



## **Babergh Mid Suffolk Joint Local Plan**

### **Examination Hearing Statement**

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**Matter 3 – Housing Needs for the Settlement Community and Affordable Housing**

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**Prepared by Strutt & Parker on behalf of M Scott Properties (Respondent ID 4945, 6775, 7064))**

**June 2021**

## **1. Introduction and Background**

- 1.1 This hearing statement is made by Strutt & Parker on behalf of M Scott Properties Ltd ('Scott Properties'). Strutt & Parker made representations on the Regulation 19 (Pre-Submission) iteration of the Babergh Mid Suffolk Joint Local Plan (JLP) on behalf of M Scott Properties Ltd ('Scott Properties') ('Regulation 19 representations'). These representations were duly made and Scott Properties was assigned respondent IDs 4945, 6775, 7064.
- 1.2 Scott Properties is actively promoting a residential-led development of Land south-west of Rembrow Road, Capel St Mary ('the Site'), which the JLP proposes be allocated for approximately 550 dwellings and 5,000m<sup>2</sup> of employment floorspace (with associated infrastructure) through Policy LA055.
- 1.3 Scott Properties is, at the time of writing, at an advanced stage in the preparation of a planning application in respect of proposed development of the Site, and it is anticipated that an application will be submitted imminently and prior to completion of the JLP Examination. Discussions have been ongoing with the Council's Development Management and Policy teams in respect of the Site for some five years, as the JLP has been progressed.
- 1.4 This hearing statement concerns Matter 3 (Housing Needs for the Settlement Community and Affordable Housing) of the JLP Examination.
- 1.5 As requested, this Hearing Statement seeks to avoid repeating points already made in the Regulation 19 representations (but highlights particular elements of these representations where relevant). As such, this hearing statement should be read in conjunction with our Regulation 19 representations.

## 2. Response to Matter 3

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

- 2.1 Policy SP01 of the JLP sets minimum net additional dwelling targets for Babergh and Mid Suffolk District of 7,904 and 10,165 dwellings, respectively, for the period 2018-2037. The JLP explains these figures represent the local housing needs as calculated using the Standard Method.
- 2.2 Policy SP04 sets out the broad distribution of development within the Districts, and identifies totals of 9,611 and 12,616 additional homes to be provided in Babergh and Mid Suffolk, respectively.
- 2.3 As such, the JLP suggests it will deliver, over the entirety of the plan period, 1,707 more homes than the minimum requirement for Babergh; and 2,451 more homes than the minimum requirement for Mid Suffolk.
- 2.4 The provision of such headroom above the minimum requirement is considered entirely consistent with national policy, and justified, for the following reasons.

The figure generated by the Standard Method is a minimum

- 2.5 Firstly, it is important to recognise that the housing figure generated by the Standard Method is a *minimum*, as expressly confirmed in Planning Practice Guidance (PPG)<sup>1</sup>.

The need to ensure the strategy for meeting housing needs is flexible

- 2.6 The NPPF<sup>2</sup> requires Local Plans not to merely seek to meet the minimum housing requirement, but for their strategies for doing so to be imbued with sufficient flexibility, to ensure they are capable of responding to rapid change.
- 2.7 In practice, this will normally require a Local Plan to provide a headroom above the minimum housing requirement in order to account for changing circumstances, such as

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<sup>1</sup> Paragraph: 002 Reference ID: 2a-002-20190220

<sup>2</sup> Paragraph 11a)

allocated sites failing to come forward as anticipated, change to housing need / demand, etc., and provide much more positive and flexibility plan-making.

- 2.8 In terms of the degree of headroom required to achieve the requisite flexibility, there is no fixed percentage or number of dwellings, and approaches found sound have varied for different plans.
- 2.9 In the case of the Guildford Local Plan, a headroom of 3,984 dwellings / 37% was deemed appropriate, and again in the context of this necessitating further Green Belt release beyond that required to meet the minimum requirement. In this instance, the Examination Inspector noted that such a headroom was justified, notwithstanding the additional loss of Green Belt this would engender, as it would help ensure a robust strategy for meeting needs in the event that there is slippage in the delivery of housing from the allocated or committed sites; as well as helping provide for the anticipated level of unmet need from neighbouring Woking, with the Inspector noting that there would be a continuing level of undersupply over the period of Woking's newly reviewed plan.
- 2.10 This scale of headroom above the minimum housing requirement deemed necessary within a Local Plan is by no means confined to those in which there was an unmet need in a neighbouring area. In the Inspector's Report on the South Oxfordshire Local Plan for example, it was concluded a headroom of 27% (6,506 dwellings in absolute terms) was appropriate, with the Inspector determining the reduction called for by some through the examination would make the plan *"much less resilient in the face of potential delays to one or more of the strategic allocations"*<sup>3</sup>. Notably, and as with the Guildford Local Plan, this was in the context of further Green Belt being required to be released in South Oxfordshire to accommodate this headroom – a constraint that is not present in the case of Babergh or Mid Suffolk.
- 2.11 In the case of the Mansfield Local Plan, the Inspector's report (31 March 2020) concluded a headroom of 2,226 dwellings (34% of the housing requirement) was appropriate given that the Local Plan included reliance on two long-term strategic allocations.
- 2.12 More locally, Chelmsford Local Plan (adopted May 2020) approach to meeting housing needs entailed a strategy of delivering 21,843 dwellings against a requirement for 18,515 over the plan period. A headroom of 18%, or 3,328 dwellings in absolute terms. In relation to this, the Examining Inspector concluded:

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<sup>3</sup> Paragraph 205 of the Inspector's Report on the examination of the South Oxfordshire Local Plan 2011-2034 (27 November 2020),

*“Overall, some 21,843 dwellings have a realistic prospect of being delivered over the Plan period... It more than provides for the identified housing requirement of 18,515 dwellings... It also provides a suitable buffer to ensure that the Plan remains robust in the event that there is slippage in the delivery of any of the allocated or committed sites. It also supports the provision of more affordable housing, improving overall affordability in Chelmsford”<sup>4</sup>.*

In terms of ensuring the JLP strategy is sufficient flexible, it is relevant to note that both Babergh and Mid Suffolk have struggled to meet previous annualised housing targets in recent years. The provision of a buffer above the minimum requirement within the supply can help assist in addressing this moving forward, and we support this position.

