

The Right Hon Grant Shapps MP  
Minister for Housing and Local Government  
Department for Communities and Local Government  
Eland House  
Bressendon Place  
London SW1E 5DU

Dear Mr Shapps

## **Housing growth to meet local needs – 5 year land supply**

We are writing to follow our 20 July letter that was sent in reply to your letter of 2 July.

As stated in our earlier letter one of the key issues we are facing is the importance of having a reasonable and realistic approach to calculating the 5 year land supply in order to avoid the potential for large speculative applications being permitted that undermine the emerging joint core strategy.

In the attached notes we have set out the partnership's preferred approach to calculating the 5 year land supply and provide an explanation and evidence to support this approach.

We would like to make it absolutely clear that we are in no way trying to rein back development or reduce overall provision; our aim is to provide the right development, of the right type in the right area in order to meet local need. We currently have a very large housing commitment - at the 2008 base date of the Joint Core Strategy it stood at 14,000 dwellings. Our concern is to not release additional sites unnecessarily that will have very limited impact on supply in a recession, but will damage the emerging strategy and public confidence. We hope that is made clear in the explanation attached.

Our local circumstances are unusual because of the way both the revoked regional spatial strategy for the East of England and its abandoned replacement dealt with the distribution of growth across the Greater Norwich area. Consequently, we need to interpret these figures to provide an "Option 1" distribution for the interim period prior to adoption of our Joint Core Strategy and site specific allocations.

Jobs, homes, prosperity for local people



We have produced an approach to assessing 5 year supply levels across Greater Norwich in this interim period which interprets national guidance in ways that are justified by current and local circumstances. We would be grateful if you could endorse this approach and confirm you will afford it weight in the determination of any planning matters that come before you.

We would welcome a response by the 17 September in order to provide some clarity in preparation for the Examination in Public of the Joint Core Strategy taking place in early November.

Yours sincerely



Simon Woodbridge  
Leader, Broadland District Council



Steve Morphew  
Leader, Norwich City Council



John Fuller  
Leader, South Norfolk Council



Daniel Cox  
Leader, Norfolk County Council



Stephen Johnson  
Chairman, Broads Authority

c.c  
Steve Quartermain, Chief Planner, CLG  
Michael Hargreaves, GO-East  
Mary Marston, GO-East

## **Greater Norwich Development Partnership : A local approach to 5 year land supply**

This note sets out how we intend to calculate 5 year land supply. We commend this approach to Government and seek support for the GNDP to adopt this approach.

The purpose of the 5 year land supply analysis is to ensure that there is sufficient deliverable land identified for development to meet the needs of the local area. It should not undermine reasonable local planning processes or be distorted by fluctuations in the market. Local authorities should use the analysis to plan positively, and intervene where possible to overcome constraints on committed sites, to overcome a genuine lack of supply.

In addition guidance on dealing with this issue should recognise that sites that do not come through the 'democratic' local plan process create a negative perception of development, undermining the willingness of communities to accept further growth.

### **Calculating 5 year land supply**

#### ***Annual requirement***

The annual requirement should be derived from the residual provision in the adopted local plan. Under the LDF system this should be the combination of Core Strategy and site allocations DPDs. To clarify: this issue applies to the quantum of housing provision used to calculate land supply, other policies of a Core Strategy such as locational guidance would apply once adopted. While it would not normally be appropriate to undermine the local planning process by taking housing requirement from the core strategy in isolation, any significant delay in adopting site specific policies would be a material consideration.

Until site specific allocations documents are adopted we will use the district level housing provision from the revoked East of England Plan. This approach is appropriate because:

- The EEP housing provision to 2021 for each of the 3 districts is as proposed by the local authorities (and are equivalent to Option 1 numbers)
- The distribution and level of growth was tested at examination and supported by evidence.
- The EEP residual rate of development for the GNDP area as a whole remains valid as it is consistent with evidence of local need and demand.
- To provide a 15 year supply, the Joint Core Strategy takes provision forward to 2026 based on the residual requirement in the EEP. However, demonstrable capacity in Norwich City Council area is limited and the additional provision required as a result of extending

the period from 2021 to 2026 requires a greater proportion of the areas needs to be accommodated in Broadland and South Norfolk.

- Consequently using the RSS district level provision as the basis for housing land supply in this interim period does not alter the overall level of growth across the area as a whole, but it does give time for the local planning process to address a shifting distribution. It also helps provide more focus on ensuring unplanned growth is targeted on regeneration sites in the City Council area in the early period.

