

**Felicia Blake**

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**From:** Ella Murfet  
**Sent:** 02 March 2020 15:09  
**To:** PlanningPolicy  
**Cc:** Sophie Pain  
**Subject:** Ipswich Regulation 19 Consultation Response - Pigeon  
**Attachments:** Pigeon IBC Reg 19 Consultation Form.pdf; Pigeon IBC Reg 19 Consultation Response.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Sir/Madam

Please find attached to this email a form and representation written on behalf of Pigeon to the Ipswich Borough Council Regulation 19 consultation.

I trust that this submission will be taken into account. If you could confirm receipt it would be appreciated.

If you feel that you need any additional information or would like to discuss further, then please do not hesitate to contact me.

Kind regards  
Ella

Ella Murfet  
Senior Planner

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# Public Consultation for the Ipswich Local Plan Review Final Draft

15<sup>th</sup> January 2020 – 2<sup>nd</sup> March 2020

Planning and Compulsory Purchase Act 2004

Town & Country Planning (Local Planning) (England) Regulations  
2012 (Regulations 19)

## Consultation Comments Form



**IPSWICH**  
BOROUGH COUNCIL

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Consultation document(s) to which this comments form relates:	<ul style="list-style-type: none"> <li>• Core Strategy and Policies Development Plan Document Review Final Draft (January 2020)</li> <li>• Site Allocations and Policies (Incorporating IP-One Area Action Plan) Development Plan Document Review Final Draft (January 2020)</li> <li>• Statement of Compliance with the Duty to Co-Operate (January 2020)</li> <li>• Statement of Common Ground (January 2020)</li> </ul>
Please return this comments form to:	<p><a href="mailto:planningpolicy@ipswich.gov.uk">planningpolicy@ipswich.gov.uk</a> or</p> <p>Planning Policy Team          Planning and Development          Ipswich Borough Council          Grafton House          15-17 Russell Road          Ipswich          IP1 2DE</p>
Return by:	<b>11.45pm Monday 2<sup>nd</sup> March 2020</b>
This form has two parts:	Part A – Personal details
	Part B – Your comment(s).

**PART A PERSONAL DETAILS**

	1. Personal details	2. Agent's details (if applicable)
Title	Mr	Miss
First name	Andrew	Ella
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**PART B Comment(s) about the Ipswich Local Plan Final Draft Consultation**

<b>Your name or organisation (and client if you are an agent):</b>	Ella Murfet, Turley Pigeon Investment Management Ltd
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Please specify which document(s) and document part you are commenting upon.

Representations at this stage should only be made in relation to the legal compliance and the soundness of the Ipswich Local Plan Review Final Draft.

<b>Document(s) and document part.</b>	<b>Comment(s) (expand the boxes if necessary and please ensure your name is included on any additional sheets.)</b>
	Please see accompanying statement.

**PART B CONTINUED – Comments about the Ipswich Local Plan Review Final Draft**

Document(s) and document part	Comment(s) (expand the boxes if necessary and please ensure your name is included on any additional sheets.)

Please ensure that Part B of your form is attached to Part A and return both parts to the Council's Planning Policy Team by 11.45pm on Monday 2<sup>nd</sup> March 2020.

**RECEIVING NOTIFICATION OF THE PROGRESS OF THE LOCAL PLAN**

Would you like to be notified of the progress of the Ipswich Borough Council Local Plan Review at any of the following stages? Tick to confirm.

The submission of the Publication Draft Ipswich Local Plan Review to the Secretary of State for Communities and Local Government for independent examination.  Yes

Publication of the Planning Inspector's Report on the Ipswich Local Plan Review.  Yes

Adoption of the Ipswich Local Plan Review.  Yes

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As part of our public task, we will process your comment, and store your information securely. Your comment and name will be made public as it will form part of the evidence base used to inform the creation of planning policy documents, but we will not publish your email address, contact address or telephone number.

Please note that we are required to provide your full details to the Planning Inspector and Programme Officer for the purposes of producing the development plan in accordance with the statutory regulations on plan making.

The above purposes may require disclosure of any data received in accordance with the Freedom of Information Act 2000. We will use this information to assist in plan making and to contact you regarding the planning consultation process.

**Representations to the Ipswich Local Plan  
Regulation 19 Consultation  
Ipswich Borough Council**

February 2020

A decorative graphic consisting of two overlapping semi-circular shapes. The shape on the left is a medium blue color, and the shape on the right is a light purple color. They overlap in the center, creating a darker blue area. The word 'Turley' is printed in white at the bottom right of the purple shape.

**Turley**

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Ella Murfet  
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Client  
Pigeon Investment Management Limited

Our reference  
PIGC3021

19 Feb 2020



# **1. Introduction and Background**

- 1.1** This Statement has been prepared on behalf of Pigeon Investment Management Limited ('Pigeon'). It is in response to the Regulation 19 Consultation on the Draft Ipswich Local Plan. The comments made follow on from Pigeon's representation to the previous Regulation 18 Consultation on the Preferred Options Consultation In March 2019.
- 1.2** This submission does not seek to promote any specific sites for development, but rather contains responses in light of Pigeon's wider land interests. The overriding point that Pigeon wish to raise as part of the consultation, is that Ipswich Borough Council should be looking to neighbouring authorities in order to assist them with meeting their housing need. The Draft Local Plan raises concerns on the deliverability of housing, and therefore the 'soundness' of the document in line with the tests set out in paragraph 35 of the National Planning Policy Framework (NPPF).
- 1.3** This Statement contains responses on behalf of Pigeon to both the Core Strategy and Policies Development Plan Document Review Final Draft (January 2020) and the Site Allocations and Policies (Incorporating IP-One Area Action Plan) Development Plan Document Review Final Draft (January 2020). Comments are also made on the Statement of Compliance with the Duty to Co-Operate (January 2020) and the Statement of Common Ground (January 2020). This Statement is subsequently split to reflect the documents.

## **2. Duty to Co-operate**

- 2.1** Ipswich Borough Council forms part of the Ipswich Housing Market Area (IHMA) and Ipswich Functional Economic Area (IFEA), which also encompasses the former District of Suffolk Coastal District Council (now part of East Suffolk Council), Babergh District Council and Mid-Suffolk District Council. In accordance with the Localism Act 2011 and Paragraph 24 of the NPPF these local authorities are under a Duty to Co-operate with each other on strategic matters that cross administrative boundaries.
- 2.2** Paragraphs 25 and 26 of the NPPF state that:
- '25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans.**
- 26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.'**
- 2.3** From the earliest stages of the plan making process, the local authorities within the ISPA have been aware of the pressing issue relating to the unmet housing needs that will arise from Ipswich over the plan period. Indeed, the consideration of this issue is clearly expressed through the policies of the adopted Ipswich Local Plan (Policy CS6 'The Ipswich Policy Area' and Policy CS7 'The Amount of Housing Required').
- 2.4** This issue is also highlighted in the Inspector's Report on the Examination of the Ipswich Local Plan, dated January 2017. At Paragraph 32 the Inspector concluded that:
- 'Fundamentally, given the circumstances which the Ipswich Policy Area authorities currently find themselves in, there would be much to gain from the adoption of the submitted plans (subject to necessary modifications) as soon as possible. At the same time there would be likely to be little to lose in terms of getting firm proposals in place to address potential unmet housing needs. Consequently, adoption of the plans modified to require review to determine and deliver housing needs across the HMA for the long term, is thus soundly based.'**
- 2.5** As part of Pigeon's representations to the Regulation 18 Consultation, support was set out for the fact that a Duty to Co-operate Statement and working draft Statement of Common Ground (November 2018) had been published alongside the Ipswich Local Plan Review.
- 2.6** Within the Core Strategy and Policies Development Plan Document Review – Preferred Options (November 2018) the Council set out that they are actively engaged with Suffolk County Council and the neighbouring councils of East Suffolk, (Suffolk Coastal / Waveney Councils) and Babergh / Mid Suffolk on strategic growth matters, through the Ipswich Strategic Planning Area Board. The Ipswich Strategic Planning Area (ISPA) is an area that

has long been used for strategic planning purposes around Ipswich and consists of the Borough Council area plus a number of surrounding parishes.

