

Home Builders Federation

Matter 3

BABERGH AND MID SUFFOLK JOINT LOCAL PLAN EXAMINATION

Matter 3 – Housing Needs for the Settled Community and Affordable Housing (Policies SP01, SP02, LP06(1a) and LP08)

3.1 Are the plan's settled community Housing Need Targets of 416 dwellings per annum for Babergh and 535 dwellings per annum for Mid Suffolk positively prepared and justified? In particular:

(a) has the "standard methodology" been correctly calculated?

Yes.

(b) is an "uplift" in the figures necessary to help deliver (i) affordable housing or (ii) to reflect any other factors such as growth strategies, proposed infrastructure improvements or past delivery of housing in the plan area?

No comment.

(c) are there any exceptional circumstances which would justify calculation of housing need on a basis other than use of the "standard methodology"?

No.

3.2 Is the 2018 base date of the plan period justified given that the standard methodology "formula" was published in 2020 and is based on 2020 data?

No comment

3.3 For the plan to be sound is it necessary for it to include a mechanism by which any future unmet needs could be met within the plan area? Or is the statutory requirement for review and if necessary, update of the plan sufficient?

The more positive approach would be to include a specific mechanism where by the plan is reviewed to take account of any unmet needs arising within the Ipswich HMA, should these be identified prior the required review. Such an approach would ensure the Council's respond in a timely manner to address unmet needs.



3.4 In principle is it sound for the plan to provide for around 20% more housing than the housing need targets? [Note: Matter 10 considers in detail whether or not the plan is likely to ensure that the housing need figures will be met.]

Yes. Paragraph 60 of the NPPF establishes the minimum number of homes the Council are required to plan for. In order to ensure this minimum requirement is delivered it is essential, as set out in paragraph 11 of the NPPF, that there is sufficient flexibility in the land supply to take account of the fact that some sites will not come forward as expected and deliver fewer homes over the plan period. In addition to being consistent with national policy it also shows that the plan is deliverable over the plan period and as such must be considered to be effective. Indeed, other plans have been found sound with similar or higher levels of headroom. For example, the Guildford Local Plan was found sound with a 36% buffer between the housing requirement housing land supply. It should also be noted that this degree of headroom was considered by the inspector examining the Guildford Local Plan as contributing to the exceptional circumstances required to justify amendments to Green Belt boundary. Whilst Green Belt is not an issue for the JLP it does show that even where constraints are significant a significant headroom in land supply is considered a sound approach to plan making. As such the HBF considers the principle of a 20% buffer between the housing requirement and housing supply to be sound as it provides the necessary flexibility to ensure the plan is effective in meeting minimum local housing needs.

3.5 Does Policy SP01(1) provide sufficient clarity about how the mix, type and size of new housing development will be determined?

No comment.

3.6 Does the Ipswich Housing Market Area Strategic Housing Market Assessment Partial Part 2 Update (January 2019) provide a robust assessment of affordable housing needs in the districts during the plan period?

No comment.

3.7 Are the requirements of policy SP02 and LP06(1a) (35% affordable housing provision on sites of 0.5ha or 10 dwellings or more):

(a) justified in relation to the identified requirement for affordable homes (26.4% and 23.9% of all new homes in Babergh and Mid Suffolk respectively)?

In our representations we highlighted a discrepancy in relation to the Council's policy and the level of affordable housing needs however this concern was based on the evidence set out in the 2017 SHMA and not the latest data published in the 2019 update which is reflected in the local plan. Based on the most up to date information published by the Council there is clearly a higher degree of affordable housing need than stated in our representations. However, it is still important for the Council to ensure that the number of affordable homes delivered through this policy is in alignment with the number of such homes that are considered to be required.

The Council set out in SP02 that it expects this plan to deliver 2,096 affordable dwellings in Babergh and 2,428 affordable dwellings in Mid Suffolk to meet the need for affordable housing. The Council have now examined delivery expectations and present their assessment of future affordable housing supply in Table 4a, 4b and 4c of EP02. The Councils expectations are that over the plan period 2,103 affordable dwellings will be delivered in Babergh and 3,108 in Mid Suffolk against needs of 2,096 and 2,428, respectively. This is an over supply across the JLP area of 15%. However, we are concerned that this could underestimate the level of supply moving forward. The Council are basing delivery on the percentage of affordable housing delivered for the period 2015 to 2020 and applying this across total delivery for the remainder of the plan period. However, such an approach could underestimate delivery of affordable housing given the reduced scope for negotiation on affordable housing contributions in the latest NPPF as set out in paragraph 57 of the NPPF and 10-002 of PPG. An alternative approach to assessing the potential number of affordable homes that will be delivered over the plan period is considered below.

