

IPSWICH LOCAL PLAN REVIEW

MATTER 3:

HOUSING PROVISION

ON BEHALF OF: PIGEON INVESTMENT MANAGEMENT LTD

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Introduction

Pegasus Group is instructed by Pigeon Investment Management Ltd to submit a Hearing Statement in respect of Matter 3, pursuant to the Matters, Issues and Questions identified by the Examination Inspectors.

Turley previously submitted representations in response to the Regulation 19 consultation. These were supported by Appendices prepared by Pegasus Group addressing the provision of housing under response reference 26445. This Hearing Statement should be read alongside those representations.

This Hearing Statement addresses newly arising points relevant to our previous representations, but also addresses newly arising material that there has not previously been the opportunity to respond to including D52 and D53.

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MATTER 3: HOUSING PROVISION

35. Should the housing requirement in Policy CS7 be increased to be at least 8,280 dwellings or 460 dwellings per annum (dpa), in line with the recent change to the standard method calculation of local housing need (LHN)?

- 35.1. Yes. The PPG (2a-002) identifies that the standard method provides the minimum number of homes expected to be planned for and the PPG (2a-010) provides a number of specific but non-exhaustive examples where it is appropriate to consider housing need to be in excess of that identified by the standard method. The starting point is therefore to determine the figure that arises from the standard method as addressed below, before considering whether it is appropriate to identify a greater level of need as addressed in response to question 36.
- 35.2. The minimum LHN that arises from the standard method changes at least annually. The PPG (2a-008) identifies that any such changes should be taken into consideration by the LPA and the figure that exists at the point of submission should be relied upon for 2 years.
- 35.3. At the time of the Regulation 19 consultation, the standard method identified a minimum need for 445dpa¹. However, prior to submission, new affordability information was published on 19th March 2020, which increases the minimum LHN to 460dpa. This now provides the minimum starting point for determining the LHN for the purposes of the ILPR.
- 35.4. It is noteworthy that this increase in the minimum LHN in Ipswich from 2019 to 2020 is contrary to the national trend and to that experienced in the majority of LPAs². Indeed, the median house price to income ratio jumped from 6.84 to 7.44 from 2019 to 2020 locally, the 15th greatest proportional increase of any of the 311 LPAs for which the information is consistently available³. This longitudinal change is not taken into account in the current standard method, but it is indicative that the balance between housing need

¹ As set out in paragraph 3.1 of the Pegasus Group Appendix to response reference 26445.

² 74% of LPAs saw their minimum uncapped LHN reduce from 2019 to 2020.

³ For those LPAs that have undergone Local Government Reorganisation the information is not available on a consistent basis.

and supply in Ipswich is worsening, such that the imperative to significantly boost housing delivery is even more pronounced.

36. On what basis does the Council consider, in paragraph 8.106 of the CSP, that it should not plan for a higher level of housing need than the standard method LHN suggests? Given the strategic role of Ipswich in the Ipswich Economic Area, should the Council be planning for a higher figure to provide an uplift to support economic growth?

36.1. The PPG (2a-010) explicitly identifies that where previous assessments of need identify that the need is significantly greater than the minimum identified by the standard method, LPAs will need to take this into account when considering whether to plan for a higher level of need. It also identifies that economic circumstances may indicate that it is appropriate to increase the housing requirement above the minimum LHN. This would also be necessary to accord with paragraph 80 of the NPPF. Similarly, the PPG (2a-024) identifies that it may be appropriate to increase the housing requirement where this could help to deliver the required number of affordable homes and this would be necessary to accord with paragraph 61 of the NPPF.

36.2. The ILPR does not however grapple with the first two of these considerations⁴ as required by the PPG and NPPF to determine whether a greater housing requirement is required. If these considerations indicate that the need is greater than the minimum identified by the standard method, the ILPR must respond in order to be positive, effective, justified, provide for sustainable development and to accord with national policy.

36.3. In Ipswich:

- (i) There is a recent assessment of housing need in the SHMA (D14) which identifies that owing to errors in the projections used within the standard method, the housing need is significantly greater than that identified by the standard method (even with a lower adjustment for market signals), namely a need for 519dpa⁵ over the period 2014-36, which once completions are deducted would equate to a residual demographic need for **558dpa** over the period 2018-36⁶.

⁴ Although the latter is addressed in paragraphs 24 to 32 of D53.

⁵ See Table 8.1 of the SHMA (D14).