- 2.7 It added that work is being undertaken through the Ipswich Strategic Planning Area Board which includes joint evidence gathering and agreement on joint approaches to the scale and distribution of future growth, cross boundary green infrastructure and strategic transport matters.
- 2.8 The Core Strategy and Policies Development Plan Document Review Final Draft (January 2020) retains this text, and as such Pigeon continue to support this approach.
- 2.9 The Statement of Common Ground (January 2020) again sets out that one of the strategic cross-boundary matters to be addressed is 'agreeing the approach to the delivery of the housing requirement'. In a variation to the draft version, the document states that:

'Throughout the Local Plan preparation process, each local planning authority will undertake and maintain a thorough assessment of housing supply potential within their area. Each local planning authority will plan to meet its own housing need and should have a policy setting out the specific minimum housing number it is intending to deliver in its own area. Where, through the production of a Local Plan, it is evident that the need cannot be met within the local authority's boundary, a comprehensive re-assessment of land supply and deliverability will be undertaken. Following a comprehensive re-assessment of land supply and deliverability, and where unmet need remains, the ISPA Board will provide the forum to collectively consider how the unmet need can be met within the ISPA, subsequently to be determined through each local authority's local plan. An appropriate approach will be dependent upon the scale of unmet need and the current status of other Local Plans in the ISPA'.

- 2.10 The document goes on to state that:

'as per paragraph 75 of the 2019 NPPF, Housing Action Plans will provide a mechanism for identifying actions to increase delivery where delivery falls below 95% of an authority's housing requirement (calculated over the previous three years). Each individual local authority may produce Housing Actions Plans if required to do so by Government, and Councils may collaborate on the production of Housing Action Plans to support housing supply and delivery across the ISPA. The ISPA Board can consider any common or cross-boundary themes between two or more authorities.'

- 2.11 The Council have also published a Statement of Compliance with the Duty to Co-Operate (January 2020). As part of Pigeon's representations to the Regulation 18 Consultation, concerns were raised by Pigeon that the Council were not following their Duty to Co-operate, of working with neighbouring authorities to deliver a proportion of their housing requirements.
- 2.12 Within the Statement of Compliance with the Duty to Co-Operate (January 2020) the Council have stated that:

**'Ipswich Borough Council has demonstrated a significant level of co-operation with other authorities and public bodies in the preparation of the Final Draft Ipswich Local Plan. The Council has participated in and continues to participate in joint projects with other authorities on key evidence base documents and through regular meetings of the Ipswich Strategic Planning Area Board. The Council continues to work closely with key infrastructure providers to ensure the Local Plan will deliver the infrastructure required to support development in Ipswich Borough. It must be recognised that working with other bodies on strategic planning issues is an ongoing process and this statement will be updated periodically to reflect further progress.'**

- 2.13** The document then goes on to list the topics which are strategic cross boundary matters subject to the duty, and this includes housing. Table 1 sets out the strategic issue of housing, provides a summary of the Duty to Co-operate process. This table acknowledges that 'Ipswich Borough is tightly bounded and there is limited scope to meet housing needs solely within the Borough itself'. The Council therefore clearly recognise that the Council are unlikely to meet all of their housing needs in the Borough.
- 2.14** It is highlighted in the Statement of Compliance with the Duty to Co-Operate (January 2020) that a new policy (ISPA4) has been included in the Core Strategy and Policies Development Plan Document Review Final Draft (January 2020), and this is assessed in more detail in a subsequent section of this representation.
- 2.15** Overall Pigeon consider that the Statement of Compliance with the Duty to Co-Operate (January 2020) fails to demonstrate that the Council are complying with their Duty to Co-Operate, as the Council are not seeking to deliver enough of their housing requirements outside of the Ipswich Borough Council area.

### **3. Core Strategy and Policies Development Plan Document Review Final Draft (January 2020)**

#### **Policy ISPA4 – Cross Boundary Working to Deliver Sites**

- 3.1 Pigeon support the Council's inclusion of a policy that relates to the delivery of sites outside of the Borough. However, this policy remains almost the same as its version in the previous document, only including a little more detail. Furthermore, this policy relates solely to site ISPA4.1. It does not therefore provide any general policy support or guidance for delivering Ipswich Borough Council's housing need for 8,010 homes (Policy CS7), outside of the authority area, particularly given the stepped housing trajectory with less homes delivered at the start of the plan period.
- 3.2 The Site Sheet for ISPA4.1 sets out that the development would need to be 'delivered in coordination with the delivery of the Ipswich Garden Suburb to ensure that there is sufficient infrastructure capacity to meet demand'. The Ipswich Garden is assessed with further commentary within this representation, and in line with the conclusions of this, it is considered that reliance on the Ipswich Garden Suburb puts site ISPA4.1 at risk of delay.

#### **Policy CS2 – The Location and Nature of Development**

- 3.3 Pigeon support that this policy recognises under point (c) the need for Ipswich Borough Council to work with neighbouring authorities to address housing need within the Ipswich Housing Market Area (IHMA). Notwithstanding this, Pigeon object to the fact that this ambition still does not appear to be implemented in the Council's proposals for housing development.
- 3.4 The subtext to the policy sets out that the central urban focus to the location of development also reflects the sequential approach to site selection required by the NPPF (which encourages the use of previously developed land). However, Pigeon still seriously dispute the Council's ability to deliver housing on many of the brownfield sites, which are discussed in further detail in the following section of this report.
- 3.5 Within the policy subtext the Council add that later in the plan period after 2031, the Council's housing land supply opportunities within the Borough boundary become more limited. Therefore, there will be a need to consider future development opportunities beyond the boundaries within the neighbouring local authorities, particularly given the stepped housing trajectory with less homes delivered at the start of the plan period. In the first instance Pigeon are of the view that housing opportunities within the Borough are currently limited, and that there is a present need to consider sites beyond the boundary. This is evidenced by the statement made by the Council in the Statement of Compliance with the Duty to Co-Operate (January 2020) previously referenced in paragraph 2.10 of this representation, where they acknowledge the tight boundary and limited scope for housing. It is therefore considered that the Council are contradictory in their assessment, with there clearly being limited scope now, and not just after 2031.

- 3.6 In any case, there also does not appear to be any further evidence as to how housing will be delivered later in the plan period, and as such Pigeon have fundamental concerns that the Council have not explored these opportunities any further.
- 3.7 It is recommended that Ipswich Borough Council should look to sustainable locations which have good infrastructure, high accessibility to settlements with employment opportunities and connectivity to Ipswich. For example, neighbouring satellite villages around Ipswich such as Claydon, Sproughton and Wherstead can assist in delivering the housing growth to meet the objectively assessed need for housing in the Borough. These areas are well connected to Ipswich.

### **Policy CS7 – The Amount of Housing Required**

- 3.8 Policy CS7 proposes a housing requirement for 8,010 homes in Ipswich across the period 2018-36. A detailed assessment of housing and economic needs have been produced by Pegasus Group on behalf of Pigeon, and this is contained within Appendix 1 of this representation.
- 3.9 The assessment concludes that Policy CS7 does not represent positive planning; it is not justified being contrary to the available evidence; it will not be effective in meeting demographic, economic or affordable housing needs; and it is inconsistent with the NPPF as well as numerous sections of the PPG.
- 3.10 In order to address this, the assessment concludes that it will be necessary to identify the housing need necessary to meet demographic and economic needs without increasing the need to travel as well as considering whether additional provision should be made to support affordable housing delivery and then setting a housing requirement which provides for the necessary significant boost to supply. The available evidence indicates that this is likely to result in a need for in excess of 11,500 homes in Ipswich.
- 3.11 In their assessment, Pegasus Group then conclude that having identified the housing need, it will then be necessary to consider whether this can be met within the Borough or whether it is appropriate to progress the Core Strategy Review with a constrained housing requirement with the remaining need to be met in the neighbouring authority area.
- 3.12 Policy CS7 sets out a policy with the minimum housing number that Ipswich Borough Council proposes to deliver in its area. The Housing Land Supply only amounts to a total of 7,214 dwellings, including an allowance for windfall development. Therefore, the Council already acknowledge that they have an unmet housing need of 1,597 dwellings over the Plan period, taking into account the 10% contingency that is allowed for in the final paragraph of the policy. Steps should therefore be taken with the ISPAB to now identify locations outside the boundary of Ipswich Borough Council where this unmet need can be accommodated. It is also considered by Pegasus Group that the proposed stepped housing requirement if supported provides no justification for not meeting housing needs in a timely fashion across the IHMA. Accordingly, if the stepped housing requirement is considered appropriate it will be necessary for corresponding stepped housing requirements (with a greater number in the early years to offset the lower number in Ipswich) in neighbouring LPAs to ensure that the existing housing backlog is addressed as soon as possible and to ensure that housing delivery does not continue to

lag behind need as has been the case in Ipswich as reflected in the Housing Delivery Test result.

