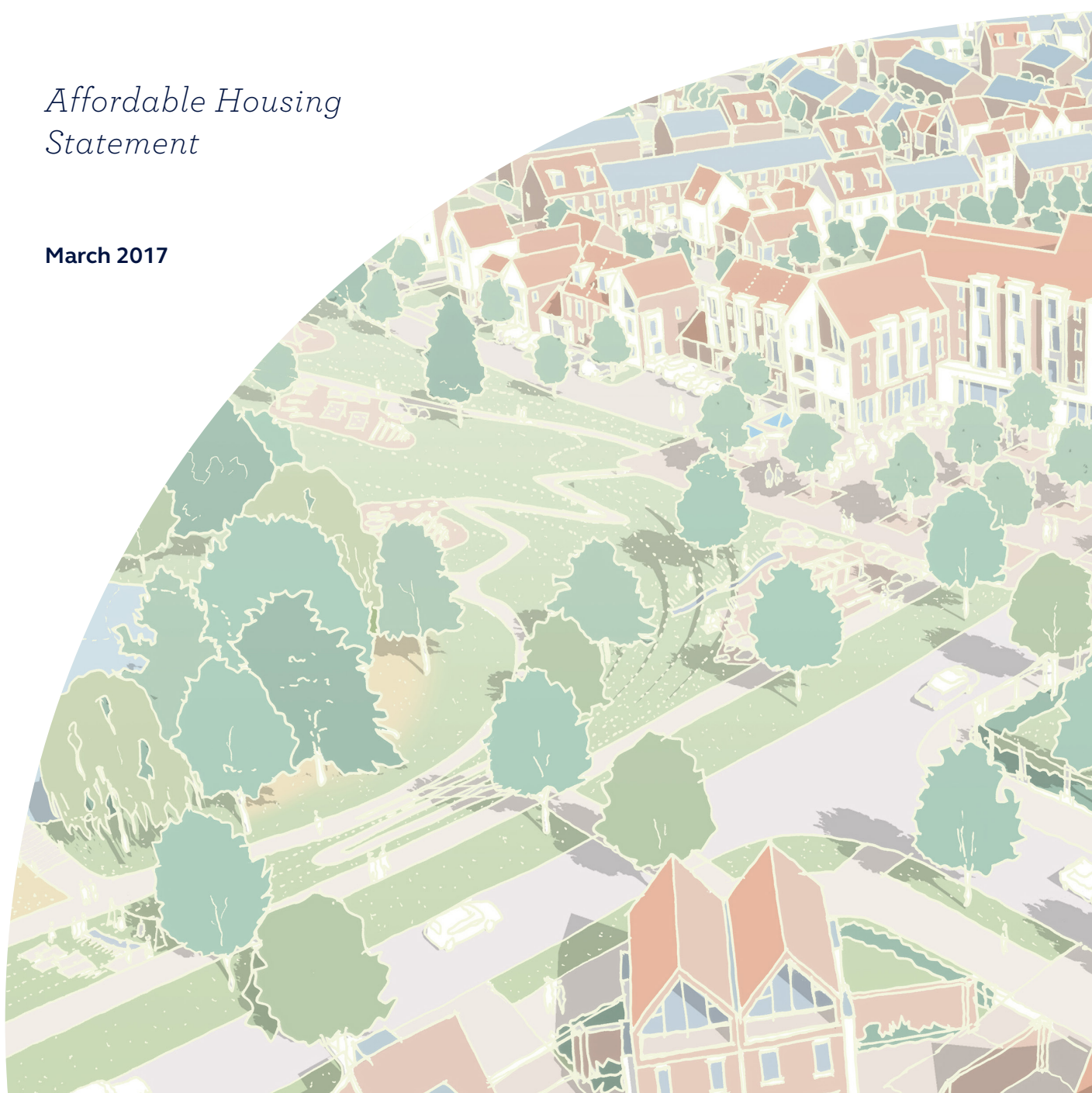


**Land south and east  
of Adastral Park**  
*Suffolk*

*Affordable Housing  
Statement*

March 2017



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## 1. INTRODUCTION

1.1 This Statement, prepared on behalf of Carlyle Land Ltd and Commercial Estates Group (“the applicant”) considers the provision of affordable housing on the proposed residential development of land south and east of Adastral Park, Ipswich (“application site”) in the context of local policy and housing needs evidence, national guidance and Government objectives for increasing and speeding up the supply of housing overall.

1.2 The application site, which lies within the administrative area of Suffolk Coastal District Council and to the east of Ipswich and is the subject of an outline application for:

*Up to 2,000 homes, an employment area of c0.6ha (use class B1), primary local centre (comprising use classes A1, A2, A3, A4, A5, B1, C3, D1 and D2), secondary local centre (comprising possible use classes A1, A3, A5 and D2), a school, green infrastructure (including Suitable Accessible Natural Greenspace (SANGs), outdoor play areas, sports ground and allotments / community orchards), public footpaths and cycleways, vehicle accesses and associated infrastructure.*

1.3 Section 2 of this Statement considers the overarching national planning guidance framework in respect of affordable housing, and, within the context of this framework, the local affordable housing policy position.

1.4 The affordable housing proposals are considered in detail within section 3 of this Statement which identifies the basis of the affordable housing proposals and how these relate to the evidence of housing need, policy and deliverability. The final section of this Statement presents conclusions.

1.5 The affordable housing proposals accord with the NPPF, making provision for a mix, tenure split and proportion of affordable housing within the context of relevant Development Plan policies and housing needs evidence. The application proposals will be of significant benefit, not only with regard to the provision of affordable housing, but also in enabling the delivery housing that is allocated in the Core Strategy and forms a significant proportion of the Council’s emerging housing supply targets.

1.6 The applicant is committed to a collaborative approach to identifying an appropriate package of affordable housing and will work closely with the council post submission of the application on the various elements of the offer.

## 2. POLICY CONTEXT

### 2.1 NATIONAL GUIDANCE

- 2.1.1 The National Planning Policy Framework (“NPPF” - published on the 27th of March 2012) places ‘significant weight’ on ‘the need to support economic growth through the planning system’<sup>1</sup> and seeks to ‘boost significantly’ housing supply.<sup>2</sup> Each Local Authority is required to produce a Local Plan for its area, to be reviewed in whole or in part to enable flexibility in the face of changing circumstances. The NPPF is accompanied by the online National Planning Practice Guidance published in March 2014 (“NPPG”).
- 2.1.2 The NPPF seeks the delivery of a wide choice of high quality homes and therefore requires that Local Authorities ‘identify and update annually’ a five year supply of ‘specific deliverable sites’<sup>3</sup>. To be deliverable it is emphasised that not only must a site be available ‘now’ and suitable ‘now’, but it must also be viable – i.e. the site must be deliverable based on current costs and values.<sup>4</sup>
- 2.1.3 The NPPF strongly encourages housing growth with provision meeting objectively assessed needs. The level of planning obligations sought, including affordable housing, must have close regard to overall project viability to ensure that schemes come forward for development rather than stall.
- 2.1.4 Currently affordable housing is defined in the NPPF as that provided to ‘eligible households’ unable to meet their housing needs in the market, and includes affordable rented, social rented, and intermediate housing for sale or rent. Households’ eligibility for affordable housing is to be determined with regard to local incomes and local house prices and national guidance does not prescribe the proportions of affordable housing tenures that should be provided on site, or that both affordable housing for rent and sale must always be provided.
- 2.1.5 The NPPF sets out that where a need for affordable housing is identified, then the Local Authority should set policies for meeting this need.<sup>5</sup> In accordance with the extant NPPF definition of affordable housing and paragraph 50, it is appropriate for affordable housing proposals to include dwellings that reflect the type, tenure and size of dwelling needed by ‘eligible’ households whose housing ‘needs’ are not met by the market, but there is no

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<sup>1</sup> Paragraph 19, page 6, NPPF

<sup>2</sup> Paragraph 47, page 12, NPPF

<sup>3</sup> Paragraph 47, page 12, NPPF

<sup>4</sup> Paragraph 47, page 12, NPPF

<sup>5</sup> Paragraph 50, page 13, NPPF

requirement to meet the whole of this need or all facets of it (i.e. every single tenure/ type/ size of dwelling required) on every single development.

