

Home Builders Federation

Matter 3

IPSWICH LOCAL PLAN REVIEW EXAMINATION

Matter 3 – Housing Provision

Issue: Has the ILPR been positively prepared and is it justified, effective and consistent with national policy in relation to its provision for housing?

Housing Requirement

35. Should the housing requirement in Policy CS7 be increased to 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)?

Yes.

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?

Ipswich is the main economic centre for growth in Suffolk and it is important that the economic growth strategy established by the Council is supported by sufficient levels of housing delivery. The 2017 Strategic Housing Market Assessment (D14) considered whether household growth would support the expected level jobs growth likely to occur in Ipswich and the other authorities in the IPSA. This study reconsidered previous growth scenarios based on the East of England Forecasting Model (EEFM) and identified that for Ipswich there would be an additional 9,620 full time equivalent (FTE) jobs created between 2014 and 2036. On the basis of this assessment it was concluded in paragraph 6.44 that an additional 838 homes were required above the demographic starting point resulting in a total need of 11,220 homes between 2014-2036 (510 dpa) to align with jobs growth. Between 2014 and 2018 the Council delivered 1,363 new homes, therefore in order to ensure sufficient homes to support expected jobs growth the Council should, on the basis of their own evidence, be delivering at least 9,857 new homes (547 dpa) during the plan period 2018 to 2036.



However, the Council do not consider it necessary to plan for more than the minimum required by national policy, with paragraph 25 of the topic paper reviewing the Council's housing figure (D52) outlining the Council's position. In summary it would seem that the Council do not consider it necessary to plan for a higher figure on the basis that using the standard method results in a higher overall level of housing needs across the Ipswich Strategic Planning Area (ISPA). The Council note that the annual average delivery under the standard method is 1,900 dpa compared to the OAN in the SHMA of 1,786. However, this does not paint the full picture as these annualised assessments of need are based on different plan periods and takes no account of the number of homes delivered in the IMHA between 2014 and 2018. Based on the Authorities Monitoring Reports (AMR) for each authority the net number of homes delivered in the IMHA during this period was 5,822. Therefore, the number of homes that would need to be delivered on the basis of the SHMA for 2018 to 2036 is 33,480 homes – 1,860 dpa – not significantly lower than that required under the standard method. It is therefore not clear from the Council's evidence whether there will be sufficient homes in the right places to meet the jobs growth expectations for Ipswich and the rest of the IMHA.

As such we remain concerned that the Council does not appear to have considered where these homes will be provided across the ISPA and whether they will be in the right locations to support growth in Ipswich. In particular, the Council should have had regard to paragraph 102 and 103 of the NPPF and the requirement to promote sustainable travel options, to limit the need to travel and reduce congestion. We would have expected the SA to have considered this situation. However, in the consideration of Alternative Scenario D¹, the chosen strategy, no mention appears to have been made that this scenario would not deliver sufficient housing in Ipswich to meet employment growth and did not consider the impact of this scenario on sustainable travel patterns and whether it would potentially increase the amount and distance of commuting into Ipswich.

Therefore, it cannot be appropriate to simply state that as housing needs across the IPSA are higher under the standard method that there will be sufficient housing to meet the economic needs of Ipswich and the wider IMHA. In order to ensure sustainable transport patterns and limit the level of commuting, in particular by car, the Council should have a housing requirement that is aligned with the economic needs of Ipswich to ensure sufficient homes are delivered in the right locations. If some of these homes are to be delivered in neighbouring areas, we would expect to see these identified and their delivery monitored.

37. Has the Council been asked if it can accommodate any unmet housing needs from other LPA areas within the HMA?

This is for the Council to answer.

¹ Appendix C Sustainability Appraisal Report (2019) (Ref: A4)

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?

Paragraph 68-021 of Planning Practice Guidance outlines that a stepped requirement may be appropriate where there is a significant change in the housing requirement or where strategic sites have a phase delivery or are likely to be delivered later in the plan period. With regard to the first point the Council's Core Strategy identified a housing requirement of 489 dwelling per annum. This is not a significant change in the housing requirement and as such cannot be considered in any justification for the stepped trajectory. However, we recognise that the Council is constrained and reliant on strategic sites to deliver nearly 3,800 homes over the plan period and that this could justify the use of a stepped trajectory. However, the same paragraph of PPG also states that the stepped trajectory should "*not seek to unnecessarily delay meeting identified development needs*". This would suggest that stepped trajectories should be challenging and ensure Council's focus on delivering the sites allocated in the local plan. As such we would suggest that a trajectory that seeks to deliver more in the middle part of the plan would be a more appropriate response.

Housing Land Supply

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 permissions?

Whilst the HBF welcomes the recognition that the delivery of housing will slip for a variety of reasons we would suggest that this may well be higher. We would suggest that a higher slippage rate of 15 to 20% buffer is required. This degree of slippage has been recognised as an important aspect of plan making for some time and was highlighted by DCLG in a presentation to the HBF Planning Conference in September 2015.