In a ministerial response on 1 July 2010 the Government suggested that the abandoned review of the RSS could be regarded as Option 1 in the East of England, but went on to stress that local planning authorities are best placed to determine how to meet their ambitions for housing. In particular the Minister stated that local authorities may retain the housing targets set out in the “soon to be revoked Regional Strategies”. The revoked regional strategy can only be the adopted regional strategy not a draft replacement. We consider that the adopted East of England Plan is the appropriate source of housing provision in the interim for the reasons set out above. The draft East of England Plan Review is not an appropriate alternative for interim 5 year land supply in the GNDP area as:

- The growth rates put forward by the GNDP authorities were very clearly conditional on the provision of infrastructure in general and the implementation of the Northern Distributor Road in particular.
- The assessment took place in a Norfolk-wide context with the GNDP taking account of capacity constraints elsewhere in the county. The abandonment of the regional process provides no further possibility to test this context.
- A single provision figure was put forward for the Norwich Policy Area to allow the GNDP to distribute growth within it according to future local evidence and enshrine it in a review of the JCS. Clearly this process has not happened.

## ***Supply***

The current approach to housing land supply is distorted by the recession and provides a perverse incentive for the development industry to underestimate delivery rates on committed sites.

If delivery is slow on permitted sites as a result of low demand, there is little evidence to demonstrate that simply permitting more sites will result in increased delivery rates. Moreover, releasing additional sites in weak market conditions is likely to deliver lower levels of affordable housing and infrastructure contributions based on assessments of viability at the time.

The tests in PPS3 are for sites to:

- Be **Available** – the site is available now.
- Be **Suitable** – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities.

- Be **Achievable** – there is a reasonable prospect that housing will be delivered on the site within five years.

The interpretation of these tests should be focussed on genuine planning issues:

- To be available – sites should have planning permission or a resolution to permit. Where planning obligations agreements are still to be signed there must be a reasonable and demonstrable prospect of this happening. A site should not be excluded where the local authority requirements are reasonable. Allocated sites without permission can be considered where there is clear evidence that the site will come forward in the five year period.
- To be suitable – it can be assumed that sites with planning permission or allocated in an up to date local plan are suitable
- To be achievable – there should be no overriding constraints to development. Reasonable assumptions on development rates should be based on evidence of typical delivery rates achievable on similar sites under average market conditions and should not be constrained by developer decisions (except in exceptional circumstances, such as where a site is controlled by a single small developer who is managing delivery to provide business continuity).

### **Windfall development in the City Council area**

The City Council part of the Greater Norwich area is almost entirely urban in character. A locally significant proportion of completions consistently originate from windfall development through the regeneration of brownfield sites. It is not possible to allocate all these sites as, for example, many are too small and/or we would not wish to pre-empt the closure of existing businesses. To reflect these important local circumstances we will in future be including a clearly evidenced allowance for windfall development from all sources (while ensuring no double counting). It should be noted that a five year land supply in the City Council area can currently be demonstrated without taking account of future windfall development.

## Land Supply based on RSS distribution

### Version 1 : Supply based on developer's stated intentions

Authority	RRS requirement 2001-21 annualised	RRS requirement post-2021 annualised	Annual requirement taking into account past completions at 31 March 2009	Total commitment (permissions & allocations) 31 March 2009	Estimated delivery in five year supply period (developer-based)	Number of years supply	Surplus or deficit
Broadland	610	700	780	2,779	1,265	1.62 years	-2,635
Norwich	705	710	683	7,651	3,4852	5.10 years	+70
South Norfolk	560	590	534	4,741	3,430*	6.42 years	+760

### Version 2 : Supply based on the reasonable delivery potential of sites

Authority	RRS requirement 2001-21 annualised	RRS requirement post-2021 annualised	Annual requirement taking into account past completions at 31 March 2009	Total commitment (permissions & allocations) 31 March 2009	Estimated delivery in five year supply period (capacity-based)	Number of years supply	Surplus or deficit
Broadland	610	700	780	2,779	3,026 <sup>1</sup>	3.88 years	-874
Norwich	705	710	683	7,651	4,105 <sup>2</sup>	6.01 years	+690
South Norfolk	560	590	534	4,741	4,050*	7.58 years	+1,380

\* uses updated 2010 figures

<sup>1</sup> includes allowance for development on the emerging strategic allocation of the Growth Triangle

<sup>2</sup> not including any windfall allowance