Joint Core Strategy for Broadland, Norwich and South Norfolk, Broadland Part of Norwich Policy Area Examination

The Councils Response to Matter 2 **Days 2&3, 22 & 23 May 2013**

Matter 2 – The implementation of the submitted JCS proposals

1. Whether policy 10's proposals and associated text for employment and housing are positively prepared, justified by the evidence, consistent with national policy, and effective

1.1. Please provide me with a copy of the Annual Monitoring Report 2011-2012 produced by the GNDP on behalf of all three councils. When will the 2012-2013 Annual Monitoring Report be available – in time for the May examination hearings?

The Councils' Response

The Annual Monitoring Report 2011 – 2012 is available on the GNDP website, http://www.gndp.org.uk/downloads/GNDPAMR201112FINALV2.pdf. It is referenced in the evidence library as document MN-2.

The report is also provided in hard copy. The 2012 – 2013 Annual Monitoring Report is expected to be published in December 2013.

1.2. Given the delay in bringing forward the NEGT, are the housing delivery figures in the JCS Appendix 6 Housing Trajectory correct? For example, has Rackheath started delivering homes in 2011/12 as stated (is this not a commitment if they are built?)? And will the remainder actually start delivery in 2014/15?

The Councils' Response

The Housing Trajectory in Appendix 6 is the one that was adopted as part of the JCS, and uses the same base date for all areas. It was correct at the time of its adoption. Further, where the adopted plan remains in place, there continues to be strong developer activity which is expected to deliver broadly in line with the JCS trajectory across the plan period.

The detailed situation in the area covered by the remitted text is the following. During 2011/12, 2012/13 within Rackheath and the remainder of the Growth Triangle, housing development has not been begun in accordance with the trajectory. At least in part this is a consequence of the outcome of the Legal Challenge, which has slowed progress on the production of the Area Action Plan and the progress of planning applications whilst the work resulting from the High Court Order has been undertaken.

Nonetheless, it is anticipated that delivery on the new sites within the Growth Triangle could begin in 2015. Additional permissions that have been granted within the Growth Triangle since the base date of the JCS within the Growth Triangle are already under construction and others could come forwards ahead of 2015. The following explanation address the issue of delivery within the Broadland NPA.

The strategy for the delivery of housing in the Broadland NPA comprises three principal elements: The delivery of existing planning commitments; the delivery of new sites in the Growth Triangle; and, the delivery of new sites across the Broadland NPA as part of the Smaller Sites Allowance.

The following sections explain the delivery rationale for the different parts of the strategy for Broadland.

The delivery of Existing Planning Commitments

At the 2008 JCS base date Broadland NPA commitment was 2099 dwellings. Since then 481 dwellings have been completed and current commitment has increased to 3,067.

The net increase in housing commitment within the Broadland NPA will support the early delivery of housing sites ahead of the Site Allocations and Area Action Plan process.

The Growth Triangle

The Growth Triangle comprises a major urban extension to the north-east fringe of Norwich and the Rackheath eco-community, formed by a significant northern extension of Rackheath village.

The JCS as originally adopted forecast the delivery of the Rackheath eco-community being begun in 2011/12 with the delivery of the remainder of the Growth Triangle being begun in 2014/15.

The delivery of the eco-community has not been begun as expected. The developer, Barratt Homes, has confirmed their intention to submit a hybrid application (part full, part outline) in 2014, (see the Statement of Common Ground between the GNDP and Barratt Eastern Counties). Subject to the timely grant of planning permission the developer has confirmed that development of the eco-community can be begun in 2015 and that the overall housing trajectory expectations can be met over the course of the plan period.

Whilst the planning application for the Rackheath eco-community has not come forward in the way originally envisaged other developer activity has been taking place in the area. A planning appeal was allowed for 80 homes within the site of the eco-community masterplan as submitted to government in 2012 and a further 14 affordable homes were permitted in early 2013. As part of the appeal process letters of intent were submitted from Persimmon and Dove Jeffery Homes expressing firm interest in the site and the potential of the site to come forward in the short term. This was taken into account by the planning inspector in reaching his decision. Both of these sites offer the opportunity for early delivery within the Growth Triangle.

The delivery of a major urban extension of 3520 homes between Wroxham Road and Norwich International Airport part of Growth Triangle is progressing. Beyond Green Developments have submitted a planning application and Broadland District Council has confirmed that they will be in a position to determine the Beyond Green Application in Summer/Autumn 2013. Furthermore, Beyond Green Developments has confirmed that, subject to a timely grant of planning permission, development could commence on their site in 2015 and deliver at a rate broadly commensurate with 1/3 of the housing forecasts over the plan period (see the Statement of Common Ground between the Council's and Beyond Green Developments).

The Beyond Green Developments site does not cover all of the available land between Wroxham Road and Norwich International Airport. For example, the Norwich RFU club is being promoted by a separate developer, Badger Homes. In developing their application Beyond Green Developments have taken account of how this site could be integrated into their wider scheme. Badger Homes have confirmed their intention to bring forward an application for the relocation of Norwich RFU and the development of their former site in the latter part of 2013 and that the implementation of the Beyond Green Scheme would not affect their ability to bring forward this scheme or the achievable development rate on site. This would mean that the area between Wroxham Road and Norwich International Airport could achieve development levels that are actually in excess of those that the Beyond Green site might achieve in isolation .

The remainder of the Growth Triangle area is covered by a range of land ownerships. In particular, significant areas of land have been promoted north of Salhouse Road between the White House Farm Development and Rackheath Park, between Salhouse Road and Plumstead Road and east of the Bittern railway line. The owners of the site north of Salhouse Road have confirmed in a Statement of Common Ground that their intention remains to make the land available for development and will work with Broadland to achieve a single co-ordinated approach to development within the area. An option is held on this land by Persimmon Homes and they have confirmed that they anticipate beginning to bring this site forwards in circa 7 years time.

At the time of writing no Statement of Common Ground has been reached with the landowners to the south of Salhouse Road. However, land in this location continues to be promoted through Broadland's Area Action Plan process.

It is therefore considered reasonable to conclude that these areas could support delivery over the medium to long term.

An existing resolution to grant planning permission also exists on a site south of Plumstead Road, at Brook Farm and Laurel Farm. The application is for 600 homes and the completion of the Broadland Business Park local plan (2006) allocation. The delivery of this site is dependent upon the improvement to the Postwick junction on the A47 and the construction of a link road serving the development between the junction and Plumstead Road. However, there are no other planning related constraints to the delivery of this development. Planning

Permission exists for the improvements to Postwick Junction. This “Postwick Hub” scheme is fully funded, would provide capacity improvements to allow for the Brook Farm permission to be implemented, and is being progressed by Norfolk County Council. Subject to confirmation of Side Road Orders, Norfolk County Council anticipates that construction of the Postwick Hub will be completed in 2015.

The combination of North Sprowston & Old Catton, Rackheath & Brook Farm could provide 100% of the planned growth within the period up to 2026, and approximately 70% of the overall minimum development levels proposed for the Growth Triangle.

Additional planning permissions in the Growth Triangle have been granted since 2008 at Spixworth Road, Old Catton (40 homes) and Home Farm, Sprowston (80 homes). The Spixworth Road site is expected to be completed in the next year and construction could begin on the Home Farm site in the near future. These sites therefore have the potential to support development in the early part of the remaining plan period.

Appendix 1 gives further detail of the sites for which statements of common ground have sought to be concluded.

Broadland Norwich Policy Area (NPA) Smaller Sites Allowance

The smaller sites allowance in Broadland is intended to allow for a range of sites to come forward across the Broadland NPA, outside the Growth Triangle. This utilises existing infrastructure capacity and allows for early delivery.

Appendix 6 of the JCS Submission Content forecasts that delivery on these sites would be begun in 2014/15.

Broadland’s Site Allocations document is currently being prepared. Consultation is due to be undertaken on the preferred options version of this document in July 2013 with submission in the early part of 2014.

Planning permission already exists for over 400 homes on potential allocations sites within the Broadland NPA, outside the Growth Triangle. These include:

- Persimmon Homes will commence development of 150 homes in Brundall in the early part of the next five years (see Statement of Common Ground). .

- Beacon Planning have stated that the 175 homes at Yarmouth Road, Blofield can be delivered within the next five years. This was confirmed in their proof of evidence for the public inquiry into their site and was taken into account by the appeal inspector in granting planning permission for this site.

- Hopkins Homes have stated that their permission at Crostwick Lane, Spixworth for 52 homes will be begun in summer 2013 and completed over the next 2-3 years.

- Two permissions for 20 and 22 homes in Blofield and Salhouse respectively that are both considered likely to be delivered within the next 5 years.

In addition to these existing permissions, a range of additional sites are coming forward through the plan making process, including sites such as the Royal Norwich Golf Club. The capacity of this site could be in the region of 1,000 homes and Savills have confirmed in writing that negotiations are in hand for the re-location of the golf club and with national house builders with the intention of securing early residential development.

A potential allocation site is expected to be received ahead of the site allocations process on Land East of Cator Road and North of Hall Lane in Drayton. With a site capacity of around 150 homes, if granted planning permission, this site could contribute to the early delivery of homes in the Broadland NPA.

Sites have also come forward since 2008 at Pinelands Industrial Estate, Horsford (62 homes) and Vauxhall Mallards, Strumpshaw Road, Brundall (44 homes). The Pinelands development has been under construction since September 2011 and is expected to be completed by the end of 2013. These are supporting delivery in the early years of the plan.

The LDS, which was most recently updated in December 2012, establishes that the preferred options consultation on the Site Allocations DPD will take place in mid-2013, with the intention to submit the submission version to the Secretary of State in early 2014. This timetable for the Site Allocations DPD is fully consistent with the delivery of sites in accordance with the trajectory as shown in Appendix 6 of SDJCS 1.

Conclusions

The net change in planning commitments since 2008 illustrates that through the grant of planning permissions ahead of the Site Allocations and Area Action Plan process, early delivery on sites is being supported.

Whilst delivery has not been begun at Rackheath in accordance with the Growth Location housing forecasts, this is in part the result of uncertainty created by the JCS legal challenge. However, the developer has confirmed their intention for an application in 2014 and that development could meet the overall trajectory expectation across the remainder of the plan period. In addition, new permissions granted since 2008 in the vicinity of Rackheath support early delivery of housing.

A number of other permissions have been granted since 2008 outside the Rackheath area. Development has already been begun on some of these sites. These also support delivery in the Growth Triangle in the early years of the plan period.

The Beyond Green Developments applications offer an opportunity for large scale development to be begun in other parts of the Growth Triangle in 2015. Other developers coming forward in the area, such as Badger Builders, will increase the rate of delivery in this area. Across the remainder of the Growth Triangle a number of sites continue to be actively promoted, with commitment to work with Broadland on such sites to secure an appropriate co-ordinated approach to development.

Within the remainder of the Broadland NPA, permission exists for approximately 400 homes on potential allocation sites which could all be begun soon and deliver over the next five years. Additional sites continue to be promoted across the area, and early applications are expected on some of these sites. If granted permission they will further support delivery in the short term.

Therefore the conditions are in place to enable delivery of the housing required by the submitted Joint Core Strategy in the Broadland NPA over the remainder of the plan period.

The recommended approach to making any alterations to the Housing Trajectory to reflect this current situation is addressed at matter 1.5 below.

1.3. Will the NDR be built in time (in part or in whole?) to meet the projected housing delivery dates and numbers in the Trajectory?

The Councils' Response

The current timetable for the delivery of the NDR does not threaten the proposed trajectory. This timetable is summarised in the report to Norfolk County Council's cabinet dated 3 December 2012. A copy of this report has been added to the examination library (T19). The impact of this timetable is explained in the response to 1.6 below. The contingency section of the adopted JCS sets out the strategy for dealing with significant delay to the NDR.

1.4. What is the status of the application for 3,500 homes in North Sprowston, submitted in October 2012? How does this fit into the Housing Trajectory?

The Councils' Response

The status of the application and position in relation to the Housing Trajectory is explained in section 1.2 above.

1.5. Does the above indicate more than a "slight variance" in the Housing Trajectory? Is it of sufficient significance to warrant amending the Trajectory to reflect reality to date?

The Councils' Response

Clearly, the nature of a Housing Trajectory is that over time actual delivery on the ground will vary from those projections, which can only be, at best, a snap shot of expected delivery at any point in time. The critical element is the broad picture which the trajectory paints, and the extent to which this remains a credible portrait of expected delivery over the plan period. It is inevitable that some housing developments that were anticipated will be delayed during this period, and some other housing developments may come forward instead.

It is not disputed that delivery in the early years of the plan period has differed from the Trajectory in Appendix 6 of SDJCS 1 as it has done. However, it remains the position of the authorities that despite this variance, which equates to less than 650 units of the 33,000 new homes planned within the NPA over the entire plan period, is not considered to be at significant variance from the overall picture painted by the trajectory. Year on year totals may vary but the end point is still consistent. This is not considered as a significant variance in the overall context of planned delivery.

Nevertheless, the net overall effect is that some minor changes could be made to the Housing Trajectory if the base date now taken to be 2012/2013. This would be done by amending the figures in the Housing Trajectory for the Broadland part of the NPA, and by making the consequent mathematical adjustments necessary to the sub-totals and totals shown in the trajectory.

The Councils have drafted what the minor modifications to the Housing Trajectory would look like, and this is attached as Appendix.

1.6. Given the above, and the allowance for smaller sites in the JCS, is the submitted JCS flexible enough to deal with any changing circumstances (JCS para 7.17 and table), even though funding for part of the NDR is now more certain?

The Councils' Response

The contingency approach in the adopted JCS with its elements of submitted text remains valid. The ability to overcome constraints such as the NDR is more certain now than when the adopted JCS was examined. The NDR has programme entry status and committed funding. The County Council is committed to progressing the scheme through the NSIP process which, assuming it is successful, would significantly speed up the process of delivery and allow commencement in 2015 (See document T19, Norfolk County Council Cabinet Report 3 December 2012). A two year build programme would see completion in 2017. Once commencement of the NDR is confirmed the constraint to the delivery of the full housing targets in the submitted JCS is removed.

The submitted JCS should be considered in the light of the flexibility for delivery across the NPA. There is no specific phasing in either the adopted or submitted plan other than the need to investigate the capacity in advance of confirmation of NDR delivery. The answer to Question 1.2 details progress on schemes throughout the Broadland NPA.

In the South Norfolk part of the NPA, significant progress has been made on the strategic locations identified in the JCS. Planning permissions have been agreed, or resolved to be agreed subject to S106 matters, at Hethersett (1,200), Wymondham (in excess of 625 dwellings) and Tharston (120 dwellings). Applications have been submitted at Wymondham (550 & 600) which are likely to be determined in the next couple of months, and an application in Costessey for 495 dwellings was validated in April 2013. Pre application consultations have taken place for two sites in Cringleford (850 & 650 dwellings respectively). Significant permissions granted which contribute to delivering the smaller sites allowance include Mulbarton (180). In 2012/13, there were a total of 419 housing completions, and 2490 dwellings either permitted, or resolved to be permitted (subject to S106 matters), in the South Norfolk part of the Norwich Policy Area.

In Norwich, housing completions, at 407, were ahead of the trajectory figure for 2012/13 of 386. New planning permissions were granted for over 700 dwellings in 2012/13

The slowdown of completions over recent years reflects wider economic conditions but local evidence, including the statements of common ground, shows strong interest for current and future delivery.

1.7. Exactly what limited capacity in numbers is there for the delivery of homes ahead of the NDR? Is it as the 7.17 table or as the North Sprowston planning application or other?

The Councils' Response

The situation remains as set out in the table in 7.17 until the issue is explored further through the NEGT AAP.

There are a number of existing commitments for delivering housing growth in the triangle and these are detailed in the response to 1.2

In practice, the level of capacity is only an issue if there is slippage in the timetable for delivery of the NDR or Postwick Hub. Postwick Hub is a fully funded scheme with planning permission and is being progressed independently to support early delivery of growth. A Side Roads Order and Slip Roads Order (SRO) Inquiry is due to commence on 3 July 2013. Subject to confirmation of the SROs the Postwick Hub scheme is programmed to commence in early 2014 with completion in mid-2015. If the SROs are not confirmed then the Postwick Hub would be included in the NDR application discussed in the answer to 1.6

Consideration of individual planning applications in advance of the AAP may lead to the release of additional development. For example, discussions on the potential to release a first phase of development at North Sprowston & Old Catton in advance of confirmation of delivery of the NDR are ongoing (see statement of common ground with Beyond Green Developments)

1.8. NPPF paragraph para 48 allows for windfall sites to be included in the housing supply figures provided there is compelling evidence they will

continue to come forward. Are the councils' now arguing in SDJCS 14 that windfalls should be included in the submitted and adopted JCS, thus taking the housing numbers up to 42,000, which would be at the higher end of the range set out in its Table 1?

The Councils' Response

No change is proposed to the adopted housing provision policies of the JCS either in their approach to delivery or targets. The inclusion of windfalls to illustrate how targets could be exceeded in SDJCS14 is the same approach as in the August 2010 version of the Homes and Housing Topic Paper (EIP70) considered at the previous examination. Consequently, the authorities are not arguing that future windfalls should be included in the submitted and adopted JCS. The figure of 42,000 illustrates the potential role of future windfalls to provide flexibility to deliver additional housing over and above the 37,000 dwelling target if demand materialises.

1.9. I have some concerns over the technical justification for the SHMA's range of estimates (H11) set out in SDJCS 14: namely, the inclusion of a 2006 affordable housing 'backlog' (does this form part of the total housing need, and is not added to it?) and the increase in market housing numbers solely in order to provide more affordable homes (which are but one segment of the housing market and should not be the determinant of overall housing need or numbers). Please would the councils comment on this, bearing in mind the Government's 'Practice Guidance' on SHMAs and the NPPF's requirement to meet objectively assessed needs based on household and population projections.

The Councils' Response

SDJCS14 and its Supplementary paper (TP13) set out the evidence on the demand for housing derived from population and household projections. The papers illustrate the variability of these projections and sensitivity to different assumptions, and demonstrate that the housing targets of the adopted JCS meet objectively assessed need.

The SHMA provides a housing requirement for a 5 year period for all dwellings that includes an element to address unmet need or "backlog" at the start of the period. In order to project the SHMA's requirement into the future, SDJS14 takes the backlog out to derive an annual requirement, projects the resultant annual requirement forward for the plan period, and then adds the backlog element back in to derive a total for the period. Consequently the backlog is included in the projection of housing need. This is considered to be consistent with the approach to backlog suggested in the Government's guidance on SHMAs.

The SHMA-based analysis suggests a baseline requirement of 34,700 dwellings but also demonstrates that this level of development is insufficient to deliver affordable housing need. The figures derived in paragraph 6.3 of SDJCS14 allow comparison with the range of estimates elsewhere in the document that are based on household and population projections.

The Government's 'Practice Guidance' on SHMAs can be viewed here: https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance

1.10. Please would the councils provide me with relevant updates to SDJCS 14 once the new Government household formation figures are produced (expected imminently) and the East of England Forecasting Model is updated (Spring 2013, if done annually?).

