

# Ipswich Borough Council Local Plan

## Topic Paper: Reviewing the Ipswich Housing Figures

Evidence on the appropriate scale of growth for Ipswich Borough to 2031

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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 (December 2011) and a Site Allocations and Policies (incorporating IP-One Area Action Plan) development plan document. These documents form the Council's Local Plan, which guides future development in the Borough.
2. Proposed submission versions of the two plans were published for public consultation on 12<sup>th</sup> December 2014, under regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012. This followed on from an informal consultation (under regulation 18) which was undertaken between January and March 2014. Following representations received on the Proposed Submission plans and changes in national policy, in October 2015 Pre-Submission Main Modifications were published for consultation.
3. The Core Strategy and Policies development plan document review (hereinafter referred to as the Core Strategy review) will replace the adopted Core Strategy and Policies development plan document when adopted (anticipated in mid-2016).
4. The Site Allocations and Policies (incorporating IP-One Area Action Plan) development plan document (DPD) (hereinafter referred to as the Site Allocations Plan) is a new plan. It will replace the remaining saved policies of the adopted Ipswich Local Plan (November 1997) when adopted (anticipated in mid-2016).
5. The Council is undertaking a public consultation on Pre-Submission Main Modifications to the Core Strategy review and the Site Allocations Plan and their supporting sustainability appraisal and appropriate assessment reports with addenda. The consultation period will run from Friday 9<sup>th</sup> October 2015 to Monday 23<sup>rd</sup> November 2015 and further details can be found on the Council's website, [www.ipswich.gov.uk/consultations](http://www.ipswich.gov.uk/consultations), at the Council's offices at Grafton House and the Customer Services Centre at the Town Hall, or in Ipswich libraries.

### 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 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 notes in paragraph 182 that the Local Plan will be assessed at the Examination in Public whether it has been prepared in accordance with the Duty to Co-operate, legal and procedural requirements, and whether it is sound.
8. The Duty to Co-operate was introduced through Section 110 of the Localism Act 2011 in November 2011. It is a legal duty on local planning authorities to co-operate constructively, actively and on an ongoing basis with neighbouring authorities, county councils and other prescribed bodies in planning for strategic, cross boundary matters. The duty to co-operate came into force on 15<sup>th</sup> November 2011 and any plan submitted for examination on or after this date will be examined for compliance. Local planning authorities are expected to provide evidence of how they have complied with any

requirements arising from the duty. Non-compliance with the duty to co-operate cannot be rectified after the submission of a plan.

9. The Inspector will first check that the plans meets the legal requirements under s20(5)(a) of the Act before moving on to test for soundness. Legal requirements include e.g. whether it is included in the Council's Local Development Scheme; whether the Council's Statement of Community Involvement has been followed; and whether documents have been published and made available for public inspection.
10. To be sound the plan must be:
  - **'Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
  - **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
  - **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
  - **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.' (Para 182, p. 43)
11. Paragraph 15 of the NPPF notes 'a presumption in favour of sustainable development so that it is clear that development which is sustainable can be approved without delay' and plans include 'clear policies that will guide how the presumption should be applied locally' (p. 4).

#### National Policy Context

12. The Council is required by the NPPF to deliver a wide choice of high quality homes and the NPPF requires local planning authorities, in this case Ipswich Borough Council, to:

'use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period' (paragraph 47 bullet 1, page 12).
13. This paper sets out the Council's approach to identifying the objectively assessed housing need and how it intends to meet this need through the identification of sites for development, considering alternative scenarios.

#### Background

##### Housing requirements

14. The Council adopted its Core Strategy and Policies development plan document in December 2011, which focused on development to 2027. The Core Strategy was

formed in line with the then Regional Strategy (East of England Plan), which was revoked on 3<sup>rd</sup> January 2013.

15. The Council's annual housing requirement identified in the adopted Core Strategy is 700 dwellings each year or 18,200 over the plan period since 2001.
16. This enables Ipswich to meet housing needs, support the delivery of affordable housing, ensure that jobs growth in the wider Ipswich area is not affected by labour force constraints, rebalance the supply towards houses to complement the recent trend for flats, provide family-orientated homes and support wider growth objectives such as improving town centre shopping.

#### Housing delivery

17. In the period between 2001 and 2011, 6,903 dwellings were completed in Ipswich, an average of 690 each year with a peak in 2007-08 of 1,413 dwellings.
18. However between 2011 and 2015, 1,017 dwellings have been completed, which is 1,783 dwellings fewer, than the requirement of the adopted Core Strategy. Much of this delivery occurred between April 2014 and March 2015 when 471 dwellings were completed.

