



Affordable housing

Supplementary planning document
Draft for consultation, June 2008

City of **Norwich** Replacement Local Plan



NORWICH
City Council



Contents

Executive summary	02
Introduction and purpose	03
National and regional policy background	05
Need for affordable housing in Norwich	07
Forms of affordable housing	10
Affordable housing target	12
Implementation and design	15
Monitoring and review	22
Contacts	23
Appendix 1 – Relevant local plan policies	24
Appendix 2 – Consultation comments and city council response	28
Appendix 3 – List of partner RSLs	29
Appendix 4 – Calculation of affordable housing target for Norwich	30
Appendix 5 – Financial information	34

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



Summary

This *Supplementary planning document* provides the detailed approach of the city council to ensuring that new housing developments contribute to the provision of affordable housing.

It interprets policies in the *City of Norwich replacement local plan*, but also takes account of more recent government guidance in *Planning policy statement 3 (PPS3)* on the form of such policies.

It seeks contributions from developments of 15 or more dwellings to the provision needed (or a suggested alternative graduated scale – see Tables 1A and 1B). The proportion of affordable housing is set at 40% 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 (shared ownership).

The guidance also sets out how the city council expects developers to negotiate on this and what will be required if the overall financial viability of the proposed scheme is affected.



Introduction and purpose

1. Norwich City Council is committed to tackling the housing needs of its resident population and reducing the deprivation which is apparent in many parts of the city. The draft *Sustainable community strategy* includes a key priority to “prevent homelessness and improve housing”.
2. The draft *Greater Norwich housing strategy (GNHS)*, which was published for consultation until October 2007, provides an overarching vision for housing in the sub-region. This is “to ensure there are sufficient decent homes which people can afford, in places they want to live, within sustainable and thriving communities”. The *GNHS* sets a clear policy direction to achieve this. It describes how and where affordable housing should be provided and the qualities and standards to which it should be built, in order to create vibrant, mixed and socially and environmentally sustainable communities.
3. This supplementary planning document (SPD) amplifies and interprets the relevant policies in the *Replacement local plan for Norwich*, taking account of changes in national guidance through *Planning policy statement 3 (PPS3) (housing)*. It provides advice and guidance to developers, site owners and the community to enable the provision of affordable housing on appropriate housing sites in Norwich.
4. In line with the government’s advice in PPS12 on local development frameworks, this SPD will be subject to community consultation before being adopted. It will not be regarded as a material consideration in assessing planning applications until that consultation has taken place and the document has been adopted by the council, with any changes in response to comments.

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



5. This guidance will replace the previous *Supplementary planning guidance on affordable housing*, which was adopted in September 2002. As a supplementary planning document it will have considerable weight once it is adopted, in relation to the policies of the local plan and in planning decisions.

6. The document has the following aims:
 - to ensure that new development contributes effectively to meeting the needs of the community for affordable types of housing, taking account of people's ability to purchase their own property
 - to help to achieve a better balance between the supply of and demand for housing
 - to reflect the council's commitment to social inclusion for all its citizens
 - to set out the basis on which the city council's policy should be interpreted and implemented through decisions on planning applications and other matters.



National and regional policy background

7. Supplementary planning documents (SPDs) are required to be in conformity with national and regional planning policies as well as with the development plan documents (or saved local plan policies) for the area. In this case the *City of Norwich replacement local plan (2004)* is the relevant adopted local plan and this SPD interprets policies in that document.
8. *Planning policy statement 1 (PPS1) 'delivering sustainable communities'*, the overarching planning policy statement, requires planning to promote sustainable and inclusive patterns of development by "ensuring that development supports existing communities and contributes to the creation of safe, sustainable, liveable and mixed communities".
9. *Planning policy statement 3 (PPS3) 'housing'* seeks:
 - "to achieve a wide choice of high quality homes, both affordable and market housing, to address the requirements of the community
 - to widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need
 - to improve affordability across the housing market, including by increasing the supply of housing
 - to create sustainable, inclusive, mixed communities in all areas, both urban and rural".
10. Regional planning policy is found in the draft *Regional spatial strategy* for the East of England, which has been through an Examination in Public and Secretary of State's changes and is now

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



awaiting final approval. Policy H3 in this plan, relating specifically to affordable housing, states:

“Within the overall housing requirement in policy H1, local development documents should set appropriate targets for affordable housing taking into account:

- The objectives of the RSS
- Local assessments of affordable housing need prepared in accordance with government guidance
- The need, where appropriate, to set specific, separate targets for social rented and intermediate housing
- Housing market considerations, and
- The *Regional housing strategy*.

