

## Babergh Development Framework

### Core Strategy (2011- 2031) Submission Draft

(Part 1 of Babergh's New Local Plan)

#### Technical Background Document 4: Approach to Homes and Affordable Homes Version 2 (July 2012)

##### 1. Content of Paper

- 1.1 This Technical Background Document supports the 'Core Strategy (2011 - 2031) Submission Draft' document published in October 2011 and the 'Schedule of Proposed Main Modifications' document published in July 2012. It provides information about the following:
- Explanation of options chosen (plus others considered and reasons why not chosen)
  - Explanation of housing numbers (inc. refs to trajectory) and justification on delivery
  - Explanation of affordable housing approach
  - Explanation of the relationship between homes and jobs

##### 2. Explanation of homes numbers (inc. refs to trajectory) and justification on delivery

###### Policy CS2 (Strategy for Growth and Development)

- 2.1 Section 2 of the (Submission Draft) Core Strategy document sets out the preferred homes provision figure for Babergh over the 2011 – 2031 (20-year) period. This also has regard to provision of homes over the preceding period from 2001 to 2011.
- 2.2 If the Regional Spatial Strategy (RSS) remains in force at the time of Core Strategy adoption, the total housing requirement from that source document for 2011-31 would be approx. 6,000. That figure is derived from a rigid application of its housing provision policy (H1) that requires a provisional delivery figure of 5,600 dwellings (280 p.a.) from 2001-21 and a commensurate roll forward to the end of our Plan period. The RSS policy also requires compensating for earlier under-provision from 2001-11 and thereafter using that higher annual figure, including the compensation allowance, for the 20-year period of this Plan, that is, 2011 to 2031. This explains the 'jump' from 280 dwellings a year (as required by RSS from 2001-21) to 300 a year (as required from 2011-2031). See paragraph I below for further details.
- 2.3 The following paragraphs provide a basic demand / supply side overview.
- I. Demand Side Factors
- Adopted RSS requirements 2001-2021: 5,600 (280 p.a.)  
Calculated Adopted RSS roll forward requirements 2011-2031: 6,000 (approx 300 p.a.)  
(due to under-provision between 2001 and 2011)

(Projected requirement 2011- 2021 to meet adopted RSS =  $2800 + 191 = 2990$   
Remaining annual requirement to 2021 =  $2990/10 = 300$   
Total calculated RSS housing req. =  $2990 + 3000 = 6000$  approx, in addition to 2610 completed)

## II. Supply Side Factors

Total units completed 2001 – 2012 = 2823

Total identified supply (committed / available) (outstanding planning permissions and remaining Local Plan (2006) allocations) = 2,216

Estimate of likely housing ‘windfall’ provision for plan period 2011- 2031 (sites currently unknown and unidentified that can be expected to arise over the future time period) = 1640 (at 82 per year) (See Housing Implementation Strategy for more information)

Assessment of capacity for extra / new allocations = 2,500

Total Planned Supply 2011 – 2031 = 5,973 (=6,000 rounded)

Plan period 2011 - 2031	Explanation of figures
2,500 (approx.)	Capacity for additional ‘new’ growth to allocate – bottom up approach
2,430	Completions for 2011/12; existing commitments (= remaining Local Plan allocations, sites where the principle of development has been established and outstanding planning permissions)
1640 (approx.)	Allowances for windfalls from 2011-2031 (annual rate of 82 over 20 yrs)
6570	Total ‘new’ capacity for growth and existing commitments
5,975 (approx.)	Housing to provide for in District between 2011- 2031
595	10% buffer to allow for non-delivery over the plan period
300 (approx.)	Future annual average growth rate = Total housing to provide for divided by 20 years

2.4 An explanation of the choice of preferred option, other options considered and reasons why follows.

### A. Preferred Option

2,500 (entirely new, extra provision, that was not previously planned for). Approx. 6,000 total planned provision over the Plan period (300 per year)

### B. Reasons for Preferred Option

The preferred level of extra new provision does not reflect exactly any of the options floated.