In recent years there has been a 30-40% gap between permissions and housing starts

- **Gap of around 30-40%** between the number of permissions given for housing and starts on site within a year. Estimate that for a year's permissions for housing around:
 - **10-20%** do not materialise into a start; the permission 'drops out': this could be because -
 - the landowner cannot get the price for the site that they want
 - a developer cannot secure finance or meet the terms of an option
 - the development is later not considered to be financially worthwhile
 - there are supply chain constraints hindering a start.There may be scope to reduce this through policy.
 - **15-20%** are not abandoned but a **re-permission** is sought, for example to make a major change to plans or to extend the development period.
 - Recent data and realities of private market suggests need to **plan for permissions on more units than housing start/completion ambition.**
-
- | Category | Percentage |
|---|------------|
| New build starts | 60-70% |
| Conversions to residential | 5-10% |
| Re-permissions | 15-20% |
| Units that do not materialise into a start - drop out | 10-20% |

This slide illustrates that work by the Government suggests 10-20% of residential development with permission will not be implemented and that there is a 15-20% lapse rate on permissions.

40. On what basis do Policy CS7 and Table 4 include an allowance for windfall sites in the housing supply of 50dpa 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?

No comment

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?

No comment

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

No comment

43. What evidence is there that the four unallocated housing sites within the IP-One Opportunity Areas identified in Policy SP4 are likely to be available to deliver any housing to boost the supply within the Plan period?

No comment

44. In accordance with paragraph 68(a) of the NPPF, would at least 10% of the housing requirement be accommodated on sites no larger than 1ha or is there evidence to demonstrate why this 10% target cannot be achieved?

For Council to answer.

5-year housing land supply

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?

If the sites are expected to deliver within 5 years are considered to be deliverable, then we agree that the Council will have a 5.09-year housing land supply on adoption using the Sedgfield methodology and with a 20% buffer. Whilst the HBF cannot comment on the deliverability of specific sites within the Council's supply it is evident that with such a marginal 5 year land supply any concerns regarding the deliverability of sites forming this supply will lead to the plan being considered out of date.

46. The Topic Paper on Reviewing Ipswich Housing Figure [D52] calculates the supply of deliverable sites in the Plan is 5.09 years of the annual housing requirement for the first 5 years of the Plan period. Is there a need for and are there any additional sites which could contribute to the first 5 years' supply post adoption should delivery of any of the allocated sites stall in the first 5 years?

As the inspector note the five-year land supply on adoption is marginal and there is the very real risk given that on adoption the Council will not have a sufficient supply of land to meet five years' worth of housing needs. There are two potentially approaches proposed in question 46 and 47 – either identify additional sites to bolster supply or revisit the housing trajectory. The HBF supports the former solution on the basis that it ensures more homes are delivered earlier in the plan period. Whilst we recognise that stepped trajectories are now considered an appropriate response in some circumstances the expectation, as highlighted in paragraph 68-021 of PPG, is that unnecessary delays in meeting need should be avoided. By pushing back delivery even further through an amended step will mean that needs are met later and affordability, which is worsening in Ipswich, will continue to decline.

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?

See response to Question 46.

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?

If there isn't a five year supply on adoption then the Council would need to consider whether there are either existing sites that could have their capacity increased to meet

needs earlier in the plan period or whether additional sites that would deliver within five years could be allocated. If following such an exercise a five-year housing land supply is not achievable only then should consideration be given to amending the stepped trajectory.

Affordable Housing

53. Is the requirement in Policy CS12 for at least 15% affordable housing on sites of 15 dwellings or more justified by the evidence on affordable housing need and viability and would it be deliverable on brownfield sites in particular, taking account of the full range of development and policy costs?

As we outlined in our representations the 2019 NPPF places far greater emphasis in paragraphs 34 and 57 on viability being tested through the local plan in order to ensure that when development does come forward the need for negotiation on an application by application basis is avoided in the majority of circumstances. Paragraph 57 in particular notes that development which complies with all the policies in the plan must be assumed to be viable, a position which the Council cannot state is the case on the basis of their evidence. For example, Table 8-2 of the Council's Whole Plan Viability Study (D42) indicates that all the brownfield development typologies tested in lower values areas were unviable on the basis of the policies in the local plan. Therefore, in order to comply with paragraph 57 of the NPPF it would seem that the Council should not be seeking any affordable housing on brownfield sites in lower value areas. It is evident that delivery on brownfield sites in Ipswich is challenging, particularly at higher densities. If the Council is to maximise delivery of such sites it needs to ensure that it is not compromising their viability and requiring protracted negotiations with regard to affordable housing and other policy costs.

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?

The evidence provided by the Council indicates that 1,814 new homes will be delivered against the need for affordable housing of some 4,300 homes² over the plan period. This is a considerable shortfall and given the viability evidence it is unsurprising that there will be such shortfalls in Ipswich. With regard to improving delivery we welcome the Council's moves to examine their current stock and whether this can be reconfigured to provide more homes. However, this will not address the substantial shortfalls and in line with paragraph 2a-024 of PPG the Council should have considered the allocation of additional sites that could have increased overall housing figures and as such improve the delivery of affordable homes within Ipswich. However, given the difficult viability considerations and boundary constraints faced by Ipswich it

² Based on paragraph 8.151 of the Local Plan which identifies the need for 239 affordable homes per annum to be delivered to meet needs.

will also be important that the Council works with its neighbours to identify additional opportunities to meet affordable housing needs beyond borough boundaries.

55. Is Policy CS12 consistent with national policy in respect of the definition of affordable housing and the range of affordable housing tenures it includes?

No comment

56. Should Policy CS17 include affordable housing as a broad category of infrastructure to be secured or financed from new developments, given that reference is made to the provision of affordable housing in para. 8.215?

No comment

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