#### The need to significantly boost housing land supply

- 2.13 The number of homes proposed to be delivered through the JLP should be seen in the context of the NPPF’s exhortation for housing land supply to be *significantly* boosted<sup>5</sup>. It is entirely appropriate for the JLP to not simply aim to meet the minimum requirement in such circumstances.

#### Circumstances in neighbouring areas

- 2.14 Whilst it is recognised that the JLP is not expressly seeking to meet any unmet needs of neighbouring areas, we feel that there are two points of particular relevance around this issue.
- 2.15 Firstly, we consider the relationship between Ipswich, Babergh and Mid Suffolk to be relevant. These three authorities, along with Suffolk Coastal, form the Ipswich Housing Market Area (HMA).
- 2.16 Ipswich is the largest centre in the HMA, but its potential to accommodate growth without encroaching into neighbouring authorities is limited given its boundaries are drawn relatively tightly around the existing urban area. A new Local Plan for Ipswich is at an advanced stage, with Examination hearing sessions having taken place. However, and as confirmed in the Inspectors’ interim advice of 10 March 2021, the emerging Local Plan will have to introduce a stepped trajectory due to difficulties in meeting housing needs in the early part of the plan period. Furthermore, there are concerns that a significant proportion of Ipswich’s housing land supply comprises flats, whereas market demand is for three or

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<sup>4</sup> Paragraph 154 of the Report on the Examination of the Chelmsford Draft Local Plan (25 February 2020)

<sup>5</sup> NPPF Paragraph 59

more bedroom houses. In this context, it is particularly important for neighbouring authorities to incorporate reasonable headroom above the minimum requirement within their housing land supplies.

- 2.17 Secondly, it is pertinent to note that neighbouring Colchester Borough and Tendring District have both recently adopted Section 1 Local Plans – plans prepared under the NPPF transitional arrangements, i.e. in accordance with the NPPF 2012, rather than current national policy. These plans are predicated on delivering far fewer homes than the authorities' minimum requirements as per the Standard Method.
- 2.18 The adopted Development Plan for Colchester seeks to meet 920 dwellings per annum (dpa), whereas the Standard Method suggests the minimum requirement is currently 1,061dpa. In the case of Tendring, the recently adopted Development Plan sets a target of 550dpa, whereas the Standard Method suggest a minimum housing requirement of 870dpa.
- 2.19 Furthermore, in the case of Tendring, the approach to determining the housing requirement entailed departing from use of the official population and household projections. The justification for this was that the Council considered these projections had been distorted by Unattributable Population Change (UPC), which was a result of errors in estimating internal migration flows – internal out-migration was alleged to be greater than the official projections acknowledge. This does not mean that there are fewer people in total, merely that there may not be as many in Tendring District as the official projections suggest. These people – and their housing needs – have not vanished. The Council was not able to determine how this UPC may have impacted on other areas, and suggested this was not possible to quantify. Nevertheless, it is notable that Babergh is one of only two authorities that share a boundary with Tendring District – the other is Colchester Borough which, as noted, is already planning to deliver fewer homes than its current local housing need.
- 2.20 The above may not constitute an unmet need per se that may result in the housing requirement itself being adjusted, as per the PPG<sup>6</sup>. Nevertheless, we consider these circumstances underline the need for the JLP to provide a reasonable headroom above the minimum housing requirement and flexibility for the Council.
- 2.21 Having regard to all of the above, not only do we consider that it is entirely suitable for the JLP to provide headroom of c.20% above the minimum housing requirement, we suggest that it may well have been unsound if it had failed to do so.

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<sup>6</sup> Paragraph: 010 Reference ID: 2a-010-20201216

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

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

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

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

- 2.22 As set out in our Regulation 19 representations, we do not consider SP02 to be unsound.
- 2.23 For the reasons set out at paragraphs 2.1 – 2.3 of our Regulation 19 representations, we consider the caveat within Policy SP02 which allows for the affordable housing requirement to be varied in response to viability issues is essential to ensure this policy is sound, particularly given the nature of the viability assessment (whole-plan) undertaken in support of the JLP.
- 2.24 As set out in Section 4 of our Regulation 19 representations, we do however have concerns with Policy LP06: that it unnecessarily repeats the 35% affordable housing requirement; but also, and of greater concern, does not contain the appropriate caveat regarding viability that is incorporated within Policy SP02.
- 2.25 Our concerns are detailed at paragraphs 4.1 – 4.6 of our Regulation 19 representations and, as requested, not repeated here.

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

- 2.26 We do not consider the wording of SP02(4) is unsound in its current form.
- 2.27 In our view, the key point is that the policy allows for a smaller percentage of affordable housing to be delivered, if justified on viability grounds. As noted in response to Question 3.7, we consider this to be essential to ensure the policy is sound.

- 2.28 We are mindful that, as per Section 20(7) of the Planning and Compulsory Purchase Act (2004), modifications to a submitted Local Plan may only be made where they are necessary to make the submitted Local Plan sound, and cannot be made to improve policies. We do not consider modifications are necessary to this element of the policy to ensure soundness. As such, this element should remain as per the submitted JLP.