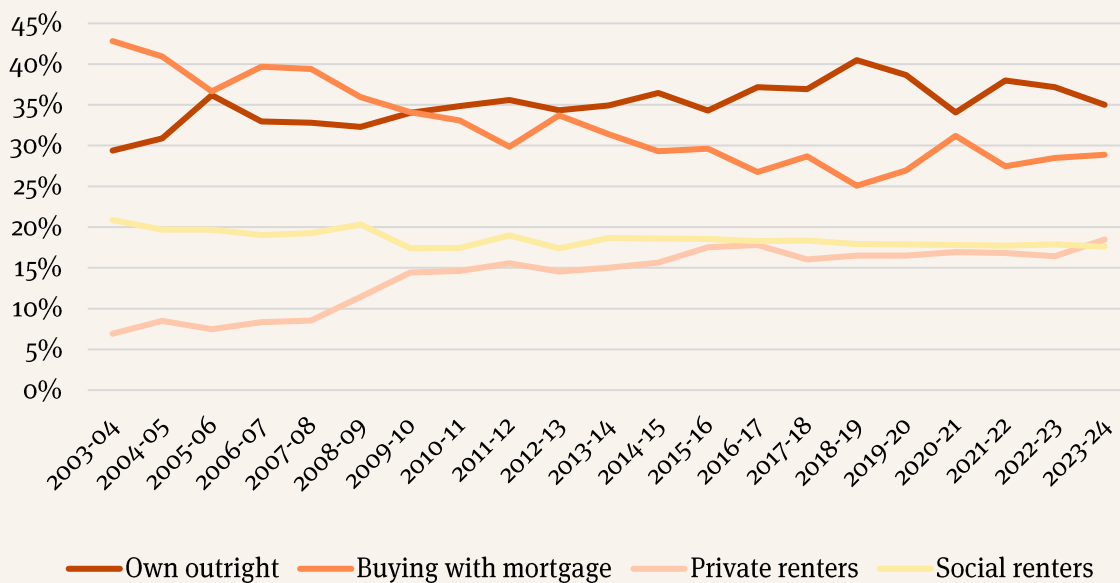
Council	Median house price to median wage ratio: 2004	Median house price to median wage ratio: 2024
Cambridge	8	11
East Cambridgeshire	7	10
Fenland	6	7
Huntingdonshire	7	9
Peterborough	6	7
South Cambridgeshire	7	10

Housing wealth has also become more entrenched in recent decades. In the East of England overall, the proportion of households that own their own home with a mortgage has declined dramatically from 43% to just 29% since 2003, reflecting the difficulties younger generations and prospective first-time buyers face in accessing the housing market.

Meanwhile, the proportion of households owning their home outright has risen from 29% to 35%, largely due to existing homeowners paying off their mortgages. Simultaneously, the proportion of households privately renting has risen from 7% to 18% and has overtaken the proportion of social renters.



Tenure composition of households, East of England, 2003-2024

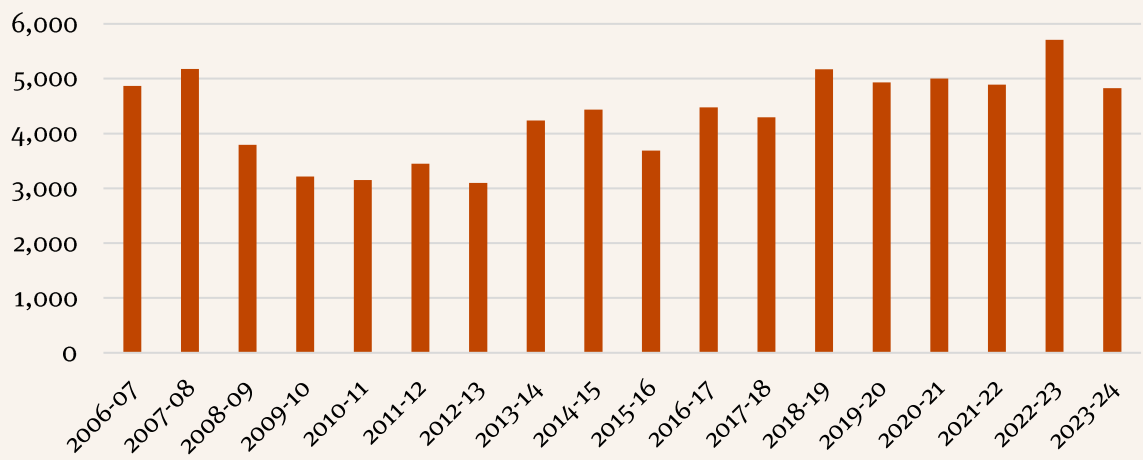


Housing delivery in Cambridgeshire and Peterborough

Increasing housing supply is vital to tackle this growing affordability crisis. However, while the home building industry has made some progress in increasing housing supply in Cambridgeshire and Peterborough - with an average of 5,072 homes delivered every year since 2019, reaching a peak of 5,706 homes in 2022-23 - housing delivery is now falling across most of the Combined Authority area. Indeed, while housing delivery fell by 6% nationally between 2022-23 and 2023-24, in the Combined Authority area it fell by 15%.



