



CITY OF NORWICH REPLACEMENT LOCAL PLAN

SUPPLEMENTARY PLANNING GUIDANCE

PROVISION OF AFFORDABLE HOUSING

Summary

1. This Guidance has been drawn up by the City Council to interpret policy HOU4 in the Replacement Local Plan (Second Deposit Version)
2. The Council will seek provision of affordable dwellings up to 30% of total units on sites of 25 dwellings and over (or 1 hectare and above)
3. Negotiations with developers will take account of any exceptional site or market conditions in each case.
4. Affordable dwellings should be part of the overall mix and design of the site – they will not be separated from the remainder of new housing on the site and should provide a range of choice of types (where there are sufficient numbers to do so). The affordable housing may include up to 5% of shared ownership housing on larger sites (over 60 dwellings).
5. The preferred means of achieving affordable housing is the transfer of completed dwellings to a Registered Social Landlord at a price enabling the dwellings to be affordable without the need for public subsidy.
6. The City Council will seek a planning agreement or obligation to effect this guidance.

SUPPLEMENTARY PLANNING GUIDANCE

PROVISION OF AFFORDABLE HOUSING

(Adopted - September 2002)

INTRODUCTION

1. This Supplementary Planning Guidance (SPG) Statement gives guidance to developers, land owners and others on the City Council's approach to provision of affordable housing within new housing development. This guidance supersedes that previously approved in October 1999 (under the Adopted Local Plan) and has been the subject of consultation (draft published January 2002 – see Appendix 2 for responses).
2. The guidance interprets policy HOU4 of the City of Norwich Replacement Local Plan (Second Deposit Version). This policy is set out in Appendix 1, together with other relevant policies.
3. The status of this guidance reflects that of the Replacement Local Plan, which is given more weight having been through the Deposit stage of consultation and been amended to take account of such representations. It also deals with planning obligations by developers and therefore is subject to the criteria of Circular 1/97 – that legal agreements should be
 - Necessary
 - Relevant to planning
 - Directly related to the proposed development
 - Fairly and reasonably related in scale and kind to the proposed development
 - Reasonable in all other respects.

This guidance therefore seeks to conform to those tests.

OBJECTIVES

4. This SPG statement on affordable housing has the following principal objectives:-
 - to ensure that new developments contribute to meeting the needs of those local people, who are unable to afford to purchase or rent appropriate housing on the private sector housing market;
 - to set out the basis on which the City Council's policy will be interpreted in negotiation with developers;
 - to reflect the Council's commitment to social inclusion and to overcoming the effects of poverty on Norwich citizens

5. Circular 6/98 states that “a community’s need for affordable housing is a material planning consideration” in planning decisions but also that decisions should be based on a clear and up-to-date assessment of local need for affordable housing. The results of the Housing Needs Survey (November 2000) for Norwich provide such an assessment and include an overall target for such provision in the City. This is referred to in the Deposit Local Plan, in justification of the policy and targets therein.

DEFINITION

6. This SPG statement seeks the provision of “affordable housing” in terms of the Local Plan policies. Affordable housing need is defined in the Local Plan as follows:-

“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.”

It should be noted that this assessment of affordability will be reviewed from time to time, to reflect changes in the housing market.

7. Affordable housing is therefore a dwelling which meets the needs of those in need of housing at prices which they can afford, taking account of these constraints. This guidance also makes clear that the benefits of such housing should accrue to subsequent occupiers, not just to the initial occupier.
8. The Housing Needs Survey contained sections demonstrating that for Norwich, as for most other Districts surveyed, market housing does not generally satisfy that definition. However, because of recent house price increases some concern is developing about young people being able to purchase a dwelling in the City and it may be that heavily discounted market housing, secured as affordable in perpetuity, could be considered to meet some element of need in the future. This guidance does *not* however include such market housing at present.

SCALE OF NEED FOR AFFORDABLE HOUSING

9. The Housing Needs Survey shows that there were 2,091 existing households which were in unsuitable housing and could not afford market housing. In addition there are some 593 households (at November 2000) who were either homeless at the time of the survey or represent future households in need of affordable accommodation (at present concealed). This gives a total surveyed need for some 2,684 dwellings (or 537 per annum over 5 years)
10. The Survey report also projected housing need in newly formed households and migrant households to the area. It estimated that this would give rise to a further 1,163 households needing affordable accommodation each year.