At the regional level, delivery should be monitored against the expectation that some 35% of housing coming forward as a result of planning permissions granted after the adoption of the RSS are affordable.”

11. That regional ‘expectation’ cannot be translated directly into policy for this SPD. It represents an aspiration to raise the level of provision for affordable housing across the whole region. The requirement for Norwich is based on a sub regional study of need.



Need for affordable housing in Norwich

12. A *Study of housing need and stock condition* for the greater Norwich Sub-Region has been carried out by Opinion Research Services on behalf of the three constituent districts of Norwich city, Broadland and South Norfolk. This was published in May 2007 and is referred to in this document as *ORS, 2007*. It calculates the level of housing need within the city and shows how that need relates to the two adjoining districts. That calculation shows how much housing is required in the sub-region. This need includes provision of market housing for sale, social rented housing and intermediate housing for households unable to afford to enter the private market. Housing demand is defined as those people who are able to meet their needs in the market, whilst housing need refers to those households which cannot do so.
13. The study showed that average property prices in Norwich had risen by 141% between 1999 and 2005 and in Broadland by 160% and in South Norfolk by 180% over the same period (*ORS, 2007, para 5.4*). The survey showed that 1,403 households in greater Norwich are living in unsuitable housing and cannot afford to rent or buy market housing. In addition to this backlog of need, newly arising need of 2,319 homes for social rent or intermediate tenure was estimated for the five year period between 2006 and 2011 giving an annual requirement of 561 affordable dwellings after allowing for anticipated provision.
14. The need for affordable housing was defined in the *ORS* survey using a primary income multiplier and a test for the number of people of different age groups in the household. The results showed that for households with incomes below £15,000 gross per annum, the

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



affordability threshold should be no more than 25% of gross income, increasing to a maximum of 30% of gross income from households with incomes above £40,000. This represents a maximum contribution of 31.5% of net income (i.e. after tax and benefit) at the lower level and of 45% at the upper level. This amends the definition of affordable housing need in the local plan.

15. The district breakdown of housing needs showed that statistically Norwich has the highest need for affordable housing. It suggests that 55.4% of the net housing requirement would need to be in different forms of affordable housing. This is not a realistic target to be achieved within the city boundary alone (see Appendix 4 for calculations). The study also demonstrates a strong degree of interrelationship within the wider Norwich housing market area and the scale of migration between the three districts involved, which indicates the need to look more widely across the whole greater Norwich housing market area.
16. Because national guidance seeks to integrate communities and the greater Norwich housing market operates across council boundaries, housing needs and the level of affordable housing also need to be considered on a cross-boundary basis. Appendix 4 shows that this results in a more equitable sharing of the provision of affordable housing with a lower proportion of affordable housing than suggested by the study in Norwich city and a higher proportion of intermediate housing there, giving a better balance of communities across the three districts.
17. Housing for key workers is aimed at those in housing need who work in key public sector occupations (primarily in London and South East England). Such key worker housing will not necessarily satisfy the requirements of affordable housing policy, but in some cases affordable housing will be included. In general terms key worker housing has not so far been found to be necessary in Norwich and the ORS study confirmed that this was still the case. The city council



does not, therefore, include key worker housing in its current definition of affordable housing.



Forms of affordable housing

18. Affordable housing is defined in PPS3 as being:

- social rented housing – rented at an affordable cost within Housing Corporation guidelines on rental levels
- shared ownership housing – where the occupant part owns the property and the remainder of it is let to the occupant by a registered social landlord, with the potential for the occupant to ‘staircase’ the proportion of their ownership up to 100% over a number of years
- community land trusts – community based organisations that enable local communities to own and manage local land assets.

19 Hostels and institutional housing will not normally be considered as affordable housing, since the local plan only takes account of housing need in relation to normal household units, not institutional populations.

