

Ipswich Borough Council Local Plan Review

Topic Paper: Reviewing the Ipswich Housing Figure

Evidence on the appropriate scale of housing growth for Ipswich Borough to 2036

January 2019 (regulation 18 stage preferred options consultation)



IPSWICH
BOROUGH COUNCIL

Planning Policy
Ipswich Borough Council
Grafton House
15-17 Russell Road
Ipswich
IP1 2DE

planningpolicy@ipswich.gov.uk

www.ipswich.gov.uk/localplan

Tel: 01473 432019

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Introduction

What the Council is doing

1. The Council is currently preparing a review of its adopted Core Strategy and Policies Development Plan Document (DPD) (February 2017) and Site Allocations and Policies (incorporating IP-One Area Action Plan) DPD (February 2017). These documents form the Council's Local Plan, which guides future development in the Borough.
2. Draft preferred options versions of the two plans are published for informal public consultation between 16th January – 13th March 2019, under regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
3. The Core Strategy and Policies DPD Review (hereinafter referred to as the Core Strategy Review) will replace the adopted Core Strategy and Policies DPD review when adopted (anticipated in late 2020).
4. The Site Allocations and Policies (incorporating IP-One Area Action Plan) DPD Review (hereinafter referred to as the Site Allocations Plan Review) will replace the adopted Site Allocations Plan when adopted (anticipated in late 2020).
5. The Council is undertaking a public consultation on the Core Strategy Review Preferred Options, the Site Allocations Plan Review Preferred Options and their supporting sustainability appraisal and appropriate assessment reports. The consultation period will run from Wednesday 16th January to Wednesday 13th March 2019 and further details can be found on the Council's website, www.ipswich.gov.uk/currentconsultations, at the Council's offices at Grafton House and the Customer Services Centre at the Town Hall, or in the County Library on Northgate Street.

National Planning Policy Framework – Plan Making

6. The National Planning Policy Framework (NPPF) was introduced in March 2012 following the introduction of the Localism Act in November 2011. The NPPF was revised in July 2018, implementing reforms announced previously through the Housing White Paper, the 'Planning for the Right Homes in the Right Places' consultation and the draft revised NPPF consultation. The NPPF is national planning policy and Local Plan documents such as the Core Strategy must refer to the principles established in the document.
7. The NPPF states in paragraph 35 that Local Plans are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. Plans are deemed to be sound if they are; positively prepared, justified, effective and consistent with national policy.
8. The Duty to Cooperate was introduced through Section 110 of the Localism Act 2011 in November 2011. It is a legal duty on local planning authorities to cooperate constructively, actively and on an ongoing basis with neighbouring authorities, county councils and other prescribed bodies in planning for strategic, cross boundary matters. Paragraph 25 of the NPPF requires strategic policy-making authorities to collaborate and identify the relevant strategic matters which they need to address in their plans. Ongoing joint-working is seen as critical to the production of positively prepared and justified strategies and helps to determine where additional infrastructure is necessary, and whether development needs that can't be met wholly within a particular plan area could be met elsewhere. To demonstrate this, paragraph 27 of the NPPF states that

strategic policy-making authorities should prepare and maintain statements of common ground to document the cross-boundary matters being addressed and progress in cooperating to address these.

9. The NPPF makes clear that plans should apply a presumption in favour of sustainable development, meaning that plans should positively seek opportunities to meet their development needs, be flexible to adapt to rapid change and provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas. The exceptions to this are if assets or areas of particular importance provide a strong reasons for restricting development or any adverse impacts of doing so would significant and demonstrably outweigh the benefits, when assessed against the policies in the NPPF as a whole.

National Policy Context

10. The Government's declared objective is to 'significantly boost the supply of homes' (NPPF paragraph 59) and this requires a sufficient amount and variety of land to be able to come forward where it is needed. The NPPF indicates that local planning authorities should set out through the development plan strategic policies expressing the authority's priorities for development (paragraph 17). Strategic policies should set out an overall strategy for the pattern, scale and quality of development, including making sufficient provision for housing and affordable housing (paragraph 20).
11. Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period, through identifying 'broad locations for development' on a key diagram, and land-use allocations identified on a policies map. Non-strategic policies can set out detailed site allocations.
12. Section 5 of the NPPF sets out detailed guidance for delivering homes. Paragraph 60 introduces the Government's standard method for calculating local housing need and further detail on the calculation is provided in the Planning Practice Guidance.

