

Final Draft Ipswich Local Plan

COVID19 Paper for

the Inspectors

June 2020

Including Post Submission (Regulation 22) Addendum
September 2020

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Contents Page

Contents	1
1. Introduction	2
2. At Local Authority Level	2
3. At Local Planning Authority Level	2
4. Impact of COVID19 on the local building industry, developers, & agents.....	5

Appendices

1. The questionnaire used to explore the local impact of COVID19 on the local building industry

1. Introduction

- 1.1 This short paper sets out to explain how the local authority, and the local planning authority has procedurally and operationally in the production of the plan for the Regulation 22 submission responded to the COVID19 emergency.
- 1.2 In addition, planning officers have sought to understand the impact of COVID19 on the building industry, developers and agents at a local level.

2. At Local Authority Level

- 2.1 Ipswich Borough Council (IBC) was quick to respond to the COVID 19 pandemic. On 17 March 2020 it took the decision that all staff from 12 noon at Grafton House (where the planning service is based), were to work from home and needed to leave the premises, with the exception of skeletal staff for some key service areas such as Home Emergency Alarm Response Service (HEARS), facilities management and print room staff.
- 2.2 Staff already had the capacity through Agile working arrangements which were already in place to work from home effectively and are supported through robust IT systems which included facility for ZOOM; Skype and Microsoft Teams. This allows remote meetings to take place effectively between staff and with outside organisations.
- 2.3 Emergency management arrangements were put in place at the same time, both to manage the work of the organisation strategically and to manage the new role expected by Central Government to: deliver the goods and services required to meet the needs of the vulnerable; rough sleepers; those adversely affected by the pandemic through Government grant aid distribution to businesses; food parcels for the vulnerable; and implementing effective closure of public buildings.
- 2.4 As part of their emergency planning a hold was put on all Ipswich Borough Job Advertising. This did not impact on the capacity of the Planning Policy Team as the team was full staffed as of January 2020.
- 2.5 In addition, some staff were seconded from their normal role to help in the crisis. However, strategically, the Ipswich Local Plan was identified as a core priority for the Council and staff capacity in the Planning Policy Team was unaffected by secondment.

3. Local Planning Authority Level

Procedurally

- 3.1 Continual dialogue was ongoing throughout the plan preparation stages with the appointed Programme Officer at key points and early advice was sought as to how to deal with the key process of notifying residents that the plan had been submitted and

in particular, how to deal with those without access to computers and ensure they could engage effectively without disadvantage. That is, to exercise our statutory Equality and Diversity requirements effectively.

- 3.2 It is normal IBC practice under the Statement of Community Involvement (2018), to send letters to the individuals and organisations who have opted for this option as well as email contact to others. It was clear that individuals would receive the news that the final draft plan was submitted in the format they requested.
- 3.3 However, in view of the closed public buildings, which is where hard copies are normally distributed for viewing purposes, submission of the final draft local plan to the Secretary of State in accordance with the SCI is made more difficult owing to the restrictions in place at the time of submission. In order to meet the 'public duty' outlined in the 2010 Equality Act, the Council has provided a phone number for individuals to ring who do not have access to the internet, so that alternative arrangements can be made to meet the needs of individuals on a personal basis.
- 3.4 A printed copy of the documents will be at the Council's principal offices and County Library for viewing when restrictions are relaxed.
- 3.5 In addition, there is a strapline, attached to the Core Document list making paper copies available if required. This was incidentally available during Regulation 19 consultation.
- 3.6 In addition, given that the IBC planning staff are currently working from home, all office phone numbers have been automatically transferred through to laptops (through Skype) or mobile phones. This means that the public can directly speak to IBC staff with any queries about the local plan or submission, without needing to be transferred which provides a more seamless experience for the public.
- 3.7 Furthermore, the IBC contact centre main switchboard phone number is still available for the public to call. Calls going through to this central number will be forwarded on to the planning team as normal.

