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Hearing Statement

Blue Living [8710]

Agent ref: [309]

Hearing Statement

Greater Norwich Joint Core Strategy
Development Plan Document
Matter 2

BIDWELLS

Blue Living (8710)



Quality Assurance

Site name: Land to the North East of Norwich

Client name: Blue Living

Type of report: Hearing Statement

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Date: 7th October 2010

Prepared by: Ray Houghton BSc (Hons) Dip TP, MRTPI

Signed _____

Date _____ 7th October 2010 _____

Reviewed by: Paul Clarke Dip EP MRTPI

Signed _____

Date _____ 7th October 2010 _____

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1 INTRODUCTION

- 1.1 This Hearing Statement has been prepared by Bidwells on behalf of Blue Living. It relates to:
- Representations submitted by Bidwells, on behalf of Blue Living to the pre-submission version of the Greater Norwich Joint Core Strategy and the Statement of Focussed Changes in respect of **Policy 4 (Housing Delivery)**, **Policy 9(Strategy for growth in the NPA)**, **Policy 10 (Locations for major new or expanded communities in the NPA)**, and **Policy 14 (Key Service Centres)** (Respondent ID: **8570**); and
 - A **Statement of Common Ground** agreed between the GNDP and Blue Living covering Matters 2 and 3.
- 1.2 This Hearing Statement is intended to amplify the representations made by Bidwells at the pre-submission stage of the Joint Core Strategy's production and update those comments in light of the suggested Focussed Changes and publication of new evidence, including the Drivas Jonas Deloitte Affordable Housing Viability Study (July 2010).
- 1.3 Since the issues raised in the representations are relevant to Matters 2 and 3, this statement should be read in conjunction with the accompanying Statement of Common Ground between GNDP and Blue Living (Covering Matters 2 and 3).
- 1.4 This Hearing Statement is concerned with the 'matters still in dispute', relevant to Matter 2: Housing Delivery (See section 4 of the Statement of Common Ground).
- 1.5 For information, Blue Living are taking forward the promotion of land within the NE Norwich growth triangle on behalf of landowners in control of land immediately to the north of Norwich.
- 1.6 The location and extent of the land being promoted (approximately 150 hectares) is shown in Appendix A.
- 1.7 The Statement has been sub-divided under the questions posed by the Inspectors in their Matters & Key Questions for Examination at the Hearings document (20/08/10).
- 1.8 Blue Living are of the opinion that the revised Policy 4 fails the "justified" and "effective" soundness tests, on the basis that the proposed focussed changes retain a requirement for 40% of houses on sites of 16 dwellings or more to be affordable housing. The GNDP's own evidence (Affordable Housing Viability Study, DJD July 2010) highlights that such a policy cannot be delivered without public subsidy and, therefore, is potentially unsound. The Policy requires the proportion of affordable housing being based on the most up to date Housing Needs Assessment for the Plan Area. Blue Living consider that the targets derived from the

Affordable Housing Viability Study, and the number of assumptions underlying that study, to be flawed.

- 1.9 Blue Living considers that the Viability Study should not be constrained by housing need assessments. Housing need calculations should be used in conjunction with a housing market assessment, to provide a realistic assessment of any development's ability to finance affordable housing.
- 1.10 The Study assesses viability on the basis of a notional one hectare site, and using the results to assess viability on all sites. Blue Living consider that approach to be unsound as the circumstances relating to sites of one hectare cannot be simply be extrapolated to apply to strategic sites. The characteristics of such sites have significant infrastructure costs not associated with sites that are smaller in scale. Often much of this infrastructure needs to be delivered up front, for example, strategic roads and sewer provision in order to enable a number of developments to commence and progress on parts of the sites concurrently. This upfront investment has significant implications for cash flow. Major sites also provide significant community gain on site.
- 1.11 The Viability Study also assesses the impact of Code 5 although there are no policy requirements to investigate this. However, Policy 3 seeks to require Code level 6 from 2015 and the impact of this has not been considered. Code 6 is likely to be adding to between 35% and 40% to the costs base, according to CLG's latest cost review. Given that a significant amount of development is likely to take place on strategic sites post 2016 (or 2015 if Policy 3 is approved), FC1 needs to be founded on an assessment of the construction costs of delivering Code 6. The Affordable Housing Viability report states that Code 5 makes a large proportion of options unviable. However, from the report it is unclear which options that applies to. We do not consider this to be an appropriate source upon which to base the adoption of this policy.
- 1.12 Blue Living also considers that the studies are likely to underestimate the Section 106/CIL contributions. The Study assumes contributions of between £7,000 and £15,000 per unit. Further work is underway in relation to the CIL targets. The Greater Norwich Infrastructure Needs and Funding Study October 2009 considered a range of tariffs across the Joint Core Strategy area, some considerably in excess of those set out in the Affordable Housing Viability Study. Greater clarity is required from GNDP as to the proposed levels of contribution to be sought from the development to enable a reasoned assessment to be made of the affordable housing contributions.