Calculating the Local Housing Need

13. The Council adopted its Local Plan in February 2017 with an annual housing target of at least 489 dwellings per annum. However, the independent Inspector who examined the Ipswich Local Plan in 2016 concluded that the Council should work with its neighbours to prepare an updated objectively assessed housing need for the housing market area as a whole, a strategy for its distribution between the constituent districts and the adoption of joint or aligned plans to deliver it. He also required early review of the objectively assessed needs for new employment land and retail floorspace, which are picked up in separate topic papers.
14. In response, Ipswich Borough Council, Babergh District Council, Mid Suffolk District Council and Suffolk Coastal District Council published a joint Ipswich Strategic Housing Market Assessment (SHMA) prepared by Peter Brett Associates in 2017. It defined the Ipswich Housing Market Area as consisting of the whole of the four local authority areas, and identified the objectively assessed housing need for Ipswich Borough as 519 dwellings per annum and for the Ipswich Housing Market Area of 1,786 dwellings per annum (Table 8.1 of the SHMA Part 1 report). This formed the basis of issues and options consultation on the Local Plan Review undertaken between August and October 2017.

15. In September 2017, the Government published the 'Planning for the Right Homes Right Places' consultation. This introduced the Government's standard method for calculating local housing need. Based on information available at that time, it indicated that for Ipswich the local housing need figure based on the new calculation would be 442 dwellings per annum (dpa).
16. The Government carried through the proposals to the revised NPPF published in July 2018 and the revised Planning Practice Guidance. Paragraph 60 of the NPPF (July 2018) states that the standard methodology should be used as the basis for identifying the local housing need, unless there are exceptional circumstances that justify an alternative approach which also reflects current and future demographic trends and market signals. The 2016-based household projections were published in September 2018 and these are the most up to date projections figures to inform housing need calculations.
17. The draft Statement of Common Ground with the Ipswich Strategic Planning Area authorities sets out the following table, which illustrates the evolution of housing need figures within the Ipswich Strategic Planning Area (ISPA) since the adoption of the Ipswich Local Plan in February 2017.

Table 1 Housing need as calculated under the SHMA and the national standard method.

| | SHMA annual | SHMA total (2014-2036) | Standard method annual (Sept 2017) | Standard method total (2016 – 2036) | Standard method annual (2016-based) | Standard method total (2016-based) (2018-2036) | Standard method annual (2014-based) | Standard method total (2014-based) (2018-2036) |
|------------------------|-------------|------------------------|------------------------------------|-------------------------------------|-------------------------------------|--|-------------------------------------|--|
| Babergh | 355 | 7820 | 439 | 8780 | 420 | 7560 | 420 | 7560 |
| Ipswich | 519 | 11420 | 442 | 8840 | 479 | 8622 | 445 | 8010 |
| Mid Suffolk | 452 | 9951 | 573 | 11460 | 590 | 10620 | 585 | 10530 |
| Suffolk Coastal | 460 | 10111 | 495 | 9900 | 582 | 10476 | 515 | 9270 |
| Total | 1786 | 39302 | 1949 | 38980 | 2071 | 37278 | 1965 | 35370 |

Table note: the Babergh figure of 420 p.a. includes the application of a cap on the uplift, as allowed for by the methodology. SHMA is short for Strategic Housing Market Assessment.

18. The figure based on the standard method using the 2016-based household projections for the period 2018 to 2036 – 479 dwellings per annum (DPA) - is the one that has been used for the Ipswich Local Plan Review Preferred Options. This represents the most up to date position at the point of finalising the Core Strategy Review Preferred

Options document for consideration by the Council's Executive in November 2018. The methodology is set out in the revised Planning Practice Guidance (PPG) September 2018 and, in accordance with this, the base date for the Plan has been updated to 1st April 2018. This approach also aligns with that of the Suffolk Coastal Final Draft Local Plan published under regulation 19 on 14th January 2019.

19. The standard method allows for a cap to be applied on local housing need where the market adjustment results in a significant increase to the housing requirement. For a local planning authority like Ipswich, which has adopted a local plan in the last five years, a cap can be applied at 40% above the annual average requirement figure set out in the plan. However, because the standard methodology results in an annual housing figure of 479, which is slightly below the 489 in the adopted local plan, no cap has been applied to the Ipswich housing need figure.
20. On 26th October 2018, the Government launched a consultation titled 'Technical Consultation on Updates to National Planning Policy and Guidance'. This proposed that, as an interim measure, housing need using the standard method should be calculated using the 2014-based household projections and not the 2016-based household projections. For all authorities in the ISPA, this approach results in housing need numbers less than or equal to the need calculated using the 2016-based projections. These figures are shown in the table above in the final two columns. The Council will review the housing need figure for Ipswich in the context of the ISPA during the next stage of plan preparation, when the Government issues firm advice on which data to use.

Uplift

21. The revised PPG is clear that the standard method for assessing local housing need provides the minimum starting point in determining the number of homes needed in an area. It does not factor in potential future national policy or economic effects on growth. 'Where additional growth above historic trends is likely to or is planned to occur over the plan period, an appropriate uplift may be considered.' Examples of the circumstances where this may be appropriate are:

- where growth strategies are in place;
- where strategic infrastructure improvements are planned that would support new homes; or
- where an authority has agreed to take on unmet need from neighbouring authorities.