4. Impact of Covid 19 on the local building industry, developers and agents

- 4.1 In order to understand the impact COVID19 has had on the local building industry in Ipswich Borough, the Planning Policy Team devised a questionnaire (Appendix 2) and set about establishing a representative sample of major builders; Small and medium enterprises (SME's), agents and developers who were known to have sites within the Borough. We identified 50 organisations to contact by telephone. Although the return was 22%, this was of a similar scale to responses from other local authorities in the region whom had conducted similar surveys. In addition, at a Suffolk level, information arising from such surveys is being collated to understand the broad picture in Suffolk as a whole which is being passed to Government via the Suffolk Growth Programme Board.
- 4.2 Generally, large scale infrastructure projects, investment and development in the vicinity of Ipswich appears to be unaffected by COVID19. Such as highway works on

the A140; large development sites such as Brightwell Lakes, located adjacent to the A12, which is a new community to the east of Ipswich providing up to 2,000 dwellings and its associated infrastructure including schools, outdoor recreational space, sports facilities and highways improvements.

- 4.3 Ipswich Borough Council has a dedicated Major Projects team working on bringing forward development at the Ipswich Garden Suburb (IGS). The team remains fully staffed and is working closely with the developers of the garden suburb to progress the development. However, the IGS project has been affected by Covid19. In the short term, COVID19 has impacted anticipated delivery timescales and any additional impact is unquantifiable at this time, although all parties remain fully committed the scheme and are actively progressing discharges of condition and reserved matter approvals.
- 4.4 Outline planning permission was granted for two applications on 31st January 2020 for 1,100 and 815 homes respectively. The Council was successful in its bid to Homes England for £9.8m of Housing Infrastructure Funding (HIF) through the Marginal Viability Funding route. The funding will deliver essential infrastructure at IGS in the form of two railway bridges (one vehicular, and one ped/cycle) and a country park. All of the necessary legal agreements securing this funding are in place.
- 4.5 Owing to Covid19 and the effects on the supply chain, the milestones within the HIF legal agreements may be impacted. To this end IBC are in discussion with Homes England about how best to address this in order to take account of possible delays to the delivery of housing and infrastructure on Site.
- 4.6 In addition, the Council itself is actively pursuing its own development sites despite COVID19, such as the former Tooks Bakery Site which includes housing, (60 homes), and land for a new medical centre. Furthermore, the town-centre regeneration site of Grimwade Street where it will deliver a further 16 dwellings. It is clear that the Council has an important role in building business confidence, and it is exercising it.
- 4.7 One of the key issues is that there has been little take-up of Government grant and loan help related to Covid19 by the local building industry. It is unclear what the impact of this will be on build out rates, but this is surprising. It is difficult to know if this is repeated across the industry in Ipswich. Only 36% had taken these up and they tended to be the larger companies rather than the SME's.
- 4.8 There were concerns from some of the larger companies about the need to ensure supply chains (including staff availability at consultants, developers, architects, and construction workers) were operating effectively before recommencing on site. This would have an impact on build out timings. In addition, some of the Government restrictions regarding on-site working safely were identified as likely to have an issue on the speed of build-out rates despite the Government increasing hours of working.

