

Matter 2 – Response to Inspectors question below (Question 1, Week 1)

This question has been answered in 3 parts

1. Current affordable housing policies of the three local planning authorities within the Greater Norwich Development Partnership p.2
2. White House Farm Affordable Housing Breakdown p.16
3. Total completions and Affordable Housing Completions, share through S106 and share of S106 supported p.17

Question 2, Week 1

Drivers Jonas Deloitte have been chased for a response

Matter 2 – Response to Inspectors question below (Question 1, Week 1)

GNDP to produce table showing total annual completions of AH units each LA area in 2001-2008, and AH units as a percentage of all annual completions in each area, and the targets sought during each year under the local plan policies in force for each area at the time.

1. Current affordable housing policies of the three local planning authorities within the Greater Norwich Development Partnership

These are set out in a number of documents parts of which or links to which are included within appendices to this note

Broadland

Current policy target is 40% on qualifying sites (the policy sets the size thresholds at 15 units or 0.4 ha and above in larger settlements and 5 units or 0.2 ha and above in smaller settlements). The policy in the adopted local plan (appendix 1) does not specify the target percentage, but this is set out in a supplementary planning document adopted December, 2008. (link in Appendix 2, para 2.7) The tenure breakdown is set out in paragraph 5.1 of the SPD seeking 60% social rented and 40% intermediate tenures.

The adopted local plan also contains site specific targets on allocated sites

The previous target for Broadland from 2000 was 25% social rented plus 4% shared equity on sites of 25 or more dwellings or 1ha or more, or in small communities 10 dwellings or more or 0.4ha or more.

Norwich

The current policy target is 40% on qualifying sites (the policy sets the size threshold at 25 dwellings or more, or 1 ha, but does not specify the target percentage). The relevant extract from the adopted local plan is at appendix 3. The target percentage is set out in a supplementary planning document, along with the target tenure split of 75% social-rented/25% intermediate. The relevant extract is at appendix 4. Before embarking on this supplementary planning document, Norwich City Council took legal advice on the potential to increase the percentage from their previous target, in light of the policy wording. This resulted in the advice that the size threshold, included in policy, could not be updated, but the target percentage, not specified in policy, could be.

The adopted plan also contains site specific targets on allocated sites

The previous target for Norwich from 2002 was 30% on sites of 25 or more units, 1ha or more

South Norfolk

Current policy target is 25% on qualifying sites (the policy sets the size threshold at 25 dwellings or more or 1 ha in larger settlements or 10 dwellings or more or 0.4 ha in smaller settlements but does not specify the target percentage. This is included in the supporting text which specifies a minimum of 25% as a target, but notes this may be updated in the light of new housing needs evidence. Subsequent SPG has been published (extract at appendix 6) but the target remains at 25%.

For South Norfolk the previous targets, from 2002, were as above – following proposed modifications after a first public enquiry.

Appendix One

Extract from Broadland district local plan placement, adopted May, 2006

- 4.18 POLICY HOU4 THE COUNCIL WILL SEEK TO NEGOTIATE WITH DEVELOPERS FOR A PROPORTION OF AFFORDABLE HOUSING ON SITES OF 0.4HA OR MORE, OR CONTAINING 15 OR MORE DWELLINGS AND ON SITES IN PARISHES WITH UP TO 3,000 PEOPLE OF 0.2 HA OR MORE, OR CONTAINING 5 OR MORE DWELLINGS. THE AFFORDABLE HOUSING WILL BE IN SMALL GROUPS WITHIN THE DEVELOPMENT. ANY PERMISSION GRANTED WILL BE APPROPRIATELY CONTROLLED, BY CONDITIONS OR LEGAL AGREEMENT, TO ENSURE THAT THE DEVELOPMENT CONTINUES TO MEET THE NEED FOR AFFORDABLE HOUSING IN THE INITIAL AND SUBSEQUENT OCCUPATION. (Objective 3).
- 4.19 Circular 06/98 “Planning and Affordable Housing” issued by the then Department of the Environment, gives advice to local Planning Authorities whose identified need for affordable housing exceeds the total number of affordable homes likely to be achieved from sites identified in the Local Plan. This advice is pertinent to Broadland’s situation and this policy follows the circular’s advice by setting out criteria for sites on which an element of affordable housing will be sought. A housing needs survey was carried out for the District in 2001, following the methodology laid out in “Local Housing Needs Assessment, A Guide to Good Practice” published by the Department of Transport Local Government and the Regions in July 2000. This study estimates an annual need for new affordable housing of 137 dwellings to overcome the current backlog of need over a period of 5 years and a further 696 dwellings per annum to meet newly arising need. Set against an anticipated supply of 300 relets per annum from the existing stock of affordable homes, this leaves a net new build requirement of 533 dwellings per annum over the 5 years mid 2001 – mid 2006. The study does not look beyond that period, though, even if all the current backlog had been resolved (which is most unlikely), it would be reasonable to expect a degree of new need to continue arising. Such need in the latter part of the plan period would need to be quantified by further housing need surveys carried out at the time, though if the newly arising need continues at the same rate throughout the plan period, the need would be 533 dwellings per annum mid 2001 - 2006 and 396 per annum for the period mid 2006 – 2011. Clearly this is not likely to be achieved from allocated sites.
- 4.20 In negotiations on sites falling within this policy the Council will seek a proportion of affordable housing in line with its most recent version of Supplementary Planning Guidance. This Supplementary Guidance will be based on the most up to date housing needs survey, and will give guidance on the level of affordable housing required. Negotiations will also have regard to