11. Adding these two figures together gives a need for affordable housing of 1,700 per annum.

POTENTIAL SUPPLY OF AFFORDABLE HOUSING

12. The main sources of supply of affordable housing are relets within the Council owned stock of dwellings, relets of Registered Social Landlord (RSL) dwellings (including Council nominations), and new RSL rented or shared ownership dwellings.
13. Relets within the whole of the social housing stock were estimated by the Housing Needs Survey to run at 1,524 dwellings per annum. There is concern (in the most recent Housing Strategy) that relets are running much lower than this assumption, partly because right-to-buy is reducing the Council stock far faster than was assumed in the Study, without any significant increase in new build by social landlords.
14. 14. Other potential sources of affordable housing have been surveyed through the Urban Capacity Study (2002). In addition to new dwellings, affordable housing may also come forward through conversion of existing buildings (including larger houses) into dwellings and the re-use of redundant offices or other vacant space (e.g. over shops). These types of development are encouraged in the Local Plan (policies H23, S7, H8). There is no indication that any of the sources identified will add any significant numbers to new affordable dwellings.
15. The overall shortfall in affordable housing is therefore concluded by the Housing Needs Survey to be 176 per annum. This figure will need to be monitored over future years. It is the basis for seeking contributions to affordable housing from private developers in the city over the Local Plan period under policy HOU4.

AFFORDABLE HOUSING TARGET FOR POLICY HOU4

16. The target for affordable housing recommended in the Housing Needs Survey (40%) was based on the national picture of what has been adopted elsewhere, with very little account taken of the level of supply that might be achieved in the City. Historically such an approach was justified because the shortfall of affordable housing in Norwich was considerably higher than the likely supply. However, the review of the Local Plan has identified a much larger potential range of housing sites, giving rise to a supply, which could (theoretically) produce the requirement of 176 affordable dwellings per annum, based on certain assumptions.
17. The Local Plan identifies sites for some 8,457 dwellings, of which 1,150 are based on assumptions about future windfall or conversions. The Local Plan itself assumes differential rates of fallout would apply to give a supply of 7,283 dwellings, of which some 3,456 will be on newly allocated sites.
18. Within the supply identified in the Local Plan some 67% of sites are brownfield, some of which have significant identified constraints. This has to

be taken into account in setting a target for the overall level of affordable housing. The guidance in PPG3 is that policies for affordable housing should seek to meet the needs over a 5 year period. On this basis the requirement is for 880 affordable dwellings out of a supply which may total some 3,450. However, over the first two to three years housebuilding will mostly be from the stock already approved, yielding a much lower percentage. Also the allocation of new sites will only amount to some 2,500 over a five year period (see Appendix 5 of the Plan for expected development phasing).

19. **The City Council has thus calculated that a target of 30% of dwellings on sites of 25 dwellings or over or (where no details are available) on sites of 1 hectare or more should be affordable housing..** The basis of this calculation and the statement in the Local Plan that the target could be reached in 8 years is contained in Appendix 5. The figures will be reviewed and, if the housing needs of the City have been satisfied (i.e. towards the end of the Plan period), then the percentage requirement will be reviewed.
20. **The City Council will take account of site, size, suitability and market factors in such negotiations as required by PPG3 (and in policy HOU4).** Such factors would be allowed when substantial additional costs could not have been foreseen by a purchaser of the site – note the constraints known about at July 2002 are included in Appendix 5 of the Local Plan, so purchasers thereafter should be aware of those constraints.

IMPLEMENTATION - TYPE OF HOUSING

21. Policy HOU4 specifies that affordable housing will include a range of size and type of dwelling to be distributed throughout the site. The City Council will seek to ensure that a mix of types of housing - in terms of size, houses and flats, tenure and design – is achieved on larger sites (over 60 dwellings). This should reflect the broad mix achieved in the private housing on the same site. Clearly smaller sites will produce fewer affordable dwellings and on these their size and type will depend on the overall design and mix of dwelling types.
22. The City Council, with the RSL's operating in the City, has produced a Service Quality Agreement and the dwellings to be transferred to an RSL should seek to meet the various development and management standards outlined in that agreement. In particular the Council would seek that affordable dwellings are available to people on the Common Housing register for Norwich. Across the City as a whole the current Housing Strategy identifies a need for affordable dwellings to include primarily family houses, flats for single people and couples, elderly persons' accommodation and homes for people with special needs. The Housing Development Manager should be consulted on any particular site to identify what types of dwellings are most needed in that area of the City. (Local Area Housing Statements are being produced and will form the basis of this judgment in future). Accommodation to meet the particular needs of elderly people or people with special needs will require a high quality of design to meet those needs and should be the subject of early contact with the Housing Development Manager.