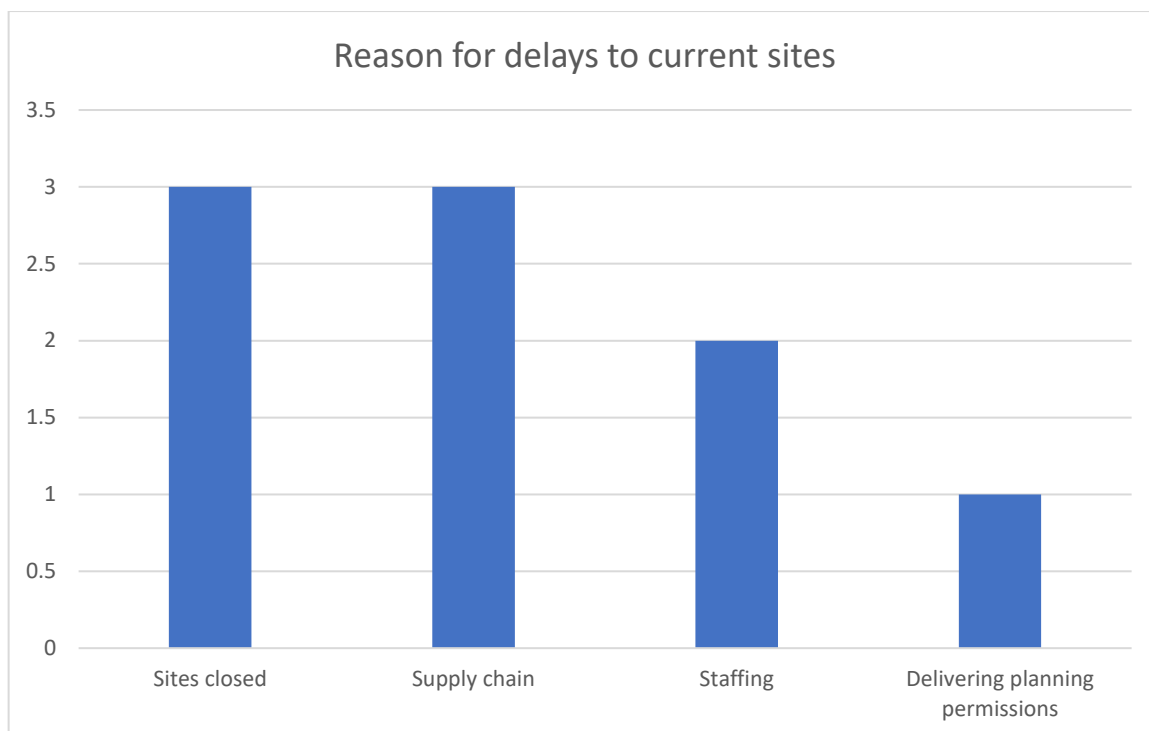


Table 1 - The responses to the questionnaire show given reasons for delays (x axis) and number of responses (y axis).

- 4.9 Some identified the speed of the local plan production as a major issue for their sites and others had concern around bank lending despite historically low Bank of England interest rates.
- 4.10 Some felt that the extension of the time that planning permissions are live needed further extension, so that developers could progress sites effectively taking into account any delays that were outside their direct control.
- 4.11 A number of respondents expected impact but were unable to quantify it yet. However, 75% of those interviewed with active sites expected there to be delays in building programmes as a result of the Pandemic.
- 4.12 Of those interviewed only two companies (ie 18% of respondents) said they had to furlough staff directly, although three (27%) suggested that some of their contractors/clients had had to. This probably relates to responses that were waiting for supply chains to be operating effectively.
- 4.13 50% of those interviewed with sites coming forward in the next 5 years expect there to be delays and 37.5% have suggested potential delays. The most common reasons given for this include market uncertainty and business confidence, issues with bank lending, supply chain issues, working restrictions and progression of the Local Plan.
- 4.14 64% of those interviewed suggest that they expect initiatives to help future housing delivery will be required. The most common examples given include the Housing

Infrastructure Fund (HIF) and assistance with issues surrounding archaeology for example, and up-front survey work. This is something that we are considering. This issue has also been identified in the Housing Delivery Action Plan.

- 4.15 There was some lack of economic confidence expressed, particularly by smaller companies. The building industry traditionally is well known to be one of the first areas of the economy to react to economic concerns. Should the absorption rate fall, there would be a significant impact on the rate of new homes in any given year and this can impact on affordable housing levels.

