

Greater Norwich Development Partnership

Matter 2 Does the JCS make sound provision for housing delivery? (policy 4 & Appendix 6: the housing trajectory)

Note: EIP93 sets out the minor changes to the text of JCS1 to address revocation of the Regional Spatial Strategy.

General Housing

- A Is the JCS policy on general housing justified, effective and consistent with national policy?

Justification (evidenced and best of reasonable alternatives)

1. The housing target of around 37,000 dwellings is justified by the evidence base as outlined in the Topic Paper: Homes and Housing (EIP 70)
2. Concentration of growth in the Norwich Policy Area is consistent with evidence of need and demand, and maximises opportunities for co-location with jobs and job growth, sustainable transport and access to services.
3. Government policy states that “there is no point in inventing alternatives that are not realistic”(PPS12 para 4.38). Significantly different levels of provision would not be “reasonable alternatives” as lower growth would be inconsistent with the evidence of need and higher growth would be undeliverable. Therefore, either would conflict with Government policy as enshrined in PPS3. In addition, any consideration of alternative provision, without overwhelming evidence, would only have been procedurally possible since the revocation of the RSS. As the overall JCS is designed to deliver the level of provision required, consideration of alternatives would require a return to pre Regulation 25 stage and a major review of the evidence base. This would entail significant delay and additional public expenditure with no evidence to suggest the outcome would be different, if housing needs are to be met.

Effective (deliverable, flexible and able to be monitored)

4. Deliverability will largely be considered under the individual locations. The overall level of growth is higher than the development industry has achieved previously, and is consequently challenging,

and will require active engagement through delivery agencies and the Local Investment Plan and Programme (LIPP) process. Delivering the levels of growth will ultimately be dependent on market demand. Broadly similar rates of growth were achieved in past decades but were reliant on high levels of public sector housing.

5. Subject to overcoming infrastructure and environmental constraints, the JCS is sufficiently flexible to deliver additional growth if there is sufficient demand and the development industry has the capacity. Flexibility is provided by distributing growth to a wide variety of locations at a range of scales. In addition the expression of housing provision in the JCS is intrinsically flexible. For each of the major growth locations and main towns housing provision is expressed both as a minimum and as the number of dwellings to be delivered (rather than allocations to be made). Provision for several of the smaller locations is expressed as a range. This combination of approaches will allow growth to be varied in time or space if the active management of delivery fails to overcome constraints in a timely manner. Future development on unallocated land has not been included but will undoubtedly take place. If demand and developer capacity materialises, unallocated development will be additional growth over and above development on allocated land.

6. Delivery against dwelling provision is part of the normal monitoring regime.

Consistent with national policy

7. The recent Topic Paper: Homes and Housing (EIP70) sets out how the housing provision target in the JCS is consistent with PPS3 requirements.

- B Is the JCS effective and clear about the mechanisms and timescales for achieving a 5-year supply of deliverable housing land in the overall context of the 3 Councils' planned and programmed Local Development Documents (see para 53, PPS3)?

1. The role of a core strategy in 5 year land supply is not clarified in PPS3 or PPS12; however it can be assumed that the core strategy provides the framework to enable subsequent DPDs and development management to manage supply.
2. The GNDP has endeavoured to ensure a JCS is adopted as soon as possible to provide this framework.

3. In the early years of the JCS, delivery will largely result from existing commitment. At the 2008 base date commitment was 14,000 dwellings (in crude terms, just under 7 years supply). This had risen to over 15,000 dwellings in 2009.
4. The JCS encourages timely delivery of additional supply by providing developer and consumer choice through the wide range of locations for residential development at a variety of scales from 10 dwellings to 7,000 across different market areas. Additional variety of scale will be provided as in many cases the scale of growth identified for a location will be delivered by a range of allocations. Additional choice is provided through the floating allocations in the Norwich Policy Area (2,000 in Broadland and 1,800 in South Norfolk).
5. The JCS does not rely on windfall development for supply. Unallocated development will be genuine additional growth if there is a market for it.
6. The JCS does not restrain provision through phasing. The trajectories are indicative and intended to illustrate the ability of the JCS to deliver the growth required.
7. The LIPP process is intended to actively manage implementation to try to ensure constraints are overcome.
8. The mechanism for delivery is through the granting of planning permissions that are consistent with an adopted JCS and the timely production of site allocations DPDs – this is a matter for the individual districts and their LDS's. The process for dealing with an absence of demonstrable supply is set out in PPS3 and does not need repeating in the JCS.