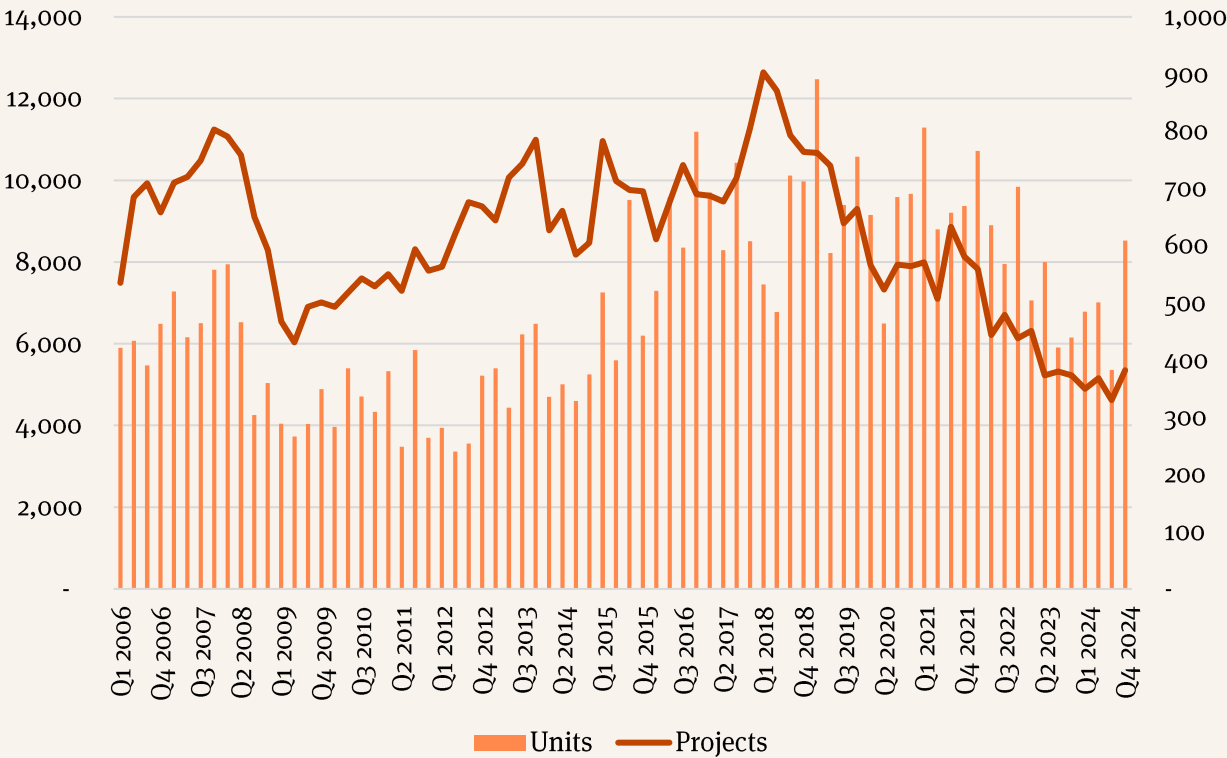
Net housing supply, Cambridgeshire and Peterborough
Combined Authority area, 2006-2024



