Landmark
PLANNING

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

Response to the Inspectors Matters and Key Questions for Examination at the Hearings

Response by
Landmark Planning Ltd

On Behalf of
Lothbury Property Trust Company Ltd

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Introduction

Following the invitation to provide further comment with regards to the Greater Norwich Core Strategy, please find attached information relating directly to the questions outlined for the Hearing. Reiteration of comments previously submitted, along with additional comment, is considered necessary, given the recent withdrawal of the Focused Changes relating to the Growth Triangle and publication of additional supporting information by the GNDP.

Reflecting on the topics for which representations have been made on behalf of Lothbury Property Trust Company Ltd, it is felt appropriate for them to be represented at the following Enquiry sessions:

- Matter 2: Housing
- Matter 3A: Strategy for Growth Locations – General
- Matter 3B: The Growth Triangle
- Matter 4: Infrastructure Delivery
- Matter 5: Other Transport Issues
- Matter 9: The Economy

The Joint Core Strategy is heavily reliant on the Growth Triangle for residential development over the next 15 years. Whilst the concept for directing growth towards one area, incorporating a low carbon community at Rackheath, is supported, additional information needs to be provided to ensure a continuously deliverable five year land supply. The statement that there needs to be a *clear commitment to fund and implement key infrastructure…before and is released for major growth* (para. 6.17 of the Joint Core Strategy) questions when housing within the Growth Triangle can commence, given the need to construct the NDR.

The withdrawn Joint Core Strategy Focused Changes for the Growth Triangle suggested 2,200 dwellings could be constructed if the NDR is not constructed. No other information contrary to this position has been issued by the GNDP. Ensuring timely completion of these houses in advance of the NDR needs to be undertaken, so that housing is continually available. This will assist in maintaining a five year land supply.

The basis on which the affordable housing policy has been formalised is fundamentally flawed. There are significant flaws within the Housing Viability Assessment that render all calculations with regards to the viability of housing schemes inaccurate:

1. The Council have assumed a figure of £7,000 per unit is requested towards all Section 106 contributions and future CIL costs not exceeding £15,000 (higher option) (see Council's Affordable Housing Viability Study – page 22). This would appear to be a significant undervaluation, as this only just exceeds the education contribution for individual properties (£6,436 – see Appendix 1). Some current developments at present take advantage of capacity within existing schools to reduce this figure, but this situation cannot be maintained. The suggested figures, particularly the Section 106 figure, do not even cover frequently requested requirements, such as open space. In addition, significant additional costs are usually necessary for a variety of requirements, including highways, archaeology, flood risk/drainage and ecology. Ground works, infrastructure and developer contingency costs also have the potential to significantly increase the associated costs with developing a site.

   A good example of this is the current application submitted by Lothbury Property Trust Company Ltd at Brook and Laurel Farm, Thorpe St. Andrew (Application No. 20090886). With education requirements, on site open space provision, extra highway infrastructure, drainage costs etc, it is estimated that c. £18.6 million is required for the residential element of the scheme, or £31,000 per dwelling. This is 4.3 times that estimated in the Housing Viability Assessment. The figure in this example is comparable to that identified as necessary for a residential tariff for funding infrastruture for the Growth Area within Broadland District (£28,603 per dwelling in the Greater Norwich Infrastructure Needs and Funding Study (October 2009) page 10). This supports a considerably higher figure and discredits lower figures cited by the Council in the Affordable Housing Viability Assessment. Such a variation clearly indicates that the Council's assumptions regarding costs are inaccurate and compromises the resultant viability calculations.

2. The Council's estimates regarding land values and how these have been fed into the different scenarios are questionable. In the Growth Triangle, most housing development will take place on greenfield land. The Council Affordable Housing Viability Study suggests a land value of between £500,000 – £750,000 per hectare – see pages 14 – 15. Even given the recession, a higher range of £750,000 – £950,000 per hectare (300,000 – £400,000 per acre) should be considered low, and this is notably higher than that suggested by the Council.