IMPLEMENTATION - AFFORDABILITY

- 23 The City Council aims to ensure that affordable dwellings are available at prices (for shared ownership dwellings) or rents which can satisfy a reasonable proportion of the identified housing need. This requires that the cost to the RSL should be below market value, by way of a subsidy from the private developer. It is intended that this will impact on the price paid for the land by the developer.
- 24 Public subsidy in the form of Social Housing Grant will not normally be available to support the provision of affordable housing through policy HOU4. This is in order to maximise the provision of additional affordable housing through the planning system. However Social Housing Grant may be available to support special needs schemes on such sites to cover the additional costs associated with those schemes. In addition Social Housing Grant may be supported on sites where the costs associated with developing in relation to land values mean that insufficient subsidy will be available to achieve affordability of rents or shared ownership prices. In these instances the cost of land (at the point of transfer) should be excluded from the transfer value of the affordable housing. Developers and landowners will, therefore, be required to discount the sale value of the properties to an Approved RSL to a value which allows Housing Corporation target rent levels or shared ownership values to be charged in line with guidance contained in the Rent Influencing Regime, October 2001, implementing rent restructuring (and any subsequent guidance).
- 25 The City Council's preferred mode of agreement for delivery of affordable housing to an RSL is for the developer to provide them through an off-the-shelf or similar procurement arrangement with a RSL. Developers must work in partnership with an appropriate RSL. The planning obligation (or section 106 agreement) will then cover the means and timing of transfer of the dwellings to the RSL. If this is not possible, then a clause will be inserted within the agreement that development will not proceed beyond the commencement of 25% of the general market houses to be built until such an agreement has been signed and produced to the local planning authority.
- 26 The Replacement Local Plan includes the overall target of 30% (para 8.30) affordable housing and states that up to 5% of the total may be provided as shared ownership dwellings with the other 25% as affordable rented housing. This shared ownership element would similarly need to be negotiated with the potential RSL interest, but will need to be flagged with the parties at an early stage in order that current financial assumptions can be assessed to ensure affordability. Shared ownership housing will not be subsidised further from social housing grant. It is not envisaged that this element will be included on sites where the shared ownership element (at 5%) would be fewer than three dwellings – i.e on sites of under 60 dwellings.

IMPLEMENTATION - COMMUTED PAYMENTS

27. PPG3 states that, where a Local Plan has identified that provision for affordable housing would apply to a site, then schemes should include such housing. In addition the guidance also aims to achieve objectives relating to the social mix in new residential areas. In the City Council's view this means that commuted payments are not generally an appropriate means of

achieving affordable housing. There may be exceptions for small sites (under 40 dwellings) where no target figure is identified in Appendix 5 of the Local Plan, but these would need specific justification in relation to an individual site.

28. In those exceptional circumstances, commuted payments for off-site provision will be calculated according to the formula in Appendix 3, based on providing the equivalent numbers of dwellings to 30% of on-site provision. Any such commuted payment will then be used on a site within that sector of the City within six years of the commencement of the development in question. Wherever possible a suitable site should be identified to accommodate the affordable housing and, if none has been, then the Council will need to be satisfied that such a suitable site is likely to come forward and at a cost which would enable the RSL to achieve affordable rent levels on the site. The costs of land purchase (or transfer) will be included in the calculation of the commuted payment.

