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CAPL/133996/A3/CC/MW

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Dear Ms St John Howe

**TOWN AND COUNTRY PLANNING (LOCAL DEVELOPMENT) (ENGLAND) REGULATIONS 2004 AS AMENDED**

**PLANNING AND COMPULSORY PURCHASE ACT (2004)**

**JOINT CORE STRATEGY FOR BROADLAND, NORWICH AND SOUTH NORFOLK DEVELOPMENT PLAN DOCUMENT**

**PUBLIC EXAMINATION - INSPECTOR'S CHANGES TO BE ADVERTISED**

**REPRESENTATIONS MADE BY SAVILLS (L&P) LTD ON BEHALF OF PERSIMMON HOMES, TAYLOR WIMPEY AND HOPKINS HOMES IN RESPECT OF:**

**(A) IC1: FLEXIBILITY/RESILIENCE OF THE JCS IN RELATION TO THE NORTHERN DISTRIBUTOR ROAD**

**(B) IC6: AFFORDABLE HOUSING**

Further to your letter of the 30 December 2010 and the relevant papers we are instructed by Persimmon Homes, Taylor Wimpey and Hopkins Homes to submit representations in relation to the Inspectors' Proposed Changes IC1 and IC6.

**IC1 - Flexibility/resilience of the JCS in relation to the Northern Distributor Road**

At the reconvened Examination session on 9 December we set out that we considered the amended approach put forward by the authorities went a long way toward ameliorating concerns regarding delivery and flexibility. We consider that the further amendments to that approach put forward by the Inspectors further assist with that and we consider that such changes will make the JCS sound.

**IC6 – Policy 4: Housing Delivery (affordable housing)**

We do not consider that the Inspectors Changes regarding affordable housing will render the JCS sound. The key issues are whether the evidence base is sound and supports the proposed approach. We have set out our views that we do not consider Drivers Jonas Davies (DJD) report to be a sound basis. We assume



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that in arriving at their conclusions the Inspectors are of the view that the evidence base is sound. In these representations, therefore, we only comment on whether that evidence supports the proposed approach.

DJD submitted a number of additional sensitivity tests from the Affordable Housing Viability Study. Of particular relevance is the viability analysis based on an affordable housing target of 20%, 30%, 33% and 40%, modelled against fixed "trough", "current" and "peak" value positions (dated 16 December 2010). The tables on page 3 of that letter (and which is contained within IC6) sets out the various proportions of affordable housing in the event that no affordable housing grant funding is available. Clearly in cases where there is no affordable housing grant available then this has a major impact on the deliverability of all schemes from which affordable housing is required. Given the severe shortage of available funds we consider it would be unsound to base the policy on those situations which include the availability of grant.

DJD's letter of 16 December 2010 states that in current circumstances (values of £2,250 psm), in 49% of cases schemes will not be viable and a further 17% of schemes will be marginal. We do not consider it can be sound for the JCS policy to be based on such a situation.

We do not agree that Policy 4 should be predicated on a situation where negotiations are required in so many instances to ensure viability – that is clearly not the intention of PPS3. If PPS3 had intended such an approach, it would not require local authorities to undertake an assessment of viability. The approach of PPS3 toward negotiations is intended to cover unforeseen and exceptional circumstances in relation to specific sites, such as extraordinary site costs owing to contamination, and not to be the situation which pertains in so many circumstances that it is commonplace.

In supporting the planned approach of 40% on large sites, the Inspector's Proposed Changes now seem to suggest that GNDP should be content with a scenario whereby in only some 34% of situations will development be viable (assuming a value of £2,250 psm). Even assuming that values rise to £2,500 psm then it remains the case that in only 59% of circumstances will larger development schemes be viable. We suggest that if in examining a development plan and it was concluded that either 34% or 59% of the proposed allocations could be delivered, it would be highly unlikely that an Inspector would find such a plan "sound".

The likely effect is that fewer large sites will come forward for development. Given the quantum of development to be delivered from these sites it is likely that the Councils will be in the position of failing to provide a five year supply. The authorities will then be vulnerable to having to grant permission for small schemes, which would deliver lower levels of affordable housing, and are likely to be in less favourable/sustainable locations. Such schemes will put pressure on existing infrastructure and will not be able to deliver the new infrastructure which the major sites can bring forward.

We consider that the only two sound options. Firstly, to reduce the proportion of affordable housing to a level where the DJD report shows that in a significant number of scenarios development is viable without affordable housing grant funding. Based on the evidence available, we consider that the maximum level which could be justified on sites of 16 or more is 30%. The alternative option would be to remove the policy from the plan and rely on the existing local plan policies until such a time as they can be replaced by a sound approach.

Yours sincerely



**Colin Campbell BSc DIPTP MRTPI**  
**Director**