   Whilst it is accepted that land values have fallen in recent years, given the timeframe for which work towards the LDF commenced, most developers would have secured options on greenfield sites before the reduction in values occurred. Before the recession, values were easily double those in

the Council's Viability Assessment. This changes the base figure against which subsequent calculations need to be undertaken.
At the Consultation Meeting with regards to the Affordable Housing Viability Assessment in Spring 2010, I made the point that actual worked examples, particularly of land values, need to be provided to justify the assessment. Drivers Jonas Deloitte, who prepared the Affordable Housing Viability Assessment on behalf of the Greater Norwich Development Partnership accepted that this would provide clarity to the workings. No such worked examples have emerged.

The Council's Affordable Housing Viability Assessment has taken an inconsistent approach towards market forces, so that a positive spin is placed on the results. It is only current land values that have been incorporated into the calculations, whilst disregarding values before the recession occurred, even though it is from this period that options on land would have been agreed. In contrast, the prediction for development values are based on both current and revised upward values, on the assumption of development beyond the recession. This creates a strong bias in favour of the Council for supporting the Viability Appraisal, despite references to the report taking a 'pessimistic' stance.

3. Despite the inaccuracies noted above, insertion of the low cost figures into calculations in the Affordable Housing Viability Assessment, still only identifies 30% of schemes as being likely to support 40% affordable housing for the 'base' assumptions (chart 1) and 47% on the 'refined' (i.e. higher market values) assumptions (chart 3). Neither figure concludes that the market can support such a high percentage. These figures are increased on the assumption that grant money is available to assist with construction of affordable housing. At present, the Coalition Government are significantly reducing the monies available for such grants, and no assumptions on such monies being available can realistically be incorporated. This point is stressed in the Inspector's Conclusions from the Exploratory Meeting for the Joint Core Strategy (page 3). In light of the inaccuracies cited in points 1 and 2 above (and the lack of 'real' examples), the level of sites capable of providing a 40% affordable housing contribution will be lowered even further below the figures identified by the Council's report. It is not logical to incorporate a policy setting out a requirement, in which a high proportion of developments cannot comply. Setting an unrealistic target is instigating unnecessary additional work for developers and discouraging development as a whole within the area.

The inaccuracies in the background information does not therefore provide a robust and credible evidence base upon which to formulate policy.

Appendix 1: Broadland District Council Section 106 Contributions Proposal for Application 20090886 – 600 houses plus employment land (July 2010)

The breakdown of the types of dwellings proposed for this development has been expressed as a percentage in the application pack. This results in the following types and numbers of dwellings:

1 bed flats:	96
2 bed flats:	12
3 bed houses:	300
4 + bed houses:	180
Total:	588

The application form states that are 600 houses, but the percentages do not add up to this total. For the purposes of these calculations the figure of 588 will be used. As such the education contribution will be less than will be required, but the library, fire hydrant and transport contributions will be made on the assumption of 600 dwellings..

Education Contribution

The cost per dwelling for a house (multi-bed) is £6,436.
The cost per dwelling for a flat (multi-bed) is £3,218.

Houses:	6436 x 480	=	£3,089,280
Flats:	3,218 x 12	=	£38,616
Total:		=	£3,127,896

However, there is no nursery contribution required as there is spare capacity in the area so £489 can be taken off the cost per each dwellinghouse (note this was not on the flats in the first instance).

Houses:	489 x 492	=	£240,588

Total contribution with nursery contribution taken off = £2,887,308

Furthermore there is some spare capacity at the new Dussindale Primary School and 128 of the proposed properties are exempt from contribution.

Cost per house of primary provision	=	£2,958
£2,958 x 128	=	£378624

This figure is then subtracted from the total contribution with nursery contribution taken off.

Total education contribution	**=**	**£2,508,684**

Library Contribution

£60 per dwelling, so £60 x 600 dwellings.