⁶ As set out in paragraph 3.11 of our previous representation (reference 26445).

- (ii) The SHMA (D14) also demonstrates that in order to support the economic growth of Ipswich alone there would be a need for 11,220 homes⁷ or 510dpa over the period 2014-36, which once completions are deducted would equate to a residual demographic need for **547dpa** over the period 2018-36⁸. Even on this basis, the level of commuting to Ipswich from outside of the HMA would increase unsustainably⁹.
- (iii) There is a need for affordable housing which could be more fully responded to by increasing the housing requirement. The balance of affordable housing need and supply will have changed as a result of the revised proposed housing requirement and this is considered below.
- 36.4. In paragraph 24 of D53 it is identified that there is a need for 239 affordable homes per year which would equate to over 4,300 affordable homes across the plan period. Whilst it is correct to note that this need is not calculated in a consistent way with the LHN, it still provides an indication as to whether the proposed housing requirement should be increased above the minimum LHN.
- 36.5. The trajectory contained in Figure 3 of D53 indicates that 1,858 affordable homes will be delivered within the plan period in response to the need for circa 4,300 affordable homes. It therefore remains the case, that the need for affordable housing may justify a greater overall housing need in Ipswich.
- 36.6. Therefore, there are numerous reasons in Ipswich, each of which would require a greater housing need to be identified than the minimum that arises from the standard method. In order to accord with national policy and guidance and to meet any of the tests of soundness it is necessary to respond accordingly and plan for the delivery of at least 558dpa (or **10,050** over the plan period¹⁰).

⁷ Calculated from 10,382 to meet demographic growth and 838 to support jobs growth in Table 8.1 of the SHMA (D14).

⁸ As set out in paragraph 3.17 of our previous representation (reference 26445).

⁹ As set out in paragraph 3.15 of our previous representation (reference 26445).

¹⁰ Calculated from the need for 11,420 identified in Table 7.1 of the SHMA (D14) with the 1,370 completions achieved from 2014-18 removed.

- 36.7. The evidence of the SHMA is now also further supported by the Government's proposed revised standard method which identifies a minimum need for **552dpa** in Ipswich. Whilst this proposal is still subject to consultation, it does provide an additional material consideration in support of the SHMA given the consistency with the existing evidence base in Ipswich.
- 36.8. Policy CS7 identifies that in order to boost supply, as required by paragraph 59 of the NPPF, it is necessary to provide a contingency of at least 10% above the housing requirement. As this contingency is necessary to ensure that the ILPR accords with national policy, then it should be included within the housing requirement to ensure that it will be delivered, and the supply will be appropriately boosted. The inclusion of such a contingency within the housing requirement is consistent with the approach adopted in the examination of numerous other Local Plans¹¹. It also provides the flexibility necessary to respond to rapid change as required by paragraph 11a of the NPPF. One such example of this, is the imminent revision of the standard method, which based on the available evidence will demonstrate that the housing needs in Ipswich are significantly greater than that identified by the current standard method. Without sufficient flexibility in-built to the housing requirement, the ILPR would not be planning to meet housing needs in the very short-term.

¹¹ **Examples are provided in paragraph 3.43 of our previous representations (reference 26445).**

38. Is the proposal in Policy CS7 (as amended in the Schedule of Proposed Main Modifications) to step the housing requirement from 300dpa between 01/04/18 and 31/03/24 to 540dpa between 01/04/24 and 31/03/36 justified, particularly in light of the recent record of under delivery in Ipswich revealed in the Housing Delivery Test 2019 measurement?

38.1. No. There is an acute need for additional housing to address the needs of Ipswich, including as a result of the record of under-delivery. It would be entirely unsustainable to delay taking the positive action to address this and would further compromise the ability of households to access necessary accommodation for years to come.

38.2. However, if it is concluded that there is insufficient supply in Ipswich to meet housing needs as and when they arise, the resultant shortfall in housing should be addressed elsewhere within the HMA to meet the needs of households. If this approach is proposed, there would need to be some evidence that Ipswich is co-operating with neighbouring LPAs to achieve this.

39. Do the Council's assumptions for a 10% slippage in the delivery of housing from sites with planning permission or with resolutions to grant subject to a S106 agreement make reasonable allowance for the non-implementation of permission?

