

**BABERGH & MID  
SUFFOLK JOINT LOCAL  
PLAN EXAMINATION**

**MATTER 3: HOUSING  
NEED FOR THE  
SETTLED COMMUNITY  
AND AFFORDABLE  
HOUSING**

**REP ID: 21797, 21799,  
21804, 218011**

**HEARING STATEMENT**

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## MATTER 3 – HOUSING NEEDS FOR THE SETTLED COMMUNITY AND AFFORDABLE HOUSING

### Introduction

- 1.1 This Hearing Statement for Matter 3 has been prepared by Carter Jonas LLP on behalf of Obsidian Strategic Ltd to respond to the Inspector's questions. Obsidian Strategic Ltd has promoted land east of Church Road in Thurston as an additional allocation for up to 500 dwellings in two phases.
- 1.2 Obsidian Strategic Ltd submitted representations to the pre-submission draft Babergh and Mid Suffolk Joint Local Plan (Draft BMSJLP) that address the issues raised in Matter 3. The relevant Id. numbers for those representations are as follows:
- Section 6: Housing Needs & Requirements - Rep Id. 21797
  - Policy SP01: Housing Needs – Rep Id. 21799
  - Policy SP02: Affordable Housing – Rep Id. 21804
  - Appendix 1: Housing Trajectory – Rep Id. 21811

### Matter 3 – Housing Needs for the Settled Community and Affordable Housing

*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?*

*(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?*

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

- 1.3 No, the proposed housing need targets in Draft BMSJLP are not sound. Section 6 of Draft BMSJLP explains how the housing requirement and target for the plan period from 2018 to 2037 has been calculated, with the housing targets set out in Policy SP01. The housing needs targets are not positively prepared, not justified and not consistent with national policy guidance because they are based on the standard method for calculating local housing needs only with no assessment as to whether adjustments should be made for economic growth, strategic infrastructure improvements, or affordable housing factors.
- 1.4 We consider that the standard method for calculating local housing needs for Babergh and Mid Suffolk have been calculated correctly and provide the minimum starting point for determining the housing requirement for Draft BMSJLP.

- 1.5 Paragraph 010 (Id.2a) of the Planning Practice Guidance identifies the circumstances where a higher housing figure than derived from the standard method should be assessed, which are as follows: growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals); strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground. Paragraph 024 (Id.2a) explains how the need for affordable housing is calculated, and we consider that the overall housing target should be increased where it could help deliver the required number of affordable homes. Section 6 and Policy SP01 of Draft BMSJLP and the Housing Objectively Assessed Needs Topic Paper [Doc Ref. EP02] do not make any reference to the guidance in Paragraphs 010 and 024 (Id.2a) of the Planning Practice Guidance, which indicates that no assessment has been undertaken of economic growth, strategic infrastructure improvements or affordable housing factors to determine whether an adjustment should be made to the housing target.
- 1.6 It appears that Babergh and Mid Suffolk have not been asked to accommodate unmet housing needs from neighbouring areas, so no adjustment to the housing target is required for this factor.
- 1.7 The Suffolk Framework for Growth January 2019 [Doc Ref. D20] and the Infrastructure Delivery Plan September 2020 [Doc Ref. ER01] identify a number of strategic infrastructure projects to accommodate growth and to meet economic priorities, including improvements to freight and passenger rail services and capacity and junction improvements to the A14. These economic growth and strategic infrastructure factors should be assessed to determine whether an adjustment should be made to the housing target. It is likely that additional housing will be needed to support economic growth, and strategic infrastructure improvements would increase the need the additional housing, both of which support an upward adjustment to the housing target for Draft BMSJLP.
- 1.8 The Babergh and Mid Suffolk Joint Annual Monitoring Report 2019- 2020 published October 2020 [Doc Ref. EM03] and the Housing Objectively Assessed Needs Topic Paper [Doc Ref. EP02] provide data on past and future affordable housing delivery. Table 4 and Table 9 in Doc Ref. EM03 demonstrate that past affordable housing delivery has been poor, and in most years affordable housing delivery was below the adopted and proposed policy requirement for 35% affordable housing. In these circumstances there will be an existing shortfall in affordable housing supply and affordable housing needs will remain unmet.
- 1.9 The past under-delivery of affordable housing has not been assessed to determine whether an adjustment to the housing target is required. It is assumed in Doc Ref. EP02 that affordable housing needs would be met by the predicted housing supply in Draft BMSJLP – see Tables 4a, 4b and 4c in Doc Ref. EP02. However, the claim that all identified affordable housing needs would be met during the plan period assumes that all of the sites included in the housing land supply would deliver affordable housing, which is not correct. For example, sites of less than 10 dwellings and prior approvals for residential use will not be required to provide any affordable housing, vacant building credit may apply to some previously developed sites that would offset

affordable housing requirements, and viability issues may affect the amount of affordable housing that can be provided on other sites.