Total = £36,000

Highways Contribution

It should be noted that only rough figures have been received from the Highways department.

Public transport contributions for employment	=	£1m
Public transport contributions for housing (The developer will need to talk to the local bus operators far an accurate figure to be agreed)	=	£1m+
Travel plan for employment (5 years)	=	Circa £200,000
Travel plan for housing (£465 per dwelling for 5 years)	=	£279,000
Total	**=**	**£2,479,000**

Fire Hydrant Contribution

1 hydrant per 50 dwellings at £763 per hydrant:
£763 x 12 = £9,156

2 hydrants required for the commercial uses:
£763 x 2 = £1,526

Total = £10,682

However, it should be noted that the provision of fire hydrants would be accepted as a condition and as such will not be included in the final total.

Open Space Contribution

No open space contribution has been calculated as the application indicates that 20ha are proposed with this development. This is not broken down into what is publically accessible and what is not, but the plans show significant areas of publically accessible open space. A calculation has shown that around 3.5ha of open space would need to be provided on site or else contributed towards, and it is considered that this would be easily provided for on the site.

Total contribution required	**=**	**£5,023,684**
Total contribution proposed	**=**	**£600,000**
Total deficit	**=**	**£4,423,684**

Note: This excludes the fire hydrant contribution.

The JCS identifies the North Distributor Road (NDR) as one of the key infrastructure projects within paragraph 5.47 and 5.47 of the Joint Core Strategy. The NDR is particularly relevant to enabling development of the Growth Triangle. In terms of the statement made in paragraph 6.47 of the JCS, it would appear that until funding for any infrastructure upgrades is identified, associated development would not be approved. This will have a detrimental impact for a range of proposals within the Plan area, given that it is unclear at present how the majority of these infrastructure upgrades will be funded.

A key element underpinning the level of public funding available will be determined following the Government's October Spending Review. This will provide some clarity to the money available for such projects. It is likely however, that some may need to be scaled back or removed. It has already been identified that there is a shortfall of £40 million for the NDR, as discussed at the Joint Core Strategy Inspector's Conclusions from the Exploratory Meeting (page 10). Contingency plans need to be in place to ensure sufficient development can be undertaken within the Plan area in order to fulfil housing and employment requirements. These do not appear to be in place at present. It is estimated that only 2,200 dwellings within the Norwich Growth Triangle capable of being constructed without the NDR. In the light of the constraints in public and private expenditure as a consequence of the economic downturn, an alternative solution to the provision of the infrastructure must be considered. These could include, for example, scaled down improvements to the A47 Postwick Junction.

This will result in a significant undersupply against identified requirements. A 'Plan B' for infrastructure needs to be developed, in order to ensure appropriate development for the Joint Core Strategy's timeframe is achievable.

The context behind the Growth Triangle is considered to be justified and consistent with national policy basis. The recently published Land Budget for Growth Area Triangle (document reference BP5) indicates that there is sufficient unconstrained land that is being promoted to accommodate the level of housing, employment and supporting facilities/infrastructure proposed through the Joint Core Strategy.

Concern is however raised with regards to the deliverability of the proposal, as it is based on the assumption that the Northern Distributor Road (NDR). In terms of the money required to deliver the NDR, financial contributions need to be made from both the private and public sector, although a deficit of £40 million towards this project was identified at the Joint Core Strategy Inspector's Exploratory Meeting (see page 10 of the Inspector's Conclusions Paper from this meeting). The Government's October Spending Review may highlight a more substantial deficit.

A secondary option incorporating only partial completion of the NDR, or relying on other new circular link roads and enhancements to existing transport corridors/facilities should be formally outlined. This will confirm the level of development possible under different infrastructure scenarios and provide clarity to the actual development potential of the Growth Triangle.

The NDR should improve the movement of traffic around Norwich, reducing congestion for the City to the benefit of all. Its alignment will enable access to the existing network as well as proposed development land parcels.