- 2.1.6 The affordable housing provision should reflect the national guidance emphasis on fulfilling all three sustainable development dimensions,<sup>6</sup> including the economic role and the environmental role as well as a social role. Local planning authorities ‘should seek to approve sustainable development where possible’ and where proposals improve the economic, social and environmental conditions of an area.<sup>7</sup> Proposals are not required to resolve all existing adverse conditions therefore, but should assist with improving them.
- 2.1.7 When plan making, Local Authorities are required to draw on an ‘adequate, up-to-date and relevant evidence base with strategies for housing, employment and other land uses being integrated and ‘taking full account of relevant market and economic signals’.<sup>8</sup>
- 2.1.8 It remains a requirement of national guidance for Local Authorities to prepare a Strategic Housing Market Assessment (“SHMA”), and this should assess the full housing needs of the housing market area, and ‘identify the scale and mix of housing and the range of tenures’ (including affordable housing) likely to be needed by the ‘local population’ over the plan period.<sup>9</sup> Guidance on the preparation of the SHMA is provided within the NPPG (which is subject to amendment from time to time).
- 2.1.9 The NPPF states that where possible both affordable housing and local standards requirements that will be applied to development should be ‘assessed’ at the Plan making stage and kept under review.<sup>10</sup>
- 2.1.10 The NPPG confirms that ‘it is essential’ that Local Plans are put in place ‘and kept up to date’.<sup>11</sup> The NPPG also states that Local Plans will need to be kept up to date for them to be ‘effective’, and to this end local authorities should ‘review the relevance of the Local Plan at regular intervals’. The NPPG (in line with paragraph 153 of the NPPF) sets out that Local Plans can be reviewed in whole or in part and most will need updating every 5 years.<sup>12</sup> Plan making activities by other authorities may also impact upon a Local Plan in

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<sup>6</sup> paragraph 7, NPPF

<sup>7</sup> paragraph 187, NPPF

<sup>8</sup> Paragraph 158, page 38, NPPF

<sup>9</sup> Paragraph 159, pages 38 to 39, NPPF

<sup>10</sup> Paragraph 177, page 42, NPPF

<sup>11</sup> ID 12-001-20140306

<sup>12</sup> ID 12-008-20140306

another area, as can the publication of a new SHMA for the Housing Market Area in which a Plan lies.<sup>13</sup>

2.1.11 For Local Plans to be deliverable the NPPF 'plan making' section makes it clear in paragraph 173 that:

*"...sites and scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened."*

2.1.12 The impact of costs associated with 'any requirements' including affordable housing, standards and infrastructure, will need to be assessed to ensure that these do not preclude the provision of:

*"...competitive returns to a willing land owner and willing developer to enable the development to be deliverable."*

(paragraph 173, page 41)

2.1.13 The NPPG clarifies that 'current costs and values' should be taken into consideration during viability assessment for both Plan making and decision taking purposes.<sup>14</sup> Local Plans should be 'realistic in what they propose' and in respect of what can be achieved (including infrastructure provision) – local authorities must 'ensure' that 'the requirements of the Plan as a whole will not prejudice the viability of development'. The impact of all Plan policies and the impact of any Community Infrastructure Levy should be tested through viability assessment.<sup>15</sup>

2.1.14 Local Authorities are required to set out policies for 'local standards in the Local Plan, including requirements for affordable housing'. The cumulative impact on development in a Local Authority area of both proposed local standards and any existing Supplementary Planning Document ("SPD") or policies 'that support the development plan' should be assessed so as not to put the:

*"...implementation of the plan at serious risk, and should facilitate development throughout the economic cycle."*

(paragraph 174, page 42)

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<sup>13</sup> ID 12-008-20140306

<sup>14</sup> ID 10-008-20140306

<sup>15</sup> ID 12-002-20140306 and ID 12-018-20140306



2.1.15 The NPPG re-confirms the NPPF preference for a single Local Plan document for each area unless there is a clear justification for additional DPDs.<sup>16</sup> SPDs are to be prepared ‘only where necessary’ and ‘should not add unnecessarily to the financial burdens on development’.<sup>17</sup>

2.1.16 The NPPG confirms that ‘Policies for seeking obligations should be set out in a development plan document to enable fair and open testing of the policy at examination’ and SPD ‘should not be used to set rates or charges which have not been established through development plan policy’.<sup>18</sup> Obligations in respect of affordable housing ‘should not prevent development from going forward’<sup>19</sup> and local authorities should be flexible in their approach to affordable housing obligations or ‘tariff style contributions to infrastructure’.<sup>20</sup> Obligations policies ‘should be grounded in an understanding of development viability’.<sup>21</sup>

2.1.17 The Housing and Planning Act 2016 has widened the Affordable Housing Definition beyond that within the NPPF to include ‘Starter Homes’ as follows:

*“In this section “affordable housing” means new dwellings in England that—*

*(a) are to be made available for people whose needs are not adequately served by the commercial housing market, or*

*(b) are starter homes within the meaning of Chapter 1 of Part 1 of the Housing and Planning Act 2016 (see section 2 of that Act).”*

(Section 159(4) of the Housing and Planning Act 2016 inserted after Section 106ZA<sup>22</sup> of the Town and Country Planning Act 1990)

Starter Homes will be made available to individuals aged at least 23 but under 40 and who are First Time Buyers.

2.1.18 The Housing and Planning Act 2016 imposes a general duty on local authorities to promote the supply of Starter Homes, including when determining planning applications, and a specific duty to ensure that Starter Homes are provided ‘on all reasonably sized sites’ – proposed amendments consulted upon in respect of the NPPF suggest that the objective is the increased provision of homes for sale at a discount to open market values for eligible first time buyer households.

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<sup>16</sup> ID 12-012-20140306

<sup>17</sup> ID 12-028-20140306 and the NPPF paragraph 153

<sup>18</sup> ID 23b-003-20140306

<sup>19</sup> ID 23b-004-20140306

<sup>20</sup> ID 23b-006-20140306

<sup>21</sup> ID 23b-007-20140306

<sup>22</sup> itself inserted by section 158 of the Housing and Planning Act 2016

## ***Housing White Paper 2017***

- 2.1.19 On the 7<sup>th</sup> of February 2017 the Government published the Housing White Paper (“HWP”), setting out a national strategy for housing delivery. The contents are the subject of consultation, but provide an insight into Government objectives for housing and affordable housing delivery. The overriding focus within the HWP remains on significantly increasing housing supply and improving the speed of delivery and does not propose to remove the current National Planning Policy requirement for Plan policies to be viable.
- 2.1.20 The HWP re-confirms a commitment to an ‘ambition to drive up affordable home ownership products’<sup>23</sup> and proposes to amend national guidance to make it clear that ‘local authorities should seek to ensure that a minimum of 10% of all homes on individual sites are affordable home ownership products’ on sites of 10 dwellings / 0.5 hectares or more (HWPs own emphasis).<sup>24</sup>
- 2.1.21 The HWP makes it clear that this is not intended as a cap on the level of such housing to be provided, but a ‘minimum’. The HWP clarifies that this requirement ‘may not be appropriate’ on ‘Build to Rent’ schemes, on ‘proposals for dedicated supported housing’, on ‘Custom Build’ schemes and ‘Rural Exception Sites’.<sup>25</sup> The HWP does not envisage that a transitional period should be necessary for the application of this approach.
- 2.1.22 The HWP Annex (pages 99 - 101) proposes an amended affordable housing definition which expands existing affordable housing tenures (i.e. such as Affordable Rent, Social Rent and Intermediate Housing) to include ‘Starter Homes’ and ‘Affordable Private Rent Housing’. Government funding through the 2016-21 programme for affordable housing has been expanded to include Affordable Rent and Shared Ownership products, confirming a continued focus on Affordable Rent in preference to Social Rent.
- 2.1.23 The overarching affordable housing definition continues to require that this is ‘provided to those whose needs are not met by the market’. The definitions of Social Rented and Affordable Rented housing remains largely as in the NPPF except an additional overarching definition of ‘Social Rent and Affordable Rent’ is also included confirming that ‘eligibility is determined with regard to local incomes and local house prices’ and remains available as affordable housing or has the subsidy recycled for alternative affordable housing delivery.

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<sup>23</sup> paragraph A.131, HWP

<sup>24</sup> paragraphs A.126 and A.127, HWP

<sup>25</sup> paragraph A.128, HWP



2.1.24 Starter Homes are defined in the HWP Annex page 100 as follows:

*“...housing as defined in Sections 2 and 3 of the Housing and Planning Act 2016 and any subsequent secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute at the time of plan-preparation or decision-taking. Local planning authorities should also include income restrictions which limit a person’s eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London).”*

(HWP Annex page 100)

Whilst not specified within the HWP affordable housing definition the body of HWP also sets out that a 15 year repayment period will be applicable to purchasers of Starter Homes during which, if the home is sold, some, or all, of the discount must be repaid. Purchasers will also be required to have a mortgage.<sup>26</sup> The income caps applied to Starter Homes in the above definition align with those applied to Shared Ownership homes through the ‘Help to Buy’ scheme.

2.1.25 The Starter Homes definition sets out specific detail on the income limits for eligible households and thus, whilst not specifically excluded from falling within the overarching Intermediate affordable housing definition, is subject to a different eligibility test to that applied to Discounted Market Sales housing and Affordable Private Rent housing (i.e. where’ eligibility is determined with regard to local incomes and local house prices’). The proportion of Starter Homes to be provided within the 10% overall site affordable home ownership provision is not proposed by the HWP to be prescribed but to be determined locally.<sup>27</sup>

2.1.26 The overarching Intermediate affordable housing definition makes specific reference to Discounted Market Sale, Affordable Private Rent, Shared Ownership, Equity Loans (i.e. the latter two are Government Help to Buy products), other low cost homes for sale and Intermediate Rent and Rent to Buy homes. As such the HWP approach widens the definition of Intermediate affordable housing compared to the NPPF.

