

Examination into the Joint Core Strategy for Broadland, Norwich and South Norfolk produced by the Greater Norwich Development Partnership

MATTERS & KEY QUESTIONS FOR EXAMINATION AT THE HEARINGS

Response from CPRE Norfolk

MATTER 2. Does the JCS make sound provision for housing delivery? (Policy 4 and Appendix 6; the housing trajectory)

General Housing

1. [Inspectors' Comment. GNDP has decided to proceed with the housing figures included in the now revoked East of England Plan, following its judgement that the background justification for them remains sound. GNDP is preparing a topic paper explaining this].
2. [CPRE Comment. We welcome that the GNDP is preparing this paper, and assume it will be available well before the 9th November. We await with interest as to how the GNDP seeks to reconcile the RSS housing figures in light of:
 - they were made on condition of very large scale investment in infrastructure (road transport, education and health facilities, affordable housing provision, water resource and waste water treatment, etc
 - ambitious job targets
 - the economy and housing market would continue to be buoyant, a forever 2007 scenario with rising land and housing values.
3. **2A** The JCS's planned provision of housing to 2026 is not justified, it would lead to unstructured and badly served housing development, with a particular deficiency in the provision of affordable housing. The recent changes in PPS3 would have two main effects. There will be a reduction of building in the rural parts of the GN area with the removal of windfall provision from garden sites. The removal of a minimum build density of 30

dwellings per hectare may on some sites lead to fewer houses being built on the site; particularly if doing so it gets below a threshold figure for the provision of affordable housing. While CPRE recognise that there is merit in the changes, it may at the same time introduce some new issues to be addressed.

4. **2B** PPS3 was revised on the 9th June 2010 to take account of the above changes. The revocation of regional strategies did not take place until the 6th July, and PPS therefore still retains a number of references to the now defunct regional strategies, and the identification of broad locations and specific site relates to planned housing provision. To remain with current housing numbers and trajectories clearly creates difficulties, and the sooner these are revised the better; otherwise LPAs are locked into making excessive allocations of land, and 'cherry-picking' by developers.
5. **2C** The only route to a sound JCS is a significant and tested reduction in housing numbers to 2026, an accompanying review of the spatial strategy, and a more effective engagement of the public in the consultation process. The sustainability appraisal would be improved by the bank of knowledge gained in the process to date, not least on waste water treatment in regard to both the Habitats Directive, and the Water Framework Directive.

Affordable Housing

6. **2D** Policy 4, as amended by GNDP Focussed changes 1-4, clarifies the level of affordable dwellings that will be sought on sites for 5-9 dwellings (20%), 10-15 dwellings (30%) and over 16 dwellings (40%), with approximately 85% social rented and 15% intermediate tenures (FC1). The amended policy states that there is in the plan area a need for about 11,680 affordable homes with approximately 60% of these being social rented, and 40% intermediate tenures from 2008 to 2026 (FC3). This represents 33% of the total housing requirement. The policy target of 40% is stated to be the maximum achievable on sites without subsidy 'under normal market conditions' (FC3), but also claims that the 40% affordable housing target is achievable in a significant number of the scenarios modelled without social housing grant (FC2). I would appear therefore that Policy 4 meets the criteria set out in paragraph 29 for affordable housing.

7. The key issue therefore becomes the soundness of the judgments in setting the targets in the face of 'viability' issues, and how do these relate to recent past experience.
8. **2E** We ask the question to what extent the scenarios modelled by Drivers Jonas and Deloitte (July 2010) can be related to the experience of the past few years. The Norfolk County Council Housing Monitor Report for April-March 2009 provides some useful data. In the media South Norfolk was heralded as a star performer nationally on the basis of the proportion of affordable housing built in 2008/09. However the report (page 8) shows a housing trajectory which fell from 500 total completions in 2001/02 to less than 400 completions per year to 2005/06, with an average annual of 55 affordable dwellings (from table 3, page 24), around 10%.
9. Housing completions then rose sharply to a peak of 1200 in 2007/08, which included 300 affordable dwellings (25%). Total completions fell to 925 dwellings in 2008/09, but within this the affordable delivery rose to 490 units. This was presumably because on large greenfield sites the affordable element tends to lag those built for private sale.. 'Balancing' the two years, we have 709 affordable dwellings from 2150 completions, a 37% proportion of the overall total completions in South Norfolk.
10. While this shows a large yield can be obtained from large greenfield sites, it is only possible at the tail-end of an unsustainable boom which leads to a crashing 'bust' and a market and economic environment which it makes it difficult for the build of both private sale housing, and most certainly, affordable housing.
11. We conclude that a proportion of 40% affordable housing can only be approached on the basis of a continued rapid rise in land values and the housing market, and that it may be many years before we see a repeat of this scenario (which should be avoided in any case). Further in the present economic situation it is unlikely we shall see a massive public subsidy to affordable housing to compensate for the shortfall in developer contributions.
12. In current conditions, and for the foreseeable future, the targets are simply not achievable, and the more housing that is built, the larger will be the gap between the private sale and affordable housing that will be provided. This is incompatible with the existing need, and aim of housing mix, to provided balanced communities. This is not a viable plan for homes for local people. If

nothing else, the GNDP may want to consider the validity of the use of their 'strapline' 'Jobs, homes, prosperity for local people' on all their consultation documents.