#### Core Strategy review

19. The Council is committed to undertaking an early review of the housing figures in light of emerging evidence, such as information resulting from the 2011 Census, new sub-national population projections published in May 2014, and the national household projections published in February 2015, and to ensure a continuous supply of housing land for development. The Core Strategy review is supported by evidence showing population and household projections to 2031. Recent population and household projections published by the Government are in the process of being considered whether they are a reasonable forecast of long term growth given the recession.
20. The Ipswich Housing Market Area comprises the districts of Babergh, Mid Suffolk and Suffolk Coastal along with the borough of Ipswich.

#### Housing Need

21. There are currently two studies which inform the housing requirement identified in the Core Strategy review.
  - Ipswich Housing Market Area Strategic Housing Market Assessment (SHMA) (August 2012)
  - Ipswich Housing Market Area population and household projections: an analysis of demographic change (September 2013)
22. The 2012 SHMA updates the 2008 study that was undertaken for the Ipswich housing market area. However the SHMA does not incorporate the results of the 2011 Census into the projections and needs assessment as the information required had yet to be released at the time of the study.
23. The 2011 Census has however been taken into account in subsequent population and household modelling work undertaken by Luton Borough Council on behalf of Ipswich Borough Council, which was published in September 2013.

## Ipswich Housing Market Area Strategic Housing Market Assessment

24. The Ipswich Housing Market Strategic Housing Market Assessment (SHMA) (August 2012) updates the 2008 study and comprises the districts of Babergh, Mid Suffolk and Suffolk Coastal, and the borough of Ipswich.

25. The key findings of the SHMA indicated:

- Most of the growth arising from migration to the Ipswich Housing Market Area (IHMA) is a result of moves to the area from London and Essex. Ipswich gains young adults and loses people aged 65 and over, whilst it is the opposite for the other three districts.
- The population of the IHMA is ageing. The area contains fewer people aged 20 to 40 than the national average, and more people at, approaching and past retirement age, although this is less pronounced in Ipswich which contains more younger people.
- Household composition has changed with more single person households, childless couples and lone parents. Thus average household size is decreasing.
- In the IHMA the balance between flats and houses is estimated to have changed – in 2001 10% of homes were flats and in 2011 the figure was 14%. The corresponding estimates for Ipswich show an increase in flats from 18% to 25% of the housing stock.
- The provision of flats and the fall in price in Ipswich is significant – whilst changes in property values have resulted in unfinished flatted developments, the increase in the supply of flats is also likely to have enabled more (particularly younger) households to buy a home.
- Affordability of rented housing in the IHMA has improved since 2008 but based on earnings of existing residents, entry level, mean and median private rents are least affordable in Ipswich.
- Household projections (East of England Forecasting Model and Department for Communities and Local Government) indicate by 2031, the number of one person households could double, as could the number of them containing a single person aged over 75. However, smaller households do not necessarily equate to demand for smaller homes, e.g. the trend is for more people aged over 75 to be supported in their own family home.
- Projections also indicate that lone parent households are likely to increase in number, which could create additional demand for social rented accommodation.
- There has been a 43% increase in households containing students in the IHMA since 2008.
- 4,000 households are in need of suitable and affordable housing in the IHMA. Ipswich has the greatest need – for 584 affordable homes per year – and this is likely to be an underestimate as it is based on prices and does not reflect other barriers such as access to finance.

- The SHMA concludes that there is a small difference between renting and buying in Ipswich (crucially, depending on the size of deposit required). There are gaps between market and social rent, however, suggesting some scope for sub-market rented and shared ownership options.
  - The availability of housing land is important, but access to finance is one of the biggest barriers to increasing supply at present.
26. Demographic trends highlighted in the SHMA indicate that there is a tendency for younger migrants to settle in Ipswich, which can impact for example on the provision of school places and could increase demand for family housing. The SHMA also indicates that earnings are lowest in Ipswich and although house prices fell, affordability remained an issue.
27. The area of the housing market was reviewed in 2012 through the SHMA and confirmed as the whole districts of Babergh, Mid Suffolk and Suffolk Coastal and the borough of Ipswich.

