

IPSWICH CORE STRATEGY REVIEW AND SITES ALLOCATIONS & POLICIES EXAMINATION

LOCAL PLAN EXAMINATION - STAGE 2

Matter 4a – Residential and Sustainable Development Policies and General Development Principles

4.1 Are the policies for residential and sustainable development and general development principles soundly-based? If you contend that they are not how should they be modified?

Policy CS12: Affordable housing

The policy requires that 15% affordable housing is provided on schemes of 15 dwellings or more. In the Ipswich Garden Suburb it will require 35% affordable housing. However, we note that the contributions will be calculated by total floor space. It is unclear how this would operate in practice. The local plan should explain this because this approach would appear imply the payment of commuted sums to provide affordable housing off-site.

The policy will need to be amended to reflect the Government's intention to deliver Starter Homes in accordance with the Housing & Planning Act 2016. In its *Starter Homes Technical Consultation* (March 2016) the Government has set out its intention to seek 20% Starter Homes on all sites of 10 units or more or on sites of 0.5 hectares or more. Because the 20% requirement exceeds the Council's requirement of 15% affordable housing and because the Government's threshold is lower than the Ipswich Local Plan policy threshold of 15 units or more (except in the case of the Garden Suburb) the implication of this is that the Council may need to be very open and flexible in the way it treats applications and allow applicants to provide much less affordable housing than was initially hoped for.

Ideally an updated Local Plan Viability Assessment may be needed.

The requirement that at least 80% of affordable housing provision shall consist of affordable rented homes or homes for social rent may need to be amended to reflect the new demands imposed on applicants by having to provide Starter Homes. Clearly it will not be possible to provide other types of affordable housing tenure across Ipswich because the whole affordable housing component will need to be provided in the form of Starter Homes. In the case of Ipswich Garden Suburb the text should be amended to say that:

"The first 20% of the affordable housing component will be provided as Starter Homes. Of the remaining 15% of the affordable housing contribution, 80% of the dwellings will be provided as affordable rent or social rented homes."

Policy DM1: Sustainable development

The policy and supporting text is directly contrary to national policy.

a) Energy

In the Core Strategy and Policies Focused Review the Council has stipulated a requirement for a 19% improvement on Part L 2013. This policy is contrary to national policy. Current national policy is that residential development need only meet the current Building Regulations for energy efficiency – that is Part L (2013).

In order to reduce the burdens placed on housing developers the Government announced in its *Fixing the Foundations* document (HM Treasury, July 2015) its intention not to “*proceed with zero carbon Allowable Solutions carbon offsetting scheme, or the proposed 2016 increase in on-site energy efficiency standards*”. This clarifies that it is the Government’s intention that local planning authorities should not seek tighter targets for energy efficiency above the current Part L of the building regulations.

We note in paragraph 7.6.5 of the Viability Report to support the plan (December 2014) that when the cost of building to Code 4 is included then three of the areas tested (Central/Western Brownfield, West Greenfield and Felixstow (sic) Road) are only marginally viable.

The Council will need to be mindful of the Government’s intention that 20% of the total units of any scheme of 10 units or more will need to be provided as Starter Homes. Setting targets in excess of the Building Regulations will reduce the Council’s ability to secure contributions to other policy objectives (the affordable housing element will have to be provided entirely in the form of Starter Homes). The implications of the 20% Starter Homes contribution will need to be considered as this may reduce the amount of potential development value available to pay for the optional standards and other S106 obligations. This needs to be considered because the Council’s viability modelling indicates that only 15% affordable housing can be sustained.

Part (a) of the policy should be deleted to remove any uncertainty for applicants and decision-takers.

b) Water

Part (b) of the policy requires development to meet the optional technical standard for water efficiency standard of 110 litres per person per day. The Council has demonstrated the necessity of this standard but it has not considered whether this is viable in combination with other policy requirements.

DM30: the Density of Residential Development

We refer to our representations. The Council has not addressed the tests set out the NPPG at ID 56-020-20150327. We have been unable to locate a paper that addresses the questions raised by the NPPG. The tests set out in the NPPG are:

Need including any potential impact on meeting the demand for Starter Homes;

Viability including the impact of the standard on land supply and affordability; and

Timing.

The Council has an unmet need of 3,778 dwellings based on the contended OAN of 13,550 (paragraph 3.3 of the inspector's Stage 1 Interim Findings). The Council is also unable to maintain a five year land supply (paragraph 6.1 of the inspector's Stage 1 Interim Findings). In view of the large size of the unmet need, the inability to maintain a five year housing land supply, plus no agreed cross-boundary strategy with the other three planning authorities that will address the problem of Ipswich's housing shortfall for the foreseeable future, the adoption of the Nationally Described Space Standard is unjustified.

As established at the Stage 1 hearings the Council has a finite supply of land for residential development but it also has a very large and unmet need. The adoption of the Nationally Described Space Standard would only aggravate further that undersupply.

The Council has not assessed whether the Nationally Described Space Standard is needed in the borough. Are the homes currently being built in the area sub-standard by way of comparison to the Nationally Described Space Standard?

The Council has not considered the impact of adopting the standard on the supply of Starter Homes. The Council will be aware that it will need to provide 20% of all units in a scheme on schemes of 10 or more units as Starter Homes (this is what the consultation on the Draft Regulations is stating).

The NPPG also requires the local authority to consider the question of affordability: i.e. the effect of the adoption of the standard on the matter of affordability. The Borough struggles with housing affordability issues among younger people even though the *DCLG Lower Quartile House Price to Lower Quartile Earnings* index shows a small improvement in affordability in Ipswich since the 2007 peak (7.83 in 2007 down to 5.78 in 2013). The 2012 SHMA noted that although house prices and rents are generally cheaper in Ipswich compared to elsewhere in the HMA, and have fallen as a consequence of the recession, younger households still face particular problems forming new households because of the problem of affordability. The 2012 SHMA observes that has been a steep fall in household formation among younger people between 2001 and 2009 across the HMA (paragraph 5.11.4). In summary, the SHMA on page 122 observes that:

“the affordability of housing reduces the rate that young adults form households.”

“41% of newly forming households will not be able to afford to rent or buy a home in the Ipswich housing market area.”

“Currently, there is a backlog of over 4,000 households in need of a suitable and affordable home in the Ipswich HMA.”

“The needs are greatest in Ipswich with an annual need for at least 584 more homes to be affordable.”

The adoption of the Nationally Described Space Standard would only make homes more expensive to those on low incomes struggling to get on the housing ladder.

The Council must do all it can to facilitate residential development rather than impose any additional policy burdens on development especially when this policy has not been justified in terms of its necessity, its impact on viability and affordability, or its implications for land supply. The Council must prioritise housing delivery in Ipswich so that the requirement of 9,772 dwellings can be provided and exceeded if at all possible. The adoption of the Nationally Described Space Standard would militate against this.

In terms of timing, there is an argument to say that the Council should delay implementing the Nationally Described Space Standard until two years following the adoption of the new local plan. This would ensure that legacy projects where land deals and planning applications have already occurred which have been based on current local plan costs, are not jeopardised by the introduction of the new space standard.

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