2.1.27 The new proposed affordable housing tenure of Affordable Private Rent is defined as:

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<sup>26</sup> paragraphs 4.14 to 4.15, HWP

<sup>27</sup> paragraph 4.17, HWP

*“...housing that is made available for rent at a level which is at least 20 per cent below local market rent. Eligibility is determined with regard to local incomes and local house prices. Provision should be made to ensure that affordable private rent housing remains available for rent at a discount for future eligible households or for alternative affordable housing provision to be made if the discount is withdrawn. Affordable private rented housing is particularly suited to the provision of affordable housing as part of Build to Rent Schemes.”*

(HWP Annex page 100)

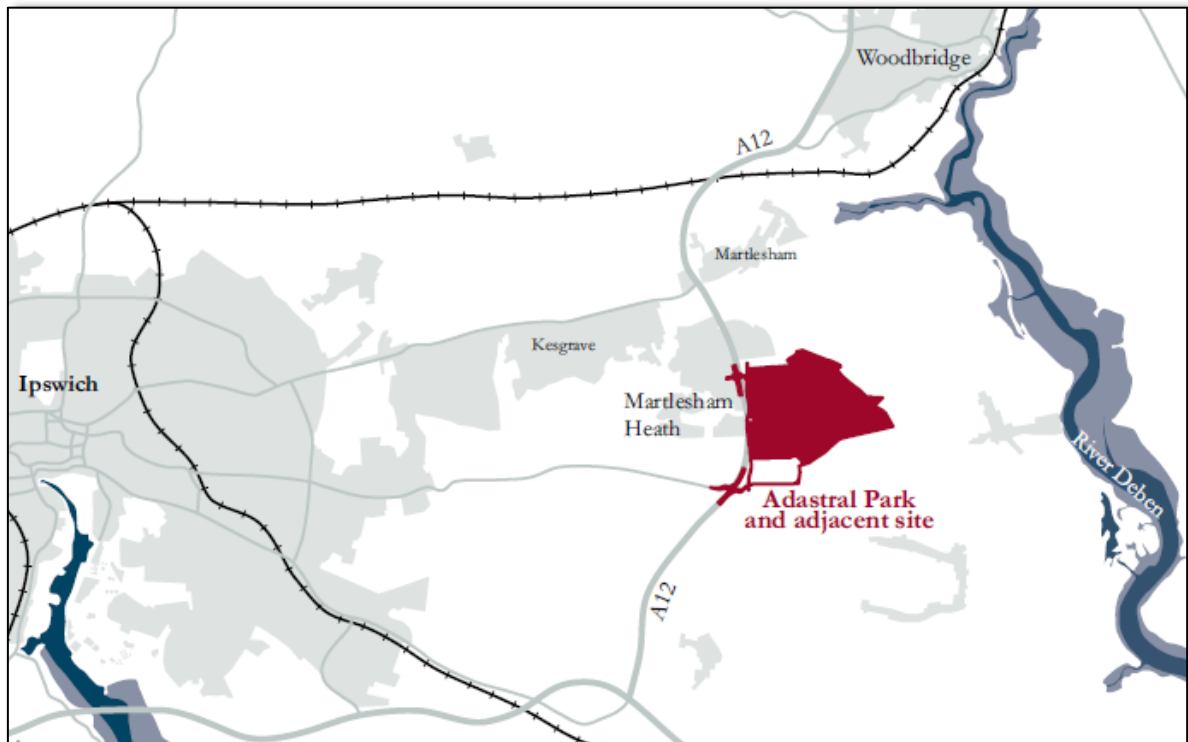
This new tenure can be owned and managed by organisations other than Local Authorities or Registered Providers.

2.1.28 The HWP proposes that the amended affordable housing definition is subject to a transitional period coming into force in April 2018. The Government is seeking feedback on the proposed definition and the NPPF still provides the extant definition. However, when preparing schemes it is appropriate for planning applicants and local authorities to consider how the Government's housing policy objectives should be reflected in Planning Agreements to ensure that development can proceed unhindered.

## 2.2 LOCAL POLICY

2.2.1 The application site lies to the East of Ipswich and within the Suffolk Coastal administrative area. As such, the approach to affordable housing delivery on the site falls to be considered within the Suffolk Coastal District adopted Core Strategy and Development Management Policies Development Plan Document (“CS”) adopted in July 2013.

**Figure 1 – Location Plan**



Source: [www.adastralvision.com](http://www.adastralvision.com) April 2009 Stakeholder Briefing Pack

2.2.2 The CS Policy SP2 sets a target for the delivery of ‘at least’ 7,900 new homes between 2010 and 2027 (i.e. 465 per annum). This target is based on the East of England Plan (“EoEP”) (a continuation of which would equate to 8,670 homes over 17 years 2010 to 2027).

2.2.3 The CS refers to an updated 2010 Oxford Economics assessment of housing need suggesting an increased need for 11,000 new homes between 2010 and 2027 and acknowledges the need for an early review to be undertaken in 2015,<sup>28</sup> albeit this remains to be progressed with the Council’s website suggesting an Issues and Options Consultation scheduled for Spring 2017.

<sup>28</sup> Table 3.1, page 26, CS

- 2.2.4 As such, the annual housing requirement is likely to be subject to review through the Local Plan process in due course, and this may result an increased overall annual housing delivery target.
- 2.2.5 The Site Allocations and Area Specific Policies Development Plan Document (“SADPD”) was reported upon by the Examining Inspector in January 2017. The SADPD notes the existing allocation of ‘Adastral Park’ within the 2013 adopted Core Strategy and the examining Inspector’s report notes that issues such as ‘specialist housing’ and ‘other types of housing provision’ will be taken into consideration as part of the Local Plan review. As such, the CS continues to provide the settled Development Plan policy approach to affordable housing delivery relevant to the application site.
- 2.2.6 Whilst no specific reference to affordable housing is made in the wording, CS Policy SP3 seeks that the overall housing stock is increased to ‘provide for the full range of size, type and tenure of accommodation’ needed by existing and future households, with an objective of retaining younger households and addressing the housing needs of older person households.
- 2.2.7 Supporting text to Policy SP3 at paragraph 3.57 refers to a 2006 Local Housing Needs Assessment suggesting a requirement for the provision of 1,896 affordable homes between 2010 and 2027 (equating to 24% of the 7,900 new homes planned for). Guidance on the dwelling size targets sought across the District is provided within supporting text to Policy SP3 at Table 3.6 as follows:

**Figure 2.2.1**

<b>Bedrooms</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4+</b>
<b>Open Market</b>	6%	32%	39%	22%
<b>Affordable</b>	43%	31%	16%	11%

Source: CS Table 3.6 ‘Target proportions of house sizes’ page 33

The above suggests a preference for 74% of new affordable housing to be provided with 1 and 2 bedrooms. The profile of dwelling size requirements for open market housing is markedly different to that suggested to be required for affordable housing.

- 2.2.8 The Eastern Ipswich Plan Area (in which the subject site lies) is identified as a ‘Major Centre’ within Policy SP19. The Policy wording refers to Table 4.2 as determining the scale of development appropriate to particular locations; Table 4.2 describes Major Centres as a

‘general location’ for ‘large scale development to meet strategic needs’ and sets out that Affordable housing will be sought at a rate of one in every three homes (i.e. 33%).

2.2.9 The Eastern Ipswich Plan Area is described as follows:

*“The southern part of the district borders the county town of Ipswich. The town is of regional importance and the largest centre in Suffolk, accounting for around 30% of all employment. The influence of Ipswich is not limited to the Ipswich Borough Council administrative boundary, but extends to adjoining parishes within neighbouring authorities and adds to the cumulative impact of development on the Orwell and Deben Estuaries, (a matter which both Ipswich and Suffolk Coastal have considered in their Core Strategies). For planning purposes the whole area is now referred to as the Eastern Ipswich Plan Area (EIPA).”*

(paragraph 4.09, CS – emphasis added)

The CS therefore recognises that development within the EIPA (and within the Suffolk Coastal District) will address economic and social requirements arising within the town of Ipswich as well as the Suffolk Coastal District area.

2.2.10 Supporting text to the CS Major Centres policies<sup>29</sup> sets out that 2,320 new homes will be provided during 2010 to 2027 in the Eastern Ipswich Plan Area, to include ‘a single allocation of 2,000 new homes...east of the A12 at Martlesham to the south and east of Adastral Park’.

2.2.11 The ‘planned direction of controlled growth’ is confirmed within Policy SP20 as extending eastwards of the A12 to the south and east of Adastral Park, with the strategy for the Martlesham, Newbourne and Waldringham Area Action Plan (“AAP”) being to provide ‘well planned, sustainable new housing of a mix of size, type and tenure linked to existing and proposed employment’. Affordable housing requirements are not specifically referred to.