20 For all types of affordable housing, the city council will need to ensure through a legal agreement that the housing:

- (i) will remain available at affordable rents (or prices) to those in housing need in perpetuity (or that any shared ownership element sold to an owner will be used to fund additional new affordable units in the local community)
- (ii) will be available for occupation by people who have been nominated through the council’s ‘choice based lettings system’.

22. The city council does not recognise other forms of ‘subsidised’ or ‘low cost market’ housing as meeting affordable housing



need. These are no longer supported by the government as affordable housing and in the housing market in Norwich there are generally sufficient older terraced houses to meet the needs for this kind of market housing.



Affordable housing target

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 local plan policy sets the threshold for its application 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 city council, therefore, intends to use this national guidance to lower its threshold and seek an element of affordable housing on any site proposed for 15 or more dwellings, or where a number of dwellings is not specified, where the site is 0.5 hectares or more. An alternative option that we wish to consider is to graduate this ‘threshold’ – that means varying the proportion from a lower base figure, thus achieving some affordable housing on most sites above 5 units. The benefit of such an approach is that, while recognising the economics of smaller sites (with a lower proportion), it does not introduce a sudden step up to a much higher level of requirement (see table 1).
26. Norwich City Council proposes to raise its target requirement to 40% of new dwelling provision as affordable housing, with redistribution of the remaining needs across the sub-region. The basis of this redistribution is outlined in Appendix 4, 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

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



Housing Partnership (and the new council housing development company) containing 100% affordable housing, benefiting from Housing Corporation grant, as well as the numbers of dwellings likely to be completed on allocated or committed sites in the period 2006-2011.

27. 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.
28. 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% by the previous affordable housing SPG (2002). **It is now proposed to increase the proportion to 40%.** This 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 4, to ensure provision for the housing needs to be met across the sub-region by 2011. The effect of the different threshold options are set out below in Tables 1A and 1B. The city council believes that option A (table 1A) provides a more equitable approach which recognises the difficulty of bringing small sites forward but increases the percentage contribution gradually – with the full contribution only reached at 25 units and above. We invite comments on which option consultees would prefer to be adopted.

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



Table 1A: effect of graduated threshold

Number of dwellings	Proportion of social rented (%)	Proportion of intermediate (%)
5 – 10	20%	0
11 - 16	25%	0
17 – 24	30%	5%
25 and above	30%	10%

NB: numbers will be rounded up from 0.5 of one unit or above.

Table 1B: effect of threshold of 15 dwellings

Number of dwellings	Proportion of social rented (%)	Proportion of intermediate (%)
Up to 14 units	0	0
15 and above	30%	10%



Implementation and design

29. Developers should take the requirement for affordable housing into account from the earliest stages of scheme design. This is essential in order that new affordable housing units will be integrated into the overall design of the scheme, appropriately located within it and will meet the Housing Corporation standards. It will also ensure that grant availability can be assessed at an early stage, where sites fit the grant criteria.
30. The process **for negotiating affordable housing** is being developed further and it is vital that affordable housing is recognised from the start of the design process. The local planning authority will expect developers to allow this process to go forward and to support it with appropriate information. In the absence of such information, applications may be refused permission.

Artificial subdivision of sites

31. The city council will ensure that artificial subdivision of a site will not circumvent the operation of this affordable housing guidance. A site proposed for housing development, which is in the same ownership as an adjoining site at the time of initial discussions (or later in the process), or has been allocated through the local plan (or subsequently through the *Local development framework*) as one site incorporating an adjacent site, will be treated as one phase of the larger development site for this purpose. It will thus be liable for the appropriate proportion of the affordable housing contribution, relating to the whole site.
32. If owners do seek to subdivide sites in this way, then the second (or later) application will be liable for the full proportion of affordable housing on the whole of the subdivided site, if none has been included in the first (or earlier) applications for parts of that site.



Reduced density

33. If developers seek to reduce the density of development to circumvent the application of policy HOU4, the application may be refused as failing to provide for efficient use of the site in accordance with the guidance of PPS3. This would apply to density levels indicated in policy HOU13 and/or the scale of development indicated in an allocation policy in the local plan (policies HOU8, HOU9, HOU11 or HOU12).