other factors such as the site characteristics and the relevant factors concerning the development of the site, including the economics of site development. In order to achieve the best mix possible the affordable housing should be distributed throughout larger sites with groups of no more than 6 social houses except where justified by site specific layout considerations. This will help achieve one of the aims of PPG3 which is to create mixed and inclusive communities and follows advice in the guidance of avoiding the creation of large areas of housing of similar characteristics.

- 4.21 The identified level of need compared to the likely supply of new affordable houses from allocated sites and anticipated windfalls has prompted the Council to apply thresholds of 0.4ha/15 units in larger parishes and 0.2ha/5 units in parishes under 3000 population. Although these are below the “normal” threshold advocated in Circular 06/98, they fall within the parameters of the Circular where justified by the level of need identified. This applies in Broadland.
- 4.22 The Council has defined affordable housing to mean “housing provided to meet the needs of those who cannot afford or are otherwise excluded (e.g. ineligibility for a mortgage) from occupying dwellings on the open market”. This definition includes those people who would be unable to afford to rent of the open market. The Council defines those in housing need, for the purposes of this policy, to be individuals or households who are:
- (a) either in unsuitable accommodation (as defined by the District Council’s points system) or homeless : and
 - (b) unable to afford to rent or purchase suitable accommodation on the open market (i.e.) in the case of rented property the accommodation cost would need to be more than 30% of net income, in the case of mortgaged property the individual or household if it has a gross household income less than one third its mortgage requirement for a suitable home)

In accordance with Circular 6/98, “Planning for Affordable Housing”, this definition encompasses low cost market and includes subsidised housing discounted for purchase, social rented and shared equity. However, as affordability is volatile, assessments of tenure will need to be made on a site by site basis at the time of granting planning permission. The key issue is that whatever tenure is selected, it achieves weekly outgoing levels appreciably below the minimum cost of comparable market housing and that the affordable housing achieved through Policy HOU4 will be available, both initially and subsequently to those with a demonstrable housing need. The most effective way of achieving this is through the involvement of a Registered Social Landlord as advocated by Circular 6/98. In cases where no RSL is to be involved planning obligation will be sought or a condition imposed which will specify any phasing requirement for the affordable housing element of the development and will give the occupancy criteria.

- 4.23 Only in exceptional circumstances will it be acceptable for developers to make the required provision, in whole or in part, by way of commuted payments towards development of affordable housing which could be on other sites, or by cross subsidising “exception” sites in accordance with Policy HOU18.

Appendix 2

Link to Broadland Affordable Housing SPD

http://www.broadland.gov.uk/housing_and_planning/2500.asp

Please note – hard copies can be provided, but the web version is protected and cannot readily be copied.

Appendix 3 extract from city of Norwich Local Plan adopted November, 2004

Affordable Housing Within Private Development

8.26 The needs for affordable housing cannot all be satisfied through policy HOU3. It is necessary to seek an element of housing on private development sites to be affordable and this is consistent with the Council's Housing Strategy (2000-2003) in its emphasis on partnership working. It also relates to that Strategy in terms of seeking a social mix of housing within neighbourhoods.