C If the JCS is unsound in relation to general housing policy, are there any specific changes that would render it sound? [It would be necessary to consider whether these required further consultation or sustainability appraisal.]

1. The JCS is considered to be sound in relation to general housing. Proposed minor changes (JCS 2 and EIP93) address drafting errors and provide clarity.

Affordable Housing:

D Is policy 4 (as amended by GNDP Focussed Changes 1-4) justified, effective and consistent with national policy in relation to Affordable Housing (AH)?

1. The Statement of Focussed Changes (EIP 51) strengthens the justification and effectiveness of the policy.
2. In terms of “justified” the robust and credible evidence base has been provided through the viability assessment undertaken by Drivers Jonas Deloitte (EIP 52). In terms of the appropriateness of the approach, there is long standing evidence of the scale of need (document H 3 - in particular chapter 5). The update of the Housing Market Assessment (document H 4) confirms the scale of need for affordable housing of one tenure or another. Therefore in order to meet the needs of the whole community, there needs to be a consistent and vigorous attempt to secure affordable housing where the opportunity arises.
3. In terms of “effective” the deliverability of the policy is demonstrated by the viability assessment (EIP 52). While it is clear that not every site will be able to deliver to the full target percentage (and indeed this was always the underlying assumption in the strategy), a significant proportion will. The policy and supporting text, as redrafted in the Focussed Changes, have been clarified to more explicitly acknowledge the need for flexibility in the proportion of affordable units sought on mixed tenure sites or the balance of tenures, taking account of the availability of public sector support where necessary. This is in line with the recommendation in paragraph 1.4 and chapter 10 of EIP 52.
4. The same document, at para 1.4, states that there is no justification for different targets in different parts of the strategy area, but that a graduated approach to smaller sites’ contributions should be adopted. The Focussed Changes reflect these recommendations
5. The policy and supporting text is considered to be consistent with the national guidance in the Planning Policy Statement 3 published in June, 2010, paragraphs 20 to 30, and in particular, paragraph 29.

E Is the amended AH policy founded on sound evidence in the form of the viability study by Drivers Jonas Deloitte dated July 2010?

1. The GNDP and its constituent authorities believe that the study provides sound evidence. Drivers Jonas Deloitte will justify its research and recommendations.

F Does the JCS fulfil the requirement of PPS3 para 29 for (a) a plan-wide target for the amount of AH to be provided, in terms of both social-rented and intermediate tenures, the size and type of AH, and the approach to developer contributions?

1. Focussed change FC 3 indicates the need for affordable homes over the plan period, and the proportions likely to be required as social-rented and intermediate tenures. This is derived, as described in annex 1 to the published Statement of Focussed Changes (EIP 51), from the evidence base for the strategic housing market assessment (document H 3). This is the only document which clearly separates out (at figure 161 on page 147) the number of affordable houses required to meet the current backlog, the newly arising need for affordable houses, and the share of newly arising need which can be met from within the existing stock (and thus by deduction the amount of newly arising need which will require additional stock). Without this separation there would be a repeated count of the backlog element in projecting across the strategy period. As the annex to the Focussed Changes notes, there are difficulties in forecasting beyond the five year horizon of such studies, but this is regarded as the most robust information available. The update of the five year assessment included in document H 4 (table 7.12) similarly does not separate out the backlog, though in terms of five year totals it largely confirms the findings of the earlier study. Minor amendments to Focussed Change 3 have been proposed to delete references to the Government's Basic Needs Assessment Model and also to remove reference to a blanket 40% affordable housing target, in the light of the graduated approach to small sites.
2. Paragraph 5.25 of the submitted JCS includes an assessment of the house sizes required across the strategy area, but this can only be a short-term snapshot as the table in the evidence base (H 3, figure 161) which enables the backlog to be separated from the newly arising requirement, does not differentiate in terms of house size.