2.2.12 The overarching Development Management Policy for affordable housing is set out within CS Policy DM2. Policy DM2 sets out that on developments of 6 or more dwellings in Major Centres:

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<sup>29</sup> paragraph 4.14, CS

*“Whether in total or in phases, the District Council will expect 1 in 3 units to be affordable housing unless its provision is not required due to:*

*(a) Lack of identified local need in the area*

*(b) Site conditions, suitability and economics of provision.”*

(Policy DM2, CS, page 92)

2.2.13 The policy wording seeks that the affordable housing is offered, successively, to local people in housing need at a price that they can afford. Exceptionally, financial sums or other provision in lieu of on-site delivery of affordable housing will be accepted by the Council ‘towards the provision of affordable housing on a different site in the same area’.

2.2.14 It is relevant to note that the CS Examining Inspector when considering the soundness of the CS approach to affordable housing delivery made reference to Martlesham providing ‘a substantial element of the market and affordable housing provision in the District over the Plan period’ and that some respondents had argued for a wider distribution of affordable housing supply to meet needs in the District.<sup>30</sup>

2.2.15 Affordable housing tenure split targets are not included within Policy DM2 wording, but supporting text reflects a preference for 75% ‘affordable rented’ and 25% ‘other’ affordable housing tenures. This is based on the out of date 2006 Local Housing Needs Assessment.

#### *Supplementary Planning Documents*

2.2.16 The Council has affordable housing Supplementary Planning Guidance (“SPG”) from 2004 – this relates to an earlier Local Plan iteration and is extremely aged and so of extremely limited relevance under the current national and local planning policy framework.

2.2.17 A ‘S106 Developers Guide’ was published by the Council in February 2013, but this does not provide any significant additional information on the Council’s approach to affordable housing delivery or how developments in the EIPA should meet the need for such housing arising both within the District and Ipswich.

#### *Community Infrastructure Levy*

2.2.18 The Suffolk Coastal Community Infrastructure Levy Charging Schedule has been adopted and in operation since July 2015. This confirms that residential development at ‘Adastral

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<sup>30</sup> paragraph 117, CS Examining Inspector’s Report June 2013



Park' will be subject to £0 per Sqm, although the scheme will still be subject to a 'convenience retail' charge of £100 per Sqm.

## **2.3 SUMMARY**

- 2.3.1 National guidance makes it clear that the impact of costs associated with policy requirements (including affordable housing, standards and infrastructure) will need to be assessed to ensure that these do not preclude the provision of competitive returns to willing landowners and willing developers.
- 2.3.2 Delivering new homes remains an important element of the agenda being promoted by government as well as contributing to the supply requirements of the local plan. The provision of new homes is therefore an important consideration.
- 2.3.3 This remains the position set out in the HWP, albeit the supply of homes is sought at a faster pace of delivery than has been achieved in the context of the NPPF. Proposed amendments include broadening the definition of affordable housing to enable a wider menu of affordable housing products, including products for home ownership.
- 2.3.4 The application site represents a significant proportion of the District's planned overall housing supply. The CS seeks 1 in 3 of the homes (i.e. c.33%) provided on sites such as the application site to be provided as affordable housing.

### 3. AFFORDABLE HOUSING PROPOSALS

#### 3.1 QUANTUM

- 3.1.1 The Ipswich Housing Market Area Strategic Housing Market Assessment (“SHMA12”) was published in 2012 to replace the 2008 SHMA and earlier 2006 Local Housing Assessment. The SHMA12 suggests a net annual need for 355<sup>31</sup> affordable homes in the Suffolk Coastal District.
- 3.1.2 The SHMA12 does not provide a market signals adjusted NPPG compliant updated housing requirement for the District, but refers to outputs from a Phase 2 Greater Essex Demographic Forecast prepared by Edge Analytics and published in 2012. The SHMA12 states that this suggests (based on 2008 subnational population projections) a baseline annual increase of 1,091 households between 2010 and 2033, or of 920 households based on an economic scenario.
- 3.1.3 More recently the Phase 7 Greater Essex Demographic Forecast report of May 2015 suggests annual dwelling requirements of 492 based on 2012 subnational population (“SNPP”) projections rising to between 816 to 838 based on economic forecasts reflecting jobs and employment.<sup>32</sup> Subsequently the 2014-based SNPP have been published (May 2016) and the Greater Essex Demographic Forecast is therefore now out of date. The Edge modelling does not consider whether any adjustment is necessary to reflect market signals or affordable housing need.
- 3.1.4 To this extent there is no clear up to date understanding of what represents an up to date overall housing need within the context of which affordable housing needs should be assessed and planned for. The SHMA12 conclusions on the overall need for affordable housing in the District are therefore extremely out of date. It is therefore not possible to determine an up to date national planning policy compliant conclusion on the level of overall housing provision that is needed as affordable housing.
- 3.1.5 In addition, any such proportion will need to be deliverable and enable the development of sustainable and balanced communities; significant concentrations of affordable housing within extremely large sites such as the application site will exceed the proportions found across England on average and may have management and household allocation implications for the local authority and Registered Providers. This may become particularly acute where there is a strong emphasis on a single affordable housing tenure (i.e. Social

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<sup>31</sup> subject to rounding

<sup>32</sup> page 123, Phase 7 Greater Essex Demographic Forecast, May 2015

Rent or Affordable Rent) rather than a balanced mix of rent affordable housing affordable housing sale products.

3.1.6 Up to 33% of the housing on-site is proposed as affordable housing subject to ongoing discussions with the Council.

### 3.2 TENURE

#### Local Authority Evidence Base

3.2.1 The 'Ipswich Area SHMA Study Update August 2012' ("SHMA12") does not provide clear conclusions on affordable housing tenure split (based on NPPF compliant tenures) and refers back to the older 2008 SHMA ("SHMA08") prepared by Fordham. The SHMA08 draws on the previous 2007 Suffolk Coastal Local Housing Assessment,<sup>33</sup> other local authority housing needs assessments (which are not clearly identified) and a 2005 Joseph Rowntree review of households able to afford more than Social Rent but less than open market housing for sale or rent.

3.2.2 The SHMA08 provides the following tenure split conclusions:

<b>Table 3.2.1 – SHMA08 Affordable Tenure Conclusions</b>		
<b>Area</b>	<b>Intermediate</b>	<b>Social rented</b>
<b>Ipswich</b>	14.2%	85.8%
<b>Suffolk Coastal</b>	22.2%	77.8%

Source Table 9.2, page 194, SHMA08 – which draws on a 2007 Suffolk Coastal Local Housing Assessment

3.2.3 These are based on a nine year old Local Housing Needs Assessment published back in 2007 – the position does not reflect current affordable housing definitions or the scope for Intermediate housing following the recession.

3.2.4 The SHMA12 states that further work would be required in respect of affordable housing tenure once the 2011 Census data became available. However, an updated SHMA review of affordable housing need has not yet been published.

3.2.5 It is crucial on a site as large as the application site that the tenure in which affordable housing is provided reflects the current estimated net need for such housing. Under the current national policy definition of affordable housing a wide variety of affordable housing products with a variety of housing costs can be provided to meet the need for affordable housing for both sale and rent.

<sup>33</sup> Table 9.2, page 194, SHMA08

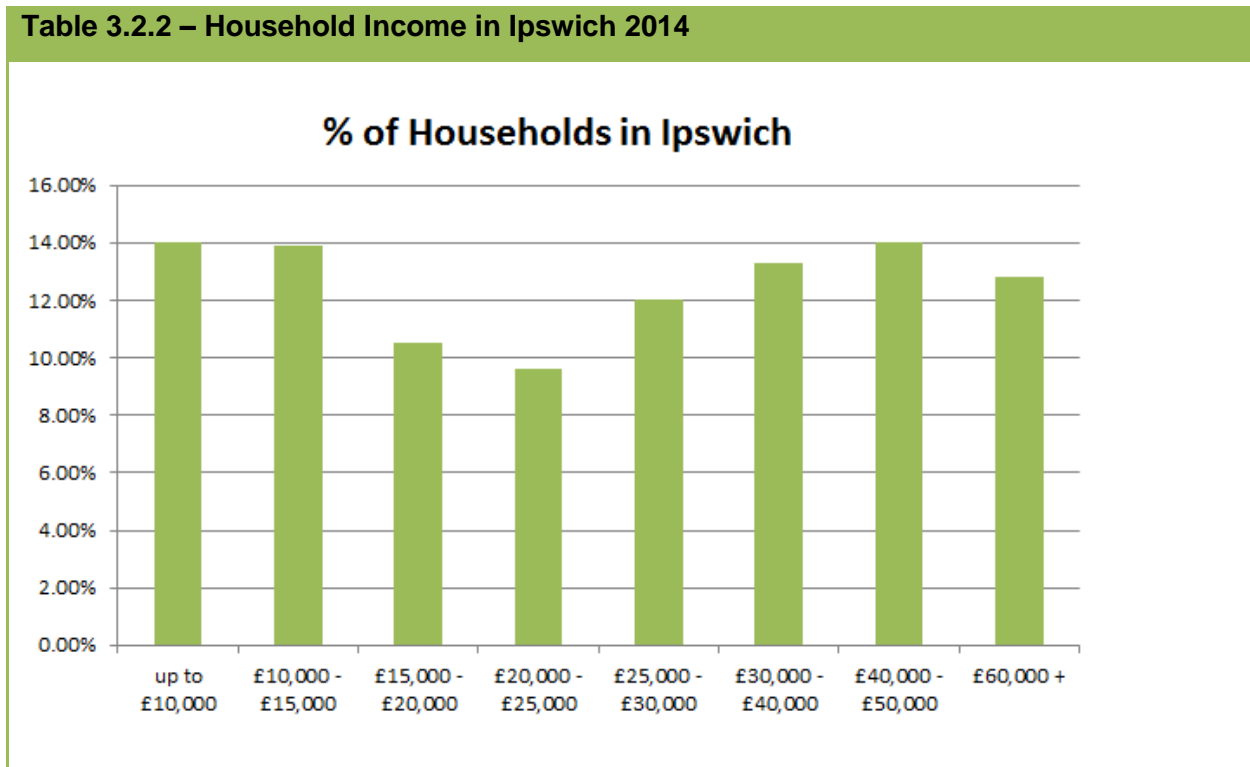
3.2.6 The following analysis therefore refers to the most recent publicly available data on income and housing costs within the context of the current NPPF affordable housing definition to provide an up to date review of affordable housing tenure requirements.