8.27 The Housing Needs Survey, carried out for the Council in Autumn 2000, concluded that there was a backlog of need for affordable housing, which could reasonably be satisfied over a five year period. This backlog amounted to 880 dwellings (or 176 per annum) over and above the normal rate of social housing provision. (For this Plan we take that normal rate to be 100 per annum, although this has fluctuated considerably over recent years). That gives a total requirement over 5 years of 1,380 dwellings, some of which will be supplied by schemes, which are already approved and under construction. Because most of that period has elapsed before the plan can fully impact on affordable housing, the target reflects a longer period of 8 years over which meeting the need is seen as more feasible.

8.28 The Department of Environment, Transport and the Regions has published guidance on Housing Needs Surveys (DETR July 2000), which was followed by the Norwich survey. This survey showed that there were 3309 households living in unsuitable housing and who needed to move home to solve their housing problems. Of these households some 63.2% would be unable to rent or buy in the market, giving a need for affordable housing of 2091 dwellings. The definition of affordable housing need in the Housing Needs Survey 2000, was:

“a household living in unsuitable housing which is unable to afford appropriate private sector housing EITHER because it does not have a deposit equivalent to 5% of the price of a suitable home and has a gross household income less than one third of its mortgage requirement OR because the rental for privately rented accommodation to meet its needs would be more than 30% of its net household income.”

This will be updated by future Housing Needs Assessments.

8.29 On this basis policy HOU4 seeks an element of affordable housing on all housing sites above a threshold. The threshold is defined as that from the Circular 6/98 guidance – 25 dwellings, or 1 hectare. In the City Centre sites are being developed (or proposed for development) at much higher densities than this guidance assumes. It will usually be appropriate, therefore, to use the actual number of dwellings in the City Centre, rather than site size. The overall target is to remove the backlog over an 8-year period which produces a target of 1580 dwellings.

8.30 The definition of affordable housing in the Circular and in Policy HOU4 is wide. The affordable housing to be provided should meet the greatest practicable amount of the identified need. For this purpose, the survey showed that affordable rented housing would meet the greatest need and that shared ownership could meet only a very small proportion of the affordable housing need and should therefore be limited in provision. Low cost market housing was shown to meet none of the affordable housing need in Norwich, unless high subsidies were assumed. The Housing Needs Survey showed that this would need to be of the order of 50% discount at that time (but price increases since that time will tend to increase that rate).

8.31 In order to meet the targets identified, negotiation with developers for the element of social housing sought will be based on 30% as the target with a maximum of 5% of the total as shared ownership. The remaining 25% of the total would normally be affordable rented accommodation. This will be kept under review through further Housing Needs Assessments and revised Supplementary Planning Guidance from time to time. Negotiations on the level of affordable housing and on the mix of size and type of dwellings will take account of site size, suitability and the economics of provision. Targets for individual sites are set out for sites over 40 dwellings in Appendix 5, as such sites can be assessed against known site constraints. Supplementary Planning Guidance is

produced and will be updated regularly to guide the application of this policy. If the target to provide for housing needs is achieved, then the basis for the policy (i.e. the Housing Needs Survey) will be reviewed and will no longer be applied, if no outstanding needs are shown.

8.32 In relation to other policies for housing, the affordable housing policy (HOU4) will apply to sites, which may come forward under policies HOU13 or HOU14 as well as allocated sites. The City Council supports the objective of PPG 3 to provide a social mix of types of housing, avoiding segregation of affordable housing – and this should apply to all sites, including any which are acquired by social housing providers. The minimum market priced housing will be adjudged against the most up to date information, including the latest Housing Needs Assessment. To further social integration, the distribution of affordable units within the site should avoid concentrations of over 25 affordable dwellings in one part of the site and locations within the site which have poor accessibility to local facilities.

[Relates to Resource Objectives: Quality of Life (ii)]

HOU4

An element of affordable housing will be sought by negotiation on all housing development sites of 25 dwellings or more or, if the number of dwellings is not specified, where the site is at least 1 hectare in size (including those sites where a mix of uses is proposed).

In negotiating for this element, the Council will take account of the site size, suitability and economics of provision.