- 1.10 The sites where affordable housing is not required or will not be delivered should be discounted from the calculations on the future delivery of affordable housing. It is likely that delivery of affordable housing will fall below what is required to meet identified needs. In these circumstances, it would be appropriate to consider whether an adjustment should be made to the housing target in Draft BMSJLP to address the current under-delivery of affordable housing and the likely failure to meet affordable housing needs in full during the plan period, as suggest in Paragraph 024 (Id.2a) of the Planning Practice Guidance
- 1.11 The housing figure in Policy SP01 is based on the standard method and no exceptional circumstances are identified in Draft BMSJLP to use an alternative approach. There are two AONB's in Babergh and Mid Suffolk - Dedham Vale AONB and the Suffolk Coast and Heaths AONB – and there are other environmental designations within the plan area, but sufficient unconstrained land exists to accommodate housing needs with an appropriate upward adjustment. Therefore, the use of an alternative to the standard method is not justified.
- 1.12 In light of the above we consider that the housing target in Policy SP01 should be increased to take into account adjustments for economic growth, strategic infrastructure improvements and affordable housing factors.

*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?*

1.13 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?*

1.14 No comment

*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.]*

1.15 Yes. It is appropriate to identify a deliverable housing land supply that exceeds the housing target, in order to provide flexibility and to account for delays in delivery at some sites, and to ensure that a sufficient supply can be maintained throughout the plan period. However, as set out above, the housing target in Policy SP01 of Draft BMSJLP does not include any assessment of economic growth, strategic infrastructure improvements or affordable housing factors to determine whether an adjustment should be made to the housing target. We consider that upward adjustments are required for all these factors, and as a consequence it is very unlikely

that 20% more housing has been identified than is required. The housing target in Policy SP01 should be increased to take into account adjustments for economic growth, strategic infrastructure improvements and affordable housing factors, and once those adjustments have been made there would not be a 20% buffer in the housing land supply when compared with the housing target.

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

1.16 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?*

1.17 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)?*

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

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

1.18 Yes. However, as set out above, the data in the Babergh and Mid Suffolk Joint Annual Monitoring Report 2019- 2020 [Doc Ref. EM03] demonstrates that the overall policy requirement of 35% affordable housing has only been met in a few recent monitoring years, and has not therefore been achieved too frequently. There is already a shortfall in the delivery of affordable housing from the first couple years of the plan period for Draft BMSJLP. In order to increase the delivery and supply of affordable housing, and ensure that the overall 35% affordable housing requirement is met, it is considered that additional sites, capable of delivering policy compliant levels of affordable housing, should be allocated in Draft BMSJLP. The site promoted by Obsidian Strategic at land east of Church Road in Thurston would deliver policy compliant levels of affordable housing.

*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."?*

1.19 No comment.

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

1.20 Policy LP08 is clear, but we consider that it will only be partially effective in achieving the identified requirement for affordable housing. As set out above, affordable housing is not required on sites of less than 10 dwellings and prior approvals for residential use, and developments where vacant building credit applies or viability issues arise will deliver no or reduced amounts of affordable housing. The monitoring data demonstrates that the delivery of affordable housing has been poor, and there is a shortfall in the delivery of affordable housing. It should be noted a number of neighbourhood plans have already been made in Babergh and Mid Suffolk, which should have considered whether it is appropriate to identify land to meet local affordable housing needs. It is very unlikely that those villages with a made neighbourhood plan would take any action to bring forward a community-led scheme for affordable housing or support a rural exception scheme when they had the opportunity to address local affordable housing needs through the neighbourhood plan process.

1.21 For example, the made Thurston Neighbourhood Plan has no policies on affordable housing makes no allocations for residential development; all of the sites referred to in the Plan now have planning permission and are commitments. As set out in the Obsidian Strategic Ltd representations to Appendix 1: Housing Trajectory, most of the 'allocations' for Thurston in Draft BMSJLP have planning permission (except for Site Ref. LA089 (Application Ref. DC/19/02090) for 200 dwellings) are commitments and will be delivered by 2029/30. As such, the Draft BMSJLP contains no strategy for the delivery of housing or affordable in Thurston between 2029/30 and 2037, which is an inappropriate outcome for a Core Village. Therefore, the parts of Policy LP08 that refer to community-led housing or rural exception schemes will be ineffective where there is a made neighbourhood plan, as is the case in Thurston. Therefore, it is very unlikely that local affordable housing needs would be met throughout the plan period.

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

1.22 No comment.