

## WAVENEY LOCAL PLAN EXAMINATION

### Matter 2 – Objectively Assessed Need for Housing and the Plan’s housing requirement figure.

2.1 Is the objectively-assessed need for housing (OAN)’s housing requirement figure policy WLP1.1) of 8,233 additional dwellings in the 2014-2036 (374 dwellings per annum) based on robust and up to date evidence? And in particular:

Are the assumptions of the 2017 Strategic housing market assessment appropriate?

*Population projections, household projections and UPC*

We would support the approach taken by the Council with regard to population and household projections. The proposed demographic starting point of 374 dwellings per annum provides a reasonable and positive point from which to begin the Council’s assessment of housing needs. The decision taken to exclude UPC is a sensible approach and one that recognises the inherent uncertainties as to the causes of UPC.

*Uplift for market signals*

Planning Practice Guidance sets out in paragraph 2a-020 that “A *worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.*”. What is evident from the evidence presented by the Council is that the market signals show an area where affordability is worsening. The latest affordability ratios published earlier this year showed that the work placed based lower quartile income to house prices ratios is now higher than it was at its peak in 2007 (7.88 compared to 7.64). This would suggest that the relatively stable levels of affordability seen following the recession is started to be eroded by a lack of supply. An analogous situation can also be seen in the median housing price to income ratio.

What is also evident from the Council’s monitoring data is that completions have been significantly lower than planned delivery. The Council’s housing requirement of 290 dpa has not been met in recent years. Figure 3.1a of the Council’s 2016/17 Authority Monitoring Report (Ref: D2) shows that since the Core Strategy was adopted in 2009 the Council has never met its adopted housing requirement. Given such a position it is inevitable that affordability issues should increase as supply has failed to match the need for new homes in the Borough.

As such to suggest that there is no need for an adjustment to be made for market signals is not supported by the evidence. There is clearly a worsening situation with

regard to affordability that has in part been a result of insufficient housing being delivered.

### *Economic forecasts*

There would appear to some disconnect between the growth being planned for by the Council and that tested in Strategic Housing Market Assessment. Page 24 of the Local Plan indicates that the Council will be looking to support the delivery of 5,000 new jobs and it will be important that the Council has sufficient housing to support this level of jobs growth. Given the self-contained nature of the Waveney housing market it will be important that housing growth is sufficient to support the economic aspirations of the Borough if it is to avoid, as established in paragraph 2a-018 of PPG, unsustainable commuting patterns and avoid reducing the resilience of local businesses.

### *Affordable housing*

In order to deliver the Council's affordable housing requirement would require 56% of the housing requirement to be provided as affordable units. Given the Council's affordable housing policy and the marginal viability seen in some areas of Waveney the Council will not achieve this level of delivery. However, paragraph 2a-029 of PPG states that "*An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.*" Whilst we would not suggest that the housing requirement should be uplifted to a level that would address the need for affordable homes in full it does support the need for an uplift in relation to market signals. A further uplift to take account of market signals followed by additional allocations in the local plan would enable the Council to close the gap between the supply of and need for affordable housing.

### Conclusion on OAN

Based on the market signals found within the Waveney HMA we would recommend that an uplift of 5% should be applied to the Council's propose demographic starting point. Such an approach would be consistent with advice provided in PPG and ensure the assessment of OAN is sound.

## **Matter 3 Spatial distribution of housing**

### 3.1 Is the proposed distribution of housing across the district (as set out in policy WLP1.1) and across the rural areas (as set out in policy WLP7.1) supported by robust evidence and, otherwise, soundly-based?

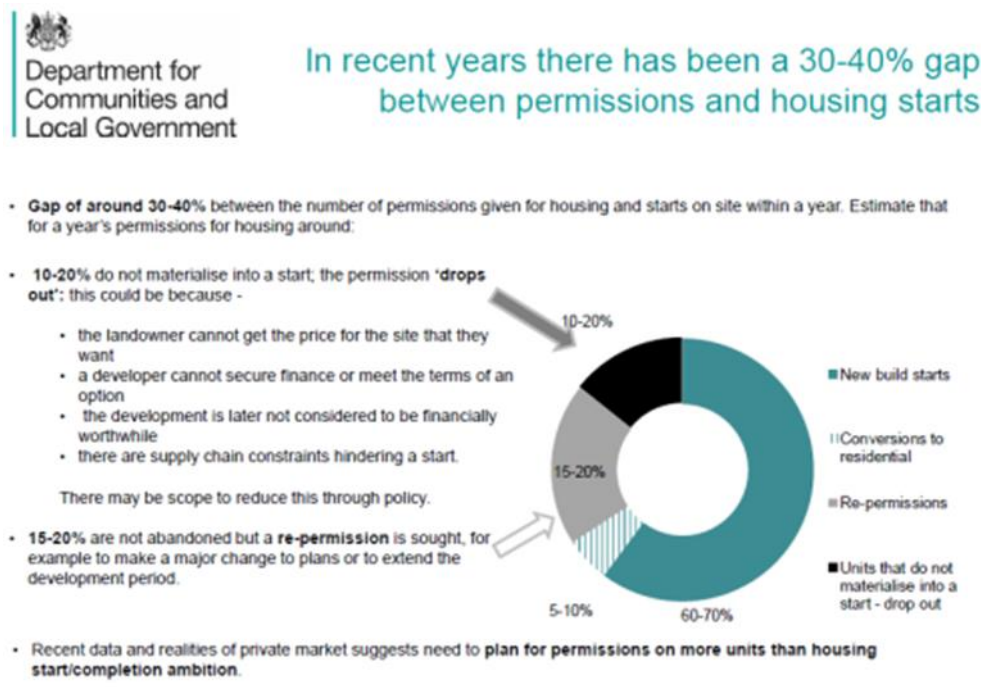
The spatial distribution of housing provision places considerable emphasis on delivery within Lowestoft with 56% of delivery to take place within this town. Whilst we recognise the Council's objective to focus development in this area and the benefits in term of regeneration and the use of brownfield sites it is important to ensure that the proposed distribution will meet needs. The previous plan which focussed on development within Lowestoft failed to meet the housing needs of the Borough. As outlined earlier in this statement, since the adoption of the Core Strategy the housing requirement has not