The affordable dwellings will be made available by means which ensure that they meet the needs of households lacking their own housing or living in housing which is inadequate or unsuitable and who are unlikely to be able to meet their needs in the housing market without substantial assistance to be able to afford the minimum market priced housing. The Council will seek to be satisfied that the benefit of affordability will enable successive occupiers to enjoy secure low cost accommodation in perpetuity, or for that benefit to be transferred to another property (or household) within the City, in the event of the sale of the dwelling.

The affordable housing element will include a range of size and type of dwelling. Distribution of affordable units within the site will depend upon the layout of the development and the scale of affordable housing to be included. The overall target for the City is 1,580 affordable dwellings to be provided in the period 2001-2008 (or such extended period as is necessary). Targets for individual sites for the amount of affordable housing are included in Appendix 5 and will provide the basis for negotiations.

Appendix 4 Extract from Norwich City Council affordable housing supplementary planning document, October, 2009

23. Policy HOU4 of the *City of Norwich local plan*, policy H3 of the *Draft regional spatial strategy* and PPS3 set the policy context for this SPD.

24. The adopted local plan policy sets the threshold for including affordable housing at 25 dwellings or more or if the number of dwellings is not specified where the site is at least 1 hectare in size. This followed national guidance at the time of its adoption. Since then PPS3 has been published, which provides for a national indicative threshold of 15 dwellings, or 0.5 hectare. The guidance states that this will be a material consideration from 1 April 2007 for planning decisions on housing schemes.

25. The adopted Local Plan policy cannot be amended by this supplementary planning document and, as previously mentioned, the city council as part of the Greater Norwich Development Partnership will be promoting a lower qualifying site threshold of five dwellings through the *Joint core strategy* for Broadland, Norwich and South Norfolk. Until the strategy is adopted, expected to be in late 2010, the current threshold in the local plan will remain. The intended policy is subject to an assessment of financial viability as required by PPS3.

26. Norwich City Council is setting the target requirement to 40 per cent of new dwelling provision as affordable housing. The 40 per cent affordable housing target is adopted on the basis that this may rely on social housing grant being available. If grant is not available and this would lead to the economic viability of a development being affected, then there will be site-specific exceptions to this target.

27. Even a 40 per cent target will not meet all housing need in Norwich and the remaining need is redistributed across the sub-region. The basis of this redistribution is outlined in appendix four, which has been agreed with the adjoining authorities in the sub-region. This calculation takes account of the provision of sites through the Greater Norwich Housing Partnership containing 100 per cent affordable housing, benefiting from social housing grant, as well as the numbers of dwellings likely to be completed on allocated or committed sites in the period 2006-2011.

28. In addition the sub-regional strategy group (Greater Norwich Housing Partnership) has agreed that the mix of intermediate housing should also apply across the whole area. Therefore Norwich's target for intermediate housing will be higher than might otherwise have been the case within the affordable housing percentage. Again this is compensated by a reduction in the proportion of intermediate housing accepted in Broadland and South Norfolk.

29. The local plan policy did not include a specific percentage target to be applied across the board. The policy was deliberately flexible to adapt to changed circumstances based on updated evidence of housing need. The percentage was set at 30 per cent by the previous affordable housing SPG (2002). This is now increased to 40

per cent and will continue to be subject to the test of site size, suitability and economics of provision specified in the policy. This figure is calculated as set out in appendix four, to ensure provision for the housing needs to be met across the sub-region by 2011.

Summary

This supplementary planning document (SPD) provides the detailed approach of the city council to ensuring new housing developments contribute to provision of affordable housing.

It interprets policies in the *City of Norwich replacement local plan*, and also takes account of more recent government guidance in planning policy statement three (PPS3), *Housing*, on the form of such policies. It seeks contributions to affordable housing from developments of 25 or more dwellings. The proportion of affordable housing is set at a target of 40 per cent of the total proposed dwelling units. The tenure split within the affordable housing element should be 3:1 in favour of social rented housing over intermediate forms of tenure such as shared ownership. The guidance also sets out how the city council expects developers to negotiate on this and what will be required of them if the overall financial viability of the proposed scheme is affected.

Appendix 5

Extract from South Norfolk Local Plan Adopted Version (March 2003) Part One Section 4.1 - Housing

6. Affordable housing

The terms “affordable housing” or “affordable homes” are used in this document to encompass both low cost market and subsidised housing (irrespective of tenure, ownership - whether exclusive or shared - or financial arrangements) that will be available to people who cannot afford to occupy houses generally available on the open market.