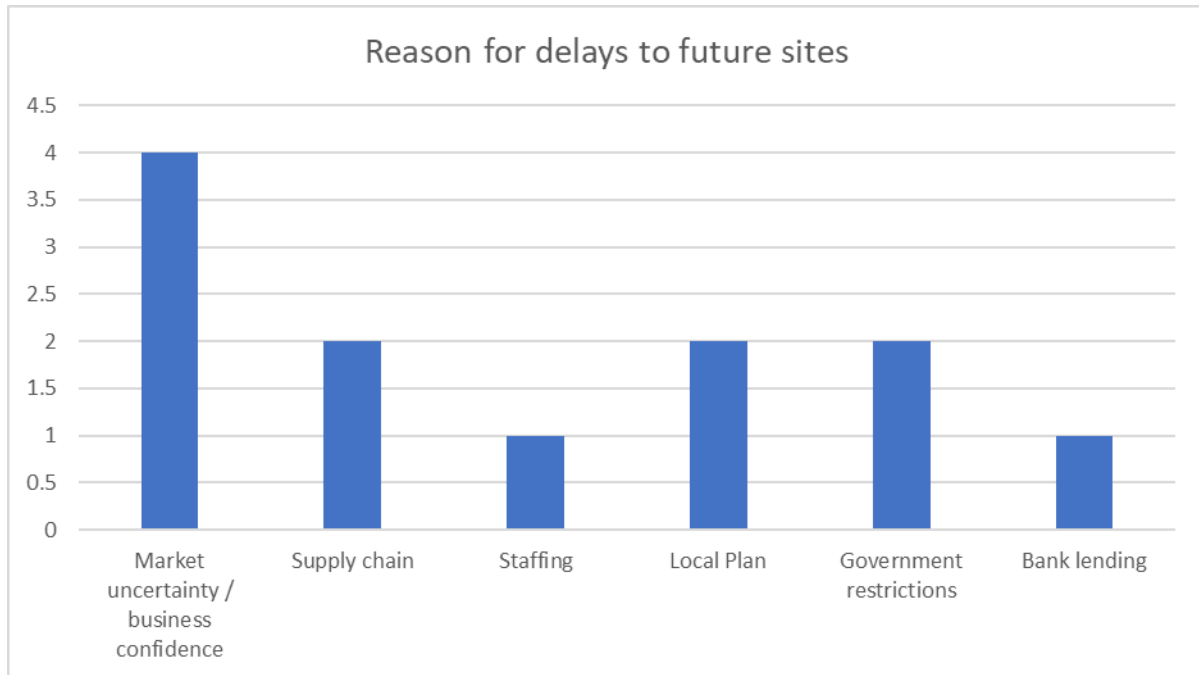


Table 2 – reasons given by respondents to expected delays to future sites (x axis) and number of responses (y axis)

- 4.16 This said, the Government is significantly investing in transport infrastructure nationally and Ipswich Borough is also continuing its current building programme which aims to deliver its objective of 1,000 homes in 10 years as outlined in the 2017 Corporate Plan 'Building a Better Ipswich'. Both these initiatives are examples to build business confidence.
- 4.17 Whilst this is only a snapshot in time and based on a sample of businesses, it is important to understand the initial impact of COVID19 as the country and Ipswich start to move out of lockdown. This will continue to be monitored by the Borough Council as business moves forward. We plan to repeat the survey in November/December which will have given time for the 'new normal' to have bedded down.

5 Post Submission (Regulation 22) Addendum (September 2020)

- 5.1 Following the submission of the Local Plan review, Ipswich Borough Council has continued to monitor the effect of COVID-19 on housing delivery. Other areas of concern include the effect of COVID-19 on retail demand and the changing requirement for homeworking and demand for office space. Alongside this, the disproportionate effects of the pandemic on more deprived areas are noted below.

Retail

- 5.2 The Ipswich Retail Position update published in August 2019 acknowledges the challenges already being faced by town centres across the UK: the continued rise in internet shopping; increased town centre vacancy levels and store closures; and the uncertainty surrounding Brexit. These existing pressures have been taken into account in the development of the Local Plan Review retail policies which support a flexible approach to town centre uses. It is likely that these issues will be exacerbated by the COVID-19 pandemic and a flexible approach will be required to keep up with the changing market trends.
- 5.3 The introduction of the new 'Class E: Commercial, Business and Service' use in September 2020 could also have an impact on policies within the Local Plan review. Generally, the new use class order will allow a more flexible use of shop space, ensuring that landlords are able to respond to the changing market.
- 5.4 A report published in the Ipswich Star on the 20th August 2020 notes that a number of town centre businesses have been forced to close in recent weeks due to effects of the COVID-19 pandemic.¹ The list of businesses includes national chains such as Pizza Express and DW Fitness First, alongside well-established local firms such as Casbalanca restaurant and Barnard Brothers pet shop. This is not unexpected, and it is likely that these will not be the only high street casualties of the pandemic. The aim of the policies within the Local Plan review is to ensure the vitality and viability of the town centre and as already noted, a flexible approach will be required to render this possible. In addition to the policies as set out in the Local Plan, Ipswich Borough Council takes a proactive approach to directly supporting the High Street and has purchased several empty properties in recent years to ensure that these spaces get out put back into use.
- 5.5 The Office for National Statistics reported² that in July 2020, 'retail sales volumes increased by 3.6% when compared with June, and are 3.0% above pre-pandemic levels in February 2020.' During July, 'the volume of food store sales and non-store retailing remained at high sales levels', 'fuel sales continued to recover from low sales levels', and clothes store sales saw a 'monthly increase of 11.9%'.