The Councils' Response

The next run of the East of England Forecasting Model is not expected before June.

The interim 2011-based household projections are included in a Supplementary Paper to SDJCS14. This has been added to the Examination library as document TP13

It has come to our attention that an incorrect table of results from the 2012 baseline run of the East of England Forecasting Model was included in Appendix 4 of SDJCS14. An addendum including the correct table has been added to the library as SDJCS 14.1. This was a publishing error and has no effect on the analysis in SDJCS14 which is based on the correct table. The correct table indicates a potential demand for 43,000 dwellings (as reported in SDJCS14 paragraph 10.1) rather than the incorrect table which indicates just under 42,000 dwellings.

1.11. Given the above SDJCS 14 points, does the housing forecast in SDJCS 14 provide a robust and justified evidential basis for the scale of the proposed development in policy 10?

The Councils' Response

The broad policy points made in the NPPF and the adopted JCS provides the base for the housing numbers to be delivered through the submitted plan. The overall housing provision for the JCS area, including the NPA, and the share remaining for Broadland were not the subject of the remittal. SDJCS14 was produced to determine whether a review of the adopted JCS was necessary. As the results are generally in line with the analysis accepted at the previous examination that resulted in the adoption of the current JCS, a review was considered to be unnecessary.

While the housing provision of the adopted JCS provides the justification and requirements for the submitted plan, SDJCS14 also provides the evidential basis for the submission. The supplementary paper (TP13) adds the most recent interim household projections to this evidence.

1.12. Is there an up-to-date evidence base document setting out the need for the 25 hectares of employment land as proposed in policy 10?

The Councils' Response

Section 4.2 of the Sustainability Appraisal Report (SDJCS 3.2) discusses the location of the 25ha. The requirement is derived from the Employment Growth and Employment Sites and Premises Study (2008) and explained in the Topic Paper Employment and Town Centre Uses (Nov 2009). Take up of employment land across the NPA has been limited since the JCS was adopted but employment projections remain strong. Indeed the most recent baseline run of the East of England Forecasting Model in Spring 2012 suggests stronger growth prospects than the JCS target in Policy 5 with a forecast of 33,000 jobs rather than the 27,000 target (see line "Total employment (jobs)" in the replacement table for SDJCS 14 Appendix 4 (SDJCS14.1) as explained in the response to 1.10 above).

The rationale for a significant employment allocation to support the housing in the growth triangle remains valid. The Rackheath Eco-Community Concept Statement supporting the Government's consideration of the proposal for its inclusion in the still extant PPS1 Supplement included 22.9ha of employment land. There is no evidence that would suggest deviating from the overall approach of the scheme considered and supported by Government in the formulation of their policy.

1.13. Does the area indicated in Appendix 5 of the submitted JCS represent a justified and realistic 'area of search' within which areas sufficient to accommodate the various components of the proposed growth triangle can be found?

The Councils' Response

Yes. The following description explains why the area within Appendix 5 of the JCS (SDJCS 1) was defined as it has been i.e. why the area is **justified** and why the area is of sufficiently scale to accommodate the levels of development proposed within the JCS Submission Content i.e. why it is **realistic**.

In terms of justification, the technical appendix to the SA report which supports the JCS Submission Content considered all possible sectors, and combinations of sectors surrounding the Norwich Urban Area. For the reasons set out in the conclusion of the SA report, it was considered that a combination of NE Norwich inside and outside the NDR was the most sustainable, when considered against the reasonable alternatives.

Clearly however, this process only sought to identify the suitability of broad sectors and did not have strict boundaries (SA report paragraph 4.7.4), as shown in Appendix 5.

The area shown in Appendix 5 of the JCS can be considered as having two elements, the area inside the NDR and the area outside of it. The map in Appendix

5 illustrates that all of the area inside the NDR has been included within the Growth Triangle. The boundaries of this area were fully enclosed by existing land uses: Norwich International Airport and the edge of the existing urban fringe, or proposed significant infrastructure: the NDR. Given its self-contained nature it is considered reasonable that all of this area is included within the “area of search”

The area outside the NDR, is also limited by physical infrastructure: to the east the Norwich to Cromer railway line, the Bittern Line, and to the west by the A1151, Wroxham Road. It is of course reasonable to ask why additional land west of Wroxham Road, toward Spixworth, or east of the railway line to incorporate Salhouse should not be included.

The principle of large scale development in combinations between the north-east sector outside the NDR and either the eastern or northern sectors was considered through the Sustainability Appraisal process, the results of which are set out in Table 4.4 of the Sustainability Appraisal Main Report (SDJCS 3.2), and are based upon the more detailed evaluations in Appendix L of the Sustainability Appraisal Technical Appraisal (SDJCS 3.3). The conclusion of the report was that neither combination presented a reasonable alternative. Notwithstanding this, these were necessarily broad assessments and consideration could be given to smaller extensions to the NEGT boundary.

The boundary of the Growth Triangle outside the NDR is formed by significant, hard infrastructure in the form of Wroxham Road and the Bittern Line. Outside of these physical features development would need to address a range of environmental constraints and address issues of integration, which would not be easily overcome.

The identified site north of Rackheath is also that which was promoted to, and identified within National Planning Policy. The area is in fact one of only four eco-towns and is the only A rated site. This area itself is being promoted as a large comprehensive growth site, which is in accordance with both national policy requirement and is consistent with local objectives. The area is well related to multiple employment areas lies along a proposed BRT route, which serves multiple future development areas, and is in a position which has greatest access to permeable routes across the NDR, Newman Road Bridge, Bittern Line underpass, making it most suitable to multi-modal travel.

Therefore it is considered that the proposed area of search is justified.

In terms of whether the site could realistically deliver the development levels proposed in the JCS Submission Content, work was submitted to the last EIP which demonstrated that the NEGT area contained sufficient land to provide for the scale of development proposed.

More recently Broadland published a Framework Plan Study (2011), which is available as a Broadland Background Document (BD-B9). This study provides estimates of the land requirements for development in accordance with the JCS submission content. Overall, the study makes a cautious estimate that 660 hectares of land is required to accommodate the proposed development, of which almost 100ha is informal open space that is more likely to be delivered as large sites on the edge of new development e.g. Rackheath Buffer Zone or Beeston Park. The Growth Triangle itself is 1865 hectares in size, therefore providing an area of land nearly three times that needed. The recently published Growth Triangle: Option for Development consultation considers site options for areas of land within the Growth Triangle that would total an area significantly in excess of the area of land required for development.

Therefore it is considered that the area of land identified in Appendix 5 of the JCS is realistic in terms of its potential to accommodate the level of development proposed by the JCS submission content.

1.14. Does the submitted JCS provide sufficient strategic guidance for achieving a single co-ordinated approach to the future planning of this large area with its multiple ownership and complex infrastructure issues?

The Councils' Response

The councils consider that the JCS provides sufficient strategic guidance for achieving a single coordinated approach. Detailed guidance will be provided through the Area Action Plan.

1.15. What is the councils' evidence-based response (I have seen that in SDJCS 8) to the concerns raised about the impact of traffic from the submitted JCS policy 10 proposals' traffic on Wroxham and the A1151 Wroxham Road?

The Councils' Response

There is not one single document that captures the evidence. The response provided in SDJCS 8 draws on a wide range of material which is strategic in its analysis.

Changes in traffic patterns on the A1151 will be in the main influenced by the scale of Growth in North Norfolk. Increases in housing will lead to some additional car based commuting to Norwich and employment opportunities.

North Norfolk District Council has an adopted Core Strategy and Site Allocations Development Plan Document. From the locations identified for housing and employment growth it can be determined which of these could impact on traffic levels on the A1151. These will be.

Employment
Stalham 5 Ha

It is unlikely to that the scale of employment allocation will lead to a noticeable change existing commuting patterns on the A1151 at Wroxham Bridge through the introduction of 5 Ha at Stalham.
Housing

Hoveton	120
Stalham	160
Catfield	15
Ludham	25
Horning	26

Cumulatively sites have been allocated for 446 homes that may use the A1151 and may travel through Wroxham/Hoveton. The table below sets out historic traffic flows on the A1151.

A1151 Wroxham Bridge			
Year	**North Bound**	**South Bound**	**2 Way**
27/5/2005	8175	8005	16180
19/6/2006	7051	7547	14598
24/5/2007	7637	7690	15327
29/9/2008	7553	7621	15174
14/9/2010	6947	6996	13943
Counts 07:00 - 19:00 hrs			

This issue was considered at the NNDC core strategy examination and the Inspector found no strategic reason to object to the scale and distribution promoted in the Core Strategy. The relevant extract from the Inspector's report is attached at Appendix 3.

Please would the councils tell me where to find the evidence which lies behind their statement that "overall the growth in the NEGT is not *predicted* to have a significant impact"?

The NEGT as identified in Policy 10 of the JCS is conceived as an urban extension of Norwich. The strategic transport improvements include the NDR that provides relief to the northern city centre road network, and high quality public transport corridors linking growth to the city centre and strategic employment areas at the airport and Broadland Business Park.

The scale of growth promoted in the NEGT will allow local services and facilities to be delivered, including a new secondary school and local employment opportunities. The scale has been selected to maximise self-containment, with the location enabling sustainable transport linkages to higher order opportunities and services in the city.

To support this contextual evidence, analysis of the Norwich Area Transportation Strategy model has been undertaken. The model interrogated was the latest update of the model used to provide supporting evidence for Norfolk County Council's Public Exhibitions on the NDR held in February 2013. Analysis has been undertaken of trips to and from the Rackheath zone for AM and PM peaks in 2032.

The findings of that analysis show that in the AM peak 3% or 43 trips originating in Rackheath will travel North over Wroxham Bridge and of all trips ending in Rackheath zone 46 or 4% will travel south over Wroxham Bridge.

In the PM peak the findings are similar with 3% or 43 trips of all the trips to the Rackheath Zone using Wroxham Bridge and 3% or 38 of all the trips leaving the Rackheath zone passing over the bridge.

The modelling analysis supports the contextual evidence and demonstrates that overall the growth in the NEGT is not predicted to have a significant impact on the A1151 in Wroxham and Hoveton

Plots from the model are attached as Appendix 4.

The issue will need to be considered in more detail through the NEGT AAP as the AAP will influence the layout, transport connections and promotion of non-car modes of travel. The rationale for the choice of the NEGT and Spatial Planning Objective 7 of the plan "To enhance transport provision to meet the needs of existing and future populations while reducing travel need and impact" are key factors that point to the NEGT not significantly increasing trips from the NEGT through Wroxham and Hoveton.

1.16. What are the councils' detailed response (rather than the generalised policy based answer in SDJCS 8)) to the concern raised by the RSPB in its representation about the delivery of the Broads Buffer Zone Scheme? If it is in the evidence, please direct me to it.

The Councils' Response

The RSPB objection relates to lack of detail in the JCS concerning the delivery of green infrastructure to protect Broads Natura 2000 sites. The objection referred to the inclusion of the Broads Buffer Zone as a priority 1 green infrastructure requirement to support growth in the infrastructure appendix of the submission. However, the objection stated that there should be more information on the function of green space, it's funding, and how it would be permitted, managed and enforced.

This objection appears to be the result of a differing interpretation of the amount of detail that should be incorporated in a strategic plan.

The JCS provides the appropriate policy requirements for a strategic plan and sets out the function of the Broads Buffer Zone in submitted policy 10 and paragraph 6.24 (of SDJCS 1). The detail of how this will be implemented is a matter for the Growth Triangle Area Action Plan (see BD-B 3.3) and for specific planning applications, following the strategic requirements of the JCS. Detail on the JCS and emerging Area Action Plan policies for the delivery of the Broads Buffer Zone is set out in appendix 5.

Funding of infrastructure is covered by policy 20 of the JCS. Contributions will be sought from developers, from the Community Infrastructure Levy (CIL) and any other sources of funding the councils may be able to apply for. The Broads Buffer Zone is identified as priority infrastructure both in the JCS itself and the Local Investment Plan and Programme (LIPP, documents INF 3.1 and 3.2). The LIPP is intended to be flexible to address changes relating to funding over time.

Details concerning the permitting, management and enforcement of infrastructure such as the Broads Buffer Zone are not issues generally covered through a strategic plan. This will be dealt with through the planning application process. In compliance with both JCS policy and the requirement for a Habitats Regulation Assessment for proposed development in this location, development would not be permitted if it did not provide the Broads Buffer Zone. Management will be dealt with through a condition on a planning permission or a section 106 agreement and could gain funding from CIL payments. Enforcement would only be required if a developer did not comply with the conditions or agreements associated with the planning permission.

In addition, Barratt Eastern Counties, the developers of the proposed eco-community at Rackheath, have committed to providing the Broads Buffer Zone through their Statement of Common Ground.

The degree of commitment to the implementation of green infrastructure such as the Broads Buffer Zone is shown by the fact that the GNDP has appointed a Green Infrastructure delivery officer to ensure delivery needed to serve development.

1.17. Is the information contained in the latest version of the Local Investment Plan and Programme (LIPP) particularly that in Table 11.1 reflected in the Infrastructure Framework in Appendix 7 of the JCS for the policy 10 proposals? If not, should it?

The Councils' Response

The information in the latest version of the LIPP (INF 3.1 and 3.2) does reflect the Infrastructure Framework in Appendix 7 of the JCS. The introduction to Appendix 7 on page 114 explains that the LIPP will be subject to regular review and content, phasing and priorities of the infrastructure list will be managed through the LIPP process.

The framework provides a snapshot in time of the infrastructure to facilitate the development in the JCS, and the list continues to be developed.

Projects B1 – B9 derive from the Greater Norwich Economic Strategy (EC 1.2) and the Housing Strategies for the area.

Since any amendment made to the Appendix 7 Infrastructure Framework of the JCS can only apply to the submission parts of the JCS, and not to the whole of the area covered by the adopted JCS, the councils do not view the submission process as being the most appropriate means of updating the Framework. This is best done through amendments to the LIPP itself. The councils therefore suggest that their commitment to regularly review the LIPP is the best means of addressing this issue.

1.18. In the light of NPPF paragraph 173 onwards, please would the councils provide me with the necessary information to assess the financial viability of the proposals in policy 10. The information should be provided bearing in mind the advice set out in the "*Viability Testing Local Plans*" document of June 2012 by the Local Housing Delivery Group, which is available on: http://www.nhbc.co.uk/NewsandComment/Documents/filedownload,47339,en.pdf.

The Councils' Response

Plan viability is demonstrated by the combination of the recent findings of the Community Infrastructure Levy (CIL) examination and the confirmation from key development interests that the growth triangle and a number of smaller sites in the Broadland NPA are deliverable within the context of the adopted and submitted JCS.

The viability of development in the JCS area has been tested through the CIL examination in October 2012 and demonstrated by the recommendations of the examiner in his report of 4 December 2012 that a CIL is viable. The CIL Examiner's Report is available on the web at http://www.gndp.org.uk/downloads/CIL_Final_Examiner_Report.pdf and is also attached to this response as Appendix 6. The examiner tested the CIL Charging Schedule for Broadland as well as those for Norwich and South Norfolk in the context of the JCS.

The document "Viability Testing of Local Plans" (VTLP) recognises the parallel between viability testing of CIL and Local Plans (page 6). The VTLP provides guidance on the relationship between CIL and the Local Plan (p13). The examiner for the Councils' CIL charging schedules, Inspector Keith Holland, was a member of the viability working group for the VTLP so can be expected to be fully conversant with the guidance and has tested the charging schedules accordingly. The CIL examination took place in the context of the full range of policies of the Joint Core Strategy.

VTLP defines viability on page 14 in the context of deliverability. The statements of common ground demonstrate that the major development interests in the area confirm that sufficient sites are available and viable to deliver the submitted JCS.

CIL is not intended to fund all infrastructure needs of an area and a funding gap is an expectation of the process. Consequently, delivery of Local Plan proposals must assume funding from other sources. Policy 10 does not require all infrastructure to be directly funded by development. Infrastructure will be a mixture of on-site provision and direct mitigation funded by developers and strategic infrastructure delivered by the responsible authorities. The councils are working together to prepare an investment plan to draw together a financial package to deliver the next 5 years infrastructure. Current information on the costs and delivery of infrastructure can be found in the Local Investment Plan and Programme (INF 3.1 and 3.2) that supports the JCS. As a further development of the partners' commitment to delivery, the four councils working with the New Anglia LEP have been invited to prepare a "City Deal". A successful deal will provide further opportunity to pool funding from a range of sources and work together, with other agencies, to deliver the infrastructure required to release and support growth. The City Deal Expression of Interest is available on the web at http://www.norwich.gov.uk/YourCouncil/Partnershipworking/Documents/CityDealExpressionOfInterest.pdf and is attached as Appendix 7.

1.19. Should any of the 'gaps' and 'suggested indications' on page 96 onwards of the SA report (SDJCS 3.2) be incorporated in the Appendix 8 Monitoring Framework of the JCS? If so, what?

The Councils' Response

The Councils' initial response to this matter is that there is probably a practical difficulty in that any amendment made to the Monitoring Framework of the JCS at this stage would only apply to the submission parts of the JCS and not to the whole of the area covered by the adopted JCS. The councils do not view this particular examination process as being the most appropriate means of incorporating the SA recommendations on indicators for monitoring the plan. It can be done through amendments to the Annual Monitoring Report (AMR) itself. The Councils therefore suggest that a commitment to review the AMR taking account of these SA recommendations concerning indicators is the best means of addressing this issue. They would then apply to all the development plan documents that are being adopted as well.

However, if the Inspector is minded to recommend that the points are incorporated, then the GNDP suggests that the following indicators could be added to appendix 8 as minor amendments:

Indicator (& type)	Main agencies	Targets	Source
Add to spatial planning objectives 1 and 7			
Percentage of residents who travel to work: a) by private motor vehicle; b) by public transport; c) by foot or cycle; and d) work at or mainly at home	Norfolk County Council / Developers / LPAs	Decrease in a) and increase in b), c) and d) over plan period	ONS (Census)

Add to spatial planning objectives 8 and 9			
Heritage at risk – number and percentage of: a) Listed Buildings; and b) Scheduled Ancient Monuments on Buildings at Risk Register	LPAs	Year on year reduction	LPAs
Add to spatial planning objective 4			
Unfit housing – percentage of overall housing stock not meeting “Decent Homes Standard”	LAs	Decrease over plan period	LAs

The following suggestions for new indicators from the SA are not proposed to be added to appendix 8 due to the difficulties in assessing and collecting data on these issues:

- the extent of biodiversity enhancements in new development;
- the effect of new development on valued landscape features;
- extent of anti-social behaviour;
- peoples’ opinions of their local area, particularly those living in and nearby new urban extensions.

The inclusion of the above indicators in Appendix 8 of the JCS will be documented in the Environmental Statement produced on adoption of the plan. These indicators will be covered in the Annual Monitoring Report.

1.20. What are the two sets of parallel dotted grey lines on the first plan of the Policies Map of the Growth Triangle in SDJCS 4.1?