Concern is however raised with regards to the deliverability of the Northern Distributor Road (NDR). In terms of the money required to deliver the NDR, financial contributions need to be made from both the private and public sector, although a deficit of £40 million towards this project was identified at the Joint Core Strategy Inspector's Conclusions from the Exploratory Meeting (page 10). The Government's October Spending Review may highlight a more substantial deficit. A secondary option incorporating only partial completion of the NDR, or relying on other new circular link roads and enhancements to existing transport corridors/facilities should be formally outlined. This is required in order to substantiate that position that the level of development proposed within the Growth Triangle is achievable.

The Growth Triangle is currently identified as being reliant on construction of the North Distributor Road (NDR). There is concern over the level of funding available to undertake this substantial infrastructure project. A secondary option for development of the Growth Triangle needs to be incorporated within the supporting documentation, indicating that the level of development proposed can be undertaken with only partial completion of the NDR, in association with other circular link roads and enhancements to existing transport corridors/facilities. Precise details and timings can then be developed into an Area Action Plan once it is known the level of public funding available to such a project. This additional work is, however, required in order to substantiate that position that the level of development proposed within the Growth Triangle is achievable.

The information provided at present identifies that failure to provide the Northern Distributor Road (NDR) will undermine delivery of development within the Growth Triangle. This could undermine employment and residential development, with the latter potentially resulting in a failure to identify a developable 5 year land supply as required by PPS 3. Concern has already been raised with regards to the deliverability of the NDR, with the Joint Core Strategy Inspector’s Conclusions from the Exploratory Meeting (page 10) referring to a deficit of £40 million towards this project. The Government’s October Spending Review may highlight a more substantial deficit.

The withdrawn Proposed Focused Changes to the Joint Core Strategy indicated that without the NDR, only 2,200 dwellings could be constructed within the Growth Triangle. In light of no information challenging this position from the Council, one can only assume that there is the potential for insufficient housing and employment development compared to the proposed requirement.

No assessment has been formally undertaken and published to support the Joint Core Strategy without completion of the NDR. A secondary option incorporating only partial completion of the NDR, in association with other circular link roads and enhancements to existing transport corridors/facilities should be formally outlined. This should be considered the minimum required in order to substantiate the position that the level of development proposed within the Growth Triangle is achievable.

The information contained within paragraphs 5.46 and 5.47 of the Joint Core Strategy does not outline all highway improvements considered necessary to unlocking the potential of the Growth Triangle and easing transport movements for Norwich. This list should be expanded to incorporate other transport links contained within Council published documents.

For example, there is the '*long standing link road proposal'* between Broadland Business Park and Wroxham Road as referred to in the GNDP's Land Budget for Growth Area Triangle. The Broadland Business Park to Plumstead Road East section of this road has been outlined in the Broadland Local Plan, although to my knowledge other sections of this road link have not been included in any adopted Plan. The Local Plan link road is incorporated within an outline application by Lothbury Property Trust Company Ltd, supported by residential and employment development. This application, which has been with Broadland District Council since July 2009, has just been deferred by the Council awaiting further information upon the progress of the Joint Core Strategy as well as the Government's Comprehensive Spending Review.

The spatial locations for employment growth within the Joint Core Strategy provides a logical and supported distribution to fulfil the economic growth for the next 15+ years. Directing a substantial proportion towards the City Centre supports the hierarchical position of Norwich. Distributing the remaining growth around the edge of Norwich, provides a range of development options to maximise the employment choice to the needs of all enterprises. The peripheral locations selected all have good transport access, with scope for enhancement of non-car related journeys enhancing sustainability and distributing transport across the Principle Highway Network. Such a position is in line with national policy and should be considered appropriate. The quantity of land proposed for employment purposes is also in line with anticipated growth demand for the area, as determined through the supporting documentation (e.g. GNDP's Greater Economic Strategy 2009 – 14; GNDP's An Economic Assessment of Greater Norwich).