¹ <https://www.ipswichstar.co.uk/news/business/suffolk-businesses-closed-because-of-coronavirus-1-6800216>

² <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/july2020>

Comparatively, 'online retail sales fell by 7.0% in July when compared with June, but the strong growth experienced over the pandemic has meant that sales are still 50.4% higher than February's pre-pandemic levels.' The ONS data suggests that the total retail sales figure for July 2020 (110.8) is above the figure for the same time last year (109.3).

Figure 1: Total retail sales recovers from the sharp falls experienced during the coronavirus pandemic

Volume sales, seasonally adjusted, Great Britain, July 2012 to July 2020



Source: Office for National Statistics – Monthly Business Survey – Retail Sales Inquiry

- 5.6 A report by Savills³ which looks at how the COVID-19 pandemic is likely to affect retail demand, suggests that 'online retail will accelerate, but the desire for physical retail will remain.' Our physical retail experience however is likely to change, and the report suggests that we will see a 'greater consumer appetite for community and convenience-based retail, and a higher share of discretionary spending on leisure experiences rather than superfluous purchases.'

Homeworking/Offices Spaces

- 5.7 According to the Savills Global Sentiment Survey⁴, '84% of respondents expected home working to somewhat increase, the remaining 16% expect it to greatly increase.' The research carried out by Savills suggests that around 65% of respondents expect a 'slightly negative' impact on occupier demand for office spaces due to COVID-19, however 50% expect no change to investor demand. Savills suggest that overall, they 'expect to see a shift towards diverse location strategies and the emergence of a hybrid model, a combination of home working, local office hubs and a head office.'

³ <https://www.savills.com/impacts/market-trends/the-impact-of-covid-19-on-real-estate.html#retail>

⁴ <https://www.savills.com/impacts/market-trends/the-impact-of-covid-19-on-real-estate.html>

- 5.8 The Royal Institute of Chartered Surveyors have also reported that the results of their latest Global Commercial Property Monitor⁵ 'suggest offices face three key additional or accelerated structural changes globally: organisations reducing their overall footprint, a notable shift in location from urban to suburban, and a greater premium placed on the health and wellbeing of workers.' The report suggests that 1 in 10 respondents 'envisage a shift in office space from urban to suburban locations' as a 'strong trend'.
- 5.9 The Nomis official labour market statistics⁶ suggest that between Apr 2019-Mar 2020, 49% of the working population of Ipswich were employed in occupations where it is likely that there is some opportunity for staff to work from home. These roles include; 'Managers, Directors and Senior Officials', 'Professional Occupations', 'Associate Professional & Technical' and 'Administrative & Secretarial'. This is lower than the figure for Great Britain overall which sits at 57.7%. The data indicates that 51% of the working population of Ipswich were employed in occupations where it is less likely that there will be opportunities for staff to work from home. These include; 'Skilled Trades Occupations', 'Caring, Leisure And Other Service Occupations', 'Sales And Customer Service Occupations', 'Process Plant & Machine Operatives' and 'Elementary Occupations'. This is higher than the figure for Great Britain overall which sits at 42.3%.
- 5.10 Whilst it is likely that there will be a change in the nature of office working in the future, it is difficult to predict exactly how this will affect the town. There will continue to be a need for office space within the town as not all businesses are able to conduct all areas of work from home. However, it is likely that the proportion of the workforce required to be in an office at one point in time is likely to decrease and as such smaller office spaces may be more desirable.