The Councils’ Response

The two parallel dotted lines on the first plan of the Policies Map of the Growth Triangle represent the protected routes for two link roads which are identified within the Saved Policies of the Broadland Local Plan Replacement (2006).

Appendix 1: Covering note to Statements of Common Ground

Statements of Common Ground

Introduction

The table on the following page identifies those sites where a Statement of Common Ground (SoCG) has been sought with the developer, landowner or agent of a sites in respect to it ability to support the delivery of the Joint Core Strategy (JCS) Proposed Submission Content.

These sites include those with planning permission, those which are subject to an undetermined planning application and notable emerging sites within the Growth Triangle and Broadland NPA as a whole. However, this list is not intended to identify all of those sites which are emerging through the plan making and pre-application process. Further SoCG may be agreed in relation to other emerging sites ahead of the JCS Examination, any such statements will be presented at the Examination in accordance with paragraph 28 of the Inspector's Guidance Notes.

Where a SOCG has been agreed this is indicated in the table.

Where a SoCG has not been agreed but where additional information has been presented as evidence of deliverability of a site, or where a SoCG has not been agreed but is in production this is indicated in the Additional Information section of the table.

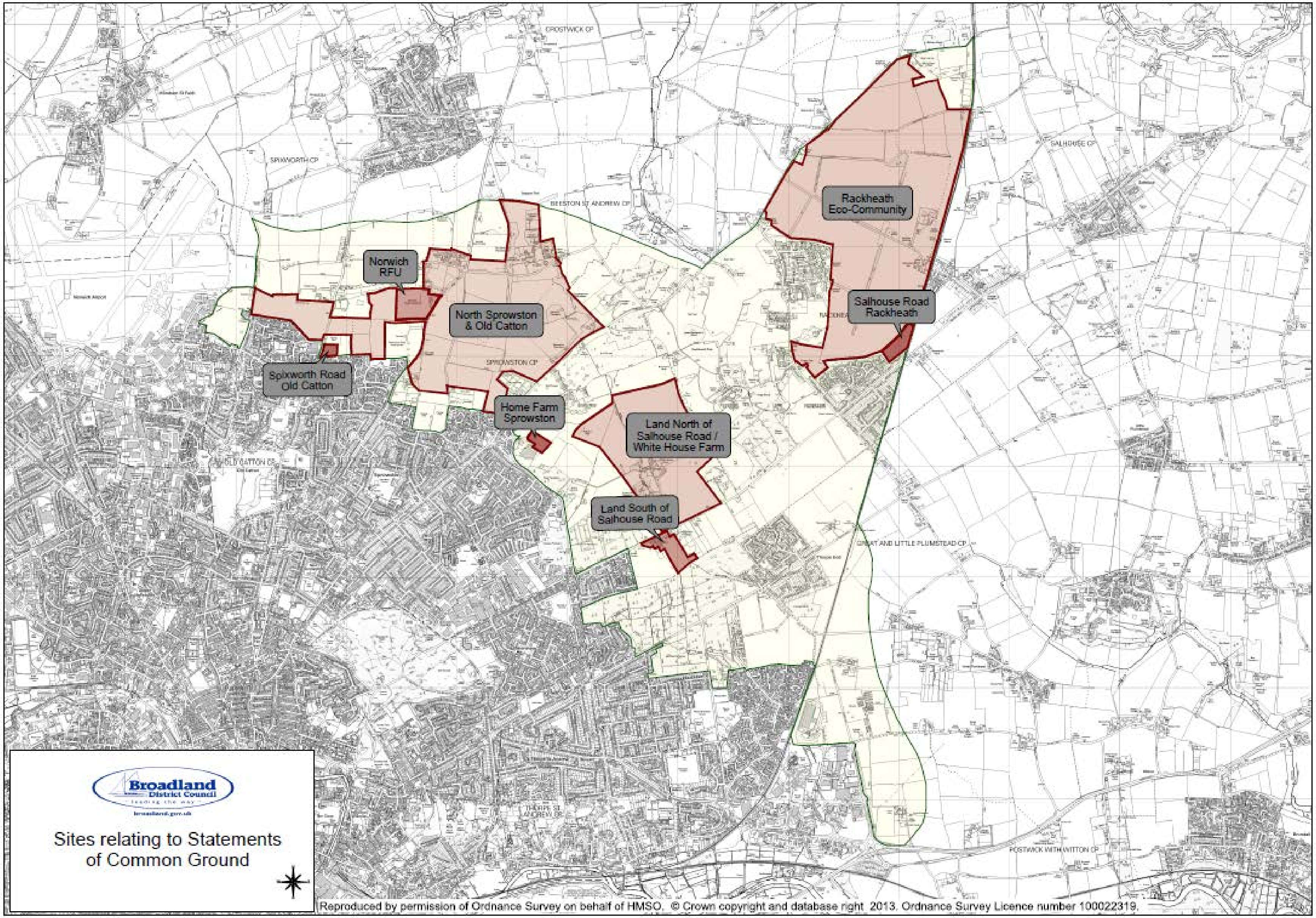
A map indicating the position and extent of those sites within the Growth Triangle that are identified in the table below is included at the end of this document.

Site Name	Developer / Agent / Landowner	Estimated Site Capacity	Planning Status	Statement of Common Ground Agreed?	Additional Information
			Sites within the Growth Triangle		
North Sprowston & Old Catton	Beyond Green Developments	3520	Outline Application	☑	A Statement of Common Ground has been agreed with Beyond Green Developments (SCG1). This Statement covers the following issues: • the status of the Beyond Green Application • the position of the proposed development in relation to the housing trajectory • the relationship of the development to the NDR; and, • the viability of the proposed development
Rackheath Eco-Community	Barratt Strategic	4145	Pre-Application	☑	A Statement of Common Ground has been agreed with Barratt Eastern Counties (SCG2). This Statement covers the following issues: • the relationship of the proposed Rackheath Eco-community and the housing trajectory • the provision of employment land at Rackheath • the boundary of the Growth Triangle • the achievement of a single co-ordinated approach to development • the Broads Buffer Zone • viability and delivery
Norwich Rugby Club	Badger Builders	200-300	Pre-Application	☑	A Statement of Common Ground has been agreed with Badger Builders (SCG3). This Statement covers the following issues: • the housing trajectory • The Growth Triangle as an appropriate area of search. • the achievement of a single co-ordinated approach to planning in the Growth Triangle.

Site Name	Developer / Agent / Landowner	Estimated Site Capacity	Planning Status	Statement of Common Ground Agreed?	Additional Information
					• viability and delivery
Salhouse Road, Rackheath 20111272 OA 20130075 OA	Dennis Jeans Developments LTD	80	Outline Planning Permission	☒	Letters of intent from Persimmon and Dove Jeffery Homes (SCG4) were submitted with the application. These letters express the developers' interest in the sites and the potential for its early delivery. These letters of intent have been copied as evidence of the deliverability of this site.
Spixworth Road, Old Catton 20070962 OA (09/09) 20111703 FA	Taylor Wimpy	40	Under Construction	☒	This site is currently being built out and is expected to be completed in the next 1-2 years.
Land south of Salhouse Road	United Business & Leisure	tbc	Pre-Application	☒	A meeting has been arranged for 16 May in order to discuss the potential content of a Statement of Common Ground. It is anticipated that a Statement will be agreed before the start of the JCS Submission Content Examination.
Land North of Salhouse Road and White House Farm	Trustees of the Richard Gurney Children's Settlement.	tbc	Pre-Application	☑	A Statement of Common Ground has been agreed with the Trustees of the Richard Gurney Children's Settlement (SCG5). This Statement covers the following issues: • the availability of the site • the achievement of a single co-ordinated approach within the Growth Triangle
Sites Outside the Growth Triangle					
Norwich Road, Blofield 20111303 (19/03/13)	Beacon Planning	175	Outline Planning Permission	☒	Proofs of evidence were submitted by the agent to the appeal public inquiry which states "*the site is available now … can be delivered within five years*". An extract from the proof of evidence is included as evidence of the deliverability of the site (SGC6).

Site Name	Developer / Agent / Landowner	Estimated Site Capacity	Planning Status	Statement of Common Ground Agreed?	Additional Information
Cucumber Lane, Brundall 20121638 (27/02/2013)	Persimmon Homes	150	Outline Planning Permission	☑	A Statement of Common Ground has been agreed with the Persimmon Homes. (SCG7) This Statement covers the following issues: • delivery of the site within the early part of the next 5 years.
Little Plumstead Hospital	Hopkins Homes	75	Under Construction	☒	This site is currently under construction. Interim monitoring figures show that 21 units were completed in 2012/13 with a further 34 units having been started. This site is therefore considered to be deliverable.
Royal Norwich Golf Club	Savills	600 to 1000	Pre-Application	☒	A copy of a letter from Savills on behalf of the Royal Norfolk Golf Club has been included. This letter affirms the Golf Clubs intention to bring forwards the site for early residential development. This letter is included as a demonstration of the ongoing emergence of sites along site the Site Allocations process. (SCG8)
Pinelands, Horsford 20100774 11/03/11	Lovell	63	Under Construction	☒	This site is currently under construction. Interim monitoring figures from 2012/13 show that 54 units have already commenced on site. This site is therefore considered to be deliverable over the next 1-2years.
Vauxhall Mallards, Brundall 20120167 19/12/12	Cirrus Planning and Development Ltd	44	Outline Planning Permission	☒	An e-mail from the agent of the site has been included. This confirms that the agent is actively seeking a development partner and that development could be begun on site within 2.5 to 3 years. This e-mail is provide as evidence of delivery on emerging sites. (SCG9)
Crostwick Lane, Spixworth 20120850 (07/11/12)	Hopkins Homes	52	Resolution to grant planning permission.	☒	An e-mail exchange with Hopkins Homes has been included. This confirms Hopkins Home's intention to commence development in summer 2013 and build out over the next 2-3 years. This e-mail is included as evidence of delivery on emerging sites ahead of the Site Allocations process. (SCG10)

Map Showing Location of Sites Relating to Statements of Common Ground



Appendix 2: Minor modifications to the housing trajectory

Growth Locations

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total	Average annual build rate
Broadland	165	538	774	849	860	840	840	840	780	855	930	847	9118	760
NEGT	67	390	514	639	675	680	680	680	620	695	770	687	7097	591
Rackheath Eco-Community		180	240	240	240	240	240	240	240	240	240	240	2580	
West of Wroxham Road		91	182	232	233	238	238	238	178	178	178	170	2156	
South of Salhouse Road				75	150	150	150	150	150	150	150	75	1200	
North of Salhouse Road										75	150	150	375	
Existing Permissions (inc. resolution to grant) on Potential Allocation Sites	67	119	92	92	52	52	52	52	52	52	52	52	786	
Smaller Sites Allowance (Broadland NPA)			76	126	151	176	176	176	176	176	176	176	1585	
Existing Permissions (inc. resolution to grant) on Potential Allocation Sites	98	148	100	50	25	0	0	0	0	0	0	0	421	167
Norwich														
Norwich (3000)	250	250	250	250	250	250	250	250	250	250	250	250	3000	250
South Norfolk	435	565	785	860	950	1040	890	810	690	690	690	595	9000	750
Wymondham (2,200)	185	185	185	185	185	185	185	185	185	185	185	165	2200	
Long Stratton (1,800)				50	140	230	230	230	230	230	230	230	1800	
Hethersett (1,000)	50	90	175	175	175	175	100	60					1000	
Cringleford (1,200)		50	100	125	125	125	125	125	125	125	125	50	1200	
Easton/Costessey (1,000)	50	90	175	175	175	175	100	60					1000	
Smaller Sites Allowance (SNDC NPA)	150	150	150	150	150	150	150	150	150	150	150	150	1800	
Total	1070	1433	1839	1949	2070	2140	1990	1910	1730	1805	1880	1777	21593	1799

N.B. The sites contributing to the Existing Permissions (inc. resolution to grant) on Potential Allocation Sites are listed in the potential future allocations sites section of the table that follows

Reference	Address	Net Commitment	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26
BROADLAND - NORWICH POLICY AREA															
Growth Triangle - Inside NDR															
20111703	Land off Spixworth Road, Old Catton, NR6 7JP	40		20	20										
20101252	Home Farm, Blue Boar Lane, Sprowston	81		20	20	20	20								
20080367	White House Farm, Land at Blue Boar Lane, Sprowston	1233		40	120	120	120	120	120	120	120	120	120	113	
920758	Home Farm, Blue Boar Lane, Sprowston.	80		20	20	20	20								
20070346	Land at Blue Boar Lane, Home Farm, Sprowston	24	24												
20090886	Land at Brook Farm & Laurel Farm,Green Lane,Thorpe St Andrew (28 units beyond 31/03/2026)	600			52	52	52	52	52	52	52	52	52	52	52
Growth Triangle - Outside NDR															
20111272	Land off Salhouse Road, Rackheath	80		20	20	20	20								
20130217	Land at Trinity Close, Rackheath	14		7	7										
20100438	Land to Rear of Manor House, North Street, Blofield	3	3												
20111303	Land at Yarmouth Road,Blofield	175			50	50	50	25							
20120910	Land Adj. 20 Yarmouth Road, Blofield	22		11	11										
20120167	Vauxhall Mallards and Land Rear of Hillside, Strumpshaw Road, Brundall	44			22	22									
20121638	Land to west of Cucumber Lane, Brundall	150		50	50	50									

20090511	Firbanks, 35, School Road, Drayton	27													
20090476	21, Plumstead Road, Thorpe End	5		6											
20101213	Former Little Plumstead Hospital, Hospital Road, Little Plumstead	49	25	24											
20121002	389, Drayton High Road, Hellesdon	16				16									
20100774	Land at Pinelands Industrial Estate, Holt Road, Horsford	63	23	20	20										
20120204	Land South of Dog Inn, Holt Road, Horsford	15				15									
20080513	Repton House, Parkside Drive, Old Catton	9			9										
20090792	St Christophers School, George Hill, Old Catton	2	2												
20121043	Former Garage Site, Mill Road, Salhouse	15				15									
20110947	Salhouse Hall, Norwich Road, Salhouse	8				8									
20121044	Norwich Road, Salhouse	20		10	10										
20061684	12 North Walsham Road, Sprowston	7		7											
20071405	Land Adj. The Royal Oak P.H., North Walsham Road, Sprowston	8		8											
20120850	Land North of Crostwick Lane, Spixworth	54		27	27										
20120865	147, Fakenham Road, Taverham	5		5											

20061770	5 Yarmouth Road, Thorpe St Andrew	0													
20111370	Land at Yarmouth Road, Thorpe St Andrew	15		7	8										
20120887	Former Woodside Public House, 148 Plumstead Road East, Thorpe St Andrew	9		9											
20120730	Norwich Camping and Leisure, South Hill Road, Thorpe St Andrew	17				9	8								
	Sites below 5 units with permissions at 01/04/13	177	35	35	35	35	35								
BROADLAND NORWICH POLICY AREA TOTAL		**3067**	**112**	**326**	**521**	**472**	**305**	**197**	**172**	**172**	**172**	**172**	**172**	**165**	**52**

Potential Future Allocation Sites

Ref	**Address**	**Potential Site Capacity**	**Indicative Trajectory (if available)**												
			2013/ 14	**2014/ 15**	**2015/ 16**	**2016/ 17**	**2017/ 18**	**2018/ 19**	**2019/ 20**	**2020/ 21**	**2021/ 22**	**2022/ 23**	**2023/ 24**	**2024/ 25**	**2025/ 26**
GROWTH TRIANGLE: EMERGING SITES															
	Land between Salhouse Road and Thorpe Woodlands	1200													
	Land North of White House Farm	2500													
20101252	Home Farm, Blue Boar Lane, Sprowston	See current sites above		20	20	20	20								
20090886	Land at Brook Farm & Laurel Farm, Green Lane, Thorpe St Andrew	See current sites above (24 units beyond plan period)			52	52	52	52	52	52	52	52	52	52	52
20121516	Land to the North of Sprowston and Old Catton, Btn Wroxham Road & St Faiths Road	3520													
	Norwich RFC	260													

20111703	Land off Spixworth Road, Old Catton, NR6 7JP	See current sites above		20	20										
20130217	Land at Trinity Close, Rackheath	See current sites above		7	7										
20111272	Land off Salhouse Road, Rackheath, Norwich	See current sites above		20	20	20	20								
	Rackheath Eco-Community	4150													
BROADLAND NPA "ISSUES AND OPTIONS" SHORTLISTED SITES															
20111303	Land at Yarmouth Road,Blofield	See current sites above			50	50	50	25							
20120910	Land Adj. 20 Yarmouth Road, Blofield	See current sites above			11	11									
S09-06	Land South of Yarmouth Road and north of Lingwood Road	100													
S09-08b	Blofield Corner Road, Blofield Heath	20													
S09-02	Land South of Mill Road	20													
20121638	Land to west of Cucumber Lane, Brundall	See current sites above		50	50	50									
S13-03	Land north of Postwick Lane and West of Homesdale Road	50													
20121044	Norwich Road, Salhouse	See current sites above		10	10										
LS52-01 / PC50-02	Wood Green, Salhouse	35													
20120850	Land North of Crostwick Lane, Spixworth	See current sites above		27	27										
DRA2	Drayton Village Centre, Drayton	20													
BDC0061	Land East of Cator Road and North of Hall Lane, Drayton	150													
HEL1	East of Eversley Road	70													

S31-03/ S31-03a	Hellesdon Hospital, Hellesdon	300													
PC31-02	Royal Norwich Golf Club, Hellesdon	1000													
S36-01a	Land North of Mill Road, Horsham & Newton St Faiths	125													
S37-08f/g	Land East of Manor Road, Horsham & Newton St Faiths	100													
S37-08b	Newton Street / Fairholme Road, Horsham & Newton St Faiths	85													
S37-08a/e	Coltishall Lane, Horsham & Newton St Faiths	25													
	Peter Colby Trucks, School Road, Sprowston	60													
BROADLAND NPA SHORTLISTED SITES - POTENTIAL CAPACITY (does not including those sites with planning permission)		**2,160**													

Appendix 3: Extract from NNDC Core Strategy Inspector's Report 15 July 2008

Extract from NNDC Core Strategy Inspector's Report 15 July 2008

Policy CT5 – The transport impact of new development

6.229
The policy requires new development to be designed to reduce the need to travel and maximise the use of sustainable travel options. It includes performance criteria to ensure that development provides safe and convenient access by a choice of travel modes and is capable of being served by the highway network without harming the character of the environment. If development has significant transport implications a transport assessment of a scale appropriate to the nature of the proposal will be required.

6.230
Concern was expressed about the ability of the A1151 to accommodate traffic arising from the cumulative effect of new housing in Hoveton, Stalham, Ludham and Catfield due to the narrow Wroxham bridge and other local traffic controls. However, no concern was raised by Norfolk County Council, the relevant local highway authority. In any event the policy criteria would ensure that the impact of development is subject to appraisal as to its likely impact. The ability of the road network will be monitored and operation of the policy criteria would give scope to refuse an application if its cumulative effect on any part of the network was unacceptable. The impact of coastal erosion is unlikely to affect the coast road during the plan period.