*Affordable Housing Tenure Analysis*

*Household Income*

3.2.7 The SHMA12 and SHMA08 do not provide information on household incomes, instead referring to the Annual Survey of Hours and Earnings (“ASHE”). In any event, the information provided in the SHMA12 and SHMA08 is now out of date.

3.2.8 The 2014 Suffolk Housing Needs Survey (October 2014 – “SHS”) suggests the following household income distribution across the Ipswich local authority area based on self-assessment by the respondents. The income includes any income from investments and benefits and is pre-tax (i.e. gross):



Source Table F11, page 39, 2014 Suffolk Housing Survey

3.2.9 It has not been possible to source the 2014 SHS outputs for Suffolk Coastal, but based on ASHE data (2016) median weekly gross pay for all employee jobs is c.17% higher in the Suffolk Coastal local authority area than in the Ipswich local authority area. The 25% of lowest income individuals in Suffolk Coastal are suggested by the ASHE 2016 data to have

incomes c.26% higher than in Ipswich. ASHE data also suggests that median incomes in Ipswich have increased by 11.7% and in Suffolk Coastal by 7.4% between 2014 and 2016.

3.2.10 In the absence of an up to date income band position the above represents a useful point of reference when seeking to understand the proportions of households that are likely to require affordable housing and different affordable housing tenures should they have to move.

### House Prices and Rents

3.2.11 Housing costs for Social Rent and Affordable Rent can be obtained from the Private Registered Provider Social Housing Stock in England Statistical Data Return dataset 2016. This data suggests the following average weekly housing costs in Ipswich and Suffolk Coastal:

<b>Table 3.2.3 - Social Rent (Weekly)</b>					
	1 bed	2 beds	3 beds	4 beds	5 beds
<b>Ipswich</b>	£77.13	£90.02	£103.29	£115.68	£126.30
<b>Suffolk Coastal</b>	£80.59	£94.28	£105.97	£113.92	£119.64

Source: Private Registered Provider Social Housing Stock in England Statistical Data Return dataset 2016

<b>Table 3.2.4 - Affordable Rent (Weekly)</b>					
	1 bed	2 beds	3 beds	4 beds	5 beds
<b>Ipswich</b>	£84.62	£96.79	£115.73	£144.22	--
<b>Suffolk Coastal</b>	£84.25	£106.19	£130.02	£159.53	--

Source: Private Registered Provider Social Housing Stock in England Statistical Data Return dataset 2016

3.2.12 The Private Rental Market Statistics published by the Government suggest the following lower quartile (entry level) monthly private sector rents:

<b>Table 3.2.5 – Private Rent (Monthly)</b>					
	1 bed	2 beds	3 beds	4 beds	All
<b>Ipswich</b>	£425	£540	£595	£850	£520
<b>Suffolk Coastal</b>	£408	£530	£625	£835	£540

Source: Private Rental Market Statistics monthly rents recorded between 1 October 2015 and 30 September 2016

3.2.13 A review of Land Registry data for house sales during the period January 2016 to December 2016 suggests the following entry level house prices (i.e. lower quartile):

<b>Table 3.2.6 – Entry Level House Prices</b>				
	Flat	Terraced	Semi-Detached	Detached
<b>Ipswich</b>	£95,000	£136,000	£169,996	£241,500
<b>Suffolk Coastal</b>	£118,000	£160,000	£189,000	£285,000

Source Land Registry Sold House Price Data for the 2016 period including existing and new build housing stock – Lower Quartile

### Housing Cost Income Thresholds

3.2.14 The above suggests the following broad household income requirements assuming that housing costs equate to 30% of gross household income for rent and no more than 3 times an annual gross household income for purchase:

<b>Table 3.2.7 - Social Rent (Annual Gross Household Income)</b>					
	1 bed	2 beds	3 beds	4 beds	5 beds
<b>Ipswich</b>	£13,369	£15,603	£17,904	£20,051	£21,892
<b>Suffolk Coastal</b>	£13,969	£16,342	£18,368	£19,746	£20,738

Source: Table 3.2.3

<b>Table 3.2.8 - Affordable Rent (Annual Gross Household Income)</b>					
	1 bed	2 beds	3 beds	4 beds	5 beds
<b>Ipswich</b>	£14,667	£16,777	£20,060	£24,998	--
<b>Suffolk Coastal</b>	£14,603	£18,406	£22,537	£27,652	--

Source: Table 3.2.4

<b>Table 3.2.9 - Private Rent (Annual Gross Household Income)</b>					
	1 bed	2 beds	3 beds	4 beds	5 beds
<b>Ipswich</b>	£17,000	£21,600	£23,800	£34,000	£20,800
<b>Suffolk Coastal</b>	£16,320	£21,200	£25,000	£33,400	£21,600

Source: Table 3.2.5

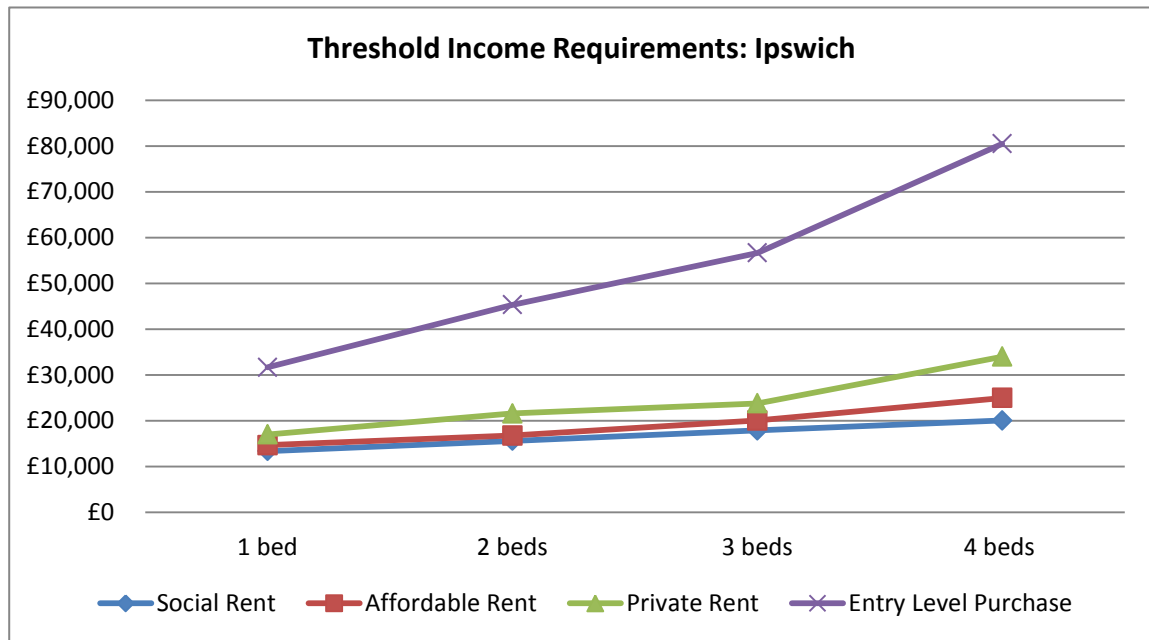
<b>Table 3.2.10 – Entry Level House Prices (Annual Gross Household Income)</b>				
	Flat	Terraced	Semi-Detached	Detached
<b>Ipswich</b>	£31,667	£45,333	£56,665	£80,500
<b>Suffolk Coastal</b>	£39,333	£53,333	£63,000	£95,000