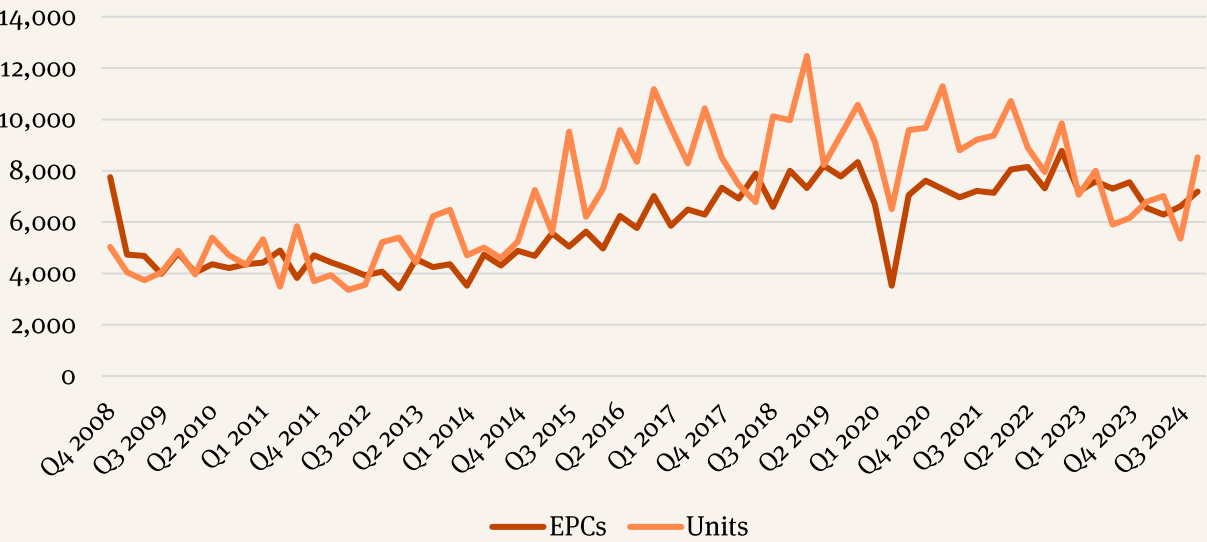
Other indicators of future housing delivery, such as the number of planning permission approvals and Energy Performance Certificate (EPC) registrations, suggest that housing supply levels are likely to stagnate in the years ahead. The total number of housing projects approved in the East of England in 2024 was only 2% higher than in 2023 - a year which itself saw record-low approvals.



Housing projects and units granted planning permission, East of England, 2006-2024



EPC registrations and units granted planning permission: East of England, 2008-2024



This fall in housing supply in Cambridgeshire and Peterborough is due to several constraints on development, which are affecting the home building industry across the country:

- A lack of affordable mortgage lending is suppressing demand, reducing the industry's appetite to invest - with no government support scheme for first-time buyers for the first time in 60 years.
- Housing associations are increasingly unable to take on the Section 106 affordable housing units provided as part of every planning permission, stalling and delaying development of homes of all tenures.
- The increasing number of taxes levied on the homes being delivered is making development across swathes of the country unviable.
- Local authority planning departments do not have sufficient capacity to process applications efficiently. This means that the time taken from when an 'outline' permission is granted to when construction work can start can take years.

HBF recommendations for the new Mayor of Cambridgeshire and Peterborough

In order to tackle these trends of falling housing supply and worsening affordability, HBF is calling for the new Mayor of Cambridgeshire and Peterborough to seize the opportunities of devolution and take bold action to increase housing supply. Our 10 recommendations for the new Mayor are:

Proactive strategic planning

1. Start preparing a Spatial Development Strategy immediately

The Government will require all strategic authorities to prepare a Spatial Development Strategy (SDS) through the forthcoming Planning and Infrastructure Bill. Rather than waiting for this Bill to become law, the Mayor should begin preparing an SDS immediately to ensure it is ready for adoption as soon as possible. SDSs should enable the full housing need for the Combined Authority area to be accommodated in full.



2. Ensure SDS preparation does not delay the preparation of local plans

Local Planning Authorities (LPAs) should not delay the development of local plans while they await the adoption of an SDS. Ongoing reviews and updates of Local Plans should continue in parallel with SDS development.

We would encourage the Mayor to collaborate closely with local planning teams to avoid unnecessary delays. There should also be a clear commitment to monitor the pace of local plan production across all boroughs. In anticipation of the new powers and responsibilities that the Mayor will have for strategic planning once the Planning and Infrastructure Bill secures Royal Assent, in instances of significant underperformance in housing delivery, the Mayor should take action by agreeing on specific improvement plans and, if necessary, consider calling in applications for determination.

Accelerating housing delivery

3. Use all available powers to boost home building

As well as producing an SDS, the Mayor should deploy their other powers (and powers they will receive through forthcoming legislation) strategically to boost house building in their areas:

- Call-in powers, which could be particularly useful as a counterbalance to underperforming constituent local authorities;
- Mayoral Development Corporations, which can be used to increase housing supply;
- Mayoral Development Orders;
- Control over grant funding for regeneration and housing delivery;
- Local Growth Plans to coordinate housing with infrastructure and jobs.