IMPLEMENTATION - OTHER MATTERS

29. The City Council will seek to involve a RSL in the agreement on affordable housing. In particular this would ensure that the affordable housing for rent or shared ownership could be allocated to households on the Norwich Common Housing Needs Register (or its replacement).
30. Development sites should not be parcelled into smaller plots to avoid the threshold of 25 units. If this happens on what is clearly a single development site, (areas being contiguous and in a single ownership at the time of the initial proposals emerging, or being identified in the Local Plan as one site) the City Council will apply the affordable housing policy to the whole site and expect development to make provision for affordable housing in each phase of development, even if individual phases represent schemes of less than 25 units.
31. In addition the City Council will seek to ensure that affordable housing meets the appropriate Housing Corporation's Scheme Development Standards (2000) and the space standards outlined in Appendix 4. These standards will be updated annually through the review of the Council/ RSL Service Quality Agreement.
32. In terms of siting, the affordable housing should be located where it can satisfy the needs of low income households - in particular having good access to bus routes, local community facilities and other amenities.
33. Other Local Plan policies will continue to apply.
34. Where a RSL is proposing a scheme on the whole of a site, where affordable housing would normally be negotiated, a section 106 agreement will be required to be entered into to ensure that the provision of at least 30% of the units meet the criteria as affordable housing in line with this guidance.

LEGAL AGREEMENTS

35. The provision of affordable housing will be set out in a legal agreement under S106 of the Town and Country Planning Act. The agreement will include provisions to ensure that:-
- (i) the agreement is a local land charge;
 - (ii) the developer will directly covenant to transfer the affordable housing units to an appropriate social landlord at a value which ensures that the dwellings will be affordable (see paragraphs 23 to 26 above)

QUESTIONS OR COMMENTS

36. Further information can be obtained from Stephen Osborn, John Andrews or Claire Willimott of the City Council's Planning and Architectural Services Department and Peter Goodrick (Housing Development Manager) can provide details of RSL's active in the City.

September 2002

APPENDIX 1 - RELEVANT LOCAL PLAN POLICIES

The following policies of the City of Norwich Replacement Local Plan (Deposit Version) are relevant to these guidelines.

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, as defined by the Housing Needs Survey 2000 (and updated to allow for inflation). 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 to be distributed throughout the site.. The overall target for the City is 1,680 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.

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 TRA15, TRA19, TRA20 and TRA21);
- (vi) education provision for the area (depending on the availability of vacant places at existing schools);
- (vii) childcare facilities and early years provision;
- (viii) enhanced library service (outside the City Centre);
- (ix) a community centre or provision for community facilities, if these are lacking in the area;
- (x) highway or footway works to enhance road and pedestrian safety (including safe routes to schools);
- (xi) archaeological requirements (as specified in policies HBE2 to HBE5);
- (xii) 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 NE8, NE12 and SR13).

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 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**

August 2002

SCHEDULE OF RESPONSES
SPG - AFFORDABLE HOUSING

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
Go East	(1) General : Status of SPG	SPG can be a material consideration provided the authority consults on it and publishes its response.	Noted.
	(2) General : Context of SPG and Planning Green Paper	Welcome publication of SPG to satisfy present system until any revised system becomes operative.	Agreed.
	(3) General : advice to take legal opinion	Go East does not comment on matters of law.	Legal advice has been obtained on several issues.
	(4) Para.5/6 Definition of affordable housing	Should be extended to include low cost market housing to enable people to get a foothold in the housing market.	This is inconsistent with Go East comments on Local Plan - however the formulation there was more temporary - amend SPG to that formulation.
	(5) Appendix 2 - approved weekly rents and space standards	This goes beyond planning policy as rents/prices are not a consideration.	Remove rental levels and refer (in para. 23) to 'rental levels equivalent to HC target rents'.
	(6) Para 24 - Ref. to 'approved RSL'	Planning authorities should not seek to specify which partners house builders must use.	Amend wording.
	(7) Para 27 - commuted payments formula	Should only be used to obtain the same percentage as would be sought on the site.	Whilst there is logic in the approach adopted, we have reviewed the method and consider that the text should be amended.

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
Go East (Cont)	(8) Para 33 - Sites developed wholly by an RSL	There should be no requirement for a legal agreement, as the RSL will manage the housing for those in need.	This is not necessarily true. Some RSL housing using non HC funding is based on private market rents and will therefore not be affordable. Minor amendment to clarify where legal agreement is required.
House Builders Federation (East)	(1) Para 5/6 - Definition of affordable housing	Fails to include discounted market housing to meet 'key worker' and other similar needs.	There is no evidence that such need is significant in Norwich at present. Amend to clarify this.
	(2) Para 8-10 - Housing Needs Survey	Not satisfied that this provides an adequate basis for establishing need. Should assess wider range of needs and use of existing stock.	Not agreed. The HNS followed the format advised as good practice by DTLR and did cover a range of needs and the existing stock.
	(3) Para 18 - The target of 30% and threshold of site size	The target of 30% should be purely a guide for negotiations and the reduced threshold (20 dwellings) in the City Centre needs further justification.	Not agreed. The 30% target is justified (Appendix 5). The threshold for the City Centre is amended to 25 dwellings in the Second Deposit Version.
	(4) Para 23 - availability of SHG for affordable housing	SHG restriction is open to challenge on policy and legal grounds. Should be in Local Plan and subject to scrutiny. It effectively sets prices and is contrary to Circular 6/98.	Not agreed. It depends on relative price and land value and availability of HC funding for different purposes. It is therefore open to the local authority to vary its use according to the circumstances. The wording is clarified as guidance to negotiations explaining where grant may be available.