#### **Policy CS10 – Ipswich Garden Suburb**

- 3.13 This urban extension is proposed to the north of the Ipswich Town. The policy text makes reference to the fact that this is the only area of extensive greenfield land still available within the Borough for development, due to the tight urban boundary. This demonstrates how limited the development opportunities within Ipswich Borough are.
- 3.14 There is an adopted SPD for this site, and within this it states that 'the success of the development of the Garden Suburb will depend to a large extent on the continued partnership working of the landowners, IBC and other key stakeholders to secure delivery'. This site is therefore reliant on multiple landowners coming forward and Pigeon would therefore argue that this complication will significantly delay the delivery of the development during the plan period. This concern should be afforded significant weight by the Council given that the Garden Suburb accounts for around half of the supply of housing.

#### **Summary**

- 3.15 Therefore Pigeon retain the view that, whilst there appears to be much mention of Ipswich Borough Council working with neighbouring authorities, this does not appear to materialise into any real contribution to delivering housing outside of the Ipswich Borough Council area during the plan period. Despite the comments made by Pigeon previously as part of the Regulation 18 Consultation, the Council do not appear to have given these any significant weight.
- 3.16 In addition, it is of significant concern that the Council are clearly unable to meet their housing need requirements (and the level of affordable housing needs within Ipswich) within the plan period in their own authority area and that the Plan does not address this issue accordingly.

## **4. Site Allocations and Policies (Incorporating IP-One Area Action Plan) Development Plan Document Review Final Draft (January 2020)**

- 4.1** This commentary focuses specifically on the residential site allocations that are proposed by the Council under this document. It does not form a detailed assessment of each individual allocation, but rather provides broad comments, and draws upon examples where appropriate. Pigeon made the argument in response to the Regulation 18 Consultation that many of the sites proposed for allocation cannot be considered deliverable under the definition provided in Annex 2 of the NPPF, and this is still considered to be the case.
- 4.2** The Council have had an independent Whole Plan Viability Study (Aspinall Verdi, January 2020) undertaken and which now forms part of the evidence base, and there are concerning conclusions within the study. Not least at paragraph 8.18 where it is identified that the viability testing results on larger sites, including two brownfield sites (IP226 Helena Road/Patteson Road) and IP037 (Island Site) have been shown to be unviable and that the Council will need to take a flexible approach to policies on these Sites. Such conclusions are therefore already casting doubt over whether these two sites, which cumulatively are allocated for 758 dwellings, can be delivered within the Plan period.
- 4.3** The vast majority of sites proposed for allocation are previously developed land. Most of these sites appear to have contamination constraints and the Council do highlight this. Survey and remediation work will therefore inevitably delay the completion of development on such sites, which Pigeon flag up as an issue with the strategy. This is also likely to reduce the provision of affordable housing.
- 4.4** Furthermore the majority of these sites rely on relocation of other uses before the sites can be delivered. Those that will require relocation include businesses, various types of depots, Council services etc. There does not appear to be any evidence in most cases that relocation sites have been found or secured. Some of these existing establishments are fairly large scale facilities and so it is unclear where the space for these will be, particularly when so much development is being directed to other previously developed sites, and the Council acknowledge that greenfield sites are limited.
- 4.5** Pigeon therefore object to the amount of housing that is proposed on existing employment sites where uses will need to be relocated. If businesses are placed under pressure to relocate or displaced altogether then this would contravene economic development aspirations set out within the Plan. If businesses are not however willing, or are indeed put under pressure to relocate, then these sites cannot reasonably be considered as deliverable.
- 4.6** An example of this is the Bus Depot, Sir Alf Ramsey Way (IP004) which is allocated for 48 dwellings and 5,000sqm office space. The Site Sheet for this allocation states that there is a 'need to relocate the bus station first', and there is no confirmation that this has been attained. A further Depot and Beaconsfield Road (IP105) has been allocated for 15



- dwelling. The Site Sheet for this allocation also states that there is a 'need to relocate the existing business first', and again there is no evidence that this is a realistic prospect.
- 4.7 A particularly complicated employment site is on Feilxstowe Road (IP010b) which contains various employment uses and multiple owners according to the Site Sheet. This has been allocated for 62 dwellings and states that 'redevelopment is dependent on existing uses being relocated'. Given the multiple ownerships it would appear that this site will be a difficult one to progress, as not all occupants may want to relocate, particularly when it is unclear where they would be relocating to.
- 4.8 Land to the West of West End Road (IP120b) currently contains car showrooms, and has been allocated for 103 dwellings. Notwithstanding the constraints that this site is likely to have in terms of amenity impact of a commercial location, the Site Sheet also states that the 'existing uses would need to relocate'. There is no evidence that the occupants would be willing to relocate, and this seems unlikely given the location of the site.
- 4.9 Some of the proposed allocation sites are currently open space, amenity land or recreation grounds. There would either therefore be a loss of this space, or indeed provision would need to be re-provided. Again, there is no evidence that alternative sites have been found and if these would relate well to the parts of the community that would lose them. Pigeon object to this approach as allocating these sites will result in unacceptable and irreplaceable loss of open space for members of the public.
- 4.10 Many of the sites are car parks and constraints have been raised that parking would need to be re-provided, again with no indication that this has been considered, other than in a couple of examples where there is mention of an element of parking needing to remain on the sites. Pigeon are concerned that in order to deliver these sites, much needed car parking in the city will be lost, displacing cars and putting further pressures on road parking.
- 4.11 For example, the Car Park at Burrell Road (IP031a) is allocated for 20 dwellings. Covering an area of 0.44ha this provides a significant amount of car parking. It is not acknowledged on the Site Sheet how this provision would be replaced. A further example is Land between Old Cattle Market & Star Lane (IP054b) for which a large part of the site is currently used for car parking. The Site Sheet states that 'possible public car parking' would be included as part of the development, which does not provide any requirement for such a provision. It is considered that the loss of this facility would be of harm, given its location in the centre of Ipswich. A similar conclusion can be drawn from the allocation of a car park on Waterworks Street (IP089), for 23 dwellings. Again located in the centre of Ipswich with no apparent re-provision of the facility. All of these sites will add up to a significant loss of parking in the centre of Ipswich.
- 4.12 Several of the sites appear to be within industrial or commercial areas of the city which may have amenity issues for residents. This will be a constraint on any planning application that comes forward on such sites, and may limit the amount of development that can be delivered.
- 4.13 An example of this is the existing commercial building on Star Lane (IP043) which has been allocated for 50 dwellings. The Site Sheet sets out that the site is within the 'Urban Core' of Ipswich. The site is bounded on all sides by roads, and is surrounded by

commercial development, including warehouses, a depot, a swimming pool and various public houses and bars along the Quay. As such there are very likely to be noise and air quality issues arising on the site when pursued for residential use.

- 4.14 Some of the sites appear to be in protected employment areas, which would seem to conflict with the intention behind the designation of these parts of the city.
- 4.15 Land between Holywells Road and Holywells Park (IP064a) is an example of this. This site is currently in use as offices and light industrial, and is allocated for 66 dwellings. It is however within existing employment allocation E11 and there does not appear to be any justification as to why this site is no longer considered to warrant protection from loss of employment. It is also highlighted that the site is surrounded by office and industrial development to the north, south and west boundaries, with the nearest residential uses some distance away. It is therefore considered to be a completely inappropriate location for residential development. The Site Sheet appears to justify this by setting out that the industrial uses immediately to the west of the employment area are also proposed for residential land, and as such the use is not incompatible. It can only be assumed that the Council are referring to site IP098, which is not adjacent to IP064a, but is separated by industrial uses. The site is constrained in its own right due to the need for a gas governor to be relocated, but in any case, the inclusion of this site bears no justification for the allocation of IP064a.
- 4.16 Finally, the majority of sites identified for allocation are described to have medium or long term delivery timescales, with a much smaller number of short term sites. This is not in accordance with paragraph 68 of the NPPF. Furthermore, even some of the short term sites are subject to constraints that are set out above, and as such Pigeon think that the conclusion that they could be short term is overoptimistic.

#### **Summary**

- 4.17 Therefore, Pigeon consider that the majority of the sites that the Council has proposed for residential allocation are subject to significant constraints that could delay, or indeed, ultimately prevent their delivery. Whilst many of the sites highlighted may be of a small to medium scale, it is considered that when combined, their implications on housing delivery could be significant. In any case, these provide only a snapshot of the constraints that are likely to impact upon many of the sites that are proposed for allocation.
- 4.18 In particular, Pigeon do not consider the approach of relocation of existing uses, where there is no reassurance that these can be successfully located elsewhere, as an appropriate strategy for delivering housing in Ipswich. Pigeon therefore strongly object to this approach, and suggest that the Council follow their Duty to Co-operate, of working with neighbouring authorities to deliver a proportion of their housing requirements.
- 4.19 Pigeon would welcome the opportunity to meet with the Council to discuss how their portfolio of sites could assist the Council in meeting their housing need on sustainable sites, close to Ipswich, but within the neighbouring authorities.