Conversions

34. Policy HOU4 applies to conversions of dwellings to flats or of other buildings to residential use. The council will calculate the net increase in the number of dwellings on the site, in order to assess whether the policy HOU4 applies. Hence, the conversion of a building to a number of flats, where the threshold is triggered (see previous section), will require an element of affordable housing under this revised supplementary planning document.

Non-viability of development

35. Brownfield sites are not necessarily more expensive to develop than greenfield sites and many will yield the full proportion of affordable housing.

36. However, it is accepted in policy HOU4 that certain constraints on development will increase the costs of developing some sites and may render the provision of the full percentage of affordable housing non-viable. Applicants citing non-viability as a reason for not complying fully with the policy will need to support that case with financial evidence, which they should submit with the planning application. This evidence will be treated in confidence.

37. Appendix 5 sets out the factors which should be covered in the submitted financial calculations, so that viability may be properly assessed and tested. It also sets out how registered social landlords (RSLs) set costs in relation to viability for their development, so that

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



comparable data can be considered for the private sector schemes. The city council accepts that developers will seek to achieve a reasonable rate of return on their capital (normally at least 12% on gross development value). However, the affordable housing element is expected to be considered as a factor that will reduce the price paid for the land in the first instance. Hence quoted land values should be proportionately below the 'going rate' for the area to allow for the application of the affordable housing policy (HOU4).

38. Sites allocated in the local plan were in some cases identified as having a lower indicative target rate than the 30% previously applied (in Appendix 5 of the local plan). The revised basis for affordable housing calculations in this SPD does not affect that indicative target, provided that the developer can justify the viability considerations that led to the reduction in the target. The city council will therefore expect such sites to be justified by supporting financial information.
39. If the council is satisfied that a proposal is not viable, the council will look at a cascade of the following actions to achieve viability with the maximum contribution to affordable housing possible:
 1. consider alterations to the mix and design of the scheme in order to overcome significant cost burdens, without detriment to design or heritage considerations
 2. pursue the potential for contributions from Housing Corporation grants, while recognising that this may lead to delays in delivering the housing
 3. alter the tenure split within the development
 4. reduce the proportion of affordable units within the site
 5. consider whether an off-site contribution would achieve an improved number or range of affordable housing.
40. This cascade approach can be applied to a planning obligation, if the outcome of aspects of the development process is uncertain, for

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



example grant negotiations, at the time of granting the permission.
This will primarily apply to outline applications.

Specialist residential accommodation

41. The requirement for affordable housing does not distinguish between the types of housing. It is particularly important that needs for affordable retirement housing and young people's housing are recognised, but any specialist accommodation may need to include affordable housing. Retirement homes, sheltered housing schemes, student accommodation should all provide for an element of affordable housing in accordance with the policy. However, where the provision is in the form of shared rooms in an institutional setting, then the affordable housing policy does not apply.

Site design considerations

42. Provision of the affordable housing on-site is the city council's preferred method, and is also the preference set out in government guidance. This promotes social inclusion and the design of individual sites should also take account of that objective.

43. An off-site contribution may be accepted in certain exceptional instances where there is a valid planning reason why on-site provision is not suitable and where another suitable site can be found nearby. If accepted the contribution will need to be sufficient to provide for new affordable housing on a new site. A greater contribution will be expected to allow for the land costs of an alternative site (or benefits foregone) and to reflect the fact that the developer is then getting a 'free ride' with no affordable housing provision on the site. Therefore the commuted sum should be calculated as the cost of the open market value of the land needed to accommodate those dwellings plus the average Housing Corporation grant rate available for the area (as set out in appendix 5).