Also to be considered are previous delivery levels and recent assessments of need.

22. There are two strategic factors to consider in relation to whether uplift should be applied to the Ipswich objectively assessed housing need:

- The Suffolk Framework for Inclusive Growth, and
- The Ipswich Northern Routes.

23. The Suffolk Framework for Inclusive Growth was noted by the Council's Executive on 6th March 2018, with the resolution that future Local Plans for Ipswich Borough should have regard to its content (report reference E/17/74). The work undertaken on the Framework originally related to plans for devolution to Norfolk and Suffolk. When the devolution deal stalled, the Suffolk Framework was carried through to a conclusion 'to drive forward economic growth, infrastructure investment and residential growth' and

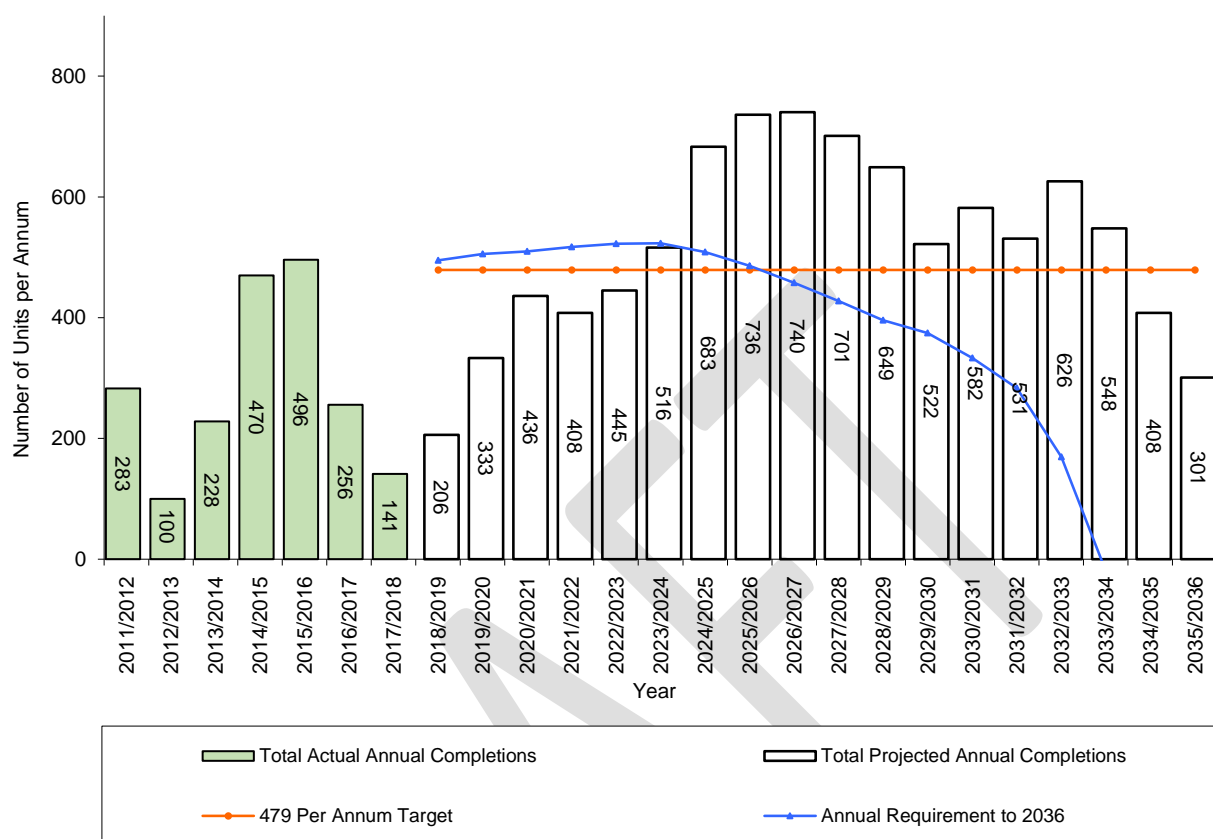
particularly to assist infrastructure delivery. However, without the devolved funds and powers that would have come with a devolution deal from Government, the momentum behind the Framework has slowed and not all local authorities have formally noted the Framework.