Our assessment of total planned supply (5,973) falls very close to the RSS figure of 6,000 that is to within a negligible margin. This is deemed to be in general conformity with adopted RSS. The planned level of provision takes into account:

- The adopted RSS requirement (together with its roll forward to 2031)
- Babergh’s own assessment of capacity, housing needs, and realistic assessment of likelihood of delivery on the ground (such as local market factors)

2.5 The key evidential factors in arriving at this level of new housing provision for the Core Strategy period (2011-2031) are:

Assessment of need, both open market and affordable housing evidenced through:

- Housing Needs Survey 2008. See: <http://www.babergh.gov.uk/housing-and-homelessness/affordable-housing-and-development/housing-need-information/>
- Strategic Housing Market Assessment (2008 and) 2009-10 update: <http://www.babergh.gov.uk/Babergh/SHMA>
- Assessment of local housing market factors and uptake of land availability by the market (including that a figure above 300 units per year appears unlikely to be deliverable) See Babergh AMRs: <http://www.babergh.gov.uk/Babergh/AMR>
- Housing Viability, Joint Affordable Housing Sites Viability Study 2008-09: [http://www.ipswich.gov.uk/site/scripts/documents\\_info.php?categoryID=200027&documentID=569](http://www.ipswich.gov.uk/site/scripts/documents_info.php?categoryID=200027&documentID=569)
- Strategic Housing Land Availability Assessment 2010 update: <http://www.babergh.gov.uk/Babergh/SHLAA>
- An assessment of environmental capacity and constraints (various pieces of work and research and largely covered by sustainability appraisal). See: <http://www.babergh.gov.uk/babergh/ldf>
- An assessment of infrastructure capacity and future provision (various pieces of work and research and largely covered by sustainability appraisal)
- Evidence of consultation responses throughout the Core Strategy preparation process (see latest consultation statement: [www.babergh.gov.uk/babergh/ldf](http://www.babergh.gov.uk/babergh/ldf))
- The planned distribution of future growth, based upon our understanding of the district's settlement pattern / local communities and how these function (see Section 1 of Submission Draft Core Strategy document, web-link as above)
- The relationship with planned jobs provision for Babergh and that with neighbouring districts (particularly Ipswich) (See websites for St Edmundsbury, Mid Suffolk, Ipswich, Suffolk Coastal, Tendring, Colchester, and Braintree Councils)

### C. Alternative Options considered

Housing Provision in line with adopted RSS level (5,600+ increased level calculated as result of any shortfall for ensuing period from 2021 to 2031 (i.e. 280 / 300 per year); or Less or More?

*(Issues & Options Report, 2009, Q SS7)*

The Growth Issues consultation exercise in late 2010 also presented 4 different scenarios and asked for views on alternative levels of future housing growth:

Scenario 1: Balancing housing and economic growth

3626 (A: Create 8100 jobs up to 2031)

5768 (B: Create 10480 jobs up to 2031)

5084 (C: Create 9720 jobs up to 2031)

(based on household projections / existing household formation rates)

Scenario 2: Address affordable housing needs and open market housing needs

10,406 (10,400)

Scenario 3: Depressed market and continuing the existing level of development

1,897 (1,900)

Scenario 4: Market intervention / quick market recovery and continuation of existing level of development  
2,132 (2,150)

These options were not chosen *in their exact forms* because:

Scenario 1: Although the new jobs figure under 1C has been chosen, partly as a result of latest forecast job creation in Babergh (and RSS review to 2031 indicative target) the apportionment required for the Ipswich Policy Area and Ipswich Core Strategy (as well as location of suitable sites, and advantages of this location for economic development) indicate a relatively high allowance of this Babergh new jobs total to that area, a substantial element of which is likely to be required to meet Ipswich's growth sustainably. Scenario 1C envisaged a total housing provision of 8,750 new homes from 2010-2031 and; at almost 420 new homes per year in Babergh, that level of housing growth appears unsustainable in environmental / infrastructure terms and unrealistically high for the market to deliver. It also does not recognise the fact that the new jobs total takes into account historical and planned delivery of substantial numbers of new homes within Ipswich Borough itself. Both factors (that is, the approach to location / delivery of jobs and location / delivery of housing) reflect the new Duty to Co-operate (in the current localism Bill).