**Appendix 1: Pegasus Group Ipswich Core  
Strategy and Policies Development  
Plan Document Review**

# **IPSWICH CORE STRATEGY AND POLICIES DEVELOPMENT PLAN DOCUMENT REVIEW**

**ON BEHALF OF: PIGEON INVESTMENT MANAGEMENT LIMITED**

## **Pegasus Group**

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## 1. SUMMARY

### Introduction

- 1.1 Pegasus Group has been instructed to prepare representations on the housing and economic needs identified in the Ipswich Core Strategy and Policies Development Plan Document Review.

### Policy CS7

- 1.2 Policy CS7 proposes a housing requirement for 8,010 homes in Ipswich across the period 2018-36. This is based upon the minimum local housing need of the standard method, but no consideration has been given as to whether it is appropriate to exceed this minimum in Ipswich as required by the PPG.
- 1.3 The circumstances in Ipswich and across the Housing Market Area indicate that there is a need to exceed this minimum. In particular:
- there is a recent assessment of housing need which demonstrates that the standard method significantly understates the local housing need which is one of the explicit examples identified in the PPG (2a-010) which necessitates exceeding the minimum;
  - the evidence demonstrates that there are significant flaws in the demographic projections which inform the standard method and so the use of the standard method is not justified by the evidence;
  - the Council's consultants have identified that where the standard method is subject to such flaws this should not be relied upon in other LPAs;
  - once these flaws are corrected, the evidence demonstrates that there is a need for **10,050 homes** just to meet demographic needs;
  - the evidence also demonstrates that to support economic growth as required by paragraph 80 of the NPPF, even assuming that in-commuting increases significantly, there would be a need for **9,850 homes**;
  - if as required by paragraph 103 of the NPPF the need to travel is not increased and the commuting rates of 2011 are maintained, there would be a need for circa **11,589 homes**;

- the proposed housing requirement does not meet affordable housing needs and no consideration has been given as to whether this should be increased in response as required by the PPG (67-001).
- 1.4 As a result, the proposed housing requirement does not represent positive planning and it will not be effective including because it does not meet demographic, economic or affordable housing needs and it relies upon a greater proportion of in-commuters than is currently experienced. It is not justified as it is directly contrary to the available evidence and contrary to the advice of the Council's consultants elsewhere. It is also not consistent with numerous parts of national policy and guidance.
- 1.5 Policy CS7 also proposes to step the housing requirement without any apparent consideration of the effects of doing so including that:
- there is a significant backlog of housing need as evidenced by the Housing Delivery Test result of 46% (1% above that which would currently automatically engage the tilted balance of paragraph 11d of the NPPF) which will not be addressed until late in the plan period under a stepped housing requirement;
  - the demographic evidence does not justify a stepped requirement as it indicates that the number of households will increase at a broadly consistent pace, such that the proposed stepped housing requirement will result in additional households being unable to access appropriate accommodation.
- 1.6 The only justification given for the stepped requirement is the reliance upon large strategic allocations which will not be able to deliver in the early years of the plan period. This may provide an appropriate justification but if so, it would be necessary to ensure that corresponding stepped housing requirements (with a greater requirement in the early years) was adopted across the remainder of the Housing Market Area to ensure that households were still able to access appropriate and necessary accommodation in close proximity to Ipswich. Without these corresponding stepped requirements housing needs will remain unmet which does not represent positive planning, it is not effective, and it is not justified and furthermore it would be contrary to national policy in paragraphs 7 and 23 of the NPPF.

1.7 Within Policy CS7 it is also identified that a contingency allowance of 10% above the housing requirement will be planned for in order to boost delivery. This is necessary to accord with paragraph 59 of the NPPF and so it should be included in the housing requirement in accordance with the findings of numerous Local Plan Inspectors nationally. Without this modification, Policy CS7 will not be required to boost delivery contrary to the NPPF.

1.8 Policy CS7 also alludes to the supply over the plan period but no trajectory is provided to enable this to be considered, contrary to paragraph 73 of the NPPF. Pegasus Group reserve the right to address this matter when the necessary evidence is made available.

**Policy ISPA1**

1.9 Policy ISPA1 identifies that Ipswich Borough will contribute to employment and housing delivery across the Housing Market Area. Whilst the objective is to be welcomed, Policy ISPA1 specifies the employment land and housing requirement to be achieved across the Housing Market Area which is beyond the scope of this Local Plan.

1.10 It will be necessary for economic and housing needs to be tested separately in each LPA through their Local Plan examinations. It would be premature to include these as yet untested figures, which will change in the light of new evidence including the annual changes to the standard method, in the Ipswich Core Strategy Review.



**2. INTRODUCTION**

- 2.1 Pegasus Group are instructed to submit the following representations to the Ipswich Core Strategy and Policies Development Plan Document Review.
- 2.2 These representations focus on the housing and economic needs and corresponding supply.

### **3. POLICY CS7**

#### The minimum local housing need

- 3.1 Table 8.1 of the draft Core Strategy Review identifies that the standard method produces a minimum local housing need for 445 new homes per annum or a total of **8,010 homes** in Ipswich Borough over the period 2018-36.
- 3.2 The standard method provides only the minimum local housing need. It takes no account of economic needs or specialist housing needs including those in need of affordable housing<sup>1</sup>. It is therefore appropriate to ensure that the housing need appropriately reflects these factors to ensure that the needs of different groups are addressed as required by paragraph 61 of the NPPF and that conditions are created to support economic growth as required by paragraph 80 of the NPPF.
- 3.3 The PPG (2a-010) confirms that it is necessary to take account of other factors and identifies that the need will be greater than the figure identified by the standard method in circumstances including where previous assessments of need have identified that the need is significantly greater.
- 3.4 The PPG (2a-008) also identifies that the standard method will change periodically and that as this changes, as it will in March 2020 owing to the release of new affordability information, the revised figure will need to be taken into account unless the Core Strategy Review has already been submitted for examination. Depending upon the date of submission, it may therefore be necessary to revise the minimum local housing need accordingly.

#### The SHMA

- 3.5 The Council jointly commissioned PBA to prepare the Ipswich and Waveney Strategic Housing Market Assessment, May 2017 (SHMA) which has undertaken a detailed analysis of housing needs across the Housing Market Area. This identifies that the 2014 based household projections which inform the standard method in Ipswich are flawed, such that to provide for demographic growth alone there is a need for 519 homes per annum rather than 445 homes per annum identified by the standard method.

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<sup>1</sup> Although it does take account of the affordability of market housing.

- 3.6 The reason that PBA consider that the official projections are flawed in Ipswich relates to the accuracy of the mid-year estimates which inform the projections. In the period 2001-11, the mid-year estimates in Ipswich significantly underestimated the actual population growth. The ONS sought to correct the components of change within the mid-year estimates to accord with the actual population growth identified by the Censuses but were unable to do so, and so accounted for the remaining difference through unattributable population change (UPC). PBA assume that the errors in the mid-year population estimates from 2001-11 will continue to infect the mid-year estimates after 2011 and that an adjustment needs to be made to these and the resulting projections to correct this error.
- 3.7 The 2014 based projections used within the standard method remain unchanged and are therefore subject to the same flaws as identified in the SHMA according to the evidence of the Council. It would therefore be contrary to the available evidence to rely upon these projections and use the standard method without adjustment.
- 3.8 The Councils then commissioned PBA to prepare the SHMA Update, January 2019. This suggests that as the SHMA was prepared in line with the former NPPF, it is no longer relevant in relation to the identification of housing need and that the standard method should be used instead. However, as the SHMA has found that the official projections used within the standard method are flawed, it would be inappropriate to rely upon these within the standard method.
- 3.9 The recommendation of PBA to Ipswich Borough Council to disregard the identified flaws in the projections is directly contrary to the advice of PBA to other LPAs where they have found the projections to be flawed. Pegasus Group were involved in a S78 appeal with Tendring Borough Council<sup>2</sup> last year and the Council were represented by PBA who produced and defended evidence to demonstrate that the official projections were flawed in that Council area, as PBA claim they are in Ipswich, and that as a result the standard method was unreliable and should be disregarded. The S78 Inspector accepted the recommendation of PBA and concluded that:

**"As set out above, the Council accepts that it cannot demonstrate a 5YHLS, according to the standard method by which local housing need must be calculated for the purposes**

<sup>2</sup> APP/P1560/W/18/3196412

of this appeal. This is because it must deliver 857 dwellings per annum (dpa)...