4. Establish a house builder panel

We encourage the Mayor to establish a panel for house builders operating across the Combined Authority area. This would allow house builders to meet regularly with the Mayor and the Combined Authority to discuss policy and practice, as well as to provide feedback on the market and identify and resolve problems. The Panel would help shape policy and investment decisions.

A diverse housing mix

5. Set a small sites housing target

Improving housing delivery by increasing the number of developments on small sites must be a strategic priority for the Mayor. This should include setting an ambitious housing target for small sites for each planning authority. National policy requires sites of one hectare or less to be identified and ideally allocated in local plans to provide for 10% of the overall housing requirement. The Mayor should work with local authorities to ensure the policy requirement to allocate land for small sites receives sufficient priority in plan-making and planning decisions.

6. Encourage development of small sites close to public transport connections

As part of the SDS, the Mayor could stipulate that areas that enjoy good public transport connections are highly appropriate for small residential schemes. The Mayor should also encourage the constituent local authorities to reflect this principle in local plans by allocating sites in these locations. These new homes would have a number of benefits, including cutting commuting times, encouraging environmentally friendly forms of transport, and supporting SME home builders.

7. Take action to address the issue of uncontracted Section 106 units

Owing to a perfect storm of cost pressures and regulatory challenges, the majority of Registered Providers (RPs) are currently unable to make offers to home builders to acquire Section 106 Affordable Housing from developer-led schemes. This is delaying the delivery of new homes of all tenures because home builders are unable to proceed and commence building unless they have a legal agreement with an RP to acquire the Affordable Homes.



The Mayor should encourage the constituent local authorities to allow greater flexibility on the tenure mix of Affordable Housing to ensure that preferred policy requirements do not hold up delivery. The Mayor should also encourage planning authorities to accept the use of cascade mechanisms within Section 106 agreements where it can be clearly demonstrated by the applicant that there is a lack of RP interest. This would allow homes earmarked for Affordable Housing to be provided as other products (including alternative types of Affordable Housing).

In preparing the SDS, the Mayor should ensure that if there is a policy for Affordable Housing that will apply across the Combined Authority area, the policy should be worded so that it is sufficiently flexible to allow for a range of Affordable Housing tenures to be provided. This would prevent the policy from becoming an obstacle to delivery.

Environment, public transport and the workforce

8. Prepare a Local Nature Recovery Strategy

We encourage the Mayor to prepare a Local Nature Recovery Strategy. This would enable the Mayor to identify areas and actions that would assist in progressing environmental goals, including enabling house builders to meet Biodiversity Net Gain requirements off-site if this is not feasible on-site.

The preparation of a Local Nature Recovery Strategy would also help to support the objectives of the SDS.

9. Invest in and plan for public transport to open up new markets for residential schemes

HBF has supported an increased focus on public transport by the mayors of combined authorities since this will help to open up parts of the authority area that might have previously been overlooked by buyers, renters and investors. For instance, areas in need of regeneration that might have been avoided in the past because they were too inaccessible to places of employment or lacked amenities will become more attractive for investment where there is a regular, reliable and affordable public transport option. Good public transport also enables young people to access work, training and



education. Therefore, if the Mayor does adopt a Mayoral Community Infrastructure Levy (CIL), funds should be prioritised for public transport.

10. Support colleges and training providers to understand and train for the local labour market and employment opportunities

Every mayoral combined authority has a degree of control over adult education and skills training and funding. The Mayor's local skills plan should focus explicitly on the local economic and labour market needs of construction skills and be based on rigorous data relating to the requirements of employers, including small- and medium-sized companies.

Colleges should be encouraged to understand and train for the local labour market/employment opportunities, with skills provision and the content of courses reflecting the needs of the labour market rather than what the Further Education college leaders consider to be viable. The Mayor should use their convening power to provide links between local house builders, colleges and training providers.

Cambridge

11. Help to resolve the issue of water scarcity

Water scarcity is a critical issue in the Cambridgeshire and Peterborough area. The Environment Agency has objected to residential schemes because it doubts the ability of water companies to serve these developments, delaying thousands of homes. Resolution of this issue in the longer term relies on the construction of two new reservoirs in Lincolnshire and Fenland, although this is unlikely to be completed until the late 2030s.

The Mayor should use their convening power to set up an action group on water scarcity, bringing together key stakeholders including house builders, Cambridge Water, Anglian Water, local authorities and the Environment Agency to ensure that new development is not subject to unforeseen delays. The Mayor should also continue to push the Government to ensure water companies continue to plan and invest effectively, as they are required to do by legislation, to meet current and future development needs.





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