Ipswich Housing Market Area population and household projections

28. The Council instructed Luton Borough Council's Research and Geospatial Information Team to undertake population and household projections from 2011 to 2031 for the Ipswich Housing Market Area using a model called Popgroup. The study applies four different scenarios to test different assumptions about levels of migration and economic growth compared to current planning policy for housing supply (household constrained scenario) to 2031.
29. The report produced by Luton Borough Council in September 2013 identifies the following findings for the housing market area and Ipswich.

Table 1: Total population change 2011-2031 in the Ipswich Housing Market Area

| Scenario                          | 2011    | 2016    | 2021    | 2026    | 2031    | 2011-2031 change | 2011-2031 % change |
|-----------------------------------|---------|---------|---------|---------|---------|------------------|--------------------|
| Trend migration                   | 443,350 | 456,300 | 470,450 | 485,750 | 501,000 | 57,650           | 13.0%              |
| Low migration                     | 443,350 | 453,800 | 465,250 | 477,450 | 489,500 | 46,150           | 10.4%              |
| Household constrained             | 443,350 | 463,600 | 474,800 | 483,800 | 492,350 | 49,000           | 11.1%              |
| East of England Forecasting Model | 443,350 | 459,700 | 479,600 | 499,400 | 518,250 | 74,900           | 16.9%              |

Table 2: Total population change 2011-2031 in Ipswich

| Scenario                          | 2011    | 2016    | 2021    | 2026    | 2031    | 2011-2031 change | 2011-2031 % change |
|-----------------------------------|---------|---------|---------|---------|---------|------------------|--------------------|
| Trend migration                   | 133,750 | 139,650 | 145,250 | 150,200 | 154,700 | 20,950           | 15.7%              |
| Low migration                     | 133,750 | 138,250 | 142,250 | 145,500 | 148,250 | 14,500           | 10.8%              |
| Household constrained             | 133,750 | 136,450 | 143,100 | 148,500 | 153,050 | 19,300           | 14.4%              |
| East of England Forecasting Model | 133,750 | 135,600 | 141,750 | 148,600 | 155,150 | 21,400           | 16.0%              |

Table 3: Total households change 2011-2031 in the Ipswich Housing Market Area

| Scenario                          | 2011    | 2016    | 2021    | 2026    | 2031    | 2011-2031 change | 2011-2031 % change |
|-----------------------------------|---------|---------|---------|---------|---------|------------------|--------------------|
| Trend migration                   | 193,350 | 200,300 | 209,400 | 218,700 | 227,600 | 34,250           | 17.7%              |
| Low migration                     | 193,350 | 199,350 | 207,400 | 215,450 | 223,050 | 29,700           | 15.4%              |
| East of England Forecasting Model | 191,550 | 200,150 | 206,850 | 218,400 | 230,000 | 38,450           | 20.1%              |

Table 4: Total households change 2011-2031 in Ipswich

| Scenario                          | 2011   | 2016   | 2021   | 2026   | 2031   | 2011-2031 change | 2011-2031 % change |
|-----------------------------------|--------|--------|--------|--------|--------|------------------|--------------------|
| Trend migration                   | 58,700 | 62,250 | 65,650 | 68,950 | 72,250 | 13,550           | 23.1%              |
| Low migration                     | 58,700 | 61,700 | 64,400 | 67,050 | 69,550 | 10,850           | 18.5%              |
| East of England Forecasting Model | 58,700 | 61,800 | 64,350 | 68,000 | 71,200 | 12,500           | 21.3%              |

#### Trend migration scenario

30. The trend migration scenario is identified as the Council's objectively assessed housing need as it is based upon the current government policy position and data representing 'an average of the past five years' migration into an out of the Ipswich Housing Market Area both to other parts of the UK and internationally' (Luton Borough Council, September 2013, p. 4).
31. In Ipswich the report finds that between 2011 and 2031 the pre-school age population is 'projected to fall with all other age groups projected to rise'. The report also notes that the older population are projected to have the largest increase in population.



### Low migration scenario

32. The low migration scenario differs from the trend migration scenario in that it 'used international migration data based on the government meeting its target to reduce net migration to (less than) 100,000 by 2015. The assumption for this was that inward international migration would be reduced by 20.7%' (Luton Borough Council, September 2013, p. 9).

### Household constrained scenario

33. This population scenario reflects the position if projected house-building in the Ipswich Housing Market Area as currently identified occurs. In doing this and comparing the scenario to the trend migration scenario, the Council is able to identify whether current planned house-building will meet the projected population.
34. In Ipswich, the report concludes that the planned house-building will not be adequate to meet expected population growth.