However, the Council disputes that this figure represents the true housing need of the District because the 2014 population and household formation projections are seriously flawed for Tendring as a result of acknowledged issues of Unattributable Population Change (UPC)...

The Council states that the true housing requirement is 541dpa, although it accepts that figure has been derived through a different methodology...

The Council acknowledges that this figure was developed through the former NPPF, which adopted a different methodology including how the backlog is accounted for and in terms of the uplift for affordability...

But the Council maintains that the requirement is 541dpa (not 857dpa) because the effect of UPC is continuing. This is because the standard method uses the official 2014-based official projections, which take a base period of 2009-2014 and roll forward the trends in that period into the future. I agree with the Council that because the base period included two inter-censal years, which were affected by UPC, the resultant projection itself is likely to be affected by those errors. If these errors in the MYEs continued after 2011 then the effect of the infection of the 2014-based projections by UPC is greater...

But I agree that the continuing errors in the population projections arising from UPC raise significant questions about the validity of the local housing need figure of 857dpa. I consider it likely that this figure is an overestimate of the true housing need in the District."

- 3.10 Therefore, the evidence demonstrates that the official projections used within the standard method is flawed such that the standard method should not be relied upon in Ipswich, in accordance with the advice of the Council's consultants to other LPAs within the East of England.
- 3.11 The SHMA demonstrates that there is a need for at least 11,420 homes in the period 2014-36 to meet demographic needs. In the period 2014-18, a total of 1,363 homes have been delivered in Ipswich and 13 non-student bedspaces in communal establishments according to the MHCLG Live Table. The PPG (63-016a) provides the appropriate conversion factor to calculate the number of homes that a bedspace in a communal establishment would release to the market. Using this conversion factor, 13 bedspaces in Ipswich would equate to 7 homes. Therefore, given the completion of the equivalent of 1,370 homes in

Ipswich, there is a minimum residual need for **10,050 homes** or 558 per annum across the plan period 2018-36.

The economic needs

- 3.12 The economic circumstances of Ipswich are analysed in Appendix 1 which demonstrates that the economy of Ipswich has performed well regardless of the comparative under-supply of housing since 2011.
- 3.13 The number of jobs generated has vastly exceeded the growth in the economically active population and this is likely to have contributed to:
- the significant growth in the distance travelled by workers as they travel from across the region and beyond to access the high value jobs in Ipswich;
  - potential congestion issues; and
  - the increase in house prices as workers from further afield seek to relocate to Ipswich.
- 3.14 These unsustainable trends should be addressed by providing a better balance between labour supply and jobs without constraining economic growth. This will require a significant boost to housing supply from that delivered in the past within the Ipswich Housing Market Area to both address the comparative shortfall in housing delivery which has occurred and to maintain an appropriate balance thereafter.
- 3.15 The SHMA however assumes that the Ipswich Housing Market Area will become significantly more dependent upon workers commuting in from elsewhere. In Appendix H of the SHMA it is identified that in net terms 4,790 workers out-commuted from Babergh to other LPAs in 2014 but that this is assumed to increase to 5,070 by 2036; that 7,450 workers in-commuted to Ipswich in 2014 and that this will increase to 10,530 by 2036; that 7,100 workers out-commuted from Mid Suffolk in 2014 and that this will reduce to 4,100 by 2036; and that 6,760 out-commuted from Suffolk Coastal in 2014 but that this will reduce to 3,620 by 2036. In total, the SHMA therefore assumes that there will be a need for an additional 3,080 commuters to Ipswich but that the number of net commuters from the remainder of the Housing Market Area will reduce by 5,860. This will therefore require an additional 8,940 net in-commuters to the Housing Market Area over the plan period to support the job growth of 37,070 necessary to support economic growth. This equates to 75.9% of the jobs being filled by

residents of the Housing Market Area as compared to the 85.4% which existed in 2011 according to Table 3.11 of the SHMA.

- 3.16 This represents a significant growth in the dependence of the Housing Market Area upon In-commuting to sustain economic growth. This Inherent assumption within the SHMA will further increase the distance travelled by workers, add congestion to the transport network and create additional competition for housing in the area with consequent adverse effects on the affordability of housing. These adverse effects should be addressed through an uplift to the housing requirement both within Ipswich and across the Housing Market Area. The assumption within the SHMA that the need to travel will be required to increase is directly contrary to paragraph 103 of the NPPF.
- 3.17 Even with this Inherent assumption that the economic growth of Ipswich will be sustained through increased reliance upon In-commuting, the SHMA identifies that to support economic growth alone, there is a need for 11,220 homes in the period 2014-36<sup>3</sup>. Against this, there is a residual need for **9,850 homes** or 547 homes per annum across the plan period 2018-36 to provide for economic growth alone.
- 3.18 If the levels of self-containment which were experienced in 2011 are maintained (85.4%), the 37,070 jobs would require 5,412 net In-commuters. The SHMA however assumes that the number of net In-commuters will increase by 8,940. This equates to an additional 3,528 than would be experienced if 2011 rates were maintained. Therefore, in order to prevent the assumed increase of net In-commuting and the consequent adverse impacts, it would be necessary to provide accommodation in addition to that identified by the SHMA for the 3,528 net In-commuters.
- 3.19 The SHMA identifies that an additional 838 homes would support an additional 1,700 jobs. Based on this indicative rate, it would be necessary for an additional 1,739 homes to accommodate the 3,528 assumed additional In-commuters. This would result in a residual need for circa **11,589 homes** or 644 per annum over the period 2018-36.

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<sup>3</sup> = 10,382 + 838 homes as identified in Table 8.1 of the SHMA.

Affordable housing needs

- 3.20 The PPG (67-001) identifies that where the needs of specific groups exceeds or is proportionately high compared to the overall housing need, strategic policy making authorities will need to consider the extent to which these needs can be addressed including whether a higher level of overall housing need should be identified. The specific groups include those in need of affordable housing.
- 3.21 The SHMA identified in paragraph 7.12 that the demographic need of 519 homes per annum would accommodate 500 households per annum in Ipswich and in Table 4.3d it is identified that this would equate to 11,005 households over the period 2014-36.
- 3.22 Of these 11,005 households, Table 4.3d of the SHMA identifies that 2,702<sup>4</sup> (or 25%) will be in affordable need and Table 4.8d identifies that an additional 1,075 (or 10%) will be need of discounted home ownership or starter homes. This totals **3,777 households** in affordable need (or 34%).
- 3.23 The SHMA Update undertakes similar analysis in Table 4.3d and identifies that 2,014<sup>5</sup> (or 26%) of 7,715 households will be in affordable need and Table 4.8d identifies that an additional 804 (or 10%) will be need of discounted home ownership or starter homes. This totals **2,818 households** in affordable need (or 37%).
- 3.24 Policy CS10 identifies that 31% of the homes provided at the Garden Suburb will be provided as affordable housing. The Garden Suburb is planned to deliver a total of approximately 3,500 dwellings and would therefore provide 1,085 affordable homes.
- 3.25 Based on the identified housing requirement for 8,010 homes identified in Policy CS7, there is a residual requirement for 4,510 homes outside of the Garden Suburb. Policy CS12 indicates that only 15% affordable housing will be sought on other sites of 15 dwellings or more in this area, which would provide a maximum of 677 affordable homes even if every home was delivered on a site of 15 dwellings or more and that it delivered a policy compliant level of affordable housing.

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<sup>4</sup> = 553 + 2,149

<sup>5</sup> = 436 + 1,578

- 3.26 Therefore, the draft Core Strategy Review will provide a maximum of **1,762 affordable homes**, which equates to only 22% of the housing requirement. In reality, the delivery of affordable housing will be significantly less as many homes will be built on small sites which are not required to make any contribution.
- 3.27 It is therefore evident that the policies of the Core Strategy Review do not provide sufficient scope to meet the needs of the at least 2,818 households in affordable need according to the SHMA Update.
- 3.28 In such circumstances, the PPG requires that consideration is given to whether it is appropriate to increase the overall housing need to better respond to the identified needs for affordable housing. Whilst it may not be possible or pragmatic to meet the affordable needs in full, the actions which could be taken to increase delivery at least need to be considered, but this does not appear to have happened in Ipswich.