The Spatial Housing Approach Topic Paper (EP03) sets out the Councils' position with regard to the level of delivery on each of the allocated sites and from extant planning permissions. With regard to identified sites in Appendix A of EP03 the Councils expect 5,075 homes to come forward on these sites in Babergh and 8,285 in Mid Suffolk. Of these sites only those delivering ten or more units will be required to provide affordable housing. Removing sites that are not required to provide affordable housing on the basis of SP02 (113 units in Babergh and 144 units in Mid Suffolk) results in 4,962 homes in Babergh and 8,141 homes in Mid Suffolk coming forward on sites required to provide 35% affordable housing. The application of SP02 on allocated sites would result in a maximum of 1,737 new affordable homes in Babergh and 2,849 in Mid Suffolk. However, in addition to delivery on allocated sites expected delivery from extant permissions must be considered and included in overall delivery expectations for affordable housing.

Extant permissions are set out in Appendix B of EP03. This table shows that from the start of the plan period there were 4,036 net additional dwellings expected to come forward in Babergh and 4,050 in Mid Suffolk from existing permissions. Some of these permissions will provide affordable housing, however the Council's evidence does not indicate how many. In order to provide some indication as to delivery of affordable homes from this source of supply we have examined the expected delivery of affordable housing on those extant permissions identified by the Council that will deliver 25 or more homes. Based on planning statements and S106 agreements it would appear that extant permission will provide at least 647 affordable homes in Babergh and 714 affordable homes in Mid Suffolk.

When added to delivery from allocated sites that are required to provide affordable housing this means that over the plan period it can reasonably be concluded that on the basis of the proposed policy there is the potential for 2,335 affordable homes to be delivered in Babergh and 3,498 in Mid Suffolk. This is a total of 5,833 such homes

across the JLP area over the plan period against a need of 4,287 – 31% more than the Councils' evidence indicate is required.

Whilst we recognise that the Councils will want to provide some flexibility in the supply of affordable homes this must not be disproportionate. For example, on the basis that a 30% affordable housing requirement was delivered across all allocated sites in the JLP would see 5,292 affordable homes delivered over the plan period. This is 17% above needs which is more than sufficient flexibility to take account of some allocated sites delivering below the policy requirement and mean that needs will still be met. We would therefore suggest that the affordable housing requirement set out in SP02 be reduced.

(b) likely to be financially viable in most circumstances?

As set out in our representations the NPPF and its associated guidance placed far greater emphasis on testing the viability of development through the local plan rather than on a site-by-site basis. This is clearly stated in paragraph 10-002 of PPG and in paragraph 57 of the NPPF. Both these paragraphs indicate that decision makers can assume that a development will be viable with all a local plan's policies being met. This means that policies for affordable housing will need to be less aspirational than in the past and recognise the variability of viability across an area and between development scenarios.

The Council's viability study (ER02) states in its recommendation at paragraph 8.2 that viability on brownfield sites is more challenging and recommends that Council seeks a 20% requirement on affordable housing on such sites. Whilst we recognise that such development may not be the primary source of new housing in both areas it is still necessary for the Councils to ensure that decision makers can assume a development to be viable with all the policy costs being placed on it at the point of application. This is clearly not the case in relation to the affordable housing requirement and it must be adjusted accordingly in relation to brownfield sites.

(c) likely to be effective and appropriately flexible, when applied together with the requirements of policy LP08?

As set out above it is important that the Council in the first instance reduces the likelihood of negotiation being required in the first place with regard to affordable housing. However, there will be circumstances where a negotiated settlement is necessary and as such, we would agree that when taken together SP02 and LP08 provides sufficient flexibility in line with national policy and guidance.

3.8 Is the penultimate sentence of policy SP02(4) justified and effective? Would it be more appropriately reworded as "In exceptional circumstances, where it is convincingly demonstrated that the provision of 35% affordable housing is not viable, the Council may agree to vary the requirement."?

No comment

3.9 Is policy LP08 clear and will it be effective in achieving the identified requirement for affordable housing?

As set out earlier our main concern is that when taken together SP02 and LP08 are likely to lead to an excess in supply of affordable homes.

3.10 Is the policy LP08 figure of 35% market housing on rural exception sites justified by robust evidence?

No comment

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