### East of England Forecasting Model Scenario

35. The East of England Forecasting Model (EEFM) projects economic, demographic and housing trends. Applying the baseline forecast from 2012, which is similar to that published in 2013, a scenario similar to trend migration is identified in Ipswich.
36. It must be noted however that the EEFM's population figures for 2012 were based on pre Census 2011 population estimates. The trend migration and low migration scenarios include post Census 2011 population estimates. Although based on forecasts that do not incorporate the results from the 2011 Census, the EEFM 2012 run does provide an indication of the level of population and housing growth that could occur. The demographic change data from the EEFM is split into three age groups: young, working age and older people. These are transferred to the corresponding sex and age categories in the Popgroup model using the same ratios as the trend migration scenario. This process is different from that used in the EEFM and allows a link to the other scenarios with the possibility of producing data on the type of household. However, this approach does not make any adjustment within the age groups for different rates of employment, the type of industry or by sex.

### **Objectively assessed housing need – alternative scenarios**

37. Core Strategy policy CS7 identifies the amount of housing required to meet the housing need in Ipswich. The adopted Core Strategy in December 2011 identified a requirement of 700 dwellings per annum or 18,200 between 2001 and 2021.
38. The Core Strategy review amends policy CS7 to address objectively assessed housing need as required by the NPPF between 2011 and 2031. Applying the figure of 58,700 households in Ipswich in 2011, the trend migration scenario identifies a projected increase of 13,550 households to 2031. This figure is the Council's objectively assessed housing need based upon current trend.

### Alternative to housing need identified

39. Alternatives to the housing need identified in policy CS7 are to apply a requirement informed by the low migration scenario, to apply a household constrained scenario, or to apply a scenario informed by the East of England Forecasting Model (EEFM), which is based on job creation forecasts. Some of these are unrealistic, do not meet needs or in the case of the EEFM produce similar results to the Ipswich Housing Market Area as a whole.

### Alternative scenario 1

40. The low migration scenario assumes that the Government will be successful in meeting its target to reduce net migration to a certain level of less than 100,000 by 2015.
41. This is a policy requirement of the Government and may not be achievable in practice. Therefore this alternative scenario is not realistic at this point in time as it does not reflect what has happened in practice over the past five years and may not be achievable.

### Alternative scenario 2

42. The household constrained scenario identifies that Ipswich is unable to meet its projected population forecasts using the trend migration scenario. Therefore it is necessary to identify increased housing supply to meet the projected need and relying on the current supply projected will not meet the Council's objectively assessed housing need.
43. Therefore this alternative scenario is not a realistic strategy as the Council will be unable to meet its objectively assessed housing need.

### Alternative scenario 3

44. The East of England Forecasting Model (EEFM) scenario, although being based on pre-Census data, does provide an alternative to the trend migration scenario. However, whilst the forecast population for Ipswich is greater (21,400 instead of 20,950 for the trend), the forecasting model indicates that Ipswich would be the location for a lower proportion of the overall growth than the trend (compared with the remainder of the Ipswich Housing Market Area). Furthermore, the overall change in the number of households is lower. This indicates that the trend migration scenario, whilst different, would provide for level of household growth arising from the economic forecast.
45. Given the similarities between the EEFM scenario and the trend-migration scenario, it is not considered realistic to consider the EEFM scenario as an alternative as the trend – migration scenario would provide for the level of household growth arising from the economic forecast as mentioned above.

### **Delivery of housing to meet need – alternative strategies**

46. Adopted Core Strategy policy CS7 identified the Council would allocate land in the Borough to provide for at least an additional 4,786 dwellings in the period to 2027. This would be done through the Core Strategy and the Site Allocations plan.
47. The Core Strategy review through its Pre-Submission Main Modifications amends policy CS7 to allocate land in the Borough for an additional 5,429 dwellings with a lower

amount of 4,629 dwellings expected in the period to 2031. This includes the whole Northern Fringe area (Ipswich Garden Suburb) to be allocated through the Core Strategy review to accommodate approximately 3,500 dwellings, which is explained further in the revised policy CS10 and the Ipswich Garden Suburb topic paper, of which 2,700 dwellings are expected to be completed by 2031. The remaining 1,929 dwellings will be allocated through the Site Allocations Plan on other sites in the Borough.