#### Housing requirement

- 3.29 The available evidence demonstrates that the minimum local housing need identified by the standard method is insufficient to accommodate the households that are expected to arise in the Borough, that it is insufficient to support the economy and that there is a need to increase the housing requirement to better respond to the affordable housing needs within the Borough.
- 3.30 Nevertheless, Policy CS7 proposes a housing requirement based on the standard method. The evidence demonstrates that this does not meet the minimum housing needs of Ipswich and the inevitable consequence of constraining the supply of housing to the standard method will result in significant adverse effects on the ability of households to access suitable accommodation (including affordable housing) and on the economy.
- 3.31 The housing need relied upon in Policy CS7 as drafted is unsound as:
- It is not positively prepared including because it does not meet the objectively assessed needs as required by paragraph 35a) of the NPPF;
  - It is contrary to the available evidence and is therefore not justified;



- It is not justified as it directly contradicts the advice of the Council's consultants to other LPAs;
- It will not be effective as it does not meet demographic needs, affordable housing needs or economic needs;
- It is inconsistent with national policy as it increases the need to travel contrary to paragraph 103 of the NPPF;
- It is inconsistent with national policy, including because it does not reflect the needs of those in affordable housing need contrary to paragraph 61 of the NPPF; and
- It is inconsistent with national policy, including because it does not support economic growth contrary to paragraph 80 of the NPPF.

3.32 However, it should be recognised that Ipswich Borough Council has limited capacity to deliver housing. It may therefore be appropriate to identify a capacity constrained housing requirement for Ipswich Borough providing the resultant unmet needs are able to be addressed across the HMA. In order to do this, rather than constraining the need as proposed in the Core Strategy Review, it will be necessary to identify the unconstrained need and then identify the capacity of Ipswich Borough to meet this need and set the housing requirement at an appropriate level.

#### Stepped housing requirement

- 3.33 Policy CS7 proposes to step the housing requirement to provide for only 300 homes per annum in the period 2018-24 and then 518 homes per annum in the period 2024-36.
- 3.34 The official household projections upon which the standard method rely, indicate that the household growth is broadly consistent throughout the plan period with an average of 382 households per annum in the period 2018-24 and 383 households per annum in 2024-36. This means that the need for housing is consistent and provides no justification for adopting a stepped requirement.
- 3.35 At present, there are 2,894 households on the housing register seeking affordable housing in Ipswich. This demonstrates that there is a backlog of

housing need which should be addressed as soon as possible rather than delaying this through the use of a stepped housing requirement.

- 3.36 Furthermore, it is evident that there is significant record of under-delivery in Ipswich given that the Housing Delivery Test results show that only 46% of the number of homes required have been delivered over the previous three years. This shortfall should be addressed as soon as possible which is frustrated through the use of a stepped housing requirement (unless corresponding steps are identified in neighbouring areas to compensate).
- 3.37 The use of a stepped housing requirement also means that in the short-term newly arising housing needs will not be being met with significant adverse effects to those households who would otherwise have accessed the homes.
- 3.38 The proposed stepped requirement in Policy CS7 means that by 1<sup>st</sup> April 2024, only 1,800 homes will have been delivered in response to the identified annualised need for 2,670 homes<sup>6</sup> which as identified above does not meet the actual needs in Ipswich. This will therefore give rise to at least 870 households in need of housing for which no provision will have been made.
- 3.39 All the way through to at least 1<sup>st</sup> April 2035, there will remain households in need of housing for which no provision will have been made even against the standard method which does not provide for demographic, economic or affordable need.
- 3.40 It is acknowledged that in Ipswich Borough it may be appropriate to meet the plan period housing needs through larger strategic allocations and that this may justify the use of a stepped requirement in this LPA. However, this would require corresponding stepped requirements across the remainder of the HMA, with a higher housing requirement in the early years, to ensure that housing needs are met in a timely fashion across the HMA.
- 3.41 It does not appear that this strategic cross-boundary issue has been addressed under the duty-to-cooperate. The significant under-delivery of housing which arises from the unilateral stepped requirement proposed in Ipswich Borough is not therefore being addressed across the HMA and thereby gives rise to significant adverse effects. In the absence of such agreement, the stepped

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<sup>6</sup> =445x6

housing requirement is not positively prepared, justified, or effective in meeting housing needs and it is contrary to paragraphs 7 and 23 of the NPPF.

Contingency

- 3.42 Policy CS7 also identifies that to boost the supply of housing in Ipswich it is appropriate to incorporate a contingency of 10%. As this contingency is necessary to provide for the boost to housing supply as required by paragraph 59 of the NPPF, this should be included within the housing requirement.
- 3.43 This accords with the approach of numerous Local Plan Inspectors, who have identified that in order to secure the objectives of national policy, the necessary contingency should be included in the housing requirement, including at the Vale of Aylesbury Local Plan examination and the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy examination.
- 3.44 Without this additional 10%, the housing requirement of Policy CS7 would be ineffective in boosting supply and would be contrary to paragraph 59 of the NPPF.

Supply

- 3.45 The necessary contingency is to be provided through a supply in excess of the minimum local housing need as identified in Table 3 of the Core Strategy Review.
- 3.46 However, the Council has not produced a trajectory which allows representatives to assess whether the supply identified by the Council is deliverable and/or developable. The absence of such a trajectory is directly contrary to paragraph 73 of the NPPF.
- 3.47 It is therefore not possible to conclude upon whether there is a sufficient supply to meet the identified housing requirement over the plan period and Pegasus Group reserve the right to respond to the necessary evidence when this becomes available.
- 3.48 Similarly, the Council has not provided any evidence to demonstrate that they will be able to demonstrate a five-year housing land supply.
- 3.49 The supply relied upon by the Council is therefore unjustified in the absence of any evidence, it will not be effective in meeting housing needs and it is not consistent with national policy.

**4. POLICY ISPA1**

- 4.1 Policy ISPA1 proposes that Ipswich Borough Council will contribute to the delivery of the minimum local housing need identified by the standard method across the HMA.
- 4.2 As set out in response to Policy CS7, given the acknowledged flaws in the projections within the standard method, this will be insufficient to meet the actual housing needs across the HMA.
- 4.3 Furthermore, as the housing needs of every LPA within the HMA are not being examined jointly, it is not possible or appropriate to identify the housing need across the HMA within the Ipswich Core Strategy Review. The component needs will be required to be considered through separate Local Plan examinations. In each of the emerging Local Plans it will be necessary for the capacity of the LPA to meet the need to be identified and for any unmet needs to be addressed across the remainder of the HMA under the duty to co-operate.
- 4.4 As the Joint Local Plan in Mid Suffolk and Babergh has yet to be subject to a Regulation 19 consultation, this will not be submitted for examination prior to March 2020. It will therefore be necessary for the minimum local housing need to be recalculated in these LPAs following the publication of the new affordability information in March 2020 to accord with the PPG (2a-008). The standard method will then generate a different figure both within Mid Suffolk and Babergh and across the HMA. The Government has also proposed to review the formulae within the standard method in October 2020. This will again change the minimum local housing need to be responded to in emerging Local Plans. As a result, the figure in ISPA1 will be out-of-date and will not accord with the minimum local housing need across the HMA. It is therefore inappropriate to include this figure within the Core Strategy Review.
- 4.5 However, the intent within Policy ISPA1 to address the as yet unknown housing needs across the HMA is to be welcomed.

**5. CONCLUSIONS**

- 5.1 As set out throughout these representations, Policy CS7 does not represent positive planning, it is not justified being contrary to the available evidence, it will not be effective in meeting demographic, economic or affordable housing needs, and it is inconsistent with the social, economic and environmental objectives of the NPPF and specifically paragraphs 7, 23, 35a, 59, 60, 73 and 80 of the NPPF as well as numerous sections of the PPG.
- 5.2 In order to address this, it will be necessary to identify the housing need necessary to meet demographic and economic needs without increasing the need to travel as well as considering whether additional provision should be made to support affordable housing delivery and then setting a housing requirement which provides for the necessary significant boost to supply. The available evidence indicates that this is likely to result in a need for in excess of **11,500 homes** in Ipswich.
- 5.3 Having identified the housing need in accordance with the NPPF, it will then be necessary to consider whether this can be met within the Borough or whether it is appropriate to progress the Core Strategy Review with a constrained housing requirement with the remaining need to be met in neighbouring LPAs.
- 5.4 Furthermore, the justification for the proposed stepped housing requirement if supported provides no justification for not meeting housing needs in a timely fashion across the Housing Market Area. Accordingly, if the stepped housing requirement is considered appropriate it will be necessary for corresponding stepped housing requirements (with a greater number in the early years to offset the lower number in Ipswich) in neighbouring LPAs to ensure that the existing housing backlog is addressed as soon as possible and to ensure that housing delivery does not continue to lag behind need as has been the case in Ipswich as reflected in the Housing Delivery Test result.