13. We also question in FC3, paragraph 5.28B on what is meant by 'normal market conditions'. The County Council Housing Monitor Report illustrates variations within Districts as an overlay on 'normal market conditions'. Broadland District (page 8, figure 1) in 2001/02 had over 400 completions, which moved downwards to less than 200 a year in 2005/06, and then rose to about 250 a year until 2008/09. Broadland was atypical (with Breckland) in not seeing a sharp peak in completions in 2007/08, followed by a sharp fall in 2008/09, when the property market downfall equated to a Norfolk-wide drop of 32% in completions in one year.
14. The annual affordable housing completions varied between 70 and 140 in Broadland for the period 201/02 to 2008/09 (Table 3, page 24), at an average of 104 a year. In 2008/09 affordable additions continued to rise in four districts (including Broadland and South Norfolk), reflecting RSL-driven development.
15. It would be useful to have a breakdown on affordable housing by planning gain on mixed tenure sites, and from public subsidy and RSL. We could then better relate the historic experience in the two funding streams to future projections and targets set. We know for example in North Norfolk, in the period 2001/02 to 2008/09, the provision of affordable housing as a proportion of all housing was 18%. The share of affordable housing that was wholly or in part funded by developer contributions amounted to just 9.6% of the 554 total. Funding from RSL and/or Council yielded 492 dwellings, 90.4% (NNDC AMR 2008/09).
16. **2F** Focussed Change FC3 at 5.28B sets an policy target of 40% for affordable housing, and a current split of 85:15 for social rented and intermediate tenures; the most recent assessment of need is for approximately 11,860 affordable homes from 2008 to 2026 with a 60:40 split between social rented and intermediate. Paragraph 5.25 gives a breakdown of size of house by number of bedrooms. The approach to developers is set out in terms of the share of affordable housing requested in terms of a range starting at plots with 5 houses. As such, the JCS would appear to fulfil the requirements of PPS3, paragraph 29.

17. The overall target, policy target, and balance of tenures will be kept under review in light of updated information on housing need. This monitoring process is welcome. However there is little guidance in the JCS, or in PPS3, as to what might be done should the targets go seriously astray, eg on viability grounds.
18. **2G** There is no justification for the JCS including housing for sale in the definition of AH, as at Appendix 9, the glossary. The June 2010 PPS3 in Annex B does not include private sale housing in the definition of affordable housing, and is restricted to social rented housing and intermediate affordable housing. It also adds that *'The terms affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.*
19. **2H** Policy 4 makes the reference to 'appropriate settlements' for exceptions policy affordable housing. The proposal at pg. 79 indicates that the settlement hierarchy is main towns, key service centres, service villages and linked service villages. Paragraph 5.30 states that exceptions sites might be allocated through Site Specific Proposals. They will also 'be considered in settlements classified in the hierarchy as Other Villages and above, whilst applications will also be considered in other locations if appropriate'. The short answer would appear to be that sites considered for exceptions policy housing could be anywhere, with little indication of what might be 'appropriate'.
20. FC4 makes an addition to the end of paragraph 5.30 of the JCS: *'On the evidence of recent achievements and the programmed schemes in mid 2010, this (exceptions policy housing) is likely to produce about 1170 affordable homes between 2008 and 2026, though this is subject to the availability of funding'.*
21. The submission JCS at Appendix 6, Housing Trajectory shows total housing completions for his period at 39,571 dwellings. The total required commitment is given at page 43 as 35,660 dwellings, and new commitments as 36,820-37,750 dwellings. Within this will be affordable housing, and this will include some exception policy housing.
22. If we take a round figure of 37,000 dwellings to be completed between 2008 and 2026, then 1170 exception sites affordable housing would represent 3.2% of the total housing provision in the Greater Norwich Area. However exception housing will very largely occur in the rural, non-NPA parts of

Broadland and South Norfolk. The completed plus total allocated dwellings in the non-NPA amounts to 5,700 dwellings (2,159+3,541, see submission document, page 43). This would imply that 20.5% of housing in rural areas arises from exception policy sites in the period 2008-2026. Both number and percentage seem high on a historic basis for rural areas in Norfolk, even with a very elastic definition of 'appropriate' as regards the sites that may be used.

23. **2J** The JCS is unsound as regards affordable housing. **Total** housing numbers from 2008-2026 should be revised down in line with market conditions, and infrastructure and environmental constraints. Within this a greater degree of priority needs to be given to the provision of affordable housing, with a lesser dependence on developer viability conditions which in a great many cases will not be met. However, it is also clear that this would have major implications on levels of public subsidy, which is a decision for national Government. Apart from social and cost considerations, an increased level of public subsidy would help a construction industry with major problems, and faced with a long term loss of skills in the workforce.
24. **CPRE Norfolk have given input to the Joint Core Strategy consultation process at every stage and have a keen interest in its outcome, given our objective of protecting and enhancing the environment. As such, we would like a seat at the table for this matter.**