Housing

- 5.11 Since the submission of the Local Plan review, the Council has continued work to ensure that the COVID-19 pandemic does not adversely affect the delivery of housing at the Ipswich Garden Suburb which accounts for a large proportion of the Council's 5 year housing supply. The housing trajectory at IGS has been pushed back by a year to account for the effects of the pandemic. This change is reflected in the Ipswich Garden Suburb Topic Paper Addendum 2020 and the 'Reviewing the Ipswich Housing Figure' Topic Paper and addendum June 2020.
- 5.12 In relation to the development at the Ipswich Garden Suburb, IBC and Homes England are working closely together on any Covid-19 impacts on delivery. Additionally, the Ipswich Garden Suburb Delivery Board has been set up in line with requirements set out in the Ipswich Garden Suburb SPD. This includes representatives from Ipswich Borough Council, East Suffolk Council, Suffolk County Council, key landowners and developers. The Delivery Board will oversee the

⁵<https://www.rics.org/uk/news-insight/latest-news/news-opinion/as-covid-19-knocks-sentiment-what-next-for-global-commercial-property/>

⁶ <https://www.nomisweb.co.uk/reports/lmp/la/1946157241/report.aspx#tabempunemp>

delivery phases of the Garden Suburb, monitoring site developments and any issues which come up. This is key to the delivery of IGS and will be an effective platform to monitor any issues raised as a result of COVID-19.

- 5.13 The Office for National Statistics reported⁷ that ‘monthly construction output grew by a record 23.5% in June 2020, substantially higher than the previous record monthly growth of 7.6% in May 2020; despite this strong monthly growth, construction output in June 2020 remains comparatively low at 24.8% below the February 2020 level, which was before the full impact of the coronavirus (COVID-19) pandemic.’ In line with new Government legislation, the Business and Planning Act 2020, the Council is allowing the temporary extension of construction site working hours and is granting the extension of duration of certain planning permissions.
- 5.14 It will be imperative to continue monitoring the construction and housebuilding industry and reacting to changes as they occur. The Ipswich Borough Council Planning Policy team works closely with Development Management to monitor housing delivery in the Borough, reviewing development pre-apps when they come in to assess what is moving forward. Additionally, IBC is actively working to improve existing housing in the Borough, bringing 49 empty homes back into use in 2018/2019⁸. Alongside this, IBC’s development subsidiary, Handford Homes, plays an active role in housing delivery across the Borough and plays an important RSL role.

Deprivation

- 5.15 A report published by the Child Poverty Action Group and the Church of England this month, titled ‘Poverty in the Pandemic: The Impact of Coronavirus on Low-income Families and Children’⁹, suggests that around 8 in 10 respondents ‘reported a significant deterioration in their living standards due to a combination of falling income and rising expenditure.’ These findings were based on an ‘online survey of 285 low-income families and in-depth interviews with 21 of these families between May and August 2020.’ In addition to the financial impacts of the pandemic, almost half of the respondents ‘reported physical or mental health problems’, which had been exacerbated by the current circumstances. The pandemic has also highlighted the ‘difficult living conditions that many families experience’. The report suggests that many of the families interviewed ‘had no outdoor space, and others were painfully aware of the poor quality or overcrowded accommodation in which they were living.’
- 5.16 The overall findings from the report suggest that the challenges faced by families as a result of the COVID-19 pandemic ‘are more acute in low-income families.’ The report also notes that research carried out in relation to this, ‘has shown that the livelihoods of low-income workers are more at risk than the livelihoods of those in

⁷<https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/bulletins/constructionoutputgreatbritain/june2020newordersandconstructionoutputpriceindicesapriltojune2020>

⁸https://www.ipswich.gov.uk/sites/www.ipswich.gov.uk/files/d20.2_-_annual_housing_strategy_review_report_2019.pdf

⁹ <https://cpag.org.uk/sites/default/files/files/policypost/Poverty-in-the-pandemic.pdf>

higher-paid roles, with many lower paid workers employed in the sectors that have been bearing the brunt of the economic crisis.'