2 CONCLUSIONS

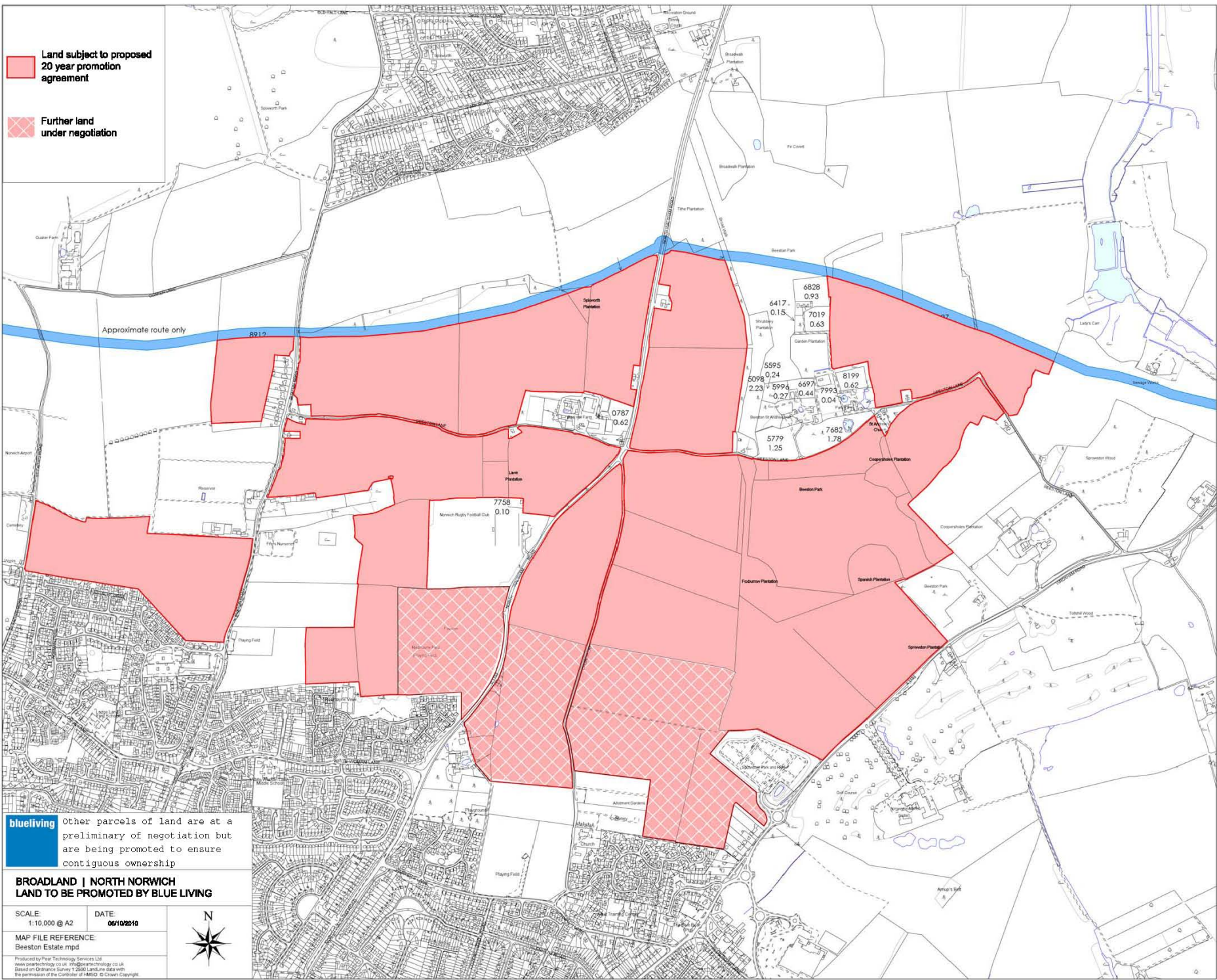
- 2.1 Blue Living is concerned at the robustness and credibility of the evidence underpinning Policy 4, and in particular the affordable housing target. The assumptions in relation to the likely availability of public subsidy and the financial viability of schemes being required to deliver 40% affordable with a tenure split between 60/40 and 85/15 are not properly justified.
- 2.2 Blue Living considers that little weight has been given to currently testing the financial viability of large strategic development sites. Using a 1 Hectare hypothetical site as a working example in the Affordable Housing Viability Study, the affect has been an affordable housing target which is completely undeliverable for the sites which are contributing to the majority of the proposed new housing.
- 2.3 Blue Living also have concerns in the way that the GNDP has translated the study's findings and used them to attempt to justify the Policy's 40% Affordable Housing Target for scheme of 16 dwellings or more.
- 2.4 Blue Living acknowledges that the AH Policy as amended allows for an applicant to negotiate with the local authority on housing targets and viability, in line with PPS 3. However, this was not why viability testing was originally included in the policy. Its purpose instead was to provide Councils with flexibility in dealing with sites which had unusual characteristics that made the standard housing provision financially unviable.
- 2.5 In the JCS's case the GNDP's approach has led to a Policy target that in the majority of cases is not viable, irrespective of unusual/abnormal circumstances.

Suggested changes

- 2.6 Blue Living suggest that if the affordable housing requirement on sites for 16 dwellings or more (0.6ha) is monitored at 40% then this should be subject to being tested by a rigorous viability model such as that used by the HCA.

Appendix A

Blue Living Promoted Land



Land subject to proposed 20 year promotion agreement

Further land under negotiation

Approximate route only

blueliving other parcels of land are at a preliminary of negotiation but are being promoted to ensure contiguous ownership

BROADLAND | NORTH NORWICH LAND TO BE PROMOTED BY BLUE LIVING

SCALE 1:10,000 @ A2 DATE 06/10/2016

MAP FILE REFERENCE: Beeston Estate.mpd

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