24. The Ipswich Northern Routes project is at an early stage. Suffolk County Council published an Ipswich Northern Routes Study in January 2017, which assessed three indicative broad routes. Feasibility work is ongoing. Therefore, it is too early to take this into account in planning growth. It is more likely that the next review of the Ipswich Local Plan (along with other Local Plans in the Ipswich Strategic Planning Area) will examine route options in more detail, including the extent to which the options might support potential future scenarios for housing and employment growth beyond that which is being planned for within this Local Plan Review.
25. The final consideration is that the Borough is constrained by its boundary and, as a result, it is possible that land would need to be found in adjoining districts to accommodate uplift to the Ipswich housing need figure. However, the neighbouring districts have higher housing need figures using the standard method than targets in current Local Plans or derived from the Ipswich Strategic Housing Market Assessment (SHMA). Thus, when the housing requirement is considered at an Ipswich Strategic Planning Area scale, delivery at the level identified through the standard method will be increased over the previous figures.
26. Across the Ipswich housing market area and the Ipswich Strategic Planning Area, housing delivery through this round of Local Plans will be higher than previously. Therefore, it is not proposed to apply any uplift to the 'standard method' annual housing need figure of 479 dwellings for Ipswich Borough set out through the Local Plan Review.

Delivery

27. Another factor to consider in setting the housing requirement is recent completions in the Borough, and sites in the pipeline representing the five year supply of 'deliverable' housing sites. The revised National Planning Policy Framework has elevated the importance of understanding the likely deliverability of sites: it has redefined 'deliverable' in terms of there being clear evidence that housing completions will begin on site within five years, and introduced a new Housing Delivery Test. Local planning authorities which fail to deliver homes to meet the identified need are now required to prepare action plans to assess the causes of under-delivery and identify actions to increase delivery in future years.
28. Housing completions in Ipswich since 2011 are shown in the graph below, together with the proposed Local Plan annual housing requirement of 479 dwellings from 1st April 2018 in relation to the proposed housing land supply.

Draft Housing Trajectory April 2018: Completions since 2011 and projected completions 2018 to 2036



29. Completions 2011 to 2018 have varied according to the particular sites coming forward at the time: only when individual large sites have been coming forward, such as at Stoke Quay, have completions reached the level that the Borough needs to sustain in order to meet the proposed housing requirement. The Borough has also been unable to identify a five year housing land supply since 2009/10, shortly after the start of the economic downturn, as many of the inner urban brownfield sites need market improvement and reduced labour and materials costs in order to improve their viability.
30. The 2017 Strategic Housing Market Assessment (SHMA) identified that there has been a qualitative undersupply of sites, in that the development land available was largely suitable for flats, while the market demand was predominantly for housing. Delivery at Ipswich Garden Suburb will start to address this, and is expected to occur at a rate of around 250 per annum at its peak.
31. The SHMA identified mixed market signals in Ipswich, suggesting moderate market pressure. There are some signs of an upturn in the housing market, for example the resumption of activity on stalled sites at the Waterfront and developers at Ipswich Garden Suburb obtaining resolutions to grant planning permission subject to the signing of section 106 agreements. The Council's own house building programme is also helping to ensure continued delivery.
32. The revised Planning Practice Guidance September 2018 identifies the possibility of 'stepping' the annual housing requirement rather than presenting it as a twenty year average. This may be necessary where strategic sites are likely to have a phased

delivery or be delivered later in the plan period. It should not be used to unnecessarily delay meeting identified development needs. The five year land supply would be measured against the specific stepped requirements for the particular five year period.

33. There is justification for adopting this approach in Ipswich, in order to reduce the annual requirement for the years 2019 to 2024 when the supply will be heavily dependent on brownfield sites delivering high density development. The requirement would be increased from 2024 to 2034 when it is expected that completions at the Ipswich Garden Suburb will represent a significant proportion of the annual housing requirement. This is the approach proposed through policy CS7 which sets out stepped housing targets as follows:

Extract from Core Strategy Review Policy CS7 The Amount of New Housing Required

From 2024 to 2032, completions at Ipswich Garden Suburb will meet a significant proportion of the annual housing requirement and they only drop below 100 dwellings per annum in year 2035-36. The housing requirement will be stepped as follows:

April 2018 – March 2024 350 p.a. x 6 years = 2100

April 2024 – March 2032 550 p.a. x 8 years = 4400

April 2032 – March 2036 531 p.a. x 4 years = 2124

Conclusion

34. The Council has reviewed its local housing need figure jointly with neighbouring authorities as required by the Local Plan Inspector in 2016. Work on a joint Part 1 Ipswich Strategic Housing Market Assessment in 2017 was superseded by the Government's standard method for assessing local housing need introduced through the revised NPPF July 2018 and changes to the Planning Practice Guidance. Therefore, the housing figure incorporated in the Ipswich Borough Core Strategy Review Preferred Options policy CS7 of 479 dwellings per annum is based on the standard method using the 2016-based household projections as the most up to date data. This approach also aligns with the approach taken by Suffolk Coastal District Council in its Final Draft Local Plan published under regulation 19 as set out in the draft Statement of Common Ground between Ipswich Strategic Planning Area authorities. Ipswich Borough Council acknowledges that the figure may need review when the Government confirms its position in relation to whether the 2016-based or 2014-based household projections should be used to inform the calculation.