6.231
The use of developer contributions to assist the funding of infrastructure (both road and rail) in appropriate circumstances would be consistent with policies SS6, CT2 and CT5.

6.232
In my view the plan is consistent with the expectations of national policy guidance in PPG13, emerging RSS policy and CS policy SS6 and hence is sound and requires no modification.

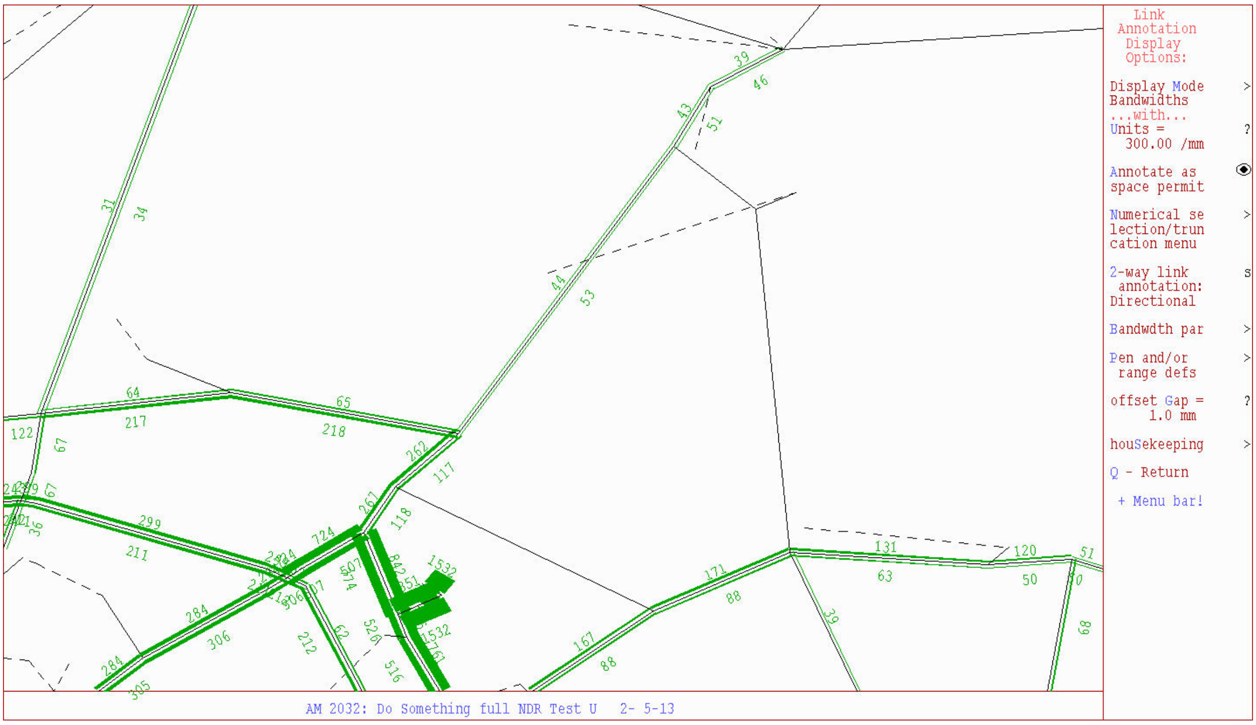
Appendix 4: Output from Norwich Area Transportation Strategy Model.

Impacts on A1151 from Rackheath

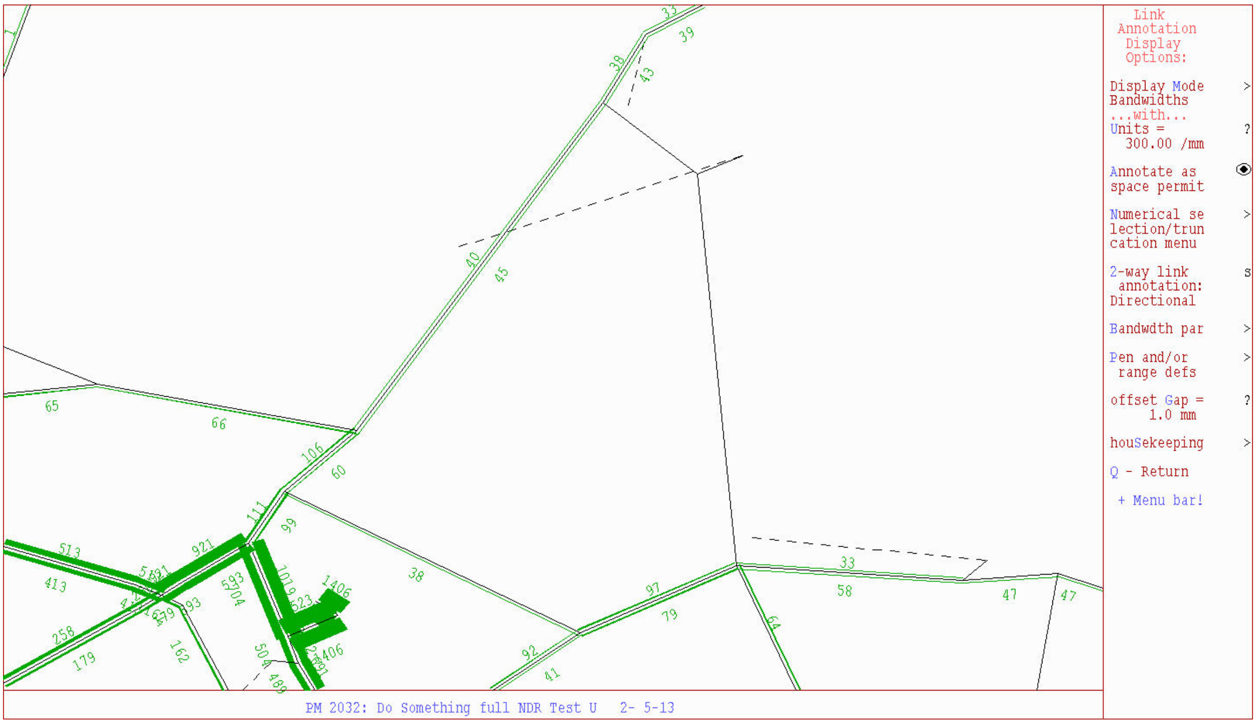
Output from Norwich Area Transportation Strategy Model.

Impacts on A1151 from Rackheath

AM



PM



Appendix 5: JCS and emerging Area Action Plan strategic policy for the delivery of the Broads Buffer Zone

JCS and emerging Area Action Plan strategic policy for the delivery of the Broads Buffer Zone

Submitted policy 10 requires that “*A significant area north of Rackheath will be provided as green space to act as an ecological buffer zone and ensure no significant adverse impacts on the Broads SAC, Broadland SPA and Broadland Ramsar site*”. Further to this, the delivery of the necessary green infrastructure is identified as a “*Key dependency*”. Paragraph 6.24 of the JCS also states that “*Provision of significant levels of local green infrastructure is essential to ensure the long-term sustainability of the proposed development areas. It must also be sufficient in scale and type to ensure that there are no potential impacts on nearby sites of international biodiversity importance*.”

The detail of how this will be implemented would be dealt with in the Growth Triangle Area Action Plan and in the consideration of any specific planning applications. This would follow the strategic requirements of the JCS set out above. Broadland District Council’s early work on this issue in the Growth Triangle Area Action Plan Issues and Options Consultation in March 2013 covers this issue[1]. The document proposes that the green infrastructure network should:

“*Support, through the provision of appropriate infrastructure, mitigation of recreational impacts upon European Sites of Environmental Importance for biodiversity. This mitigation will include the retention of a significant undeveloped area north of Rackheath to act as an ecological buffer to sensitive Broads European Sites.”*

Further to this, paragraph 6.6.5 of the Issues and Options Consultation plan states that
“*The Habitat Regulations Assessment which accompanied the Joint Core Strategy established the requirement to provide a landscape buffer to the north of development at Rackheath and to provide recreational open space of a scale and typology to mitigate recreational impact upon sensitive European Environmental Sites.*” The consultation asks if there are any alternatives to such an approach.

[1] http://www.broadland.gov.uk/PDF/Growth_Triangle_AAP_Options_-_Consultation_Document.pdf

Appendix 6: Report on the examination of the draft community infrastructure levy charging schedules for Broadland District Council, Norwich City Council and South Norfolk Council

The Planning Inspectorate

Report to the Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council.

by Keith Holland BA (Hons) Dip TP, MRTPI ARICS

an Examiner appointed by the Councils

Date: 4 December 2012

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULES FOR BROADLAND DISRICT COUNCIL, NORWICH CITY COUNCIL AND SOUTH NORFOLK COUNCIL

Charging Schedules submitted for examination on 10 August 2012

Examination hearings held on 16 and 17 October 2012

File Ref: PINS/G2625/429/6

Non Technical Summary

This report concludes that the Community Infrastructure Levy Charging Schedules proposed by Broadland District Council, Norwich City Council and South Norfolk Council do not provide an appropriate basis for the collection of the levy in the Greater Norwich area as drafted. The evidence shows that the rates proposed for residential development are too high and would pose a significant threat to the viability of housing development in the area. However, I consider that such non-compliance with the drafting requirements can be remedied by the making of modifications which I recommend. Such modifications are specified at Appendix A to this report and are designed to reduce the residential rates by around 35%. Subject to such modifications the draft is approved.

Introduction

1. This report contains my assessment of the Community Infrastructure Levy (CIL) Charging Schedules for three councils – Broadland District Council, Norwich City Council and South Norfolk Council, hereafter referred to as the Councils. The basis for this assessment is Section 212 of the Planning Act 2008. It considers whether the schedules are compliant in legal terms and whether they are economically viable as well as reasonable, realistic and consistent with national guidance (Charge Setting and Charging Schedule Procedures – DCLG – March 2010).

2. To comply with the relevant legislation a local charging authority has to submit what it considers to be a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the area. In this instance the three authorities are proposing identical charging schedules save for Norwich City which has a separate rate for flats in blocks of 5 storeys and above, and is entirely within zone A. The basis for the examination is the written material and representations submitted, the material presented to the hearings held on 16 and 17 October 2012 together with the further written submissions in response to matters raised at the hearing sessions. The three draft charging schedules were submitted for examination on 10 August 2012 together with Statements of Modifications. The Modifications relate to changes to the Draft Charging Schedules published in February 2012 and have been consulted on for a period of four weeks in accordance with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).

3. The Councils propose two charging zones described as Zone A and Zone B. The Zones are only relevant to residential development. The proposed charges in £ per sq. m. are: Residential Development (Use Classes C3 and C4 excluding affordable housing) including domestic garages, but excluding

shared-user/decked garages Zone A £115, Zone B £75; Flats in blocks of 5 storeys and above £100 (Norwich City only); Development resulting in large convenience goods based stores of 2000 sq.m. and above £135; All other retail, assembly and leisure development, sui generis akin to retail and sui generis akin to assembly and leisure £25; Uses falling within Use Classes C2,C2A and D1 Nil; All other types of development covered by the CIL regulations (including shared-user/decked garages and B1,B2,B8 and C1 uses) £5

The evidence - is it appropriate and does it support the proposed charging schedules?

Infrastructure planning evidence

4. The basis for the infrastructure needs is provided by the Joint Core Strategy (JCS) for the three authorities adopted in March 2011. Following a partially successful legal challenge the JCS is now adopted with the exception of the policies relating to the distribution of housing growth in the Norwich Policy Area part of Broadland District. The implications of the remittal of some policies for part of the area do not materially affect the justification for a CIL because the overall scale of growth is not affected. The JCS sets out the main elements of growth that will need to be supported by further infrastructure. An unchallenged infrastructure schedule submitted by the Councils with identified funding from other sources shows that some 54% of the infrastructure needs of the area remain unfunded at present. This amounts to £378 million and hence a basic requirement for the imposition of a CIL charging regime is in place.

Residential viability evidence

5. In relation to the Councils' evidence, CIL viability assessment work was undertaken by GVA Grimley Ltd (GVA) and, in relation to the impact of garages on residential sale prices, by Mott MacDonald. The Councils also produced supplementary evidence on residential viability, the viability of flats in Norwich City and the viability of large scale convenience goods based retail development. Norfolk Property Services provided evidence on the build cost of flats in Norwich City. I have considered all this evidence and all the representations made as well as the additional viability evidence submitted to the examination by the Councils following advice from the Homes and Communities Agency (HCA).

6. A "final" report from GVA was published in December 2010 and an errata was added in June 2011. The errata dealt with current market values based on discussions with local agents and available sales information for land with planning permission (or resolutions to grant permission) with circa 25% affordable housing provision. In August 2011 a further piece of work was done by GVA relating to the proposed charging zone boundaries.

7. The initial work done by GVA identified four residential market areas – Central (focussed on Norwich), Inner (settlements close to Norwich), Outer (the rural areas) and the A11 Corridor. Subsequent work by GVA, based on market evidence including Land Registry data, resulted in a simplification of the four zones into two charging zones by combining the Central, Inner and

A11 market areas into a single zone A. Inevitably there are some anomalies in the delineation of the two zones and it is understandable that some of those making representations consider that, for example, the villages of Thurton, Loddon and Hales should be in Zone A and not Zone B. However the Councils, in accordance with Government guidance which warns against over complicating charging zones, have devised a relatively simple and logical approach based on general property values. This provides a sound basis for a two tier charging system for residential development.

8. A fundamental element of the work done by GVA deals with benchmark land values in 4 areas originally identified. Central £500,000 per acre, Inner and A11 corridor £210,000 – £250,000 per acre and Outer £200,000 per acre. These benchmark values represent the existing use value of land plus an element of hope value assuming planning permission for residential development and a requirement for 25% to 35% affordable housing but with no allowance for CIL.

9. Bearing in mind that the cost of CIL needs to largely come out of the land value, it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience in the Norwich area the Councils' viability work assumed that a landowner would expect to receive at least 75% of the benchmark value. Obviously what individual land owners will accept for their land is very variable and often depends on their financial circumstances. However in the absence of any contrary evidence it is reasonable to see a 25% reduction in benchmark values as the maximum that should be used in calculating a threshold land value.

10. In addition to the advice from GVA, the Councils produced their own viability work described as Supplementary Evidence on Residential Viability (Document EV6) based on a model provided by Norfolk Homes and using advice from the Homes and Communities Agency. This supplementary assessment provides a series of calculations based on the residual valuation approach and includes for comparison purposes valuations using "developer assumptions". This material provides a range of valuations based on 2 types of hypothetical scheme – a 250 dwelling scheme in charging zones A and B and a 25 dwelling scheme in Zone A. The range is derived from changing inputs such as the level of affordable housing, costs, gross development value and level of S106 contributions. Private sector developers challenge this material on several grounds. In this instance significant differences between the Councils and the developer assumptions relate to contingencies and overhead costs.

11. One of the characteristics of the residual valuation approach is that the results are very sensitive to the assumptions made in the calculation. Taking as an example hypothetical Scheme 1, 250 dwellings in Zone A.

	Councils	**Developer Assumptions**
Contingency	2.5% of build costs	5.0% of build costs

	£553, 748	£1,107,496
Overheads	11% of build costs	11% of GDV
	£2,436,491	£4,821,876
Totals	£2,990,239	£5,929,372

These differences obviously have significant consequences for other costs such as finance with the result that the Councils residual land valuation is £6,815,497 whereas the developer assumptions residual is £2,941,895. Significantly this very large difference takes no account of different views about how the profit margin should be calculated. The private sector argues that the profit should be calculated on Gross Development Value (GDV) at a rate of 20 -25% for open market units and 6% for social housing rather than the 20% of build/site/overhead costs favoured by the Councils. The difference amounts to over £2.4 million pounds. At the hearing session GVA accepted that basing profit on GDV is the usual approach in this area because of the risks involved and the cost of capital in the current market. However GVA conceded that using a percentage on costs approach is sometimes adopted. The Broadland District Council representative concurred with the view that using profit on GDV is the usual approach in the Norwich area.

12. Furthermore the private sector argues that the Councils' approach to the cost of finance is flawed as it is based on a fixed % build cost and takes no account of the cash flow of a scheme over its lifetime. The private sector also contends that the Councils' general approach to values is flawed as it takes no account of how far cost inflation would erode the benefit of any increase in property prices.

13. The Councils sought to counter the private sector arguments by producing a revised residual valuation for Scheme 1 using a 5% contingency and the 20% on GDV approach to profit favoured by the private sector. This third residual valuation produced yet another view about the residual land value - £3,929.234 - for Scheme 1. In response Savills say that this valuation underestimates the cost of finance by £2,200 per unit and continues to underestimate the cost of overheads by £9,500 per unit. In addition Savills, quoting the guidance issued by the Local Housing Delivery Group, (Viability Testing Local Plans June 2012 – hereafter described as "Harman Guidance") say that the cost of servicing large green field sites is underestimated by at least £10,000 per unit. Savills point out that around 50% of the future housing in the area is expected to be built on large green field sites.

14. The Councils obtained agreement from HCA to publish information supplied in November 2011. Not unexpectedly the HCA seeks to justify its approach by, for example, arguing that the profit margin suggested by the developer is too high assuming involvement by a registered affordable housing provider thereby reducing the risk.

15. The difficulty is that there is seldom, if ever, only one correct approach to assumptions in residual valuations and indeed at the hearings GVA accepted that the residual method is open to what they described as "manipulation". The discrepancies in the figures illustrate the difficulty of reaching a properly informed view based on the residual valuation approach where there is disagreement about the inputs.

16. The supplementary valuation material in EV6 demonstrates what the Councils describe as a "high degree of variability in assessing viability using a residual land value model". The Councils note that using developer cost assumptions and applying the proposed CIL charges means that less than the full affordable housing requirement would be met but that with a relatively small increase in house prices schemes "will be significantly more viable and able to deliver appropriate levels of affordable housing". In essence looking at affordable housing and the property market the approach taken by the Councils is that the market will recover to some extent relatively soon and that an improved market would enable the full level of affordable housing to be provided on many more sites than at present.

17. The private sector view is different. While supporting the concept of a CIL charge and acknowledging the need for substantial infrastructure improvements, the consensus view of the private sector representatives is that the housing market in the area is weak and relatively fragile. Savills contends that housing delivery in the area is 54% below target in the 3 years to March 2011 demonstrating the weakness of the market. The private sector view is that the proposed rates for residential development would seriously inhibit development and significantly undermine the delivery of the housing growth sought in the JCS.

18. The Councils counter this by pointing out that developers continue to discuss major schemes with local planning authorities in the area and that large scale housing applications are anticipated in the short term.

19. Clearly the evidence presented to the examination contains some important elements where there is a significant amount of disagreement between the private sector view and the Councils. For the following reasons it is considered that the fears of the private sector about the negative impact of the proposed residential charge are well founded.

20. First, based on the views of the private sector and recent delivery rates, it is evident that the housing market in the area is not robust. In this context it is noted that the National Planning Policy Framework (NPPF) expects the CIL to incentivise new development. I fully appreciate the Councils are keen to promote growth and see the delivery of infrastructure as important to the creation of sustainable well planned communities. In this context I acknowledge that the Councils have sought to take into account the impact of the recession. This was one of the considerations in its decision to propose a much lower rate than that originally recommended by its professional advisors. The original rate was recommended on assumptions about a return to what was described as a "normal market" based on mid 2007 conditions. However the evidence indicates that the reduction proposed by the Councils is not large enough.