Scenario 2 was considered unsustainably and unrealistically high in respect of both extra jobs and homes

Scenario 3 was considered to make an inadequate contribution to meeting new homes needs and does not allow for the possibility / likelihood of higher potential delivery in the post downturn years compensating for the lower delivery levels during the downturn years

Scenario 4, in respect of new homes numbers, was considered relatively close to a suitable total and makes more allowance for the possibility / likelihood of higher potential delivery in the post downturn years compensating for the lower delivery levels of the downturn years. However, total housing provision at 5,800 / 276 per year (21 year period, 2010-2031) was considered a little too low in respect of meeting identified needs sustainably as far as possible (for a 30-year sustained period from 2001-2031 = 8,300 total). Accordingly, a 5,970 / 6,000 figure / 300 per year (20 year period, 2011-2031) although not radically different, represents a finer tuned housing provision level that will be closer to meeting identified needs and affordable homes needs at a level that is achievable yet sustainable (8,600 approx. over 30-year period, 2021-2031).

### 3. Policy CS14 (Mix and Type of Dwellings)

#### Preferred Option

Section 3 of the document sets out the Council's position on requirements for a mix of dwelling types and sizes. This requires that on all residential sites a mix should be provided to reflect identified needs.

#### Reason for Preferred Option

The evidence base and sustainability appraisal indicate that Babergh's housing market(s) are not fully balanced (in terms of what homes are needed and what are available) and therefore all new residential schemes should seek to provide the homes that are needed (type, size, etc.).

### Alternative Options considered

The Issues and Options report (2009) set out the option of the above approach (in paragraphs 5.3 – 5.4), the alternatives being:

- to not include such a policy requiring a mix of dwellings; or
- to delegate such matters to subsequent documents; or
- whether respondents wished to advocate other approaches as potentially more reasonable than that above

*(Issues & Options Report, 2009, Q H1)*

These options were not taken up since the absence of a policy would be likely to result in a failure to ensure that future provision meets identified needs. Delegating the matter to subsequent documents was not appropriate given the importance of this matter to the overall chosen strategy (concerning provision of the right kind of new homes) and the delay to its achievement that that approach would cause. No preferable alternative approaches were proposed by respondents.

## 4. Policy CS15 (Affordable Housing Requirements) - Affordable Homes Delivery Target

- 4.1 National planning policy (PPS3, 2006) recommends that locals planning authorities set an overall target for delivery of new affordable homes over the Plan period (in this case the 20-year period from 2011-2031). Whilst this requirement may be formally superseded by the emerging NPPF, this approach is still considered valid and essential to Babergh's overall strategy for new homes and affordability.

### Track Record

- 4.2 The Council has since 2004-05 adopted an approach that has similarities in principle to this recommendation. Babergh's approach was to set its own Affordable Homes (AH) Provision Target, based largely on its Affordable Homes Delivery programme for the ensuing 5-year period to 2008-09 (700 new homes). See: [http://www.babergh.gov.uk/assets/Uploads-BDC/Economy/Strategic-Planning-Policy/LDF/Evidence\\_Studies/Hsng-Strategy-04-09-No-Photos.pdf](http://www.babergh.gov.uk/assets/Uploads-BDC/Economy/Strategic-Planning-Policy/LDF/Evidence_Studies/Hsng-Strategy-04-09-No-Photos.pdf)
- 4.3 This was defined as 700 additional units 'in the delivery pipeline', as either:
- Affordable homes with planning permission
  - Affordable homes under construction
  - Affordable homes completed
- (Each individual plot / unit being identified and progress tracked to ensure that no double counting takes place)
- 4.4 The target was met before the expiry of the deadline date. One of the major strengths of this original delivery programme was the level of influence that the Council was able to exert through its own actions and activities. This also served to provide confidence that the target would be met, compared to a more reactive stance that relied entirely upon delivery of AH units alongside open market developments.

### Future Plans

- 4.5 In conjunction with the Council's Housing section, a new AH delivery target has been identified for the ensuing 5-year period, from 2009-10 to 2014-5, of 500 additional AH units (see section 3.5.4). This reduced target, of course, reflects the national economic 'downturn', other significant changes in AH delivery circumstances and a reduced ability for the Council itself to directly bring delivery forward (such as that on its own land). However,

the target definition has been modified from homes ‘in the delivery pipeline’ to become 500 new AH units *actually delivered / completed*, so this change has also been a considerable factor in the downward revision from 700 to 500 new homes.

Options Consideration

### 4.6 Preferred Option

Target of 500 new affordable homes in the current 5-year period from 2009-14 (and thereafter as an indicative 5-yearly target). That subsequent indicative target may need to be revised upwards as market conditions improve and if other circumstances prove more favourable than now towards further affordable housing delivery.