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
HBF (East) (Cont)	(5) Para 30 - affordable housing to meet Scheme Development Standards	Not a planning consideration, but for the RSL to determine. If no subsidy paid, there should be no requirement.	Not agreed. It is essential that affordable housing meets minimum standards, otherwise it will not satisfy the needs identified, regardless of where finance comes from.
	(6) Para 24 - Ref. to 'approved RSL'	(As Go East comment 6).	Amend wording.
	(7) Para 24 - Planning agreement to cover transfer of land to RSL	Planning agreements cannot require transfer of interests in land.	The SPG does not say this will be a requirement
	(8) Para 26/27 - commuted payments as an alternative	(As Go East comment 7).	As above.
McCarthy and Stone (Agent - Levvel Consulting)	(1) Summary	Document needs to be consistent with national and regional planning guidance.	Accepted – amendments will achieve that fully.
	(2) Para 5/6 - Definition of affordable housing	Should not include use of 5% deposit test, as 100% mortgages are commonly available now. Should not insist on affordable housing being available in perpetuity. Exclusion of private rented or low cost market housing is contrary to Circular 6/98.	Not accepted. It is open to LA's to assess the housing market and what needs would be met by different types of provision. However should be clarified that this is a temporary assessment, which needs to be regularly updated.
	(3) Para 8-10 Scale of need for affordable housing	Housing Needs Survey not considered comprehensive or consistent with DTLR advice.	HNS is consistent with DTLR advice. However its analysis of housing supply was reviewed and therefore a lower target adopted.
	(4) Para 14 - Supply of affordable housing from other sources.	No estimates of rate of conversions and other sources.	Revised Urban Capacity Study now provides such estimates. Amend to refer to these.

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
McCarthy and Stone (Cont)	(5) Para 15 - Affordable housing target of 176 per annum	Figure too high in relation to historic completions. Should set a realistic target which is deliverable.	Not agreed. Rapid change in local housing market and in LP provision - see latest Housing Land Availability monitor and Appendix 5.
	(6) Para 17 - Meet needs through targets for a 5 year period	5 years not appropriate in context of Local Plan. Figures should cover the life of the Plan.	Comments not consistent with the guidance. However LP now acknowledges will take longer to achieve full provision of target (see Appendix 5)
	(7) Para 18 - Threshold in City Centre	Lower threshold site size not justified.	Agreed - amended in Local Plan.
	(8) Para 19 - Take account of site size suitability and market factors	No evidence that City Council will take such requirements into account. Points to site HOU12 A19 in Appendix 5.	The Council will continue its present practice, which has allowed such factors on numerous sites. Agree that HOU12 A19 should not be identified in the Appendix to Local Plan.
	(9) Para 20/21 - Affordable housing relating to RSL Service Quality Agreement	Should not be restricted to negotiation with RSL and quality standards not relevant, if no social housing grant involved.	RSL's are the primary producers of affordable housing meeting the needs identified in Norwich. It is vital that any type of affordable housing meets basic minimum standards and the City Council is perfectly entitled to apply such standards itself, in order to maintain consistent standards.
	(10) Para 22 - Subsidy required and negotiated from developer	Reference is confused - should be negotiated with the developer and agreed with landowner.	A legal agreement is signed with the developer. The Council therefore has to gain the subsidy through the developer.