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



44. The council¹ will advise on the mix of affordable units that should be provided, to reflect the needs identified through the choice based lettings system for that area of the city. The mix will normally respect the type of units proposed on the rest of the site (i.e. flats or houses) but may be in different proportions.
45. The affordable housing units should not be distinguishable from the general market housing on a site in its design, materials used or its form, unless it is agreed that the units be a different type and format from the rest of the site development. This would only be sought in exceptional cases. The council accepts that groups of affordable units may be the most effective design solution, but such groups of affordable units should not be in groups larger than 10 units.
46. In siting the affordable units, the developer should take account of accessibility and social needs of lower income households. Affordable units should therefore be generally found at the more accessible parts of the site and it will not be acceptable to tuck them away in the least accessible part of the site. In particular for this purpose accessibility means walking distance to a bus route and to local shops and services.
47. In addition affordable units should share any on-site parking provision proportionately with the private sector housing. For clarification it must not be assumed that parking is only available for the private sector housing.
48. The design of affordable housing units should comply with the *Design and quality standards (DQS)* of the Housing Corporation (or any subsequent replacement of these). If the design and quality standards are not met, then the RSL would not receive funding from the Housing Corporation and may not be able to accept the units. Affordable housing should also meet the 'lifetime homes' standard. Applicants will therefore need to consider these standards before designing their scheme, as they will have implications for the overall

¹ The housing strategy and enabling manager – see paragraph 55)

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



layout and size of units or blocks. Applicants should confirm in the planning and design statement that the design conforms to DQS.

49. Other policies in the local plan and supplementary planning documents apply to affordable housing, as they do to the remainder of the scheme. The attention of developers is particularly drawn to the *Energy efficiency and renewable energy SPD* (adopted December 2006), which sets out the need for an energy statement for developments of 10 dwellings or more. The requirements for energy efficiency should be consistent with the requirements of the Housing Corporation, which also specify high energy efficiency – e.g. Level 3 of the Code for sustainable homes. Developers are encouraged to seek to achieve higher standards for affordable housing than those required by the Housing Corporation. These are currently set at *Code for sustainable homes Level 3*, therefore at present developers should attempt to achieve at least level 4. These standards will be raised with time, with the aim of achieving zero carbon new housing prior to the government's target date of 2016.
50. The element of affordable housing within a scheme will be secured through a planning obligation attached to the permission granted for the scheme. A standard form of agreement is being developed by the city council. Outline permissions will need a slightly different form of agreement postponing the details to the reserved matters stage. The agreement will be a local land charge and will normally stipulate that the developer will transfer the affordable units to a RSL at a value which ensures that that body can let (or part let/part sell) the dwelling at an affordable rent/price.
51. The council would normally prefer that a RSL is identified and participates in the submitted scheme negotiations. RSLs are the recommended method for delivery and management of affordable housing, as they are regulated to ensure that the benefits of affordability are passed on when any unit is sold and to manage the housing in a way that provides for tenant participation.

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



52. The council has produced a set of partnership principles setting out certain expectations of affordable housing providers. All RSLs or housing organizations that will own or manage housing through a planning obligation should be a signatory to these principles. The list of RSLs is attached at Appendix 3.



Monitoring and review

53. This supplementary planning document will be monitored as part of the overall monitoring of progress through the *Annual monitoring report*. In particular that report will note the completion and approval of numbers of affordable dwellings under this SPD and through RSL developments on other public sector sites.
54. A review of the SPD will be triggered if the targets for meeting the housing needs totals are not being achieved, or when a revised assessment of housing need comes forward to demonstrate a need for a revised basis for operation of the policy.



Contacts

55. Further information can be obtained from planning policy and projects team at Norwich City Council, by contacting any of the following, or one of the RSLs listed in Appendix 3.

Stephen Osborn
Planning policy team leader
T: 01603 212522

John Andrews
Development control outer area team leader
T: 01602 212502

Jamie Ratcliff
Housing strategy and enabling manager
T: 01603 212877



Appendix 1

Relevant local plan policies

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.

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



HOU3

The development of affordable housing on suitable sites and as part of a suitable mix of housing types will be promoted and permitted through:

- (i) appropriate schemes on sites sold to registered social landlords
- (ii) replacement of outdated dwellings or those which cannot be economically repaired or refurbished
- (iii) direct provision by social housing providers, supported where appropriate by grants and, where possible by cross-subsidy arrangements from other developments
- (iv) support for schemes to provide for the special needs of elderly people, disabled people, and others with particular requirements.