Source: Table 3.2.6



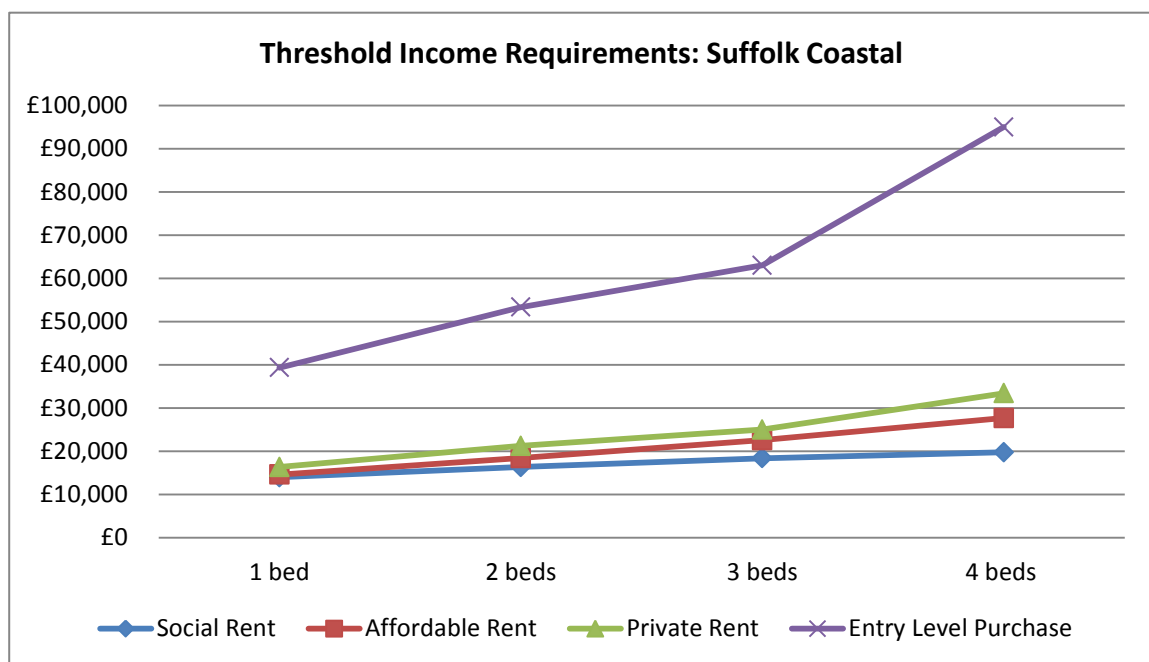
3.2.15 The above income thresholds suggest the following gaps in housing costs between Social Rent, Affordable Rent, and entry level Private Rent and Purchase:

**Table 3.2.11 – Household Income in Ipswich 2014**



Source: Tables 3.2.7 to 3.2.10 above

**Table 3.2.12 – Household Income in Suffolk Coastal 2014**



Source: Tables 3.2.7 to 3.2.10 above

3.2.16 It is apparent that the gap in income threshold between Social Rent and entry level purchase is significant, with a smaller but discernible gap between entry level private rent and Social Rent.

*Intermediate Gap*

3.2.17 The gap between Social Rent and entry level purchase represents the full extent of the Intermediate gap between affordable housing and entry level housing, taking into account the clear Government objective of increasing the opportunities for households to access affordable home ownership.

3.2.18 The current affordable housing definition for Intermediate housing states that it should have housing costs above Social Rent but below 'market levels' subject to the overarching affordable housing definition, which determines eligibility having regard to 'local incomes and local house prices'. The definition enables the application of a broad intermediate gap (i.e. the gap between Social Rent and entry level purchase) and this is particularly relevant when seeking to assess the scope for affordable housing for sale.

3.2.19 That this broader gap is appropriate is supported by the guidance provided by the Government in respect of Shared Ownership which describes purchaser eligibility as follows:

*"You can buy a home through shared ownership if your household earns £80,000 a year or less (or £90,000 a year or less in London) and any of the following apply:*

- *you're a first-time buyer*
- *you used to own a home, but can't afford to buy one now*
- *you're an existing shared owner"*

(<https://www.gov.uk/affordable-home-ownership-schemes/shared-ownership-scheme>)

The shared income applied by the Government takes the income threshold for affordable home ownership beyond that required to rent an entry level home for most locations, including in Ipswich and Suffolk Coastal.

3.2.20 The definition of affordable housing proposed in the Housing White Paper similarly enables the same broad Intermediate gap to be applied when determining an affordable housing

compliant range of housing costs. The HWP definition also proposes to include Starter Homes within the guidance definition and describes this as housing:

*“as defined in Sections 2 and 3 of the Housing and Planning Act 2016 and any subsequent secondary legislation made under these sections”,*

and sets out that:

*“Local planning authorities should also include income restrictions which limit a person’s eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London)”<sup>34</sup>.*

The same household income caps as currently applied by the Government in respect of eligibility for Shared Ownership are therefore proposed to apply to Starter Homes. The Housing and Planning Act 2016 requires that Starter Homes are subject to a discount of ‘at least 20% of the market value’.

3.2.21 In summary, a broad Intermediate gap should be applied when assessing the scope for affordable housing for sale to meet the housing needs of households eligible for affordable housing and be applied more narrowly (i.e. the gap between Social Rent and entry level Private Rent) when assessing the scope for Intermediate Rented products (excluding Rent to Buy which ends up as a purchase option). Affordable Rent is not currently defined as Intermediate housing and both the current and emerging national policy definition make it clear that this is to be let to households eligible for Social Rented housing (i.e. households that are eligible for housing provided at Government guideline target rents).

3.2.22 Homes provided within the scope of these Intermediate gaps (i.e. set having regard to local incomes and local house prices) and subject to appropriate perpetuity or subsidy recycling requirements and will be affordable housing in accordance with current national policy definitions and proposed definitions within the HWP.

3.2.23 For the application site this suggests the following Intermediate gaps in terms of income range (based on the overall average incomes suggested to be required to cover the housing costs associated with Social Rent, entry level Private Market Rent and entry level purchase across the Ipswich and Suffolk Coastal local authority areas<sup>35</sup>):

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<sup>34</sup> Housing White Paper, page 100, February 2017

<sup>35</sup> Overall average of income thresholds across both Ipswich and Suffolk Coastal set out in Tables 3.2.7, 3.2.9 and 3.2.10

<b>Table 3.2.13 – Intermediate Gap</b>			
<b>Intermediate Rent</b>	£17,800	to	£23,500
<b>Affordable Housing for Sale</b>	£17,800	to	£58,100

Source: average annual gross household incomes across Ipswich and Suffolk Coastal local authority areas based on Tables 3.2.7 and 3.2.10 above

*Proportions of Households Able to Afford*

- 3.2.24 The above intermediate Gap income ranges can be compared to the 2014 household income information for Ipswich included in Table 3.2.2 above.
- 3.2.25 The 2014 data includes benefits where households are in receipt of them and existing households and newly emerging households in need of affordable housing may have a lower than average income profile.
- 3.2.26 However, as stated above, household incomes in Suffolk Coastal are suggested to be in excess of those of Ipswich and the data, published in 2014, is likely to underestimate household incomes given the increases in individual earnings suggested in ASHE data for 2014 and 2016. Furthermore, there may be a tendency for households to under report their incomes when completing a postal survey and this cannot be precluded particularly where follow up household interviews are not used to validate a proportion of survey responses.
- 3.2.27 Unfortunately, as already noted the SHMA12 and SHMA08 do not provide household income information, referencing instead individual earnings. As such, the 2014 Ipswich household incomes (see table 3.2.2 above) provide the most recent available household income information for the local area against which to consider Intermediate housing costs.
- 3.2.28 To compare the above income thresholds to the household income data it is necessary to apply narrower income bands to the household income information. For the purpose of understanding the number of households likely to be able to afford specific housing costs it is reasonable to assume that within the existing bands income is evenly distributed across the total proportion of households within that band. In this way the following more fine grained household income distribution bands can be established using household incomes set out in Table 3.2.2 and compared to the Intermediate gap income thresholds summarised in Table 3.2.13 above:

<b>Table 3.2.14 – Household Income Ipswich / Suffolk Coastal</b>		
<b>Household Income</b>	<b>Affordable Housing Product</b>	<b>% of AH Package</b>
<b>up to £10,000</b>	Social Rent / Affordable Rent with Housing Benefit or at less than 80% of Local Market Rents / Intermediate Rent with Housing Benefit / Affordable Private Rent with LHA / Private Market Rent with LHA	39%
<b>£10,000 - £15,000</b>		
<b>£15,000 - £17,500</b>		
<b>£17,500 - £20,000</b>	Intermediate Rent / Private Rent with LHA / Affordable Private Rent / potentially Affordable Home Ownership	12%
<b>£20,000 - £22,500</b>		
<b>£22,500 - £25,000</b>	Affordable Housing for Sale	49%
<b>£25,000 - £30,000</b>		
<b>£30,000 - £40,000</b>		
<b>£40,000 - £50,000</b>		
<b>£50,000 - £52,500</b>		
<b>£52,500 - £55,000</b>		
<b>£55,000 - £57,500</b>		
<b>£57,500+</b>	Open Market	
<b>TOTAL</b>		

Source: Tables 3.2.2, and 3.2.7 to 3.2.10 above

3.2.29 Whilst there will be some overlap between the products that fall within the above income bands, particularly in the £17,500 to £22,500 band in green, the analysis suggests that just under one half of all households in the affordable housing need category can afford more than a Social, Affordable or Intermediate Rent property and this suggests forms of affordable home ownership would be well suited to them if they needed to move.