## **APPENDIX 1**

# **ECONOMIC ANALYSIS OF HOUSING NEED**

**A1. INTRODUCTION - IPSWICH LOCAL PLAN CONSULTATION**

**A1.1** This appendix assesses housing need in Ipswich based on the economic need and conditions in Ipswich itself and with reference to the town's economic geography. That geography covers a large area beyond the town's boundaries, reflecting its role as a key regional employment centre.

**A1.2** The paper assesses the economic components of housing demand and supply that are ultimately reflected in prices. These include employment and wage growth on the demand side, and housing stock growth on the supply side. Specifically, this means focussing on:

- Travel to Work Areas and commuting
- Housing and Labour Market Supply Growth
- Labour Demand (job) Growth
- Wage Growth – including changes in labour market structure
- House Prices and Inflation.

**A2. IPSWICH COMMUTING AND TRAVEL TO WORK AREA**

**A2.1** A Travel to Work Area (TTWA) as defined by the Office for National Statistics is the area within which at least 75% of resident workers are employed. It is also the area within which at least 75% of those working also live. That is to say, the large majority of interactions between people's places of work and places of residence takes place within the defined area. These interactions, and the volumes of them, are the key drivers and influencers of local housing markets.

**A2.2** The Ipswich Travel to Work Area, defined by the Office for National Statistics on the basis of 2011 Census commuting data, includes Ipswich and much of Babergh, Suffolk Coastal and Mid Suffolk districts. The area is shown in Figure 1 below.

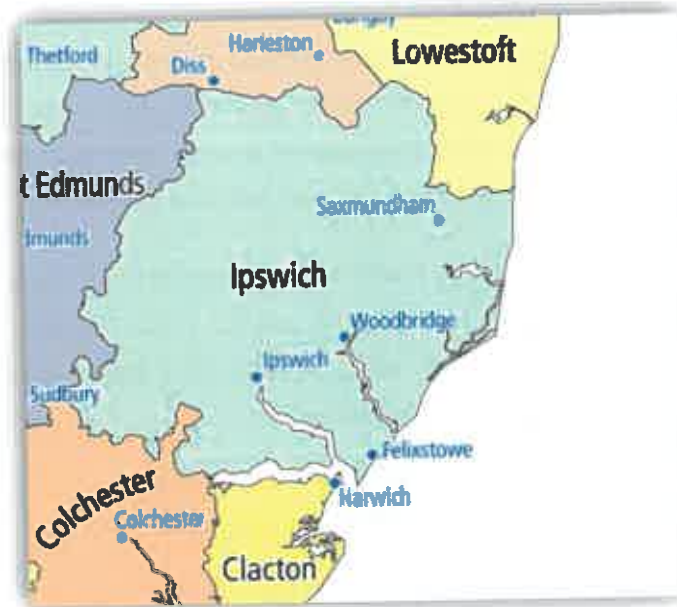


Figure 1: Ipswich Travel to Work Area. Source: ONS, 2011 Census

- A2.3 These four districts have been amalgamated for local planning purposes into the Functional Economic Market Area or FEMA, in accordance with the Strategic Housing Market Assessment, May 2017.
- A2.4 Analysis of census commuting data is vital for understanding the interdependencies between housing and labour markets in the FEMA. Analysis shows that in 2011, Ipswich's neighbouring authorities (Suffolk Coastal, Babergh and Mid Suffolk) supplied over a third (34.3%) of its workforce<sup>7</sup>. This amounted to 21,145 workers and highlights the extent to which Ipswich was reliant on its neighbours for labour supply even in 2011.
- A2.5 Census data is increasingly out of date however, so it is important to note changes that have occurred since 2011. Labour markets of all districts have grown, most substantially in Ipswich by over 13%<sup>8</sup> with 10,000 jobs between 2012 and 2018.

<sup>7</sup> Ipswich Core Strategy Census Data Trends and Analysis; WSP for Ipswich Borough Council, February 2016

<sup>8</sup> ONS Total jobs, Change 2012-2017: Ipswich +10.9% Suffolk Coastal +3.3%



A2.6 For commuting levels in Ipswich to remain similar today to those observed in 2011, an equivalent or similar growth of labour supply to that of the labour market would be needed, subject to transport mode share remaining constant.

A2.7 In reality, as is set out later in this paper, Ipswich's labour supply has actually shrunk, meaning that the town's labour force expansion has had to be fed with imported labour. As a consequence, the level of in-commuting since 2011 will have increased substantially.

### **A3. ASSESSMENT OF HISTORIC HOUSING SUPPLY**

A3.1 There can be little doubt that a lack of housing supply growth is behind this acute labour supply shortage. Housing stock data<sup>9</sup> shows in the last 6 years that stock growth has been minimal across all the FEMA districts, most notably in Ipswich itself where less than 275 homes a year have been built on average between 2011 and 2018. This represents a total expansion of housing stock over these 7 years of just 3.2%, the lowest of any local authority area in Suffolk and the fifth lowest of any in the East of England. In Babergh, which should be a key residential destination for Ipswich workers, the picture is little different, with stock growth of just 4.2% or 232 homes a year on average to 2018.

A3.2 The relevance of this data in the neighbouring districts is important to note as these are areas that might otherwise provide a "release valve" to the pressure that has built in Ipswich as its economy and labour force has grown.

A3.3 This lack of housing delivery is now also apparent in the latest results of the Government's Housing Delivery Test (HDT), released in February 2020. These show that Ipswich had the 9th lowest delivery rate in the country for the 3 years to 2019. Delivery of less than half (46%) the required level, means that the authority is now required to identify a 20% buffer when considering its five-year land supply and prepare an Action Plan to identify actions to increase housing delivery.

A3.4 It is clear then that a startling imbalance has developed between job growth and labour supply growth in Ipswich. Not only this, but the neighbouring districts that would ordinarily take some of the development pressures arising from a rapidly growing employment centre, have provided little in the way of relief.

<sup>9</sup> Homes data from MHCLG Table LT125, Dwelling Stock Estimates.

**A3.5** While the newly released HDT shows these districts have begun to respond in the last 3 years, the scale of under-delivery stretching back to the start of the current economic cycle<sup>10</sup> means that there is a considerable degree of catching up to be done in terms of housing supply.

**A4. LABOUR MARKET IMBALANCE**

**A4.1** One of the results of a shortfall in housing delivery has been the lack of growth in the numbers of economically active residents in Ipswich. This cohort has completely stagnated and at times declined since 2012. ONS data show 73,000 economically active residents in 2011 and 71,900 in 2018. The picture in Suffolk Coastal, Babergh and Mid Suffolk is little different<sup>11</sup>.

**A4.2** This demonstrates the extent to which the lack of local labour supply growth has meant the area's labour market expansion has had to be supported by labour imported from around the region, increasing the length of commuting journeys and of fostering unsustainable travel patterns.

**A4.3** In tight labour markets where there are limited spare workers to fill new jobs, workers have to be imported from further afield. This adds pressure to the local housing market as imported workers seek to relocate and require housing in the area. As the post 2011 Census data shows (together with house price inflation of 41% in the Housing Market Area), Ipswich has generated substantial housing need as a result of its labour market growth far outstripping housing delivery growth.

**A4.4** Between 2012 and 2018, Ipswich added 10,000 jobs<sup>12</sup>, representing labour market growth of over 13%. Job density meanwhile – the number of jobs relative to residents aged 16-64 – rose by 14.5% to 0.95 jobs per resident aged 16-64, indicating that Ipswich may soon become one of a comparatively few areas where the number of jobs exceeds the number of residents. This is normally the situation for large cities or smaller cities with exceptionally dense employment

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<sup>10</sup> An economic cycle is the period covering a phase of both economic contraction and expansion. The current cycle began at the end of the last contraction in 2008/09 and is still active in 2020.

<sup>11</sup> ONS Annual Population Survey Data, All Economically Active People Jan-Dec 2012 to Jan-Dec 2017.

<sup>12</sup> ONS Total Jobs data, time-series, 2012-2018

clusters such as Oxford or Cambridge, with substantial labour supply provided by neighbouring areas.