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
McCarthy and Stone (Cont)	(11) Para 23 - SHG not normally available	Unfair, if this means some developments will gain subsidy. Should not prescribe providers of affordable housing and should not rely on Appendix based on present rents/ prices.	See Go East comment 5 (above). Clarify that negotiations will all be on this basis, unless there are particular factors which justify SHG subsidy.
	(12) Para 24 - Preferred mode of delivery by RSL	Council should work with all housing providers.	Amend wording.
	(13) Para 26-27 commuted payments	Not in accordance with Circular 6/98. Should only apply where the alternative site is a qualifying site. Should only relate to the levels of affordable housing subsidy the developer would be obliged to pay on site.	See Go East comment 7. Not accepted that Circular 6/98 means this at all - the commuted sum can be used on any site. If it is a site already owned by the Council or RSL, then they should be compensated for the loss of that site to ensure the overall volume of affordable housing is not reduced.
	(14) Appendix 3 - commuted sum calculation	This calculation is too onerous.	The calculation is amended, but not necessarily to make it less onerous.
	(15) Para 30 - Requirement to meet Housing Corporation SDS	Should not be required, if no HC subsidy involved.	See response on point 9 above.
	(16) Para 33 - Agreement needed on RSL schemes on own sites	RSL provision should be counted as 100% affordable.	Not agreed. If RSL is not seeking subsidy then its rents/prices will be higher than affordable housing levels and the policy should apply.
	(17) Para 34 - Legal Agreements	Information limited. Would be better if a standard example was included. Should not seek to control tenure.	Tenure is relevant to the form of affordable housing and the agreement.

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
Saxon House Ltd. (Agent - Carpenter Planning)	(1) Para 18 - Affordable Housing target	SPG should be based on intent to negotiate and the figure of 30% is arbitrary.	Negotiation is now sought by revised LP policy. Amend references in SPG to clarify this. 30% target figure is not arbitrary, and is justified through Appendix 5 of this SPG.
Broadland District Council	(1) Para 25 - 5% shared ownership element	Not very clear what this is a percentage of.	Clarify 5% of total dwellings on site.
	(2) Appendix 3 HC grant levels	There is a problem in that HC figure will vary over time - system will lose a great deal of transparency.	Further ongoing discussion needed with other Districts.
Hopkins Homes	(1) Para 25 - targets for different tenures	Unreasonable and unlawful to dictate percentage of shared ownership and rented accommodation.	This is not dictated – the para. states these are maximum levels.
	(2) Para 27 Appendix 3 - Calculation for commuted payment	Figure should be based on the number of affordable units which should be provided on site, if there are clear reasons why it is not appropriate on site. Not clear why another site needs to be 'identified', especially if sum to be held for 4 years.	Accepted – see response at Go East (7) above. Accept that alternative site does not need to be 'identified' in advance (but Council must assess likelihood of local site coming forward and be able to purchase site).
	(3) Para 18 - lower threshold in City Centre	Do not agree, since higher densities will normally bring smaller sites within target anyway.	Accepted - Local Plan now amended.
	(4) Para 34(iii) Legal Agreement and commuted payment as fallback	Not practical for agreement to increase the % sought, if agreement cannot be reached with RSL.	Accepted - SPG amended.

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
Carpenter Planning	(1) Para 1 - Status of guidance	SPG does not form part of the development plan and this should be made clear.	Clarify to avoid any doubt.
	(2) General - Plan policies	Elements of the SPG should be in the Local Plan.	Comment does not specify what elements. Not accepted in generality. However some amendments made.
	(3) Summary Para 3 - negotiation	Use of the word 'exceptional' to describe site and market conditions taken into account. Clarify.	Clarify within the SPG (at para. 19).
	(4) Para 13/15 Shortfall and supply of housing	What period of years do these figures apply to?	A separate technical paper will look at the justification for the figures.
	(5) Para 17 - Shortfall in Affordable housing and rate of development	What happens if need is satisfied? Appendix 5 of the Local Plan does not specify time period of phasing.	Accept SPG should say what arrangements are for review near the end of the period. LP revised extensively re phasing.
	(6) Para 20 - Mix of types of housing	Summary suggests larger sites are those over 60 dwellings - clarify whether this applies here.	Clarify this point.
	(7) Para 25- 5% shared ownership dwellings	This is a restriction on tenure contrary to Circular 6/98.	Clarify that 5% is maximum to be sought in negotiation.
	(8) Para 26 - Commuted payments	Statement that 'commuted payments are not generally an appropriate means of achieving affordable housing' inconsistent with government guidance. Comments on various matters re Local Plan.	These are not comments on the SPG.