Furthermore, PPS 3, para 29 refers specifically to specifying “the size and type of affordable housing likely to be needed *in particular locations and, where appropriate, on specific sites*”. The evidence base documents do not differentiate in their analysis between different housing market areas in terms of future need because of the shrinking sample size as the overall need is broken down by tenure, size, and geography and consequent reduction in the reliability of conclusions. Figure 150 in document H 3 breaks down the housing requirement by tenure and size, but only for a five year period, and only for the area as a whole, and it is not considered that this would be helpful in light of guidance in PPS 3, Para 29.

The approach to developer contributions as advised by PPS 3 is that affordable housing will be provided on an application site in order to contribute towards a mix of housing but that, where it can be justified, offsite provision or a financial contribution may be accepted. This approach is reflected in part of paragraph 5.29 of the submitted JCS, which would remain unaffected by the Focussed Changes. It would amount to inappropriate detail in a core strategy to specify the means of calculating equivalence, though the housing authorities have experience in such negotiations.

- G National policy in PPS3 excludes housing for sale from the definition of AH, whereas the JCS includes it. Are there any local circumstances to justify this departure from national policy?

1. There is not considered to be a departure from national policy. Annex B of PPS 3 published in 2010 defines affordable housing as including intermediate housing. Intermediate housing is defined as “housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.” The relevant criteria are that the housing should meet the needs of applicable households at a cost they can afford and include provision for the home to remain at an affordable price for future eligible households, or, if the restrictions are lifted, for the subsidy to be recycled for alternative housing provision. The annex goes on to say that “low cost market” housing may not be considered as affordable housing.
2. Thus the important distinction between intermediate products for sale which can be regarded as affordable housing, and “low cost market” housing lies in the extent to which the discount is passed on to future occupiers in housing need when occupation of the property changes.
3. Para 5.28 of the submitted JCS is proposed for deletion in the focussed changes, but the first sentence is retained in the focussed

changes. This defines affordable housing as “housing provided for rent, sale or shared equity at prices permanently below the current market rate, which people in housing needs are able to afford.” This stresses that the discount should be permanent, rather than a windfall for the first occupier, and that it should be directed towards people in housing need.

4. This reflects emerging current practice within the area as set out in paragraphs 6.11 to 6.14 of the update of the Housing Market Assessment (H4). The current practice is for such products for resale to be marketed through Orbit Homebuy Agents who ensure that, when properties provided for discounted sale become available, they are passed on to appropriate candidates in housing need. There have been successful examples of this approach, including the redevelopment of Plumstead hospital where some properties of this nature have been sold on to second occupiers in this way. In this example, occupiers pay 75% of the open market value with no rent to pay on the remaining equity. Through agreements with the promoters, there is a process for agreeing initial and subsequent purchase prices, future occupiers must fulfill the requirements in terms of their need for affordable housing, and resales are subject to a cascade arrangement to ensure that priority is given to those from the relevant local authority area.

H Does the JCS provide sufficient clarity about the phrase ‘appropriate settlements’ in the context of exceptions schemes?

1. The policy, as originally submitted and as proposed in focussed change FC 1, includes a provision for exceptions sites, further elaborated in paragraph 5.30 which remains unchanged as a consequence of the Focussed Changes. This differentiates between allocations to be made in “other villages and above” in the settlement hierarchy, whilst applications will be considered in other locations where appropriate. It is clear that the policy requirement is that such properties should remain “affordable” in perpetuity, and should thus be immune from rights to acquire. PPS 3 includes a footnote to paragraph 30 referring to the Statutory Instrument which designates small rural settlements for enfranchisement and right to acquire purposes. The relevant Statutory Instrument for the East of England is S. I. 1997/623. It is considered unnecessary for the core strategy to repeat this national guidance.