- A4.5 As a comparison, South Cambridgeshire delivered 4,740 homes between 2011 and 2018, amounting to 677 homes per year and Cambridge 6,040 homes at 863 per year. This compares to the figures for Babergh and Ipswich of 232 and 273 homes per year respectively. Cambridge's labour market may have grown faster than Ipswich (22% vs 13%) but Ipswich is larger than Cambridge in population terms and its lack of housing supply response in comparison is clear.
- A4.6 It has been shown that Ipswich's labour supply and housing need is met in considerable part by its neighbouring authorities, evidenced by the TTWA data showing over a third of Ipswich workers in 2011 were residing in Babergh, Mid Suffolk and Suffolk Coastal.
- A4.7 It is possible to consider the effect on housing demand arising from this divergence between supply growth and demand (jobs and wage) growth. The graph at figure 2 shows house price growth in the blue shaded area, job growth in the red line, and dwelling stock change in the green bars.

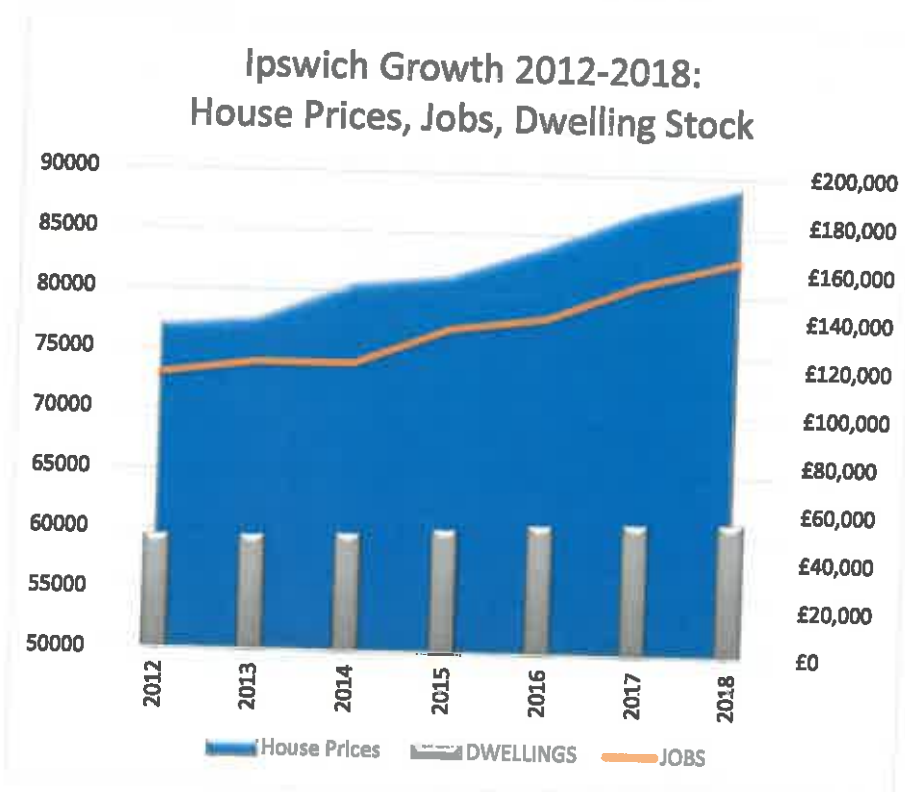


Figure 2: Ipswich Dwellings-Jobs-House Prices Change 2012-2018

- A4.8 The graph shows how demand as represented by house prices has mirrored job growth as housing stock growth has stayed almost static by comparison.
- A4.9 Another key factor is wage growth, increasing by around 12% between 2012 and 2018. While aggregate wages have not increased to this extent nationally, it is clear that in Ipswich wage growth has been driven by a marked increase in higher value jobs in the area. The proportion of workers employed in top 3 occupational classifications reached over 50% in 2018, having been below 35% in 2012<sup>13</sup>. The effect of this is a significant increase in earning power in the local labour market due to growth in high earning positions.
- A4.10 Inevitably therefore, this growth and the structural changes in the labour market have driven house price inflation, as shown by the blue shading in the graph. This amounts to a 44% increase in prices between 2012 and 2018. Percentage growth for each demand and supply input and the result on prices is shown in Figure 3.

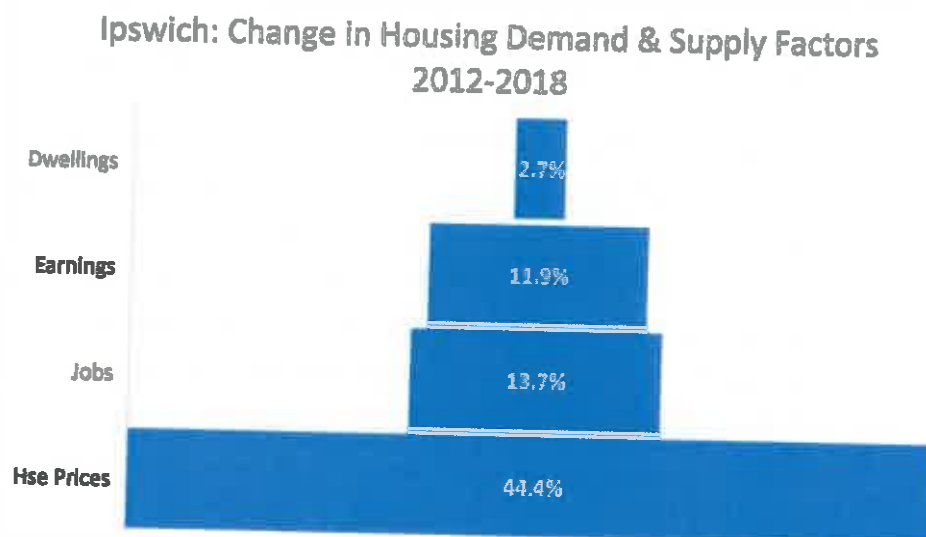
#### **A5. HOUSING SUPPLY CONCLUSIONS**

- A5.1 As has been observed, Ipswich has seen growth of 10,000 jobs between 2012 and 2018<sup>14</sup> and 1,630 homes. The number of homes needed to maintain the balance of homes to jobs that existed in 2012, when house prices were over 44% lower and prior to the rapid labour market change described, can be calculated. This is done using the ratio of jobs to dwellings from 2012, which was 1.23.
- A5.2 Using this ratio, we can determine that in 2018, the number of homes needed in Ipswich to maintain the ratio to jobs in 2012 would be 67,742. The actual number of homes in 2018 stood at 61,210, a deficit of 6,672 homes. This calculation demonstrates the imbalance between housing supply and economic growth which is likely to have contributed to the increases in house prices locally.

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<sup>13</sup> ONS Annual Population Survey data, ONS SOC 2010 Classifications

<sup>14</sup> ONS Total Jobs Data, Time-series



*Figure 3: Change in Housing Demand & Supply Factors: Effect on Prices*

- A5.3** In reality, ambitious business growth plans for Ipswich, Felixstowe and the wider region indicate further substantial job growth can be expected throughout the Ipswich HMA that will need to be supported with a far greater local labour supply and housing supply response than has been in evidence to date.
- A5.4** The Local Enterprise Partnership has targeted job growth of 88,000 by 2036. If we assume half of this occurred in Suffolk, 44,000 new jobs in Suffolk would represent a 12% growth in job numbers.
- A5.5** If housing growth remains as limited as has been shown in this paper, the Economic Development ambitions of the Local Enterprise Partnership will go unrealised. It is highly unlikely that the further labour supply required could be found given that all data already suggests that the limits of Labour Market Importing have been reached.
- A5.6** Accessibility and sustainability pressures are likely to have caused transport network problems which may have contributed to the need for the "Ipswich Northern Route Project" to create a new route north of Ipswich. Ongoing attempts to agree and select a route however mean this project remains some way off. Government data shows that vehicle miles travelled in Suffolk between the 2012-2018 growth period analysed in this report, increased by 16.5%<sup>15</sup>. This is equivalent to more than 600,000 additional miles travelled on the county's

<sup>15</sup> DFT Traffic Count Data for Suffolk, via <https://roadtraffic.dft.gov.uk/local-authorities/126>

roads in just five years. This further underlines the extent of the imported labour described in this report and the resulting sustainability issues that arise.

- A5.7 What is clear is that Ipswich has become a major regional growth hub for high-quality, higher earning employment, driving a growing housing need. The positive economic development story has taken place in spite of the lack of local labour supply, which has simply had to be drawn from across the region. The effect is seen in house prices, transport and sustainability pressures. To address this and to give the future growth ambitions of the LEP a chance of being achieved, a major supply response is required. A calculation to show the level of housing that would have been supplied if delivery had kept pace with economic growth since 2012, shows that Ipswich is nearly 7,000 homes "behind the curve" relative to its economic development. This is a clear demonstration of the extent of the supply response that is required in (and around) Ipswich.

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