48. Developments completed since 2011, of which there were 1,017 dwellings by 31<sup>st</sup> March 2015, those with planning permission, those under construction, and those with an agreement to grant planning permission subject to the Section 106 Agreement for planning contributions to be signed (for example payments for play areas or education) also contribute to meeting the objectively assessed housing need of 13,550 dwellings between 2011 and 2031.
49. In addition, the Council can also take into account windfall sites, which are sites where development may occur in the plan period but the Council does not know their availability for development. The Council has made an allowance for windfall sites between 2014 and 2031 of 1,800 dwellings, assuming 90% will be on previously developed land. This includes dwellings created through the change of use of offices to residential under permitted development rights and therefore not requiring planning permission. The figure also includes purpose-built student accommodation anticipated during the plan period to 2031.
50. This leaves an outstanding requirement of 3,778 dwellings to be met later in the plan period to 2031 and the amended policy CS7 states the Council 'will work with neighbouring local authorities to address housing need later in the plan period'. This will be done through joint work in the Ipswich Policy Area.

#### Alternative delivery strategies

51. Alternatives to the strategy outlined in the review of policy CS7 are to increase the density in the Borough or to identify further development to be met outside of the Borough.

#### Alternative strategy 1 – higher-density urban regeneration

52. The Council in its preferred options documents of the Core Strategy and Policies, IP-One Area Action Plan and Site Allocations and Policies documents in November 2007 pursued a strategy of urban concentration and higher density development across the low, medium and high-density ranges.
53. These documents were subject to public consultation between January and March 2008, where a number of the sites identified were subsequently either unavailable for development or the densities proposed were too high for their surroundings. In addition the economic conditions worsened resulting in higher density schemes becoming not economically possible to deliver. The Council's strategic housing land availability assessment (March 2010) therefore amended the position on housing supply and subsequently informed the emerging Core Strategy, which identified the Northern Fringe as both a site for development prior to 2021 and a broad location for development after 2021.
54. The Core Strategy policy DM30 on density of residential development was also lower in the adopted Core Strategy in 2011 than at the preferred options stage in 2007/08.

55. Therefore this alternative strategy is not realistic as it is not deliverable within the plan period to meet the objectively assessed housing need.

Alternative strategy 2 – increased development beyond the Borough boundary

56. A second alternative strategy is to locate more housing developments outside the Borough within the Ipswich Policy Area and to not allocate the broad location at the Northern Fringe.
57. The Core Strategy in 2011 allocated an area for delivery of housing and associated facilities prior to 2021 and a broad area for housing and associated facilities after 2021. Therefore the delivery of up to 1,500 dwellings on the area prior to 2021 is adopted policy.
58. The Core Strategy review proposes to allocate the entire area of the Ipswich Garden Suburb (Northern Fringe) for housing and associated facilities for approximately 3,500 dwellings and to remove the requirement for the first phase to be completed in full prior to 2021 before the other areas of the Ipswich Garden Suburb are delivered.
59. It is necessary to release the other areas of the Ipswich Garden Suburb before the completion of the first phase to ensure the infrastructure including a rail bridge, a secondary school and a country park is delivered.
60. Not allocating the remainder of the Ipswich Garden Suburb would enable the preservation of grade 2 agricultural land. However to ensure sustainable development that is properly planned with the appropriate level of infrastructure and to meet the objectively assessed housing need for Ipswich it is necessary to allocate the whole of the Ipswich Garden Suburb area for housing and associated facilities including schools, shops and a country park.
61. It is also not appropriate to consider increasing the amount of housing to be delivered within the Ipswich Policy Area as opposed to allocating the remainder of the Ipswich Garden Suburb as not only would this be less sustainable in proximity to Ipswich town centre, the National Planning Policy Framework also requires councils to meet their objectively assessed housing needs within their boundary unless they are unable to do so (NPPF, March 2012, paragraph 179, p. 42).
62. Therefore this alternative strategy is also not realistic as it is not deliverable within the plan period to meet the objectively assessed housing need.

**Conclusion**

63. The Council in its Core Strategy review therefore identifies a housing requirement in policy CS7 of 13,550 dwellings between 2011 and 2031 informed by the trend migration scenario mentioned in this paper. To meet this objectively assessed housing need in accordance with the National Planning Policy Framework, the Council identifies through policy CS10, the allocation of land in north Ipswich for approximately 3,500 dwellings together with 1,929 dwellings being allocated through the Site Allocations Plan. The remainder of the requirement is to be met through schemes with planning permission, windfall sites and future joint working with neighbouring authorities, in addition to those dwellings completed since April 2011 as outlined in policy CS7.