Reason for Preferred Option

Babergh Council considered the level of need against a realistic level of target provision and against the evidence available and agreed to this target figure in its corporate housing strategy for 2009-14. The evidential nature of this and its strong level of direct influence over the target’s achievement through its own actions and track record of recent success through exactly this type of approach all indicate that use of Babergh’s own housing strategy target is appropriate. The target reduction compared to that previously used (2004-9) reflects the revised target definition and the prevailing market conditions.

Alternative Options considered

Target of less than 500 new affordable homes (per 5-year period)

Target of 600 new affordable homes (per 5-year period)

Target of 700 new affordable homes (per 5-year period)

Target of over 700 new affordable homes (per 5-year period)

*(Issues & Options Report, 2009, Q H2)*

These alternatives were not chosen because they were considered to make too little a contribution towards meeting future AH provision or were unrealistically high and unlikely to be achieved, particularly in the early Plan period under prevailing difficult economic and housing market conditions. However, if the target is exceeded, this represents no identifiable problem.

## 5. Policy CS15 (Affordable Housing Requirements)

Preferred Option

Policy CS15 sets out the Council’s requirements for all residential sites (with no site size threshold other than a net gain of 1+ unit) to make provision at a level of 35% of the new units to be AH units (or use of a compensatory contribution where necessary). The option approach chosen was offered for consultation purposes as a standard / uniform percentage requirement based on latest evidence and lowering site size thresholds.

Reason for Preferred Option

Babergh’s evidence indicates that a percentage requirement level of 35% is appropriate in order to secure a meaningful but reasonable requirement against the identified level of need. The evidence also indicates that as an overall district-wide target this figure will generally be financially viable. The evidence also shows that lowering site thresholds is essential given the scale / pattern of prevailing development in the district. This is dominated by very small sites / developments whereby the great majority of current developments currently make no AH provision purely by virtue of site / development size, without any recourse to any other considerations (such as need or financial viability).

Alternative Options considered

Percentage below 35%

Percentage above 40%

A lower percentage requirement on smaller sites / developments

*(Issues & Options Report, 2009, Q H4)*

*(Issues & Options Report, 2009, Q H5)*

These alternatives were not chosen, as whilst there may be merit in requiring provision levels below 35% in particular cases where, for instance, 35% provision is proven not to be financially viable, the policy can allow for that where it is shown by evidence to be justified. Further, requiring a level above 35 or 40% may be achievable in some instances but is likely not to be financially viable in the majority of cases.

### 6. Policy CS16 (Rural Exception Sites - RES)

This policy has changed the previous approach towards delivering RES, primarily by introducing more scope for flexibility (whilst retaining appropriate safeguards).

Preferred Option

Policy that provides local requirements for RES (beyond the basic provisions of PPS3 / National Planning Policy Framework) and allowing more flexibility (and not specifically requiring RES to abut settlement boundaries) for both designated Core and Hinterland Villages.

Reason for Preferred Option

Requirements and guidance of PPS3 are relatively basic in respect of RES and not locally responsive. Accordingly more detailed local policy / guidance is necessary

Given their ongoing importance to rural AH delivery in Babergh, a local policy approach is required (which should be within the Core Strategy and not delegated to later documents)

Also PPS3 is likely to be replaced by the NPPF (which is likely to reduce the coverage of such a specific policy even further)

Alternative Options considered

Provision for use of RES developments in groups for smaller villages, that is those without a built up area boundary ('BUAB', sometimes known as development envelopes, etc.)

No such provision (as above)

No provision for relaxation of the current local policy requiring all RES to be located immediately adjacent to village boundaries (together with introduction of suitable policy safeguards) as above

*(Issues & Options Report, 2009, Q H6)*

*(Issues & Options Report, 2009, Q H7)*

The alternatives were not chosen as the policy allows for development of RES at 10 Core Villages and 42 Hinterland Villages (villages with boundaries), providing 52 potential locations. Whilst it is not envisaged that RES provision will generally be made at (the very few) other villages with development boundaries, and those without them, Policy CS1 would not necessarily preclude them in principle in all cases. It is not intended that RES should be excluded in principle for such locations and if opportunities arise to meet generally modest level, local needs (through funding or land availability etc.) on modest scale schemes, the wider interests of the district and its communities would be served well. In addition, the difficulties in finding suitable sites for RES adjacent to villages commonly experienced indicates a need to relax current requirements in order to present more opportunities to find and bring forward suitable sites and in some cases locations separate

from village boundaries may still be appropriate (such as where these are well located to existing community facilities or services).