21. Secondly, the Councils are relying to some extent on an improvement in the market. Thus for example the conclusion in the supplementary evidence (EV6) refers to "relatively small increases in house prices" and the fourth scenario for scheme A Zone 1 is described as viable "if house prices increase in real terms by just 7%". Bearing in mind the uncertainty about the future of the property market the advice in the Harman guidance is that plan policies for the first five years should work on the basis of current values and costs. While aimed at local plan policies this advice is logically also applicable to CIL charges. In any event the Councils did not adequately counter the argument that if increases in house prices are taken into account it is also necessary to have regard to the impact of cost inflation.

22. Thirdly the work done by the Councils to demonstrate what funds are likely to be available for CIL (Appendix 1 of the Note following Day 1) relies on the full 25% of the benchmark land value being available for the CIL "pot". While this may sometimes be the case it is unlikely that it will always apply. Even if some landowners may be prepared to accept less than 75% of the benchmark value, the 25% figure should be treated as a maximum and not an average. Using 25% to try to establish what the theoretical maximum amount in a CIL "pot" may be is reasonable, but when thinking about setting a CIL charge in the real world it would be prudent to treat it as a maximum that will only apply on some occasions in some circumstances.

23. Fourthly the JCS seeks affordable housing at a rate of 20% for sites of 5 – 9 dwellings, 30% for 10 – 15 dwelling sites and 33% for sites of 16 or more dwellings. The Councils believe that the CIL charge would allow at least 20% affordable housing to be delivered in all locations and its approach is that where viability is an issue the percentage of affordable housing will need to be negotiated in accordance with policy 4 in the JCS. Whatever the merits of this approach in terms of pragmatism, it seems clear that in setting its CIL rate the Councils are prepared to compromise on their affordable housing policies, whereas they should have taken all of their policy requirements, including affordable housing, into account when setting the CIL rate.

24. Fifthly in its viability work the Councils have been unduly optimistic about the likely costs of development. Of particular concern is an over-simplistic approach to finance and cash flow considerations, a likely under-estimation of the cost of servicing large green field sites (taking as a guide the Harman estimates) and the use of build costs rather than GDV as a basis for calculating overheads and profit margins.

25. Finally the statutory CIL guidance and the Harman guidance make clear that it is important to avoid assuming that land will come forward at the margins of viability. Thus the use of what is termed a "viability cushion" is recommended. No doubt the Councils are aware of this and believe that they have allowed an adequate viability cushion, but, even assuming that their basic figures are correct, the "cushion" allowed for is inadequate. The need for a substantial "cushion" is particularly important on green field sites where, as the Harman advice notes, prospective sellers are often making a once in a lifetime decision and are rarely distressed or forced sellers. A large proportion of the anticipated development in the area will be on large green field sites.

26. The combined impact of these factors leads to the conclusion that the rate for residential development should be reduced. The extent of the reduction is open to question. Using the residual valuations only to answer this question is unreliable because of the wildly different results in them. Accordingly the issue has also been looked at in terms of the anticipated CIL "pot" by taking into account the estimated contribution from the land price and the anticipated consequence of substituting a CIL charge for most of what were previously infrastructure funds raised through S106 agreements. Following the discussion on day one of the hearings the Councils helpfully provided a supplementary "Note" providing their assessments of what the "pot" might be.

27. At the hearings Savills suggested that within strategic housing areas and assuming affordable housing at 18%, either a S106 charge or a CIL charge (but not both) of about £30 per m. sq. would be acceptable. Some of the other private sector representatives at the hearing sessions considered that this would be too low given the infrastructure needs of the area. At the earlier Preliminary Draft Charging Schedule stage Ptarmigan Land Ltd (later Hethersett Land Ltd) suggested a rate of around £100 for residential development in Zone A. At the hearing this suggestion was confirmed as being the position taken by Ptarmigan although it was not repeated in the written representations made by Hethersett Land Ltd. In response to the Councils' Note, Savills have refined their suggestions and now propose a rate of £60 – £65 with 18% affordable housing in Zone A and between £35 and £46 per sq m in Zone B. Morston Assets response to the Note is that within the inner city locations the threshold land value will need to be within 10% of the benchmark value because land owners are likely to require greater incentives to bring forward land that is already in commercial use. On this basis there would be less available for the CIL "pot" and Morston Assets argues for a maximum charge of £55 per sq. m. in central areas.

28. Whichever way it is looked at it is not possible to arrive at a definitive answer that is indisputably correct. I consider that the calculations in Appendix 1 of the Councils' Note are a reasonable starting point subject to the following considerations. First the land price per acre should be at the lower end of the range suggested. Secondly, the difference between the benchmark value and the threshold value should be regarded as 15%. Thirdly the assessment should assume 33% affordable housing in accordance with the target for sites of 16 or more dwellings in the JCS. Although not precise such an approach seeks to take into account the higher development costs suggested by the private sector and provides for a viability cushion. On this basis it can be broadly concluded that the rate within the City should be reduced by a minimum of around 35% and by a similar figure in the South Norfolk/Broadland fringe of Norwich area. Having regard to the probability of high servicing costs of large green field sites it is reasonable to argue that the reduction in the latter area should be increased. There is no reason why the same logic should not apply to the parts of the area subject to the Zone B charge. The overall conclusion is therefore that the residential rate in both Zone A and Zone B should be reduced by around 35% or more.

Non Residential viability Evidence

29. In relation to non-residential development the proposal involves a charge of

£5.00 per square metre for office and industrial development. This very low charge reflects the weak market for office and industrial development. At the hearings the option of a nil charge for these types of development was discussed. A consensus view emerged that this nominal charge, which would represent only about 0.5% of average build costs, would not threaten the overall viability of these forms of development. On this basis this level of charge for office and industrial development is acceptable.

30. Retail development, where the proposals involve a charge of £135 for developments of over 2000 sq m and £25 for other retail development is contentious. Three major supermarket operators objected to the proposals. One disputed area is the validity of having different rates for different sized retail outlets given that Regulation 13 of The Community Infrastructure Regulations 2010 provides for different rates by zone or by intended uses of development but does not make reference to size. However the Regulations do not prohibit different charges within the same use class provided that the difference is based on viability evidence and the way the premises are used.

31. In this instance the Councils distinguish between large retail stores traditionally used for major weekly or less frequent convenience shopping and other retailers, including convenience stores used primarily for irregular "top up" shopping. This distinction in the way the stores are generally used is backed up by viability evidence produced by GVA showing that large scale food-based stores are able to support a very high charge and remain viable. The hypothetical example tested by GVA for a 75,000 sq. ft. convenience store with 400 parking spaces showed that depending on whether the store was developed by an operator or a developer the residual land value would be in the order of £10 - £14 million pounds compared to a residential benchmark of £1.5 - £3.5 million. On this basis large convenience stores are judged to be capable of easily meeting a CIL charge of £135 per sq.m.

32. The Councils have also produced convincing evidence showing that convenience stores above 2000 sq. m. are operated almost exclusively by major national retailers and are aimed at providing what is described as a "main food shopping function". Stores below this largely perform a local top up function. This use distinction is reinforced by viability evidence (albeit dated at 2007) showing that a major national retailer such as Sainsbury has average sales per sq. m. of over £10,000 whereas the comparable figure for smaller convenience retailers is less than £3,500.

33. In relation to other retailers GVA produced satisfactory evidence showing that the viability of such stores is relatively weak with for example town centre vacancy rates increasing steadily since 2008.

34. WM Morrison Supermarkets PLC, Sainsbury's Supermarkets Ltd and Asda Stores Ltd contend that the rate for large stores is too onerous. Based on the written submission by Indigo Planning Limited on behalf of Sainsbury's Supermarkets Ltd it is not clear whether Sainsbury's appreciate that the intention of the Councils is to largely replace S106 agreements with the CIL charge but in any event none of these organisations produced any quantitative evidence to support their assertions. In view of the lack of supporting evidence little weight can be given to the representations made by these supermarket operators.

35. My conclusion regarding the proposed retail rates is that the Councils have provided satisfactory evidence justifying the proposed charges.

Other Matters

36. All the written representations have been considered. A number of these relate to matters that are not within the scope of this examination. For example whether or not CIL is a justified tax, how the CIL money is spent and what discretionary relief is made available are not matters for this examination.

37. McCarthy and Stone Retirement Lifestyles Ltd argue for a rate based on net saleable area for their type of specialist type of accommodation. However they do not provide any convincing viability evidence and in any event it is completely unrealistic to expect charging schedules to be made flexible and varied enough to cater for a variety of considerations particular to different types of residential accommodation providers.

Conclusion

38. The Councils have tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the area. For non-residential development this objective has been met. However for residential development the rates in both Zone A and Zone B pose a significant threat to the viability of schemes. Within the Greater Norwich area the residential market is not robust and the rates suggested would not meet the NPPF requirement that they "support and incentivise new development". I recommend that the rates for residential development are modified to reduce them by around 35% (EM1) as specified at Appendix A.

LEGAL REQUIREMENTS	
National Policy/Guidance	The Charging Schedules do not comply with the National Policy/Guidance as drafted, unless modification EM1 (or other sufficient modification) is made.
2008 Planning Act and 2010 Regulations (as amended 2011)	The Charging Schedules comply with the Act and the Regulations, in respect of the statutory processes and public consultation.

39. I conclude that the three Councils' Community Infrastructure Levy Charging Schedules do not satisfy the requirements of Section 212 of the 2008 Act in respect of the viability of residential development. In accordance with Section 212A of the 2008 Act (as amended) and the 2010 Regulations (as amended 2011) I therefore recommend that the Charging Schedules be modified to address the rates for residential development. With

recommendation for modification **EM1 in Appendix A**, I recommend that the drafts are approved.

Keith Holland

Examiner

This report is accompanied by:

Appendix A (attached) – Modification that the examiner specifies so that the Charging Schedules may be approved.

Appendix A

Modification EM1, recommended by the Examiner to allow the Charging Schedules to be approved.

Broadland District Council

1.

Charging Schedule (£ per m2)

Use Class	Zone A	Zone B
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.	£75	£50

Norwich City Council

2.

Charging Schedule (£ per m2)

Use Class	Zone A	Zone B
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.	£75	Not applicable
Flats in blocks of 5 storeys and above	£65	Not applicable

South Norfolk Council

3.

Charging Schedule (£ per m2)

Use Class	Zone A	Zone B
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.	£75	£50

Appendix 7: Greater Norwich City Deal Expression of Interest, January 2013

Greater Norwich City Deal

Expression of interest

Transforming world class research into world class business

JANUARY 2013

Section A: Summary information

14 January 2013

A1. Proposal title:

Greater Norwich: Transforming world class research into world class business

A2. Key partners involved in the proposal:

Public Sector
Broadland District Council
Norwich City Council
Norfolk County Council
South Norfolk Council

Private Sector
New Anglia Local Enterprise Partnership
Norfolk Chamber of Commerce
Norfolk Network
Norwich Research Partners LLP
Private Sector Landowner – Bullens

Research & Clinical Institutions
Biotechnology and Biological Sciences Research Council
Institute of Food Research
John Innes Centre
Norfolk and Norwich University Hospital
The Genome Analysis Centre
The Sainsbury Laboratory
University of East Anglia

Educational Institutions
City College Norwich
Easton College
Norwich University of the Arts
University of East Anglia

A3. Local Point of Contact:

Jerry Massey
Deputy Chief Executive (Operations)
Norwich City Council
St Peter's Street
Norwich
NR2 1NH

email: jerrymassey@norwich.gov.uk
telephone: 01603 212225
mobile: 07787 758480

Executive Summary

Transforming world class research into world class business.
The deal with Government to accelerate growth in Greater Norwich.

Big Idea

We will make Greater Norwich a dynamic international centre for business enterprise in life sciences to meet the global challenges of healthy ageing, food and energy security, sustainability and environmental change.

How we are going to do this?

By bringing together the three strands of Enterprise and Innovation, Skills and Infrastructure we will aggressively commercialise the development potential of our world class asset – Norwich Research Park.

To grasp this opportunity we are asking for:

Enterprise & Innovation

- Devolved national business support to the LEP to provide immediate, locally-tailored solutions to support and quicken the pace of business growth.
- A formal local partnership with the Technology Strategy Board to have a local presence that will accelerate growth by providing immediate support for business led innovation.
- Formal local agreements with Capital for Enterprise to provide local and immediately available finance, advice and support for SMEs to grow and flourish.
- A local Green Investment Bank presence to provide the link between local scientific excellence and commercial investment that has a green impact.
- Re-direction of European funding to the LEP to ensure available funds are used to support and speed up local growth.

Skills

- Devolved skills funding to ensure employers' needs are met.
- The opportunity to work with Greater Ipswich to deliver a LEP-wide locally-determined skills investment programme tailored to our sectoral needs.

Infrastructure

- A single central government funding pot to enable us to direct resources to local priorities to accelerate growth.
- Authority to borrow against future CIL income to give developers confidence that the infrastructure necessary for growth will be provided.
- The underwriting of investment risk if CIL income underperforms.
- Retention of business rates uplift to invest into enterprise & infrastructure.
- More Growing Places Funding to provide a local pipeline of premises for immediate occupation by new and expanding SMEs.
- Funding for high capacity broadband and data processing capability.
- A compact for growth between local and national agencies and utilities to speed up development.

Continued...

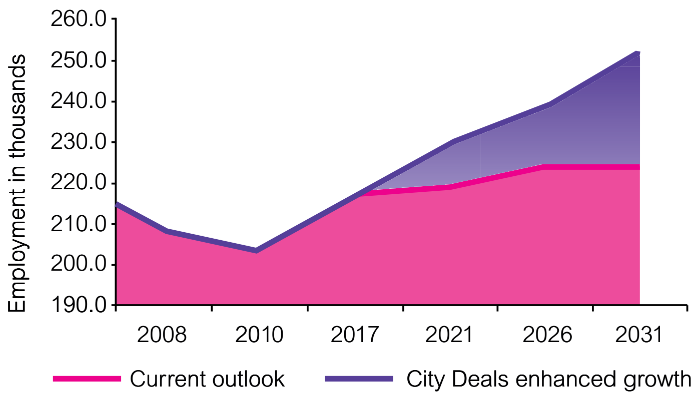
To make this happen we will:

- Bring together creative scientific institutions, an ambitious LEP and public sector, a confident private sector and proactive landowners to create a single focus on innovation and enterprise to deliver growth fast.
- Establish a capital pot of local infrastructure funding to support growth.
- Advance fund infrastructure to unlock private sector investment.
- Use our land and property holdings to create more investment opportunities.
- Pool staff resources to deliver the city deal.
- Work with Greater Cambridge to strengthen and extend existing life sciences links.
- Create a robust local private/public governance structure to speed up growth.

Dynamic growth at the NRP will act as a catalyst to deliver:

- Accelerated local growth for national economic recovery.
- 40,000 new jobs, which is a major increase over our pre-recession projection (over a 30% increase) and a significant uplift to our current outlook.
- 37,000 new homes for greater Norwich.
- 50% increase in knowledge based businesses.
- 30% increase in GVA above trend.
- An international flagship for life sciences enterprise.

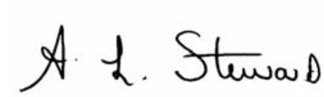
Greater Norwich Jobs Growth



Cllr Andrew Proctor
Leader
Broadland District Council

Cllr Brenda Arthur
Leader
Norwich City Council

Cllr John Fuller
Leader
South Norfolk Council



Cllr Ann Steward
Cabinet Member for Economic Development
Norfolk County Council

Andy Wood
Chairman
New Anglia Local Enterprise Partnership

Section B: Problem definition

B1 What is the single economic challenge or opportunity that you want to address through a city deal? Why has this been chosen as the focus of your proposal?

By bringing together the three strands of enterprise and innovation, skills and infrastructure we will aggressively exploit the growth potential of our world class asset, Norwich Research Park (NRP). We will make Greater Norwich a dynamic international centre for business enterprise in life science to meet the global challenges of healthy ageing, food and energy security, sustainability and environmental change.

City Deals gives the potential for accelerating the growth of the world acclaimed NRP to echo the 'Cambridge phenomenon' but with the benefit of much lower housing and employment costs. We have identified this opportunity in partnership with industry and businesses that are prepared to commit substantial resources to delivery, which is attached as a confidential annex.

Why has this been chosen?

The NRP is an international centre of excellence in life sciences. The NRP campus comprises five world renowned institutions including three of the UK's five BBSRC institutions and one of the UK's world-class universities. Expansion and development of the NRP[1] will deliver UK led solutions to global challenges. Norwich has a well established critical mass of life sciences ripe to be exploited to drive innovation, enterprise and to promote economic growth.

The NRP has been physically constrained for many years. For the first time the opportunity exists, through private sector investment, to expand to create a 55 ha world-class science, enterprise and commercialisation centre. Building on private sector investment, the masterplan, and a well developed vision we will bring forward growth at a transformational rate. Given new freedom and flexibility to align funding and decision making, we will deliver additional jobs (see section D1 for detail), an enhanced skills pool, and business start-ups and associated infrastructure. This will accelerate NRP expansion but also extend jobs and business growth across the wider economy.

This opportunity is real. Norwich is already the largest economy in the East of England. The John Innes Centre and The Sainsbury Laboratory on the Norwich Research Park are ranked higher than any other organisation in the world[2] for the most influential papers of the last ten years in plant and animal sciences. NRP is one of Europe's largest single-site concentrations of research in life sciences, currently employing 11,000 people. [3]This opportunity is further endorsed by the research completed by The Work Foundation identified Norwich[4] as at the tipping point in terms the growth in its knowledge economy.

There has never been a bigger opportunity for the Greater Norwich area to achieve transformational growth. The transition from a historically low skill manufacturing economy to one of high growth and high value knowledge industries, drawing in particular on life science research, is underway. In 1984, 25% of employees (30,900) worked in the manufacturing sector, by 2011 even though the total number of jobs had increased overall, manufacturing jobs had fallen to 9% (15,100). Over the same period, employment in knowledge intensive industries more than doubled to 88,300. To give an idea of the scale of the economy, 178,600 people are employed in Greater Norwich which equates to one in five jobs in the LEP area. GVA currently stands at £8,474.4m (2008 prices).

[1] The Norwich Research Park includes University of East Anglia, Norfolk and Norwich University Hospital, John Innes Centre, The Genome Analysis Centre, The Sainsbury Laboratory, Institute of Food Research. www.norwich.gov.uk/Business/Documents/NchResearchPark.pdf

[2] www.norwichresearchpark.com/newsandevents/latestnews/norwichscientiststopworldrankings.aspx

[3] www.norwichresearchpark.com/newsandevents/events/postgraduateopenday.aspx

[4] www.theworkfoundation.com/downloadpublication/report/160_160_norwich_ke.pdf

B2 Why can't this be taken forward by the private sector or through existing policy tools?