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
Carpenter Planning (Cont)	(9) Para 27 - Calculation of Commuted Sum	Concerned that the percentage must be calculated on a site-by-site basis and should not include affordable units provided elsewhere. Concern as to whose responsibility it is to identify a site.	Amend to show that commuted payments should always achieve 30%. Accept point re site identification - SPG amended to delete this (see above Hopkins Homes, point (2).)
Guinness Trust	(1) Para. 6 - Benefit of affordability to subsequent occupiers	Wish to have 'mortgagee in possession' clause to give assurance to funders.	Such clauses can be included if necessary. – but it is not a policy requirement to do so.
	(2) Appendix 2 - Space standards	Concern that space standards may compromise HC Scheme Development Standards.	Should not do so – Service Quality Agreement discussed with RSL's. (ref added)
	(3) Para. 18 - Target of 30%	Appreciate the need to maximise funding resources but may lead to sites remaining undeveloped.	Noted. There is no sign of this at present that we are aware of.
Persimmon Homes (Agent - Carpenter Planning)	(1) Status of SPG	As Carpenter Planning pt.1	See above
	(2) General - Plan policies	As Carpenter Planning pt.2	See above
	(3) Summary Para.3 - negotiations	As Carpenter Planning pt.3	See above
	(4) Para. 13/15 Shortfall - supply of housing	As Carpenter Planning pt.4	See above

<u>Consultee</u>	<u>Section of SPG</u>	<u>Comments</u>	<u>City Council Response</u>
Persimmon Homes (cont)	(5) Para. 17 Shortfall in affordable housing and rate of development	As Carpenter Planning pt.5	See above
	(6) Para. 20 Mix of types of housing	As Carpenter Planning pt.6	See above
	(7) Para. 25 - 5% shared ownership	As Carpenter Planning pt.7	See above
	(8) Para. 26 Commuted payments	As Carpenter Planning pt.8	See above
	(9) Para. 27 Calculation of commuted sum	As Carpenter Planning pt.9	See above

APPENDIX 3 COMMUTED PAYMENT CALCULATIONS FOR AFFORDABLE HOUSING

A commuted payment required will be calculated according to the figures and formulae supplied by the latest Housing Corporation Total Cost Indicators (TCI) for Norwich and average grant rates for self-contained new build accommodation in the East of England region in operation when the planning permission is granted.

The basis of the calculation of a commuted sum payment will be the grant level required to build a 3 bedroom, 5 person house of approximately 85m² plus land costs.

The following is an example of how the commuted payment per dwelling will be calculated for a scheme receiving planning permission in August 2002.

- 100 dwellings are proposed for construction
- 30% of that gives 30 dwellings at normal densities - this would require 0.75 hectares of land
- Apply regional Housing Corporation figures for Total Cost Indicators multiplied by 110% and average regional grant rate (TCI = £100,650; Grant rate = 54%) to give Grant per Unit = £54,351

The total developer contribution to affordable housing on 100 dwellings would therefore be

$$(30 \times £54,351) = £2,262,300$$

The planning obligation will provide for this sum to be paid to the Council before the occupation of the first dwelling on the site (of phased for larger developments). The sum will be held for provision of new affordable housing within the City no later than 6 years from the commencement of development.

APPENDIX 4 APPROVED SPACE STANDARDS FOR
AFFORDABLE HOUSING (2002/3)

Floor Area (nett)

1 Bedroom/ 2person flat or bungalow	45 – 55m ²
2 Bedroom/ 3 person flat or bungalow	55 – 65m ²
2 bedroom/ 4 person house	65 – 75m ²
3 bedroom / 5 person house	75 – 85m ²
4 bedroom / 6 person house	85 – 100m ²

APPENDIX 5 CALCULATION OF AFFORDABLE HOUSING TARGET

Paragraph 8.29 of the Local Plan (Second Deposit Version) sets an overall target of meeting the need for affordable housing over an eight year period (2000-2007). This allows for removing the backlog identified in the Housing Needs Survey (880 dwellings) and providing sufficient dwellings to maintain the rate of Registered Social Landlord development in the City (100 per annum). This requires a total of 1680 affordable dwellings to be developed over that period (2000-08).

This Appendix provides the calculation of how that can be achieved.

A The first consideration is sites where permission has already been granted, including affordable housing. In most of these cases development has already commenced. The Housing Monitor for 2000/01 identified sites where 166 affordable dwellings were completed and in the previous year 1999/2000 the total was 93.