been achieved. Therefore, whilst we would continue to support the allocations for development in Lowestoft and the objectives the Council has for this area we would suggest that additional allocations are made elsewhere in the Borough as a further contingency measure to the 12% buffer should delivery not be at levels expected in Lowestoft.

#### Matter 4 – Supply of housing land

In the light of Matter 2, in relation to the objectively-assessed need for housing, I will reach a conclusion on whether or not the plan's stated housing requirement figure of 8,223 dwellings (policy WLP1.1) is sound. However, without prejudice to that and working on the assumption that it is a soundly-based total requirement figure: 4.1 Is the plan's provision for around 12% more new dwellings than the 8,223 requirement figure set out in policy WLP1.1 positively-prepared, justified and effective?

The HBF welcomes the inclusion of a 'buffer' within housing supply to provide a contingency measure should delivery not be as expected. However, the question for Waveney is whether 12% is sufficient given that past delivery against the Core Strategy achieved just 63% of expected delivery between 2009/10 and 2016/17. Whilst this was on the basis of more than 70% of housing delivery being focussed on Lowestoft it does indicate that a more significant amount contingency within housing allocations might be needed to ensure that delivery stays on target. General concerns regarding gap between permissions and starts have been highlighted by DCLG in a presentation to the HBF Planning Conference in September 2015.



This slide illustrates that work by the Government suggests 10-20% of residential development with permission will not be implemented and that there is a 15-20% lapse rate on permissions. This does not mean that such sites will not come forward but that delays in delivery, changing ownership or financial considerations can lead to sites not

coming forward as expected. For this reason DCLG emphasised in this slide “*the need to plan for permissions on more units than the housing start/completions ambition*”.

Given the Council's difficulties with regard to delivery we would recommend that further sites are allocated for development in the local plan to provide at least a 20% buffer to the overall housing requirement.

## **Matter 9 – District wide policies concerning housing**

### 9.2 Policy WLP8.2 – Affordable Housing

- a) Is there evidence to demonstrate the need for the policy's requirements and their viability, in terms of the area-based percentage requirements and the tenure split?

There is a clear need for an area based approach to the affordable housing policy and we welcome the general approach taken by the Council. However, even with the percentages proposed it would appear that development in lower value areas is marginal with relatively small adjustments to costs of development having a significant impact on the viability of the scenarios tested. To ensure sufficient flexibility, especially in and around Lowestoft where the majority of development is expected to be delivered the Council should not seek to be overly prescriptive with regard to this policy. We would therefore suggest that the tenure mix and this requirement should be removed which will allow applicants more opportunity to deliver other requirements.

- b) Is use of the word “minimum” in relation to the requirements justified and unambiguous?

By stating that the affordable housing requirement is a minimum the Council are not providing the necessary certainty that is required by both paragraph 17 and 154 of the NPPF. Where an application proposes to meet the stated requirement it should be accepted without question. Where minimums are used this raises doubt amongst the decision maker and applicant as to what is acceptable. The approach taken to this policy will also be out of date as soon as the Local Plan is published. Paragraph 57 of the revised NPPF states that:

*“Where up to date policies have set out the contributions expected from development planning applications that comply with them should be assumed to be viable.”*

The approach taken does not provide a clear indication that the percentages required in the plan are those that will be accepted without question. By stating affordable housing requirements as a minimum suggests that the Council may expect a higher provision if it considers a site has the ability to do so. The approach being taken forward by the Government is to ensure that there is no unnecessary testing of viability on developments where they are policy compliant. This approach is being implemented in order to speed up decision making on planning applications and limit protracted pre-application negotiations on affordable housing requirements. Setting a minimum target does not support this important aspect of revised NPPF.

c) Is more flexibility in the policy necessary for it to be sound?

Yes. See above

WLP8.3 – Self build and Custom Build. Is the policy justified and consistent with national policy?

Firstly, and as set out in our representations, the Council's approach places the burden for meeting the demands for self-build entirely on the development industry with no evidence as to how other approaches that are suggested by PPG as being appropriate have or will be considered. There would also appear to be a limited connection between the numbers of people seeking a self-build plot and level of delivery expected. The plan states that policy WLP8.3. The Plan states that 127 people and 1 group are interested in acquiring a self-build plot but the plan will deliver 260 plots. There is clearly the potential for a significant over supply of plots against what is required. Furthermore the Council do not appear to have taken into account the fact that self-build plots will be acquired outside of this policy and that this will further reduce demand. In fact we would expect the Council, if it is fulfilling its duty appropriately, to use its own land or identify specific smaller sites solely to support the demand for serviced plots.

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