Businesses have identified that the key barriers to growth are gaps in:

- enterprise and innovation – the lack of specialist support to translate innovation into jobs. For example an expanding life science business that requires a Smart Award has to navigate a complex process and a patchwork of forms and information.
- infrastructure – investment required in local transport network and ready-to-move into office accommodation and extending high capacity broadband and data processing capability. For example the NRP has no high capacity/super fast broadband and in some parts has communications blackspots.
- skills – the mis-match between skills provision and local employment opportunities.

In developing our City Deals proposal we have consulted extensively with businesses and business groups about the barriers they face. [5] Existing policy tools do not allow us to structure and shape national programmes at a local level to respond to the needs of our businesses. We have highlighted some of the key areas to be addressed to deliver identified growth opportunities including;

Difficulties in accessing finance restrict opportunities for commercialisation of innovative research. Strong Angel networks flourish in Oxford and Cambridge, but struggle to be established in Norwich even though it is the UK provincial city that ranks closest to them in research power and citations. The volume of applicants is low because they have limited visibility and this will only increase as access to Angel funding is improved. We want to bridge this gap and lever in significant local private sector investment.

Businesses have told us that it is hard to access enterprise and innovation support because programmes have been centralised and do not meet local needs. As a result the lack of a local dimension means local take-up has been low holding back job creation and development of spin-out companies. There is little join up on the ground between different national enterprise and innovation organisations and programmes, such as the BIS funded Growth Accelerator, UKTI, – the Manufacturing Advisory Service, the Technology Strategy Board, National Endowment for Science, Technology and the Arts and Start-up Britain. We want to deliver a transformed and comprehensive business support service, shaped by local business.

Businesses have identified a mismatch between skills provision and the job opportunities locally; they are keen to have a leading role in shaping that provision. We have no control and very little influence over the funding allocated for Greater Norwich to achieve a step-change in skills provision, particularly in the life sciences sector across all levels. This limits our ability to drive real benefits for the private sector now and in the future.

Existing approval processes for major infrastructure projects are uncoordinated, slow and complex. This creates delay and uncertainty, increasing the cost for local authorities promoting schemes and compounding difficulties for developers in financing associated projects.

Developers identify that the constraints for growth in the current market are the lack of certainty, confidence and access to finance. The authorities are willing to pool funds and take risks in underwriting future income streams, e.g. the county council is willing to borrow against potential CIL income. However we need Government to help us unlock this, for example, through providing certainty on timescales, by risk sharing and by enabling districts to raise additional funding finance such as through borrowing against CIL.

To support the development of the NRP and associated housing there is a requirement for investment in some key infrastructure including improvements to trunk road junctions such as Thickthorn and Longwater and Bus Rapid Transit investment. Further information is attached in the confidential annex.

Placing the infrastructure requirements for the NRP in a wider context we have well developed plans[6] for our infrastructure investment needs. The total investment across Greater Norwich is over £705m. We are well advanced with a joint approach to CIL which, with other funding and investment from industry e.g. AMP funding, is expected to generate £528m of private sector investment. Even after local pooling and making use of available mechanisms there remains a significant funding gap of £177m that the authorities have already agreed they will borrow to deliver and enter into formal contracts to ensure delivery.

The voluntary sector play an important role in the Greater Norwich economy and many provide business support and training services. Meetings with key businesses in the voluntary sector, many members of which are working in ways similar to SMEs have identified barriers to growth which mirror those highlighted by the mainstream private sector.

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[5] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/BusinessEngagement.pdf

[6] www.gndp.org.uk/downloads/LIPP-v4.1-2012-02-03.pdf
www.norfolk.gov.uk/download/etd141112item12apdf

Section C: Broad approach

C1 What broad approach do you intend to take to address the challenge or opportunity identified above?

We want to work with Government and the private sector to redesign the funding structure and financial vehicles available to ensure we can get projects underway and can sign long-term contractual agreements. We will set up a pooled investment pot, to borrow money and deliver soft and hard infrastructure up front. This will give confidence to developers and inward investors that the right structures are in place to respond to their proposals in a business-like way.

We will take a strong lead by creating a private/public sector delivery team and a governance structure which can provide leadership across authority boundaries to work with the NRP, private sector landowners and businesses to deliver our key themes of Enterprise and Innovation, Skills and Infrastructure.

In summary, to grasp the opportunities presented by NRP and to ensure benefits across the whole functional economic area, we are asking for:

- devolved national business support to the LEP to provide immediate locally tailored solutions to support and quicken the pace of business growth including Growth Accelerator Programme and the Manufacturing Advisory Service
- a formal partnership agreement with the Technology Strategy Board to develop a Launch pad project covering the New Anglia LEP area. This partnership would be the largest project of its kind focused on a single geography. It would also be aligned with the University of East Anglia's bid for funding from the HEFCE Catalyst Fund. Funding from the TSB would be matched by local contributions to maximise the outputs that it can achieve, such as:
  - over a 3 year period agree a guaranteed number of Smart Awards for SMEs to engage in R&D projects in strategically important areas of science, engineering and technology, from which new products, processes and services could emerge
  - tailored programmes to support key areas such as food, life sciences, energy, built environment and access to the new Catapult network.
- formal local agreements with Capital for Enterprise to provide local and immediately available finance, advice and support for SMEs to grow and flourish
- a local Green Investment Bank presence to provide the link between local scientific excellence and commercial investment that has a green impact
- re-direction of European funding to the LEP to ensure available funds are used to support and speed up local growth
- devolved skills funding to ensure employers needs are met
- the opportunity to work with Greater Ipswich to deliver a LEP-wide locally determined skills investment programme tailored to our sectoral needs
- a single central government funding pot to enable us to direct resources to local priorities to accelerate growth
- authority to borrow against future CIL income to give developers confidence that the infrastructure necessary for growth will be provided
- the underwriting of investment risk if CIL income under-performs
- retention of all business rates above existing growth trend to invest into enterprise and infrastructure
- more Growing Places Funding to provide a local pipeline of premises for immediate occupation by new and expanding SMEs
- funding for high capacity broadband and data processing capability, necessary to support the increasing data generation associated with life science research and business activities.

- a compact for growth between local and national agencies and utilities to speed up development. Our request is that consultees must satisfy or surpass statutory response times and that in each of the agency's business or asset management plans there is clear visibility of key projects and necessary funding to deliver growth in the Greater Norwich area that complies with our delivery programme.

C2 How can this approach 'do more with less' by delivering greater efficiency in public spend or by leveraging new resources from the private sector?

For the NRP we are going to do more with less by:

- providing a funding framework that gives certainty and confidence for private sector investment to come forward
- adopting a comprehensive approach to the development of the NRP to achieve significant economies of scale
- pooling resources to maximise revenues, reduce waste, reduce cost
- aligning central government processes to synchronise decision making to meet local priorities and create greater certainty for private sector investors
- aligning local processes to reduce bureaucracy – cutting red tape.

We are confident this will provide:

- forward funded infrastructure investment, thereby speeding up growth and income streams
- a co-ordinated approach to enterprise and innovation – fewer, but better targeted programmes which deliver faster and stronger outcomes
- a targeted skills programme that will better match the needs of employers, enabling them to grow faster.

On the NRP it will leverage in private sector commitment to fund the provision of serviced sites on an incremental basis. Moreover if we were able to invest upfront, the speed of development will increase.

C3 What local resources do you expect to invest in addressing this problem?

The four authorities are able to draw on a wide range of their own resources, and are prepared to securitise local government finance streams, (including major funding such as Community Infrastructure Levy and Business Rates) to underwrite the cost of borrowing. Current projections indicate that CIL could deliver £131m over the next 10 years and that a step change in commercial activity, which should see floorspace grow by 20% above existing trends, could see business rate income increase by an additional £26m over the period to 2025/26 which we would wish to retain for local investment to support growth. In addition we will:

- bring together creative scientific institutions, an ambitious LEP and public sector, a confident private sector and proactive landowners to create a single focus on innovation and enterprise to deliver growth fast
- establish a capital pot of local infrastructure funding to support growth
- advance fund infrastructure to unlock private sector investment
- use our land and property holdings to create more investment opportunities
- pool staff resources to deliver the City Deal
- pool New Anglia LEP funding from its revenue streams including Growing Places Fund and Regional Growth Fund.
- pool New Anglia Local Transport Body devolved Local Transport Majors funding from 2015
- work with Greater Cambridge to strengthen and extend existing life sciences links
- create a robust local private/public governance structure to speed up growth.

Section D: Expected Benefits

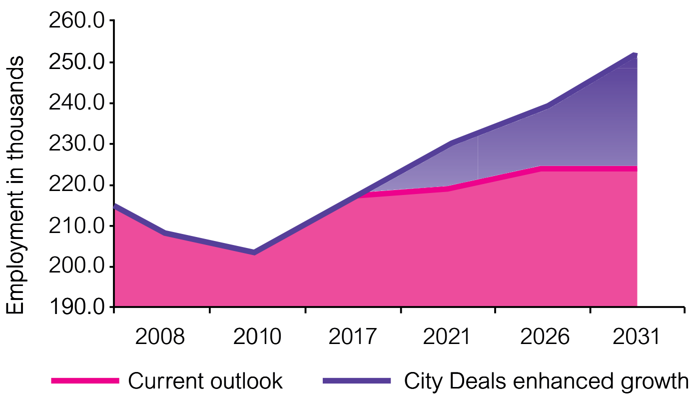
D1 How do you expect your proposal to have an impact on local jobs and growth, and at what scale?

Our City Deal will use NRP as a catalyst to drive enterprise and innovation, creating more jobs and businesses, increasing demand for higher level skills and unlock major infrastructure across the whole of the Greater Norwich area.

Our ambition is to catch up on the 'lost decade' of lost jobs and output. Dynamic growth at the NRP will act as a catalyst to deliver:

- Accelerated local growth for national economic recovery.
- 40,000 new jobs, which is a major increase over our pre-recession projection (over a 30% increase) and a significant uplift to our current outlook.
- 37,000 new homes for greater Norwich
- 50% increase in knowledge based businesses.
- 30% increase in GVA above trend
- An international flagship for life sciences enterprises.

Greater Norwich Jobs Growth



Enterprise and Innovation

In addition to the NRP we have a number of analogous locations where we will create places for specialised enterprise and employment growth, such as Norwich Airport Business Park, Rackheath Eco Park and a mosaic of city centre sites. There is a direct link between the scientific research undertaken at the Centre for the Built Environment on the NRP into green building materials and the national exemplar Garden suburb community of 3,520 sustainable homes and the new jobs that go with it.

Skills

The creation of more jobs will increase demand for higher skills. Greater local determination over skills funding will allow us to supply a suitably qualified workforce to fill additional jobs [7] in a range of sectors including life science and agri-tech, advanced engineering and green technology and digital and creative industries. This is in recognition that such higher value jobs will leverage a wide spectrum of other jobs across the whole of the Greater Norwich area.[8]

Infrastructure

We will create infrastructure to support the expansion and growth of the NRP which in turn will release private sector investment and jobs in housing development to support the business and employment growth. The JCS has at least 37,000 new homes to be delivered by 2026 and has the flexibility to deliver more if required. Housing growth has stalled because of the global economic downturn which has generated a loss of confidence, uncertainty and lack of access to finance. Our proposal will enable us to put the plan back on track post recession.

The benefits of growth will spread across Norfolk, the New Anglia LEP area, through the supply chain, linking for example with the energy focussed Enterprise Zone in Great Yarmouth/ Lowestoft. It will also deliver improvements in key infrastructure such as the Norwich Northern Distributor Route, A47 and Norwich-London rail service, which is also critical to Greater Ipswich.

[7] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EvidenceSectionB.pdf

[8] www.norwich.gov.uk/Business/Documents/SkillsLadder.pdf

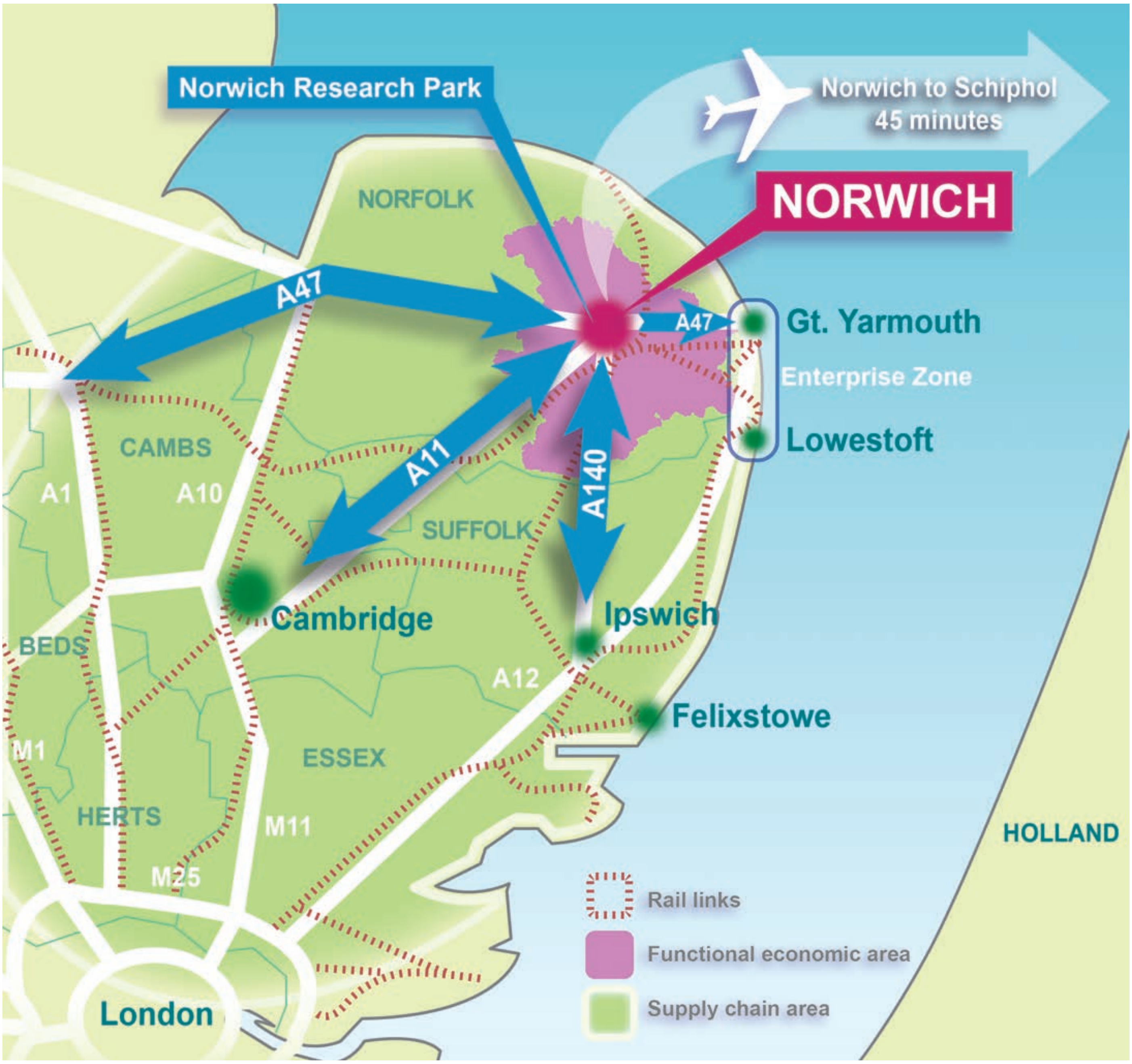
Section E: Governance

E1 Over what geographical area will you address this problem? Why?

It is clear that a successful City Deal for the Greater Norwich area will have local, regional, national and global implications. This reflects the growth ambitions of the New Anglia LEP. The LEP will also ensure that the separate proposals for Greater Ipswich and Norwich adopt a cooperative and a cohesive approach.

The functional economic area has been defined as the administrative areas of Broadland, Norwich and South Norfolk. This is consistent with the Travel to Work and Housing Market Areas as shown in the map below. The local authorities involved have a track record of working together and there is a strong political will to deliver economic growth across administrative boundaries. This is underpinned by Greater Norwich being one of the few areas in the country to complete a Joint Core Strategy[9] with an ambitious strategy for growth.

[9] www.gndp.org.uk/our-work/joint-core-strategy



E2 What governance structures will ensure effective, binding and strategic decision-making across the relevant economic area?

The four local authorities have a long standing and effective private/public partnership which is governed by a board with membership drawn from the constituent local authorities and the LEP. It is supported by a multi-disciplinary officer team and has delivered a Joint Core Strategy and Economic Strategy for Greater Norwich; a joint approach to CIL and investment of £20m in Growth Point projects based on a Local Investment Plan. There is already a political commitment to move the focus of the partnership from policy coordination to the delivery of ambitious homes and jobs targets. It is recognised that the broader remit of a City Deal for the Greater Norwich area will take this commitment even further. To do this we have worked with PwC on a number of governance models that would:

- be robust, straightforward, easily understood and focussed on increasing delivery pace
- have the ability to prioritise and make long-term difficult decisions
- be responsible for investment decisions
- blend entrepreneurial commitment with democratic accountability.

We will establish a Greater Norwich City Deals Board to oversee delivery. This Board would agree a business plan and allocate resources to 3 Delivery Boards, based around the themes of enterprise and innovation, skills and infrastructure. These Delivery Boards[10] will be able to prioritise investment proposals, take difficult decisions quickly and allocate resources fast to deliver economic growth. This is particularly important for the Infrastructure Delivery Board, which will be made up of the local authorities and LEP. The constitution of the Board will enable robust and contractually binding decisions to be taken. All of this will be developed in line with the government's thinking around the development of a single investment pot for local areas. These Boards will work alongside existing delivery bodies. The key one being the Norwich Research Partners LLP.

[10] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EmploymentSkillsBoard.pdf

E3 How will you generate momentum in developing a workable City Deal proposal?

To shift the momentum from concept to reality, the next steps required, over the next 6-9 months will include:

- building on the existing strength of Greater Norwich Development Partnership and Norwich Research Partners LLP and the political commitment to establish a robust and sustainable governance structure
- continuing engagement with private sector partners to develop a shared vision and further increase leverage
- creation of a dedicated multi-disciplinary project team, the pooled resource to support it and an implementation programme, with workstreams identified and project leads agreed
- a comprehensive engagement and communications plan which will target the wider stakeholders who it has not been possible to engage at concept stage.

We will continue to build on our strong relationship with New Anglia LEP and their engagement with businesses. There has already been engagement with local businesses, local Members of Parliament, academic institutions and key stakeholders. All have expressed support for a City Deal for the Greater Norwich area and they have helped identify the key barriers to growth as enterprise and innovation support, skills and infrastructure.[11/12/13]

A unique characteristic of the New Anglia LEP is that it has two City Deal proposals within its boundary. Should both proposals go forward we will continue to work with the Greater Ipswich area to identify shared solutions and potential for integration around approaches to skills, innovation and enterprise.

Finally we recognise we cannot do this by ourselves, so as part of the City Deal dialogue we need Central Government to help us to deliver our shared ambition for economic success.