J If the JCS is unsound in relation to AH, are there any specific changes that would render it sound? [It would be necessary to consider whether these required further consultation or sustainability appraisal.]

1. The GNDP authorities consider the JCS to be sound in this regard, particularly with the inclusion of the Focussed Changes incorporating the minor amendments referred to in response to question F above.
2. Proposed minor changes (JCS2 and EIP93) address drafting errors and provide clarity.

Gypsies and Travellers:

K Is policy 4 (as amended by GNDP Focussed Changes 5-7) justified, effective and consistent with national policy?

1. Yes. The Government has indicated it wishes to adopt a different approach to making provision for Gypsies and travellers. It has signalled a number of steps including replacing circular 01/06 with new light touch guidance, introducing stronger planning enforcement powers, encouraging local authorities to provide, in consultation with the local community, an appropriate number of travellers' sites that reflect local and historic demand. These steps are to be taken in parallel with coordinating action across Government to tackle discrimination and poor social outcomes and seeking to remove barriers that stop Gypsies and Travellers from taking part in the Big Society.
2. More critically in this context, the Government has revoked regional spatial strategies which formerly set targets. Targets in the RSS were introduced by a single issue review. This was informed by research undertaken by specialists for EERA. EERA initially considered two possible distributions of pitches across the region. Option 1 was the "distribution based solely on the consultants advice". Option 2 was amended to smooth out the extremes of provision by assigning a minimum of 15 pitches to all the Councils with corresponding reductions in the 4 which would otherwise have the highest targets (without such a redistribution, these 4 would be expected to accommodate around 45% of the total regional provision). Under these different scenarios, the pitch provision 2006 to 2011 would have been:

	Option 1	Option 2
Broadland	1	15
Norwich	5	15
South Norfolk	21	21

3. All three councils attended the examination in public. Based on local evidence, all three accepted the short term level of provision which exceeded the "pure evidence" with RSS targets for Norwich and Broadland reflecting option 2, and that for South Norfolk rising to 28 pitches.

4. There was less consensus about how longer-term need should be assessed.
5. Beyond 2011, the RSS adopted an extrapolation of the 2006 to 2011 rate. When this methodology, which had been questioned during the Examination in Public, was advertised by the Secretary of State, both Norwich City Council and Broadland District Council responded challenging its validity. Both councils considered that although there may be a short term argument for departing from the level of need which had been established through research, simply extrapolating this figure would take the resultant pitch provision further and further from that justified by evidence.
6. As regards transit pitches, the RSS was unclear in terms of the distribution below the county level.
7. Focussed change FC6 outlines subsequent progress in delivering sites.
8. CLG publishes the results of Gypsy and traveller caravan counts. In terms of unauthorized sites, the last five counts are shown in the table below, note a significant proportion of the South Norfolk caravans were on tolerated sites.

	Jan 2008	July 2008	Jan 2009	Jul 2009	Jan 2010
Broadland	3	4	26	16	5
Norwich	0	0	0	0	1
South Norfolk	84	104	65	96	80
South Norfolk (tolerated sites)	68	86	58	79	68

9. This suggests that a simple extrapolation of a regionally defined total, itself based on a redistribution which departs from available evidence and is not an appropriate way to plan longer term provision. Instead the Greater Norwich Housing Partnership is about to engage in a refresh of the evidence supporting the housing market assessment and, in parallel with this, intends to undertake local research into the need for Gypsy and Traveller provision. This work is likely to be undertaken in 2011 and will ultimately be included in the Strategic Housing Market Assessment refresh.

- L If the JCS is unsound in relation to accommodation for gypsies and travellers, are there any specific changes that would render it sound? [It would be necessary to consider whether these required further consultation or sustainability appraisal.]

1. It follows from the above that the GNDP authorities consider that the plan, incorporating the focussed changes, remains sound.

2. Proposed minor changes (JCS2 and EIP93) address drafting errors and provide clarity.