39.1. No. The delivery of sites will vary from site to site. Some may be entirely delivered within the plan period and others may not deliver at all. Depending upon the non-implementation of sites it could therefore become apparent that a greater slippage has occurred and the ILPR should have a sufficient contingency to provide the flexibility to respond to rapid change as required by paragraph 11a of the NPPF.

40. On what basis do Policy CS7 and Table 4 include an allowance for windfall sites in the housing supply of 50pa between 2022 and 2036? Is there compelling evidence that they will provide a reliable source of supply in accordance with paragraph 70 of the NPPF?

40.1. No. There does not appear to be any evidence to support the windfall allowance of the ILPR.

41. What assumptions have been made to inform the trajectory for the delivery of housing sites, in terms of lead in times for grant of full planning permission, outline and reserved matters, and conditions discharge; site opening up and preparation; dwelling build out rates; and number of sales outlets?

41.1. There does not appear to be any clear evidence in support of any of the sites in part (b) of the definition of a deliverable site as required by paragraph 73 of the NPPF. Accordingly, on the basis of the available information, these sites should not be considered to be deliverable.

41.2. Not that this would be a sufficient replacement for the necessary clear evidence, the evidence base also does not even appear to contain indicative assumptions about the lead-in times and build-out rates to provide a gauge for the realism of delivery.

42. Overall does the Plan allocate sufficient land to ensure the housing requirement of the Borough will be met over the Plan period, in particular from 2031 onwards?

42.1. If, as identified by the evidence base, it is concluded that there is a need for 10,050 homes, then the ILPR does not provide sufficient housing to meet the housing requirement. However even if, contrary to the evidence base, it is concluded that there is a need for only 8,280 homes but as identified in Policy CS7 this needs to be exceeded by 10% to accord with national policy (which provides for 9,108 homes), there may be a minimal surplus depending upon which of the above trajectories is used. All of these trajectories are not informed by an evidence base that accords with national policy, but even if these were relied upon, there would be very little flexibility to respond to rapid change as required by paragraph 11a of the NPPF.

42.2. It is considered that the necessary evidence in support of whichever trajectory is relied upon must be published to accord with paragraph 73 of the NPPF. Once this is available, this question will be able to be answered more fully, but until that time, we reserve our right to respond.

45. Would the Council be able to demonstrate a 5-year supply of deliverable housing sites on adoption of the Plan and a rolling 5-year supply throughout the Plan period?

45.1. Without the necessary clear evidence having been provided in support of sites in part (b) of the definition of a deliverable site, much of the supply cannot be considered deliverable.

45.2. However, even if there was the necessary evidence to support the trajectory identified by the Council in I31:

- (i) the record of substantial under-delivery would firstly remain in place in the November 2021 Housing Delivery Test results such that the policies of the ILPR would be considered to be out-of-date until at least November 2022 even if these are adopted by then.
- (ii) the Council would remain unable to demonstrate a five-year land supply until at least April 2021;
- (iii) the Council would only have a 5.09 year land supply for the period 2021-26 which provides very little room for comfort; and
- (iv) the Council would only have a 5.05 year land supply for the period 2022-27 which provides even less room for comfort.

47. Alternatively, should the proposed stepping of the housing requirement be revisited to reflect the anticipated trajectory in the delivery of housing sites over the plan period?

- 47.1. As identified above, even if a sufficient supply cannot be identified, the housing requirement should only be stepped, if the resultant annual shortfalls are addressed through joint-working with neighbouring LPAs within the HMA to ensure that housing needs are addressed sustainably.

48. If we were to conclude that a 5-year supply of specific, deliverable housing sites would not exist on adoption, what would be the most appropriate way forward for the Plan?

48.1. If this is the case, then Ipswich should work with neighbouring LPAs to ensure that annual housing needs are met across the HMA.

54. Given the evidence on the need for and projected supply of affordable housing, summarised in the Affordable Housing Topic Paper [D53], does the ILPR make sufficient provision for affordable housing to meet needs in the Borough to 2036? If not, how will the need for affordable homes in the Borough be met?

54.1. As set out in response to question 36, the ILPR does not make sufficient provision to meet the affordable housing needs of the Borough in full. However, it is recognised that a Local Plan is not required to do so, and it falls to a matter of planning judgement as to whether the contribution is sufficient.

54.2. It is suggested that the provision of circa 1,800 affordable homes in response to a need for circa 4,300 is not sufficient. This can be remedied at least in part by working with neighbouring LPAs in the HMA to ensure that affordable housing needs are more fully responded to either within or in close proximity to Ipswich Borough.