B Permissions had also been granted for the following sites, including agreements for the numbers of affordable dwellings shown :

Site	Affordable Units
Riverside	27
Pointers Abattoir, Aylsham Road	12
Fifers Lane	36
Denmark Road	8
Norfolk and Norwich Hospital site	70
Chapelfield	35
Kerrison Road	25
Land adj. Norwich City FC, Carrow Road	18
Duke's Court, Duke Street	14
St Augustine's Pool site	15
Esdelle Works	18
Draper Way	14
New Mills Yard/ Unicorn Yard, Oak Street	14
Gas Hill	44
Baxter Court, off Aylsham Road	10
Tolye Road, Chapel Break, Bowthorpe	5
Trowse Millgate (commuted sum)	2
Magdalen Street	18
Former Bowthorpe School site, Bowthorpe Road	45
Rouen Road/ King Street (Brewery site)	18
TOTAL	448

[NB the above sites have permission – however, in several cases if the scheme is not implemented, but a revised one resubmitted, the new Local Plan policy HOU4 would mean an increase in the numbers of affordable dwellings achieved.]

C The remaining sites likely to yield affordable housing are those identified in the Local Plan as being phased for development before 2007. They are as follows (using the number of affordable dwellings identified as a target in Appendix 5 of the Local Plan, where such a target is identified)

Site	Affordable Dwellings
Busseys Garage, Quayside	10
Botolph Street/ Pitt Street/ Edward Street	10
Whitefriars/ Barrack Street	6
Bus Station site, Queens Road	15
St Anne's Wharf, King Street	27
Three Score (Phase 2)	220
Box and Barrel Works, Bishop Bridge Road	8
Atkinson Close, Chapel Break	10
Bishy Barnabee Way, Bowthorpe	57
1-5/11 Thorpe Road	12
37-70 Ber Street	10
Reeds Mill/ Cannon Wharf, King Street	10
Bertram Books, Rosary Road	12
Gildengate House, Anglia Square	15
Paper Mills Yard, King Street	12
Foulgers Opening, King Street	8
Northfields House, Northfields	8
Alderman Clarke House	8
Heartsease House	8
UEA Fifers Lane (Phase 2)	22
Civil Service Sports Ground, Wentworth Green	20
Elizabeth Fry Road/ Kinghorn Road	47
Harmers' site, Havers Road	30
Lime Kiln Mews	8
Bussey Road, Fiddlewood	12
Haslips Close/ Devonshire Street	12
Bowers Avenue	10
Elizabeth Fry Road/ Bacon Road	24
Cadge Road/ Gipsy Close	15
Gresham Road / Bignold Road	8
The Loke./ Dereham Road	15
Anthon y Drive/ Sprowston Road	10
Lilburne Avenue	10
Heigham Street	6
Pointers Field, Aylsham Road	12
TOTAL	727

[NB these sites all assume that only the target percentages are developed for affordable housing. On some sites it is likely that a Registered Social Landlord will develop the whole site with affordable dwellings. Set against this is the Local Plan's own assumption that

certain sites will “fall out” – i.e. fail to be developed in the plan period. These two factors can be assumed to balance each other out]

D. The other source of dwellings is the allowance for sites from the Urban Capacity Study. It is reasonable to assume some of these will come forward as affordable dwellings through the medium of purchase and development by a registered Social Landlord. The most likely sources are

- Flats over Shops
- Intensification of development in residential areas (in Council estates it is likely that such sites will be sold to RSLs)
- Review of allocations on other uses.

It is estimated that out of 1,150 dwellings identified from these sources in the Urban Capacity Study, some 300 might be developed as affordable dwellings over the Plan period. Pro rata this works out as 210 dwellings over the years to 2007.

Summary

The capacity for affordable dwellings to be developed over the period 2000-2007 is therefore summed as follows :

A (already constructed)	259
B (permissions already granted)	448
C (Local Plan allocations to 2007)	727
D (assumptions in the Urban Capacity Study)	210
TOTAL	1644

Whilst the total falls marginally short of the target of 1680, the commentary at each section suggests there are other potential sources which could be tapped, or could be forthcoming. The largest potential source is that most sites brought forward recently are yielding a higher density of development than assumed in the Local Plan and therefore the target should be exceeded for such sites.