### **7. Explanation of the relationship between homes and jobs (planned levels, distribution)**

7.1 The preceding sections serve to provide part of this explanation and it is also addressed in the (Submission Draft) Core Strategy document at sections 2.3 (Level of Economic Growth), 3.3 (Level of Housing Growth), and 2.5 (Relationship of Jobs growth to Housing Growth).

7.2 The indicative level of new jobs (9,700) that the Core Strategy aims for reflects:

- Sustainable community strategy objectives
- Babergh's long-term priority theme of 'a strong and sustainable Babergh economy'
- Objectives to promote both local and wider economic recovery
- Technical evidence, in particular latest East of England (EEFM) forecasting model projections (in response to these, there is considered to be no evident reason to stifle this level of economic growth, provided it is achieved sustainably)
- Key evidence factors including out-commuting and the objective of promoting greater opportunities to live and work locally (the interests of all 3 elements of sustainable development – economic, environmental and social objectives, the latter including quality of life and improved health).
- Related economic evidence used in developing the emerging RSS review to 2031
- Cross-boundary economic growth considerations and the Duty to Co-operate.

These include the current regional Plan position and its indicative jobs target of 30,000 for Suffolk Haven Gateway (SHG - Ipswich, Babergh and Suffolk Coastal). The former is seeking to provide for 18,000 new jobs, although it is apparent that these are unlikely to all be within Ipswich itself, but instead partly within the wider Ipswich Policy Area (IPA), including Babergh's part of that entity. The Babergh and Ipswich planned figures are thus not mutually exclusive. Suffolk Coastal is planning for a contribution of some 8,000 jobs to the SHG total (total planned provision 35,700, including some potential double counting, due to the 'IPA factor'. This is very similar to the 35,400 figure in the draft RSS review to 2031 and for realistic and practical terms, likely to be of no practical difference or consequence at all. For example, although the adopted RSS originally anticipated jobs growth (back in 1994) for Ipswich to approximately 18,000, that figure cannot be taken definitively as being provided within the borough boundary. Then the RSS Review > 2031 envisaged 14,000 jobs in Ipswich and 9,700 in Babergh. With this in mind, an apportionment of perhaps somewhere in a range of 2,000+ jobs in the IPA from Babergh and perhaps a similar figure from Suffolk Coastal in the IPA seem reasonable in overall terms and would result in an overall jobs distribution pattern envisaged by the RSS review > 2031. In these matters, it is clear that a good degree of common sense, practicality and flexibility is appropriate to apply, since planning for new jobs and precise numbers / locations is widely accepted not to be an exact science. Some under-performance to date in jobs growth in the Haven Gateway sub-region (and Suffolk part thereof) and forecasts of a similar situation for Ipswich (borough area) during this Core Strategy period indicate the need for an increased and compensatory role for Babergh and Suffolk Coastal districts. These factors were instrumental in developing a range of possible future jobs growth scenarios for the district to take forward in developing this Core Strategy.

7.3 With a jobs based new plan, the level of future homes growth was determined subsequently but in relation to this new jobs level and the relationships considered. The new homes level identification process is described above (consideration of options sections) and arrived at as a level commensurate with objectives to allow for decent homes for all, as far as



possible, as a guiding principle, balanced with a maximum possible contribution to new affordable homes delivery and remain within sustainable development constraints. In simple overall terms, the jobs to homes ratio of 9,700:6,000 appears to be 1.6:1. However, as stated previously, a significant number of jobs are to be provided in the Ipswich fringe areas and these will be available for residents of the Borough and help balance substantial housing growth there. This has been underway particularly since the current regional Plan coverage period began in 2001 (Ipswich has averaged delivery of nearly 750 new homes over the 9 years for which data are published since 2001. See:

[http://www.ipswich.gov.uk/downloads/ipswich\\_AMR\\_2009-10.pdf](http://www.ipswich.gov.uk/downloads/ipswich_AMR_2009-10.pdf).

### Version Updates:

Version 1.1 issued 10/10/2011

Version 1.2 issued 12/10/2011 (Section 3.8 revised to reflect phasing of development in Housing Trajectory / 5-year housing land supply)

Version 2 issued 13/07/12 (5-year land supply and windfall section and Appendix 1 of version 1.2 now integrated within the Housing Implementation Strategy paper. This is to reflect modifications to Core Strategy and NPPF)