[11] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/BusinessEngagement.pdf

[12] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EDP24JobsBoostArticle.pdf

[13] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EN24JobsBoostArticle.pdf

Statements of Common Ground

Introduction

The table on the following page identifies those sites where a Statement of Common Ground (SoCG) has been sought with the developer, landowner or agent of a sites in respect to it ability to support the delivery of the Joint Core Strategy (JCS) Proposed Submission Content.

These sites include those with planning permission, those which are subject to an undetermined planning application and notable emerging sites within the Growth Triangle and Broadland NPA as a whole. However, this list is not intended to identify all of those sites which are emerging through the plan making and pre-application process. Further SoCG may be agreed in relation to other emerging sites ahead of the JCS Examination, any such statements will be presented at the Examination in accordance with paragraph 28 of the Inspector's Guidance Notes.

Where a SOCG has been agreed this is indicated in the table.

Where a SoCG has not been agreed but where additional information has been presented as evidence of deliverability of a site, or where a SoCG has not been agreed but is in production this is indicated in the Additional Information section of the table.

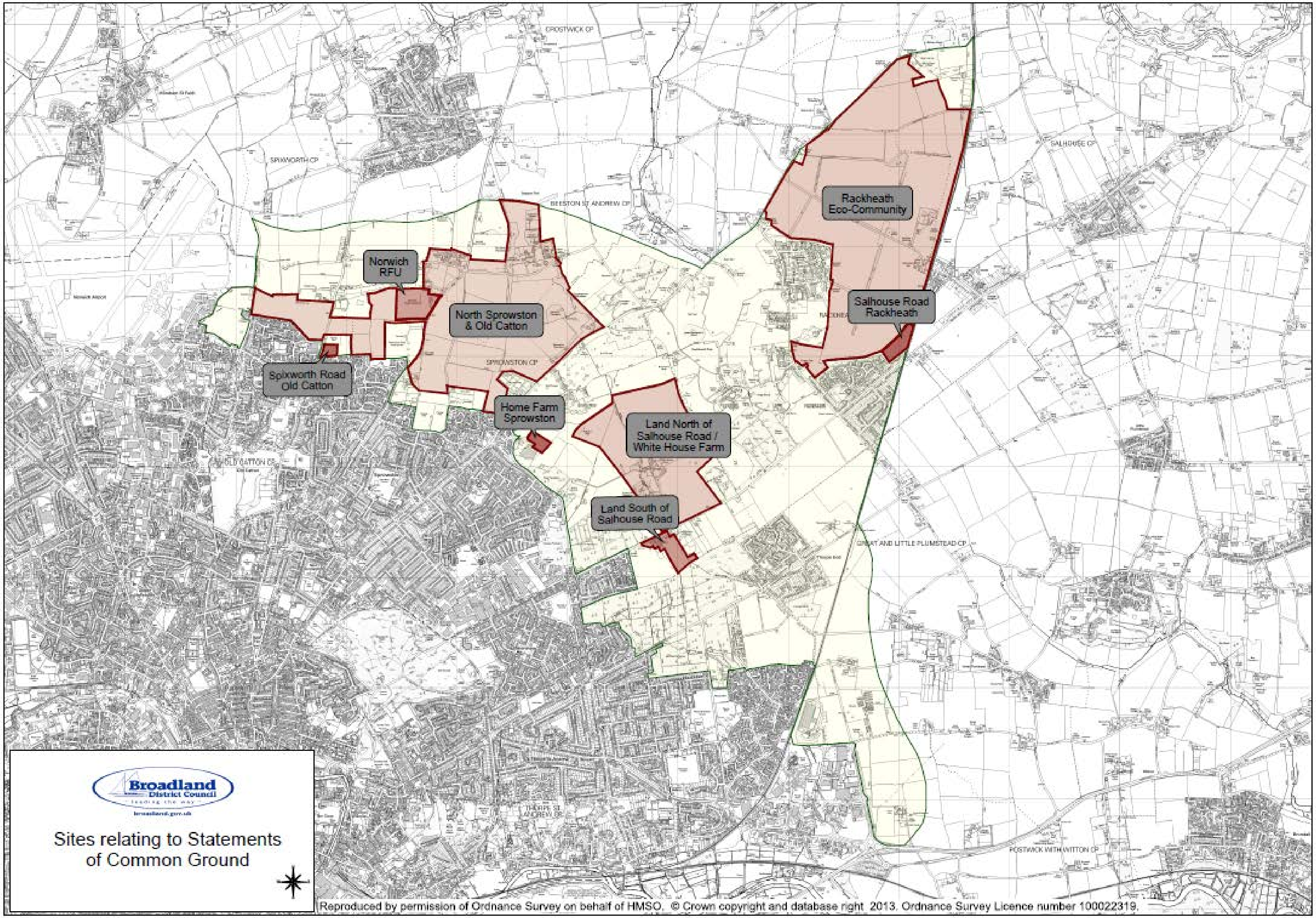
A map indicating the position and extent of those sites within the Growth Triangle that are identified in the table below is included at the end of this document.

Site Name	Developer / Agent / Landowner	Estimated Site Capacity	Planning Status	Statement of Common Ground Agreed?	Additional Information
Sites within the Growth Triangle					
North Sprowston & Old Catton	Beyond Green Developments	3520	Outline Application	☑	A Statement of Common Ground has been agreed with Beyond Green Developments (SCG1). This Statement covers the following issues: • the status of the Beyond Green Application • the position of the proposed development in relation to the housing trajectory • the relationship of the development to the NDR; and, • the viability of the proposed development
Rackheath Eco-Community	Barratt Strategic	4145	Pre-Application	☑	A Statement of Common Ground has been agreed with Barratt Eastern Counties (SCG2). This Statement covers the following issues: • the relationship of the proposed Rackheath Eco-community and the housing trajectory • the provision of employment land at Rackheath • the boundary of the Growth Triangle • the achievement of a single co-ordinated approach to development • the Broads Buffer Zone • viability and delivery
Norwich Rugby Club	Badger Builders	200-300	Pre-Application	☑	A Statement of Common Ground has been agreed with Badger Builders (SCG3). This Statement covers the following issues: • the housing trajectory • The Growth Triangle as an appropriate area of search. • the achievement of a single co-ordinated approach to planning in the Growth Triangle.

Site Name	Developer / Agent / Landowner	Estimated Site Capacity	Planning Status	Statement of Common Ground Agreed?	Additional Information
					• viability and delivery
Salhouse Road, Rackheath 20111272 OA 20130075 OA	Dennis Jeans Developments LTD	80	Outline Planning Permission	☒	Letters of intent from Persimmon and Dove Jeffery Homes (SCG4) were submitted with the application. These letters express the developers' interest in the sites and the potential for its early delivery. These letters of intent have been copied as evidence of the deliverability of this site.
Spixworth Road, Old Catton 20070962 OA (09/09) 20111703 FA	Taylor Wimpy	40	Under Construction	☒	This site is currently being built out and is expected to be completed in the next 1-2 years.
Land south of Salhouse Road	United Business & Leisure	tbc	Pre-Application	☒	A meeting has been arranged for 16 May in order to discuss the potential content of a Statement of Common Ground. It is anticipated that a Statement will be agreed before the start of the JCS Submission Content Examination.
Land North of Salhouse Road and White House Farm	Trustees of the Richard Gurney Children's Settlement.	tbc	Pre-Application	☑	A Statement of Common Ground has been agreed with the Trustees of the Richard Gurney Children's Settlement (SCG5). This Statement covers the following issues: • the availability of the site • the achievement of a single co-ordinated approach within the Growth Triangle
Sites Outside the Growth Triangle					
Norwich Road, Blofield 20111303 (19/03/13)	Beacon Planning	175	Outline Planning Permission	☒	Proofs of evidence were submitted by the agent to the appeal public inquiry which states "*the site is available now … can be delivered within five years*". An extract from the proof of evidence is included as evidence of the deliverability of the site (SGC6).

Site Name	Developer / Agent / Landowner	Estimated Site Capacity	Planning Status	Statement of Common Ground Agreed?	Additional Information
Cucumber Lane, Brundall 20121638 (27/02/2013)	Persimmon Homes	150	Outline Planning Permission	☑	A Statement of Common Ground has been agreed with the Persimmon Homes. (SCG7) This Statement covers the following issues: • delivery of the site within the early part of the next 5 years.
Little Plumstead Hospital	Hopkins Homes	75	Under Construction	☒	This site is currently under construction. Interim monitoring figures show that 21 units were completed in 2012/13 with a further 34 units having been started. This site is therefore considered to be deliverable.
Royal Norwich Golf Club	Savills	600 to 1000	Pre-Application	☒	A copy of a letter from Savills on behalf of the Royal Norfolk Golf Club has been included. This letter affirms the Golf Clubs intention to bring forwards the site for early residential development. This letter is included as a demonstration of the ongoing emergence of sites along site the Site Allocations process. (SCG8)
Pinelands, Horsford 20100774 11/03/11	Lovell	63	Under Construction	☒	This site is currently under construction. Interim monitoring figures from 2012/13 show that 54 units have already commenced on site. This site is therefore considered to be deliverable over the next 1-2years.
Vauxhall Mallards, Brundall 20120167 19/12/12	Cirrus Planning and Development Ltd	44	Outline Planning Permission	☒	An e-mail from the agent of the site has been included. This confirms that the agent is actively seeking a development partner and that development could be begun on site within 2.5 to 3 years. This e-mail is provide as evidence of delivery on emerging sites. (SCG9)
Crostwick Lane, Spixworth 20120850 (07/11/12)	Hopkins Homes	52	Resolution to grant planning permission.	☒	An e-mail exchange with Hopkins Homes has been included. This confirms Hopkins Home's intention to commence development in summer 2013 and build out over the next 2-3 years. This e-mail is included as evidence of delivery on emerging sites ahead of the Site Allocations process. (SCG10)

Map Showing Location of Sites Relating to Statements of Common Ground



Growth Locations

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total	Average annual build rate
Broadland	165	538	774	849	860	840	840	840	780	855	930	847	9118	760
NEGT	67	390	514	639	675	680	680	680	620	695	770	687	7097	591
Rackheath Eco-Community		180	240	240	240	240	240	240	240	240	240	240	2580	
West of Wroxham Road		91	182	232	233	238	238	238	178	178	178	170	2156	
South of Salhouse Road				75	150	150	150	150	150	150	150	75	1200	
North of Salhouse Road										75	150	150	375	
Existing Permissions (inc. resolution to grant) on Potential Allocation Sites	67	119	92	92	52	52	52	52	52	52	52	52	786	
Smaller Sites Allowance (Broadland NPA)			76	126	151	176	176	176	176	176	176	176	1585	
Existing Permissions (inc. resolution to grant) on Potential Allocation Sites	98	148	100	50	25	0	0	0	0	0	0	0	421	167
Norwich														
Norwich (3000)	250	250	250	250	250	250	250	250	250	250	250	250	3000	250
South Norfolk	435	565	785	860	950	1040	890	810	690	690	690	595	9000	750
Wymondham (2,200)	185	185	185	185	185	185	185	185	185	185	185	165	2200	
Long Stratton (1,800)				50	140	230	230	230	230	230	230	230	1800	
Hethersett (1,000)	50	90	175	175	175	175	100	60					1000	
Cringleford (1,200)		50	100	125	125	125	125	125	125	125	125	50	1200	
Easton/Costessey (1,000)	50	90	175	175	175	175	100	60					1000	
Smaller Sites Allowance (SNDC NPA)	150	150	150	150	150	150	150	150	150	150	150	150	1800	
Total	1070	1433	1839	1949	2070	2140	1990	1910	1730	1805	1880	1777	21593	1799

N.B. The sites contributing to the Existing Permissions (inc. resolution to grant) on Potential Allocation Sites are listed in the potential future allocations sites section of the table that follows

Reference	Address	Net Commitment	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26
BROADLAND - NORWICH POLICY AREA															
Growth Triangle - Inside NDR															
20111703	Land off Spixworth Road, Old Catton, NR6 7JP	40		20	20										
20101252	Home Farm, Blue Boar Lane, Sprowston	81		20	20	20	20								
20080367	White House Farm, Land at Blue Boar Lane, Sprowston	1233		40	120	120	120	120	120	120	120	120	120	113	
920758	Home Farm, Blue Boar Lane, Sprowston.	80		20	20	20	20								
20070346	Land at Blue Boar Lane, Home Farm, Sprowston	24	24												
20090886	Land at Brook Farm & Laurel Farm,Green Lane,Thorpe St Andrew (28 units beyond 31/03/2026)	600			52	52	52	52	52	52	52	52	52	52	52
Growth Triangle - Outside NDR															
20111272	Land off Salhouse Road, Rackheath	80		20	20	20	20								
20130217	Land at Trinity Close, Rackheath	14		7	7										
20100438	Land to Rear of Manor House, North Street, Blofield	3	3												
20111303	Land at Yarmouth Road,Blofield	175			50	50	50	25							
20120910	Land Adj. 20 Yarmouth Road, Blofield	22		11	11										
20120167	Vauxhall Mallards and Land Rear of Hillside, Strumpshaw Road, Brundall	44			22	22									
20121638	Land to west of Cucumber Lane, Brundall	150		50	50	50									

20090511	Firbanks, 35, School Road, Drayton	27													
20090476	21, Plumstead Road, Thorpe End	5		6											
20101213	Former Little Plumstead Hospital, Hospital Road, Little Plumstead	49	25	24											
20121002	389, Drayton High Road, Hellesdon	16				16									
20100774	Land at Pinelands Industrial Estate, Holt Road, Horsford	63	23	20	20										
20120204	Land South of Dog Inn, Holt Road, Horsford	15				15									
20080513	Repton House, Parkside Drive, Old Catton	9			9										
20090792	St Christophers School, George Hill, Old Catton	2	2												
20121043	Former Garage Site, Mill Road, Salhouse	15				15									
20110947	Salhouse Hall, Norwich Road, Salhouse	8				8									
20121044	Norwich Road, Salhouse	20		10	10										
20061684	12 North Walsham Road, Sprowston	7		7											
20071405	Land Adj. The Royal Oak P.H., North Walsham Road, Sprowston	8		8											
20120850	Land North of Crostwick Lane, Spixworth	54		27	27										
20120865	147, Fakenham Road, Taverham	5		5											

20061770	5 Yarmouth Road, Thorpe St Andrew	0												
20111370	Land at Yarmouth Road, Thorpe St Andrew	15		7	8									
20120887	Former Woodside Public House, 148 Plumstead Road East, Thorpe St Andrew	9		9										
20120730	Norwich Camping and Leisure, South Hill Road, Thorpe St Andrew	17				9	8							
	Sites below 5 units with permissions at 01/04/13	177	35	35	35	35	35							
BROADLAND NORWICH POLICY AREA TOTAL		**3067**	**112**	**326**	**521**	**472**	**305**	**197**	**172**	**172**	**172**	**172**	**172**	**165**	**52**

Potential Future Allocation Sites

Ref	Address	Potential Site Capacity	Indicative Trajectory (if available) 2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26
GROWTH TRIANGLE: EMERGING SITES															
	Land between Salhouse Road and Thorpe Woodlands	1200													
	Land North of White House Farm	2500													
20101252	Home Farm, Blue Boar Lane, Sprowston	See current sites above		20	20	20	20								
20090886	Land at Brook Farm & Laurel Farm, Green Lane, Thorpe St Andrew	See current sites above (24 units beyond plan period)			52	52	52	52	52	52	52	52	52	52	52
20121516	Land to the North of Sprowston and Old Catton, Btn Wroxham Road & St Faiths Road	3520													
	Norwich RFC	260													

20111703	Land off Spixworth Road, Old Catton, NR6 7JP	See current sites above		20	20										
20130217	Land at Trinity Close, Rackheath	See current sites above		7	7										
20111272	Land off Salhouse Road, Rackheath, Norwich	See current sites above		20	20	20	20								
	Rackheath Eco-Community	4150													
BROADLAND NPA "ISSUES AND OPTIONS" SHORTLISTED SITES															
20111303	Land at Yarmouth Road,Blofield	See current sites above			50	50	50	25							
20120910	Land Adj. 20 Yarmouth Road, Blofield	See current sites above			11	11									
S09-06	Land South of Yarmouth Road and north of Lingwood Road	100													
S09-08b	Blofield Corner Road, Blofield Heath	20													
S09-02	Land South of Mill Road	20													
20121638	Land to west of Cucumber Lane, Brundall	See current sites above		50	50	50									
S13-03	Land north of Postwick Lane and West of Homesdale Road	50													
20121044	Norwich Road, Salhouse	See current sites above		10	10										
LS52-01 / PC50-02	Wood Green, Salhouse	35													
20120850	Land North of Crostwick Lane, Spixworth	See current sites above		27	27										
DRA2	Drayton Village Centre, Drayton	20													
BDC0061	Land East of Cator Road and North of Hall Lane, Drayton	150													
HEL1	East of Eversley Road	70													

S31-03/ S31-03a	Hellesdon Hospital, Hellesdon	300													
PC31-02	Royal Norwich Golf Club, Hellesdon	1000													
S36-01a	Land North of Mill Road, Horsham & Newton St Faiths	125													
S37-08f/g	Land East of Manor Road, Horsham & Newton St Faiths	100													
S37-08b	Newton Street / Fairholme Road, Horsham & Newton St Faiths	85													
S37-08a/e	Coltishall Lane, Horsham & Newton St Faiths	25													
	Peter Colby Trucks, School Road, Sprowston	60													
BROADLAND NPA SHORTLISTED SITES - POTENTIAL CAPACITY (does not including those sites with planning permission)		**2,160**													

Extract from NNDC Core Strategy Inspector's Report 15 July 2008

Policy CT5 – The transport impact of new development

6.229
The policy requires new development to be designed to reduce the need to travel and maximise the use of sustainable travel options. It includes performance criteria to ensure that development provides safe and convenient access by a choice of travel modes and is capable of being served by the highway network without harming the character of the environment. If development has significant transport implications a transport assessment of a scale appropriate to the nature of the proposal will be required.

6.230
Concern was expressed about the ability of the A1151 to accommodate traffic arising from the cumulative effect of new housing in Hoveton, Stalham, Ludham and Catfield due to the narrow Wroxham bridge and other local traffic controls. However, no concern was raised by Norfolk County Council, the relevant local highway authority. In any event the policy criteria would ensure that the impact of development is subject to appraisal as to its likely impact. The ability of the road network will be monitored and operation of the policy criteria would give scope to refuse an application if its cumulative effect on any part of the network was unacceptable. The impact of coastal erosion is unlikely to affect the coast road during the plan period.