As a result of rising house prices over recent years, particularly when compared to the increases in average earnings, the District Council has become increasingly aware of the need to provide affordable housing for local people on relatively modest incomes. DETR Circular 6/98 acknowledges that the community’s need for affordable housing is a material planning consideration, and the following policies are intended to assist in meeting the identified needs for affordable housing.

A Housing Needs Survey for South Norfolk was undertaken in 2001 by Fordham Research. The survey indicated a need for 534 affordable units per year, or 83% of the anticipated annual build rate at the time. Based on their considerable experience in the field, Fordham Research recommended that the Council set a District wide target of 40% affordable housing on sites above the threshold sizes set out in policy HOU 12. However, given the lack of public subsidy for affordable housing in South Norfolk, the Council felt it appropriate to adopt a more realistic and achievable target of seeking a minimum of 25% affordable units on sites above the threshold sizes. South Norfolk Council adopted this policy in September 2002. Further explanation and information can be found in the Supplementary Planning Guidance (SPG) on Affordable Housing and Housing Mix published by, and available from, South Norfolk Council. It is anticipated that the Housing Needs Survey will be updated on a regular basis and that the target of a minimum of 25% may change over time. Other agencies and the Council’s other strategies will also be working to address the issue of providing more affordable housing.

In pre-application discussions, developers will be advised whether additional local surveys and/or appropriate research will need to be carried out when individual planning applications are made.

It is also possible that affordable housing may come forward from:

- 'Exceptions' housing allowed in line with HOU 13;
- Bringing vacant stock back into use (for example space above shops); or
- Converting large houses into smaller units in line with policy HOU 16.

However these sources will not be sufficient to meet the level of demand revealed in the Housing Needs Survey. Policy HOU 12 has therefore been formulated in the light of this background position.

Policy HOU 12: Affordable housing

Negotiations will take place with developers to secure the inclusion of an element of affordable housing on sites proposed for residential development which:

i) In settlements of 3000 people or more, are for 25 or more dwellings or where the site is of 1.0 ha or more.

ii) In other settlements, with populations of less than 3000 people, are for 10 or more dwellings or where the site is of 0.4 ha or more.

In cases where the Council and the developer both consider that it would not be appropriate to provide this affordable housing on the development site the Council may, exceptionally, consider a financial or other contribution towards affordable housing that would not otherwise be provided, on a different site.

**Appendix 6 Extract from South Norfolk
Supplementary Planning Guidance - Affordable Housing And Housing Mix (October 2003)**

4.Target for South Norfolk

4.1 South Norfolk has, to date, been successful in achieving up to 15% affordable housing. Much of this success has been due to having a consistent approach and to being realistic as to what developers are likely to achieve without public subsidy.

4.2 The supporting text of the Deposit SNLP, as modified by the first inquiry inspector, included the indicative figure of 15%. However the Plan made it clear that, for both allocations and windfall sites, the actual level of affordable housing would be determined by the level of need indicated by the most up-to-date information available at the time.

4.3 The Fordham Research target of 40% is the same as that suggested for the other three Council areas surveyed at the same time. The same target is proposed despite differences in the actual levels of need identified, the methods of provision across the different authorities and the levels of public subsidy available.

4.4 Currently South Norfolk Council does not provide any public subsidy towards affordable housing provision and, at present, has no plans to alter this position. Housing Corporation and Council priorities, plus the uncertainties over resources, mean that it cannot be assumed public subsidy will be available in the foreseeable future.

4.5 Consequently the Council has two main options, either to set a target of 40% affordable housing as the starting point for negotiation, but realising that this is unlikely to be achieved, or to set a lower, more achievable figure, as a minimum target. As stated in paragraph 3.1 above, the Planning Committee and Council resolved to seek a minimum of 25%, which is considered by the Council to strike a balance between achievability and making meaningful inroads into the identified need.