- 5.17 In 2019, Ipswich ranked at number 71 out of 317 local authorities in England, with number 1 being the most deprived, based on the results of the Index of Multiple Deprivation for each area¹⁰. Comparatively, Suffolk is the 53rd least deprived upper tier authority out of 151. The 'Indices of Deprivation 2019 Summary'¹¹, published by Suffolk County Council, indicates that 'Ipswich is the most relatively deprived Authority within Suffolk.' Therefore, it may be that in some cases, families in Ipswich are more negatively affected by the COVID-19 pandemic than those in neighbouring authorities. It is more important than ever that affordable housing is achieved on all qualifying developments, that minimum space standards are met both inside and outside the home, and that there is sufficient public open space for all residents to access. The policies within the Local Plan review address these key areas.

¹⁰<https://public.tableau.com/profile/uk.public.sector#!/vizhome/TheIndicesofDeprivation2019/LandingPage>

¹¹ https://www.healthysuffolk.org.uk/uploads/Indices_of_Deprivation_2019_Shortpdf.pdf

Appendix 1 – Questionnaire for the local building industry

Ipswich Borough Council survey for Developers and Registered Providers to establish the impact of Covid-19 on housing delivery and the housing market

In response to the Covid-19 crisis, Ipswich Borough Council is contacting developers and registered providers who are active within the Borough to try and establish the impact of the current restrictions on the house building industry.

The information gathered will help the Council to further understand the implications of Covid-19 related restrictions on the current housing market and future housing delivery, allowing identification of the main issues being faced by house builders and the possible effect this will have on the Borough’s 5 year housing supply and Housing Delivery Action Plan.

In order to gather this information, we will be asking a short series of questions. If you do not wish to take part in the survey, then there is no obligation to do so. Any information you give us will not be identifiable in any published report.

Company Name and Contact:

Questions and prompts	Answers
<p>1. How many people does your business currently employ?</p>	
<p>2. How have the current Covid-19 restrictions impacted your business to date?</p> <ul style="list-style-type: none"> • Closure of building sites • Delays to construction work on site • Staff redundancies/furloughing • Issues with access to skilled labour • Issues with supply chains and accessing materials • Issues with cash flow • Issues with paying/collecting invoices 	
<p>3. How do you anticipate the impact of the restrictions will affect your business over the next 6 months to a year?</p> <ul style="list-style-type: none"> • Site viability • Site completion • Housing demand • Sales/profit • Sale completions • Property marketing • Workforce e.g. shielding/homeworking 	

<p>4. Do you have any active development sites within the Borough?</p> <ul style="list-style-type: none"> • Project name • Location • Size • Programme 	
<p>5. Is the current programme still your intention?</p>	
<p>6. If not, why has the situation changed and what is your new intention?</p> <ul style="list-style-type: none"> • Supplier issues • Staffing • Site conditions 	
<p>7. Do you have any other sites in the Borough which should be coming forward in the next 5 years?</p> <ul style="list-style-type: none"> • Location • Size • Programme 	
<p>8. If yes, how do you expect Covid-19 will affect the programme for bringing these sites forward?</p> <ul style="list-style-type: none"> • Delays? • How long? 	
<p>9. Are you using any of the Government initiatives to keep your business going or to help you recover?</p> <ul style="list-style-type: none"> • Furloughing • Loans • Grants 	
<p>10. Do you expect to need further interventions to aid housing delivery?</p> <ul style="list-style-type: none"> • Housing Infrastructure Fund 	

10b If yes, for what specifically – dealing with a physical constraint? Providing infrastructure?	
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If you are concerned about the effects of the Covid-19 restrictions on your business, you can visit <https://www.ipswich.gov.uk/businessratesgrant> for advice on whether you are eligible for a Government business grant and information on how to apply.

In order to understand the changing effects of the Covid-19 restrictions we would like to contact you for regular monthly updates. If you would not like to receive any further contact then please let us know.