3.2.30 A further 12% of households in the affordable category are suggested as being able to afford more than a Social Rent but less than an affordable home ownership product where this requires an annual household income of more than £22,500 to cover housing costs. Such households would be able to afford Intermediate Rent, Affordable Rent and discounted Private Rent products without Local Housing Allowance / Housing Benefit assistance.

3.2.31 The balance of 39% of households in the affordable category would require a rented product either as Affordable Rent or Social Rent and to varying degrees some of these households would require Housing Benefit.

3.2.32 The SHMA12 and previous assessments for the area base assessments of overall affordable housing need on a narrow interpretation of affordable housing products precede the current Government objective of delivering a wider choice of affordable homes for sale. It would, therefore, be inappropriate to apply the above tenure split proportions to the gross affordable housing need suggested within the SHMA12 for comparison to SHMA12 supply assumptions to derive a net affordable housing tenure split – the gross need is reflective of a more restrictive assessment of household eligibility for affordable housing.

3.2.33 However, it is relevant to note that the SHMA12 suggests an extremely limited annual supply of Intermediate Sale re-lets across the two local authority areas (totalling 24 per annum – i.e. just 2.5% of all supply):

<b>Table 3.12.14 Annual Affordable Housing Supply Ipswich / Suffolk Coastal</b>		
	Ipswich	Suffolk Coastal
<b>Annual Social Rent Re-lets</b>	745	181
<b>Annual Intermediate Sale Re-lets</b>	14	10

Source: SHMA12, table 9.19.1

3.2.34 Data on new affordable housing completions in Live Table 1011 (published by the Government) suggests a total of 102 new affordable homes for sale have been completed over the period 2013/14 to 2015/16 across the Ipswich and Suffolk Coastal local authority areas – this equates to 34 per annum. If this trend continues new completions in affordable home ownership products are unlikely to add meaningfully to the low level of re-sales in the area.

3.2.35 Therefore, whilst paragraph 3.2.29 above does not provide a conclusion on net annual affordable housing tenure split requirements it is apparent that there is likely to be a significant mismatch between the scope for the provision of Affordable Home Ownership products and the availability of these products. This is likely to be more pronounced if the approach to affordable housing provision proposed in the HWP is taken forwards.

3.2.36 Simply applying the tenure split proportions concluded in the SHMA12 on a site as large as the application site will completely fail to address the full range of affordable housing requirements of eligible households that will arise across the Ipswich and Suffolk Coastal local authority areas over the coming years.

3.2.37 If 33% of the housing on the site is sought as affordable housing in line with CS Policy DM2 this will equate to c.660 units (based on c.2000 units overall). Requiring a significant majority of this to be provided as Affordable Rent may prove less popular with Registered



Providers who are generally looking for a more balanced distribution of affordable housing tenures particularly within larger schemes such as this.

3.2.38 Furthermore, with affordable housing provision on a site of this scale there is clearly scope for introducing a broader spectrum of affordable housing products for both rent and sale than simply a mix of Affordable Rent / Shared Ownership.

3.2.39 The HWP proposes to widen the scope of affordable housing within national policy to include Starter Homes (as already defined within the Housing and Planning Act 2016), Affordable Private Rent housing, and to include a specific definition of Discounted Market Sales housing. Within the scope of this widened definition an increased variety of affordable housing products can be accommodated. Even under the current affordable housing definition scope exists to deliver a range of affordable housing products beyond simply Affordable Rent and Shared Ownership, including Rent to Buy, Intermediate Rent, Discounted Sale, and Shared Equity.

### Summary

3.2.40 Based on an updated review of local household incomes and local house prices analysis suggests that were they to move the following proportions apply to households in the affordable housing category:

- c.39% of households cannot afford an Intermediate rented product without assistance,
- a minimum of 12% of households could access an Intermediate rented product (and potentially more could be housed in this sector with assistance through Housing Benefit / Local Housing Allowance), and,
- a minimum of 49% of households could afford affordable home ownership products where these are provided across a range of housing costs.

3.2.41 The analysis summarised at paragraph 3.2.23 above suggest that broadly 50% of households eligible for affordable housing across the Suffolk Coastal and Ipswich area can afford affordable housing for rent and 50% can afford affordable housing for sale.<sup>36</sup> The analysis summarised at paragraph 3.2.23 above also suggests that 12% of affordable households eligible for affordable housing could afford an Intermediate Rented product.

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<sup>36</sup> i.e. 81% of households would require affordable housing were they to move; of these 50% could afford housing for sale and 50% for rent.

This suggests a broad affordable housing tenure split of 38% Social Rent / Affordable Rent, 12% Intermediate Rent and 50% affordable housing for sale. This could reasonably be applied as an approach to affordable housing tenure split on the application site.

3.2.42 The HWP proposes to introduce an approach that will see 10% of all housing on a site being provided as affordable housing for sale. This equates to 200 dwellings on the application site (where affordable housing is provided at 33%). This in turn equates to 30% of a 660 overall affordable housing provision (where quantum is 33% on a site of 2000 homes). Where a further 79 affordable homes<sup>37</sup> are provided as Intermediate Rent (to reflect the Intermediate gap analysis in this statement<sup>38</sup>) this, combined with the affordable housing for sale based on the HWP proposals (i.e. 200 homes), equates to a c.42% of the overall affordable housing proposed on the application site. A remaining 60% could be provided as rented in the form of Affordable Rent under this scenario.

3.2.43 A reasonable affordable housing tenure split for the application site is therefore suggested to lie between:

- Scenario 1: 50% affordable housing for rent and 50% affordable housing for sale, and,
- Scenario 2; 60% affordable housing for Affordable Rent, 10% Intermediate affordable housing for rent and 30% affordable housing for sale.

Scenario 2 will provide a 70% / 30% split between rented and sale affordable housing and therefore continues to broadly align with the tenure split preferences set out in the CS supporting text. The applicant would welcome discussions with the Council regarding progressing an appropriate mix of affordable housing tenures on the site having regard to the need to bring forward a range of intermediate housing products.

### 3.3 DWELLING MIX

3.3.1 The SHMA12 suggests a net annual need for 355<sup>39</sup> affordable homes in the Suffolk Coastal District. The majority of the SHMA12 net annual affordable housing requirement (355) is suggested to comprise of 300 newly arising households. Such households are likely to predominantly require 1, 2 and 3 bedroom homes as opposed to larger 4 and 5 bedroom homes.

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<sup>37</sup> 12% of 660 affordable homes where these are provided on-site at 33% in terms of quantum

<sup>38</sup> see paragraph 3.2.32

<sup>39</sup> subject to rounding

3.3.2 SHMA12 Table 9.22.1<sup>40</sup> sets out the following affordable housing size requirements for the Suffolk Coastal and Ipswich local authority areas based on Housing Register data from Local Authority Housing Statistics for the 2004 to 2011 period. These are presented alongside the Local Authority Housing Statistics data return (“LAHS”) for 2015/16 Housing Waiting List for comparison:

**Figure 3.3.1**

Dwelling Size	SHMA12 Affordable Housing Dwelling Size Proportion <sup>41</sup>		2015/16 LAHS Affordable Housing Waiting List Dwelling Size Proportion	
	Suffolk Coastal	Ipswich	Suffolk Coastal	Ipswich
<b>1 bedroom</b>	44%	47%	48.7%	42.3%
<b>2 bedrooms</b>	30%	33%	35.7%	38.3%
<b>3 bedrooms</b>	20%	17%	13.1%	16.0%
<b>4 bedrooms +</b>	5%	3%	2.5%	3.4%

Taken together LAHS housing waiting list data suggests a combined backlog demand across the Suffolk Coastal and Ipswich local authority areas for 45% 1 bed, 37% 2 bed, 15% 3 bed and 3.1% 4 bed or larger affordable homes.

3.3.3 The SHMA12 describes the Housing Register data as:

*“The size of homes required by households on the housing register is the most appropriate and readily available measurement of need for different sizes of homes.”*

(page 121, SHMA12)

3.3.4 The SHMA12 dwelling size proportions align broadly with those set out in the CS supporting text (see Figure 2.2.1 above) and the more recent LAHS data suggests that the demand for 3 bedroom and larger affordable housing has decreased.

3.3.5 The affordable housing requirements suggested by the SHMA12, the recent housing waiting list data and the mix sought through the CS supporting text is heavily weighted in favour of smaller units.