4.6 The following table indicates the likely level of affordable housing provision the SNLP allocations would achieve (please note this is not an exhaustive list): Site	Total House Affordable Number (Approx.)₂ Housing at 15%		Affordable Housing at 25%
Costessey, North of the Tud	1,440	216 (including Strategic Land Reserve)	360
Costessey, South of Dereham Rd	30	4	8
Costessey, Lodge Farm	330	49 (subject to confirmation)	83
Cringleford, North of the A11	750	112 (including Strategic Land Reserve)	188
Easton, South of Marlingford Way	80	12	20
Poringland, West of the B1332	720	108 (including Strategic Land Reserve)	180
Long Stratton, West of Lime Tree Ave.	67	10	17

Wymondham, Silfield Road	45	7	12
Diss, Fenze Hall Lane	143	21	36
Chedgrave, Hurst Rd	25	4	7
Harleston, South of Limes Close	30	4	8
Harleston, Mendham Lane	120	18	30

Matter 2 – response to Inspectors question cont'd...

2. White House Farm Affordable Housing Breakdown

The S106 agreement is in the process of being finalised for the 1,233 units. The viability has shown that the site can deliver 35% affordable housing with nil grant. The mix we have agreed is:-

50% - social rent of which

- 17% one bed flats
- 21% 2 bed flats
- 25% 2 bed houses
- 31% 3 bed houses
- 6% 4 bed houses

17% - New Build HomeBuy (shared ownership) of which

- 67% 2 bed houses
- 33% 3 bed houses

10% - Intermediate rent of which

- 10% 2 bed flats
- 57% 2 bed houses
- 33% 3 bed houses

23% - Discounted market in perpetuity at 80% of OMV of which

- 55% 2 bed houses
- 45% 3 bed houses

Matter 2 – response to Inspectors question cont'd...

3. Total completions and Affordable Housing Completions, share through S106 and share of S106 supported

Notes

1 The total affordable homes column includes some dwellings purchased off the market by Housing Associations, as well as bespoke new build

2 The affordable homes completed by a combination of S106 Agreement with HC/HCA/LA grant includes a wide spectrum of assistance such as top up funding to increase numbers; top up funding to achieve a better tenure split; top up funding to achieve higher build quality(Eco Homes Code or Code for Sustainable Homes) as well as schemes with a higher level of support.

3 Please note that in the early years of the decade, as a debt free authority Broadland was able to engage in a number of Back to Back purchases of land on S 106 sites which enabled the maximisation of available grant from the Housing Corporation.

Broadland

Year	Total Dwellings All Tenure	Total Affordable Homes Completed	Affordable Homes Completed by S.106 Agreement Only (Developer contribution Only)	Affordable Homes Completed by a combination of S.106 Agreement with Housing Corporation/Homes & Communities Agency and Local Authority Grant
2000-01	474	88	0	0
2001-02	434	112	10	58
2002-03	415	56	0	29
2003-04	401	103	3	0
2004-05	277	82	55	24
2005-06	136	32	8	16
2006-07	313	107	73	26
2007-08	267	39	6	39
2008-09	303	83	21	62
2009-10	198	60	0	25

South Norfolk

Year	Total Dwellings All Tenure	Total Affordable Homes Completed	Affordable Homes Completed by S.106 Agreement Only (Developer contribution Only)	Affordable Homes Completed by a combination of S.106 Agreement with Housing Corporation/Homes & Communities Agency and Local Authority Grant
2000-01	164	59	17	10
2001-02	231	41	7	
2002-03	794	76	24	
2003-04	474	37	7	
2004-05	518	26	4	
2005-06	340	71	33	
2006-07	604	108	80	
2007-08	1223	245	111	34
2008-09	907	403	241	2
2009-10	645	211	11	85

Norwich City Council

Year	Total Dwellings All Tenure	Total Affordable Homes Completed	Affordable Homes Completed by S.106 Agreement Only (Developer contribution Only)	Affordable Homes Completed by a combination of S.106 Agreement with Housing Corporation/Homes & Communities Agency and Local Authority Grant
2000-01	-	61	-	-
2001-02	599	190	-	-
2002-03	629	167	69	0
2003-04	693	171	54	0
2004-05	690	224	47	0
2005-06	879	244	26	0
2006-07	954	293	167	0
2007-08	1040	283	68	0
2008-09	527	229	81	10*
2009-10	399	120	42	0

* One site where affordable homes were delivered through S106 funding included an element of HCA grant funding. 10 dwellings were built by a RSL on behalf of the developer with HCA funding at The Loke/Whistlefish Court, Dereham Road.