HOU6

Housing developments within the city will be expected to contribute to meeting the following needs for community, recreational and other local facilities, as specified by the relevant policies and subject to the scale of contribution being fairly and reasonably related in scale and kind to the proposed development and negotiations taking account of any exceptional costs associated with the particular site:

- (i) affordable housing as sought by policy HOU4
- (ii) accessible dwellings as sought by policy HOU5
- (iii) children's equipped play space as sought by policy SR7
- (iv) public recreational open space (on larger sites) as specified by policy SR4
- (v) enhanced public transport accessibility and pedestrian and cycle access routes (policies TRA11, TRA14, TRA15 and TRA16)
- (vi) education provision for the area (depending on the

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



- (vii) availability of vacant places at existing schools)
- (viii) childcare facilities and early years provision as sought by policy AEC7
- (ix) enhanced library service (outside the city centre)
- (x) a community centre or provision for community facilities, if these are lacking in the area
- (xi) highway or footway works to enhance road and pedestrian safety (including safe routes to schools)
- (xii) archaeological requirements (as specified in policies HBE2 to HBE5)
- (xiii) landscaping of the site, including enhanced landscaping where any green links adjoin or are within the site and appropriate tree planting (in accordance with policies NE4, NE9 and SR12).

HOU13

Proposals for new housing on other sites will be assessed against the following criteria:

- (i) appropriate arrangements must be made for suitable vehicular access, layout and design
- (ii) a density equivalent to or higher than the density of bedspaces in the surrounding area should be achieved and normally at least 40 dwellings (net density) per hectare
- (iii) provision of private garden or public amenity space around the dwellings
- (iv) good accessibility for pedestrians and for people with disabilities to local shops, employment areas, a district centre or convenience store, a bus route serving the city centre, or a contribution to an appropriate enhancement of these facilities
- (v) no detrimental impact on the character and amenity of the surrounding area, including particularly retaining the

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



- amenity benefits of any urban greenspace or publicly accessible open space (under policy SR3)
- (vi) providing a range of types and sizes of housing including affordable housing (where policy HOU4 applies) with a mix of types throughout the site
- (vii) any benefits associated with the development in enabling regeneration of historic or other buildings in the vicinity.

In relation to proposals for greenfield sites on the edge of Norwich's built-up area, sites will only be accepted when other development in the urban area cannot meet the overall requirements of Norwich. The release of any land will be phased in accordance with policy HOU7.



Appendix 2

Consultation comments and city council responses

This table will be completed from the consultation responses.



Appendix 3

Partner RSLs, signatories of development partnership principles

Norwich City Council
Broadland District Council
South Norfolk Council
Broadland Housing
Places for People
Granta Housing Society
Orwell Housing Association
Circle Anglia
Flagship Housing Group
Cotman Housing Association
Iceni Homes Ltd
Hastoe Housing Association
Orbit Housing Group



Appendix 4

Calculation of affordable housing target for Norwich

The basis for the calculation of affordable housing need and provision is the *Study of housing need and stock condition* for greater Norwich, carried out by Opinion Research Services Ltd (ORS). This was carried out for the housing market area and demonstrated the different types and levels of need across the area.

It has been agreed between the authorities to pool their needs and seek to address them across the area, since otherwise it would have been impossible for the city to meet its needs, while Broadland and South Norfolk would have significant reductions in their housing needs.

The table below shows how the need for affordable housing has been calculated.

It follows a logical sequence of steps to project need from the ORS research; then to identify the city's element of need and its future provision; then to look at how much of this provision is on small sites (below the national threshold); then at what element will be Housing Corporation funded or RSL delivered housing, outside the scope of s106.

The conclusion from this sequence is that the policy now proposed (40% requirement) plus additional sites will produce 25% of affordable housing from a supply of 8820 dwellings (lines 7 and 8) (NB this takes account of known constraints on sites). Additional policy adjustments can be made to bring supply more in line with need estimates (line 13 below). At the end of this process the city is estimated to achieve 4049 affordable units over the period out of a total provision of 12,412 (or approx 35%).

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



The residual need will be for Broadland and South Norfolk to provide in their LDF documents – although it suggests that at approx 45% of total requirement this will not be feasible (line 15). The calculation suggests that, realistically, the policy changes will not actually meet the total need over the period, without significant further measures to improve the supply of intermediate and social rented housing across the sub-region.