3.3.6 The following affordable housing mix which aligns with the CS guideline mix is proposed for discussion with the Council:

<sup>40</sup> page 121, SHMA12

<sup>41</sup> Table 9.22.1, SHMA12

**Figure 3.3.2**

Dwelling Type		TOTAL Affordable Housing Mix
1 bed 2 person	Flat	43%
2 bed 4 person	Flats / Houses	31%
3 bed 5 person	House	16%
4 bed 6 person	House	10%
<b>TOTAL</b>		100%
<b>Average Sqft per unit</b>		826

### 3.4 DELIVERY MECHANISMS

- 3.4.1 The delivery of the affordable housing will require a number of provisions to be considered including the spatial distribution of the accommodation within the scheme, its timing relative to the market provision, the involvement of registered providers and the quality standards of any affordable housing coming forward.
- 3.4.2 It is envisaged that these matters can be discussed in detail with the council as the application progresses in order to inform the provisions of the Section 106 agreement for the site. Ahead of this the following headline principles are proposed for this element of the affordable housing package.
- 3.4.3 The affordable provision will be managed by a registered provider in accord with the provisions of the NPPF and the Housing and Regeneration Act 2008. A degree of flexibility will be appropriate in respect of intermediate forms of affordable housing which can be delivered effectively by a range of development entities.
- 3.4.4 It is proposed that the affordable housing provision will be guided by a site wide affordable housing delivery plan which will identify broad locations for provision. This site wide approach will be supplemented with a more detailed consideration of affordable housing at each reserved matters application which will, as normal, detail the affordable housing within that element of the project.
- 3.4.5 It is currently envisaged that, unless otherwise agreed as part of the site wide delivery plan or at a specific reserved matters application the affordable housing will be delivered at a comparable rate to the market accommodation in each area of the site. Occupancy caps will ensure that a developer cannot complete market housing within a phase without delivering the identified level of affordable provision.

- 3.4.6 Affordable housing will be delivered to a standard aligned with the market provision and as such will meet the mandatory elements of the Building Regulations. Whilst the provision of affordable will be spatially distributed it will be in clusters of accommodation of up to 15 dwellings or more by agreement with the council.
- 3.4.7 Provisions in the S106 will deal with the allocation of the affordable housing, mortgagee in possession clauses and any cascade provisions which are appropriate.
- 3.4.8 It is proposed that the management, allocation of affordable housing to eligible households, distribution, standards and timing of affordable housing delivery will be submitted to and agreed with the Council at Reserved Matters prior to the commencement of development.

## 4. CONCLUSION

- 4.1 The application site, which lies within the administrative area of Suffolk Coastal District Council and to the east of Ipswich, is the subject of an outline application for: up to 2,000 homes, an employment area of c0.6ha (use class B1), primary local centre (comprising use classes A1, A2, A3, A4, A5, B1, C3, D1 and D2), secondary local centre (comprising possible use classes A1, A3, A5 and D2), a school, green infrastructure (including Suitable Accessible Natural Greenspace (SANGs), outdoor play areas, sports ground and allotments / community orchards), public footpaths and cycleways, vehicle accesses and associated infrastructure.
- 4.2 Delivering new homes remains an important element of the agenda being promoted by government as well as contributing to the supply requirements of the local plan. Within the context of national policy enabling and facilitating the provision of new homes is, therefore, a very important consideration for local authorities when taking development control decisions.
- 4.3 This remains the position set out in the HWP, albeit the supply of homes is sought at a faster pace of delivery than has been achieved in the context of the NPPF. Proposed amendments include broadening the definition of affordable housing to enable a wider menu of affordable housing products, including products for home ownership.
- 4.4 National guidance makes it clear that the impact of costs associated with policy requirements (including affordable housing, standards and infrastructure) will need to be assessed to ensure that these do not preclude the provision of competitive returns to willing landowners and willing developers.
- 4.5 The application site is allocated within the adopted Suffolk Coastal Core Strategy to provide housing within the Eastern Ipswich Plan Area to assist with addressing the economic and social requirements arising within the town of Ipswich as well as across the Suffolk Coastal District. The application site is therefore a crucial element of the Suffolk Coastal District planned housing land supply and the Council's commitment to assisting Ipswich with meeting local housing needs.
- 4.6 The CS seeks 1 in 3 of the homes (i.e. c.33%) provided on sites such as the application site to be provided as affordable housing. As a result of the scale of the application site the CS affordable housing policy is likely to result in a significant proportion of affordable housing provision during the plan period being focussed within the Martlesham locality. However,



the CS enables affordable housing proposals to flex in response to housing need, site specific circumstances and viability.

- 4.7 It is essential, given the scale of the application site and its role in meeting housing needs not only across the Suffolk Coastal District but also within the environs of the adjacent town of Ipswich, that the approach to affordable housing delivery is tailored to the specific circumstances of this key housing allocation.
- 4.8 Unfortunately, there is no clear understanding of what represents an up to date overall housing need in the context of which affordable housing needs should be assessed and planned for. It is therefore not possible to determine an up to date national planning policy compliant conclusion on the level of overall housing provision that is needed as affordable housing.
- 4.9 Furthermore, any such proportion will need to be economically viable and enable the development of sustainable and balanced communities; significant concentrations of affordable housing within extremely large sites such as the application site will exceed the proportions found across England on average and may have management and household allocation implications for both the local authority and Registered Providers. This may become particularly acute where there is a strong emphasis on a single affordable housing tenure (i.e. Social Rent or Affordable Rent) or smaller dwelling sizes.
- 4.10 It is proposed that the affordable housing will be provided at a level that accords with Core Strategy Policy DM2 and subject to ongoing discussions with the Council.
- 4.11 Within the overarching local affordable housing policy context provided by Core Strategy Policy DM2 the tenure split proposals for the application site have been prepared having regard to an updated analysis of housing costs and incomes, current and emerging national guidance, and the need to deliver a sustainable, balanced, economically viable and deliverable development. The proposed affordable housing mix reflects that set out within the CS.
- 4.12 The current NPPF affordable housing definition enables the application of a broad intermediate gap (i.e. the gap between Social Rent and entry level purchase) and this is particularly relevant when seeking to assess the scope for affordable housing for sale. Unfortunately, the Suffolk Coastal District Council housing needs evidence base does not provide up to date conclusions on affordable housing tenure or reflect analysis undertaken within the overarching framework of the NPPF affordable housing definitions.

- 4.13 Updated analysis of household incomes and housing costs local to the Ipswich / Suffolk Coastal area summarised within this Affordable Housing Statement suggest that providing affordable housing on the application site in a tenure split of 60% Affordable Rent and 40% Intermediate affordable housing for rent and sale would assist with meeting a range of affordable housing needs in the local area. On the basis that the intermediate component contains a proportion of rented accommodation this approach will provide a 70% / 30% split between rented and sale affordable housing broadly aligning with the rented affordable housing tenure split preferences set out in the supporting text to CS affordable housing Policy DM2.
- 4.14 The applicant seeks to ensure that the proposed development results in a balanced urban extension that will assist with meeting the affordable housing needs of both Suffolk Coastal District and the adjacent settlement of Ipswich during the Plan period. Therefore, it is proposed that the affordable housing is provided in a mix that provides an increased number of family affordable homes than will result where the Council's affordable dwelling size mix preferences (set out in the Core Strategy) or the SHMA concluded affordable housing mix is provided.
- 4.15 Alternatively, providing a mix in accordance with the Council's Core Strategy / SHMA could result in more than 40% of the affordable housing being provided as apartments. To ensure a broad sustainable range of accommodation is provided securing the right mix of affordable housing is crucial in a development on the scale of the application site.
- 4.16 The mix of affordable units can be adjusted to ensure that a balanced affordable housing offer can be provided which will be more reflective of the dwelling mix across communities in the area and across the wider District as a whole. However, increasing the proportion of family affordable housing whilst maintaining overall affordable housing quantum will impact upon land take therefore compromising scheme deliverability. This impact can be mitigated where there is flexibility in the overall affordable housing quantum and tenure split to be provided on-site, thus ensuring that the overall affordable housing floor area is maintained in line with that which would be required based on the Council's Core Strategy / SHMA affordable housing mix.
- 4.17 The applicants proposals will enable the delivery of up to 33% affordable housing in a tenure split of 60% Affordable Rent, 10% Intermediate Rent and 30% Affordable Housing for Sale. The applicant welcomes discussions with the Council in respect of the affordable housing proposals.

- 4.18 It is proposed that the management, allocation of affordable housing to eligible households, distribution, standards and timing of affordable housing delivery will be submitted to and agreed with the Council at Reserved Matters prior to the commencement of development. Initial principles have been explored in this statement in order to set the scene for this discussion.
- 4.19 The affordable housing proposals will enable the provision of a mix of dwelling sizes and types for rent and sale having regard to affordable housing need and in accordance with national policy affordable housing definitions. This approach enables flexibility to respond to evolving national planning policy within the context of the assessed affordable housing need.
- 4.20 The application proposals will be of significant benefit, not only with regard to the affordable housing proposed, but also by enabling the delivery of a significant number of high quality new homes on a significant strategic site allocation which forms a key part of the planned housing supply for Suffolk Coastal District and the settlement of Ipswich and its environs.

CARLYLE LAND  
LIMITED



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Recreation Consultant

*bakerconsultants*

BroadwayMalyan<sup>BM</sup>

Brookbanks



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