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



		Market Housing	Intermediate	Social Rented	Total
1	Sub-Region Housing Requirement 2006-11 (ORS including backlog of need)	5485	528	3679	9691
2	Extrapolate to 2021 (without backlog)	16457	1438	9780	27674
3	Sub-Region total need controlled to RSS numbers	17873	1563	10621	30054
4	Norwich city requirement (out of line 3 – controlled to RSS)	4717	1292	4605	10614
5.	Norwich city total supply from				
	a) planning permissions at 03/06				3401
	b) Allocated sites at 03/06				3795
	c) Forecast new sites at 06				535
	d) forecast new sites to 2021				2883
6	Norwich city – yield from				
	a) sites under 15 units				429
	b) Other sites = no affordable units				571
	c) Housing Corporation funded				699
	d) Other sites = affordable (e.g. replacement)				95
7	Line5 – line 6 Source of future s106 contributions				8820
8	Potential yield of s106 from existing sites		152	1918	2070
9	Add line 6c) and 6d) to line 8 = total affordable housing anticipated now		152	2712	2864



10	Line 5 – line 9 = total market supply in Norwich	7750			7750
11	Line 4 – line 9 + surplus (-) or shortfall of affordable housing in Norwich		1139	1895	3034
12	Line 4 – Line 10 + surplus or shortfall of market housing in Norwich	-3033			
13	Adjustment for policy effect to meet need in Norwich	-385	+535	-150	0
14	Policy based provision in Norwich city (2006-21)	7365	687	2562	10614
15	Remaining need to be found in Broadland and South Norfolk	10508	876	8061	19450



Appendix 5

Financial information

The following information will be expected to be covered in an 'open book' financial appraisal.

- Construction costs.
- Contingency allowance.
- Off-site works.
- Planning contributions (s106).
- Financing Costs (and basis of these).
- Site preparation costs (including decontamination, archaeological measures, flood risk measures, earth movement, foundation costs etc).
- Legal and professional fees (including stamp duty, acquisition costs, architect and surveyors' fees, planning fees).
- Revenue estimates (by size and type of unit) and basis for those estimates (comparators). To include any revenue income by way of fees for parking/management charges etc over a period of at least 10 years.
- Alternative use site value (comparable for redevelopment in previous use or assumed alternative site use).
- Site purchase valuation (and date). Allowance for different policy elements and contributions should be shown.
- Housing Corporation grant assumption (if any) – please consult strategic housing about this.

Guidelines to RSL purchase price

These indicative figures have been provided by Broadland Housing, Flagship Housing Group and Circle Anglia Ltd. They are intended as a

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



guideline to prices for which it would be reasonable to acquire affordable housing units required by planning obligation (as at October 2007).

Social rented properties

1 bed	£40,000
2 bed	£52,000
3 bed	£62,000
4 bed	£75,000

Shared ownership properties

Approximately 75% of open market value (subject to meeting the relevant affordability criteria).

The assumptions utilised for these prices are as follows:

- No grant or public subsidy.
- Compliance with the Housing Corporation design and quality standards.
- Practical completion in 2008.
- The following sizes:
 - 1bf @ 46m²
 - 2bf @ 57m²
 - 2bh @ 71m²
 - 3bh @ 82m²
 - 4bh @ 101m².

The above sizes may need to be increased to accord with lifetime homes requirements if a traditional construction approach is adopted.

Cost of meeting Housing Corporation design and quality standards

[These costings have been prepared by Oxbury & Company.]

Affordable housing

Supplementary planning document
Draft for consultation, June 2007



Internal environment

Unlikely to incur additional costs compared with Housing Corporation design and quality standards April 2003 unless incorporating lifetime homes which is estimated to increase costs by approximately £3,800 per dwelling.

Sustainability

Code for sustainable homes level three is estimated to cost an additional £3,600 per dwelling compared with Eco-Homes 'very good'.

Code for sustainable homes level four is estimated to cost an additional £7,600 per dwelling compared with Eco-Homes 'very good'.

External environment

It is estimated that the costs of meeting building for life will be an additional £1,000 per dwelling.

NB: it is anticipated that the ongoing construction of buildings that are compliant to the *Design and quality standards* will result in the additional costs being mitigated as the industry finds economic and compliant solutions.

Affordable housing

Supplementary planning document

City of Norwich Replacement Local Plan



Information correct at time of publication. If you require this document in another format or language please contact Planning Services on 01603 212522 or email ldf@norwich.gov.uk