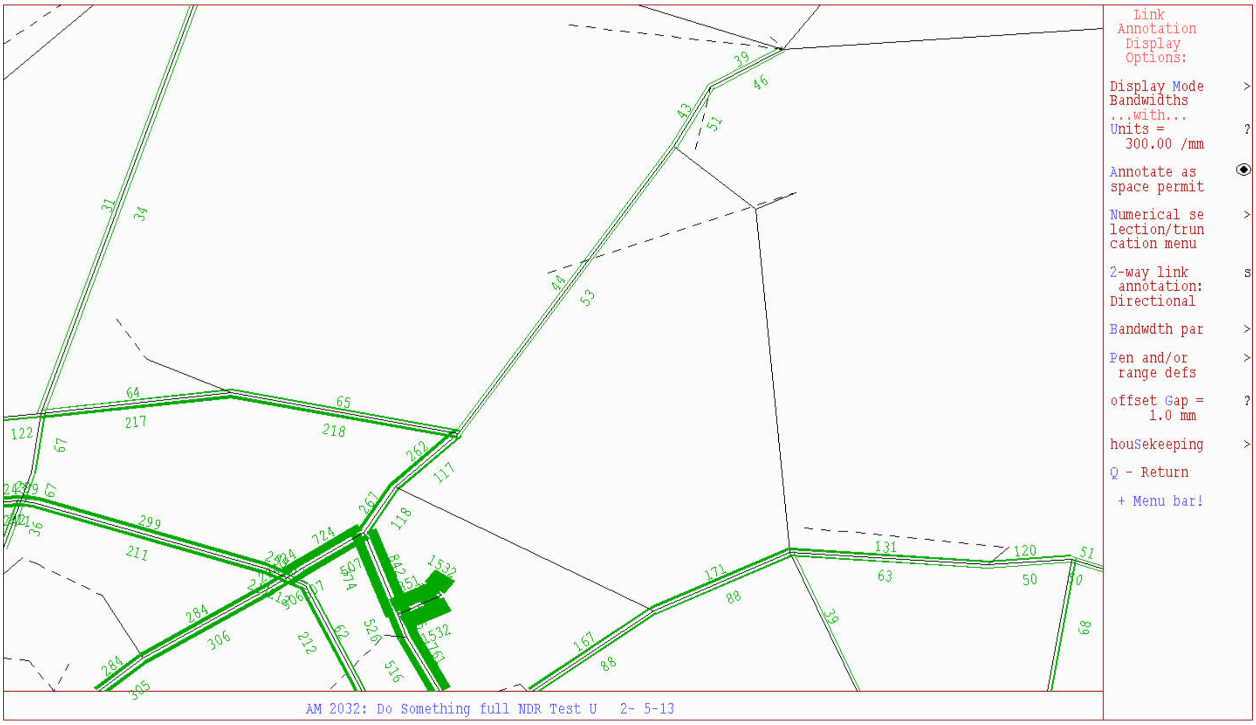
6.231
The use of developer contributions to assist the funding of infrastructure (both road and rail) in appropriate circumstances would be consistent with policies SS6, CT2 and CT5.

6.232
In my view the plan is consistent with the expectations of national policy guidance in PPG13, emerging RSS policy and CS policy SS6 and hence is sound and requires no modification.

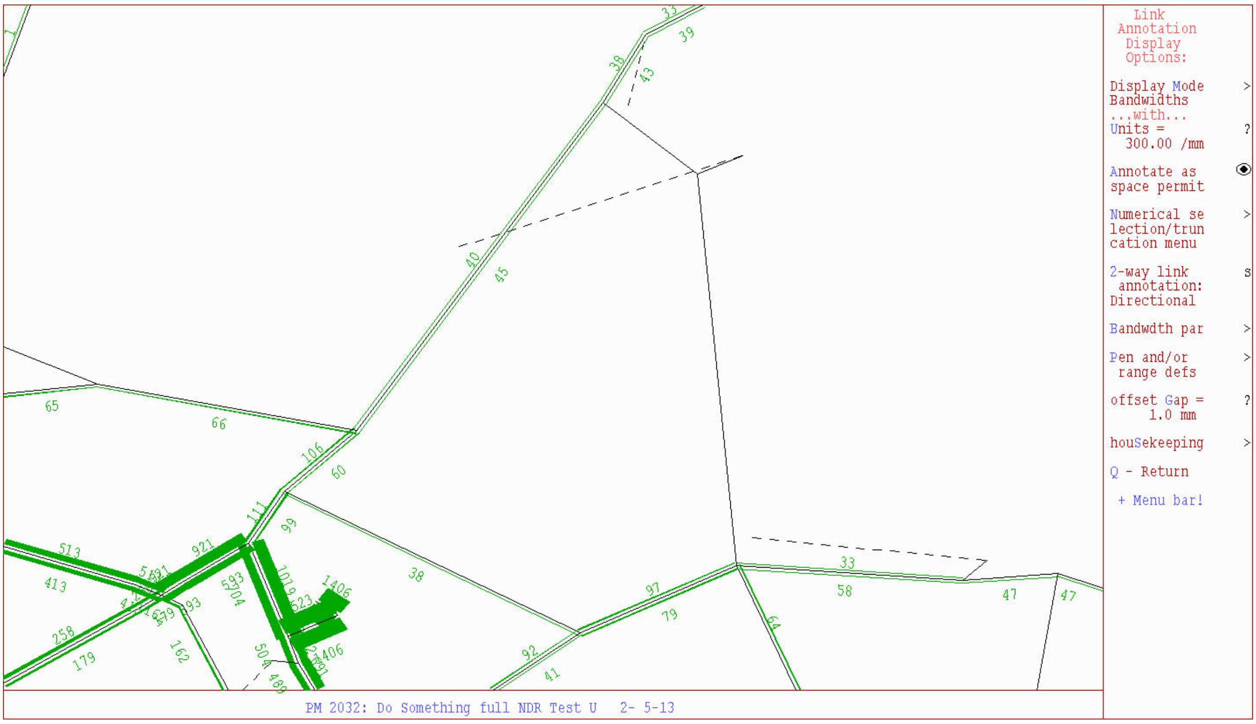
Output from Norwich Area Transportation Strategy Model.

Impacts on A1151 from Rackheath

AM



PM



JCS and emerging Area Action Plan strategic policy for the delivery of the Broads Buffer Zone

Submitted policy 10 requires that "*A significant area north of Rackheath will be provided as green space to act as an ecological buffer zone and ensure no significant adverse impacts on the Broads SAC, Broadland SPA and Broadland Ramsar site*". Further to this, the delivery of the necessary green infrastructure is identified as a "*Key dependency*". Paragraph 6.24 of the JCS also states that "*Provision of significant levels of local green infrastructure is essential to ensure the long-term sustainability of the proposed development areas. It must also be sufficient in scale and type to ensure that there are no potential impacts on nearby sites of international biodiversity importance*."

The detail of how this will be implemented would be dealt with in the Growth Triangle Area Action Plan and in the consideration of any specific planning applications. This would follow the strategic requirements of the JCS set out above. Broadland District Council's early work on this issue in the Growth Triangle Area Action Plan Issues and Options Consultation in March 2013 covers this issue[1]. The document proposes that the green infrastructure network should:

"*Support, through the provision of appropriate infrastructure, mitigation of recreational impacts upon European Sites of Environmental Importance for biodiversity. This mitigation will include the retention of a significant undeveloped area north of Rackheath to act as an ecological buffer to sensitive Broads European Sites."*

Further to this, paragraph 6.6.5 of the Issues and Options Consultation plan states that
"*The Habitat Regulations Assessment which accompanied the Joint Core Strategy established the requirement to provide a landscape buffer to the north of development at Rackheath and to provide recreational open space of a scale and typology to mitigate recreational impact upon sensitive European Environmental Sites.*" The consultation asks if there are any alternatives to such an approach.

[1] http://www.broadland.gov.uk/PDF/Growth_Triangle_AAP_Options_-_Consultation_Document.pdf

Report to the Greater Norwich Development Partnership – for Broadland District Council, Norwich City Council and South Norfolk Council.

by Keith Holland BA (Hons) Dip TP, MRTPI ARICS

an Examiner appointed by the Councils

Date: 4 December 2012

PLANNING ACT 2008 (AS AMENDED)

SECTION 212(2)

REPORT ON THE EXAMINATION OF THE DRAFT COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULES FOR BROADLAND DISRICT COUNCIL, NORWICH CITY COUNCIL AND SOUTH NORFOLK COUNCIL

Charging Schedules submitted for examination on 10 August 2012

Examination hearings held on 16 and 17 October 2012

File Ref: PINS/G2625/429/6

Non Technical Summary

This report concludes that the Community Infrastructure Levy Charging Schedules proposed by Broadland District Council, Norwich City Council and South Norfolk Council do not provide an appropriate basis for the collection of the levy in the Greater Norwich area as drafted. The evidence shows that the rates proposed for residential development are too high and would pose a significant threat to the viability of housing development in the area. However, I consider that such non-compliance with the drafting requirements can be remedied by the making of modifications which I recommend. Such modifications are specified at Appendix A to this report and are designed to reduce the residential rates by around 35%. Subject to such modifications the draft is approved.

Introduction

1. This report contains my assessment of the Community Infrastructure Levy (CIL) Charging Schedules for three councils – Broadland District Council, Norwich City Council and South Norfolk Council, hereafter referred to as the Councils. The basis for this assessment is Section 212 of the Planning Act 2008. It considers whether the schedules are compliant in legal terms and whether they are economically viable as well as reasonable, realistic and consistent with national guidance (Charge Setting and Charging Schedule Procedures – DCLG – March 2010).

2. To comply with the relevant legislation a local charging authority has to submit what it considers to be a charging schedule which sets an appropriate balance between helping to fund necessary new infrastructure and the potential effects on the economic viability of development across the area. In this instance the three authorities are proposing identical charging schedules save for Norwich City which has a separate rate for flats in blocks of 5 storeys and above, and is entirely within zone A. The basis for the examination is the written material and representations submitted, the material presented to the hearings held on 16 and 17 October 2012 together with the further written submissions in response to matters raised at the hearing sessions. The three draft charging schedules were submitted for examination on 10 August 2012 together with Statements of Modifications. The Modifications relate to changes to the Draft Charging Schedules published in February 2012 and have been consulted on for a period of four weeks in accordance with the requirements of the Community Infrastructure Levy Regulations 2010 (as amended).

3. The Councils propose two charging zones described as Zone A and Zone B. The Zones are only relevant to residential development. The proposed charges in £ per sq. m. are: Residential Development (Use Classes C3 and C4 excluding affordable housing) including domestic garages, but excluding

shared-user/decked garages Zone A £115, Zone B £75; Flats in blocks of 5 storeys and above £100 (Norwich City only); Development resulting in large convenience goods based stores of 2000 sq.m. and above £135; All other retail, assembly and leisure development, sui generis akin to retail and sui generis akin to assembly and leisure £25; Uses falling within Use Classes C2,C2A and D1 Nil; All other types of development covered by the CIL regulations (including shared-user/decked garages and B1,B2,B8 and C1 uses) £5

The evidence - is it appropriate and does it support the proposed charging schedules?

Infrastructure planning evidence

4. The basis for the infrastructure needs is provided by the Joint Core Strategy (JCS) for the three authorities adopted in March 2011. Following a partially successful legal challenge the JCS is now adopted with the exception of the policies relating to the distribution of housing growth in the Norwich Policy Area part of Broadland District. The implications of the remittal of some policies for part of the area do not materially affect the justification for a CIL because the overall scale of growth is not affected. The JCS sets out the main elements of growth that will need to be supported by further infrastructure. An unchallenged infrastructure schedule submitted by the Councils with identified funding from other sources shows that some 54% of the infrastructure needs of the area remain unfunded at present. This amounts to £378 million and hence a basic requirement for the imposition of a CIL charging regime is in place.

Residential viability evidence

5. In relation to the Councils' evidence, CIL viability assessment work was undertaken by GVA Grimley Ltd (GVA) and, in relation to the impact of garages on residential sale prices, by Mott MacDonald. The Councils also produced supplementary evidence on residential viability, the viability of flats in Norwich City and the viability of large scale convenience goods based retail development. Norfolk Property Services provided evidence on the build cost of flats in Norwich City. I have considered all this evidence and all the representations made as well as the additional viability evidence submitted to the examination by the Councils following advice from the Homes and Communities Agency (HCA).

6. A "final" report from GVA was published in December 2010 and an errata was added in June 2011. The errata dealt with current market values based on discussions with local agents and available sales information for land with planning permission (or resolutions to grant permission) with circa 25% affordable housing provision. In August 2011 a further piece of work was done by GVA relating to the proposed charging zone boundaries.

7. The initial work done by GVA identified four residential market areas – Central (focussed on Norwich), Inner (settlements close to Norwich), Outer (the rural areas) and the A11 Corridor. Subsequent work by GVA, based on market evidence including Land Registry data, resulted in a simplification of the four zones into two charging zones by combining the Central, Inner and

A11 market areas into a single zone A. Inevitably there are some anomalies in the delineation of the two zones and it is understandable that some of those making representations consider that, for example, the villages of Thurton, Loddon and Hales should be in Zone A and not Zone B. However the Councils, in accordance with Government guidance which warns against over complicating charging zones, have devised a relatively simple and logical approach based on general property values. This provides a sound basis for a two tier charging system for residential development.

8. A fundamental element of the work done by GVA deals with benchmark land values in 4 areas originally identified. Central £500,000 per acre, Inner and A11 corridor £210,000 – £250,000 per acre and Outer £200,000 per acre. These benchmark values represent the existing use value of land plus an element of hope value assuming planning permission for residential development and a requirement for 25% to 35% affordable housing but with no allowance for CIL.

9. Bearing in mind that the cost of CIL needs to largely come out of the land value, it is necessary to establish a threshold land value i.e. the value at which a typical willing landowner is likely to release land for development. Based on market experience in the Norwich area the Councils' viability work assumed that a landowner would expect to receive at least 75% of the benchmark value. Obviously what individual land owners will accept for their land is very variable and often depends on their financial circumstances. However in the absence of any contrary evidence it is reasonable to see a 25% reduction in benchmark values as the maximum that should be used in calculating a threshold land value.

10. In addition to the advice from GVA, the Councils produced their own viability work described as Supplementary Evidence on Residential Viability (Document EV6) based on a model provided by Norfolk Homes and using advice from the Homes and Communities Agency. This supplementary assessment provides a series of calculations based on the residual valuation approach and includes for comparison purposes valuations using "developer assumptions". This material provides a range of valuations based on 2 types of hypothetical scheme – a 250 dwelling scheme in charging zones A and B and a 25 dwelling scheme in Zone A. The range is derived from changing inputs such as the level of affordable housing, costs, gross development value and level of S106 contributions. Private sector developers challenge this material on several grounds. In this instance significant differences between the Councils and the developer assumptions relate to contingencies and overhead costs.

11. One of the characteristics of the residual valuation approach is that the results are very sensitive to the assumptions made in the calculation. Taking as an example hypothetical Scheme 1, 250 dwellings in Zone A.

	Councils	**Developer Assumptions**
Contingency	2.5% of build costs	5.0% of build costs

	£553, 748	£1,107,496
Overheads	11% of build costs	11% of GDV
	£2,436,491	£4,821,876
Totals	£2,990,239	£5,929,372

These differences obviously have significant consequences for other costs such as finance with the result that the Councils residual land valuation is £6,815,497 whereas the developer assumptions residual is £2,941,895. Significantly this very large difference takes no account of different views about how the profit margin should be calculated. The private sector argues that the profit should be calculated on Gross Development Value (GDV) at a rate of 20 -25% for open market units and 6% for social housing rather than the 20% of build/site/overhead costs favoured by the Councils. The difference amounts to over £2.4 million pounds. At the hearing session GVA accepted that basing profit on GDV is the usual approach in this area because of the risks involved and the cost of capital in the current market. However GVA conceded that using a percentage on costs approach is sometimes adopted. The Broadland District Council representative concurred with the view that using profit on GDV is the usual approach in the Norwich area.

12. Furthermore the private sector argues that the Councils' approach to the cost of finance is flawed as it is based on a fixed % build cost and takes no account of the cash flow of a scheme over its lifetime. The private sector also contends that the Councils' general approach to values is flawed as it takes no account of how far cost inflation would erode the benefit of any increase in property prices.

13. The Councils sought to counter the private sector arguments by producing a revised residual valuation for Scheme 1 using a 5% contingency and the 20% on GDV approach to profit favoured by the private sector. This third residual valuation produced yet another view about the residual land value - £3,929.234 - for Scheme 1. In response Savills say that this valuation underestimates the cost of finance by £2,200 per unit and continues to underestimate the cost of overheads by £9,500 per unit. In addition Savills, quoting the guidance issued by the Local Housing Delivery Group, (Viability Testing Local Plans June 2012 – hereafter described as "Harman Guidance") say that the cost of servicing large green field sites is underestimated by at least £10,000 per unit. Savills point out that around 50% of the future housing in the area is expected to be built on large green field sites.

14. The Councils obtained agreement from HCA to publish information supplied in November 2011. Not unexpectedly the HCA seeks to justify its approach by, for example, arguing that the profit margin suggested by the developer is too high assuming involvement by a registered affordable housing provider thereby reducing the risk.

15. The difficulty is that there is seldom, if ever, only one correct approach to assumptions in residual valuations and indeed at the hearings GVA accepted that the residual method is open to what they described as "manipulation". The discrepancies in the figures illustrate the difficulty of reaching a properly informed view based on the residual valuation approach where there is disagreement about the inputs.

16. The supplementary valuation material in EV6 demonstrates what the Councils describe as a "high degree of variability in assessing viability using a residual land value model". The Councils note that using developer cost assumptions and applying the proposed CIL charges means that less than the full affordable housing requirement would be met but that with a relatively small increase in house prices schemes "will be significantly more viable and able to deliver appropriate levels of affordable housing". In essence looking at affordable housing and the property market the approach taken by the Councils is that the market will recover to some extent relatively soon and that an improved market would enable the full level of affordable housing to be provided on many more sites than at present.

17. The private sector view is different. While supporting the concept of a CIL charge and acknowledging the need for substantial infrastructure improvements, the consensus view of the private sector representatives is that the housing market in the area is weak and relatively fragile. Savills contends that housing delivery in the area is 54% below target in the 3 years to March 2011 demonstrating the weakness of the market. The private sector view is that the proposed rates for residential development would seriously inhibit development and significantly undermine the delivery of the housing growth sought in the JCS.

18. The Councils counter this by pointing out that developers continue to discuss major schemes with local planning authorities in the area and that large scale housing applications are anticipated in the short term.

19. Clearly the evidence presented to the examination contains some important elements where there is a significant amount of disagreement between the private sector view and the Councils. For the following reasons it is considered that the fears of the private sector about the negative impact of the proposed residential charge are well founded.

20. First, based on the views of the private sector and recent delivery rates, it is evident that the housing market in the area is not robust. In this context it is noted that the National Planning Policy Framework (NPPF) expects the CIL to incentivise new development. I fully appreciate the Councils are keen to promote growth and see the delivery of infrastructure as important to the creation of sustainable well planned communities. In this context I acknowledge that the Councils have sought to take into account the impact of the recession. This was one of the considerations in its decision to propose a much lower rate than that originally recommended by its professional advisors. The original rate was recommended on assumptions about a return to what was described as a "normal market" based on mid 2007 conditions. However the evidence indicates that the reduction proposed by the Councils is not large enough.

21. Secondly, the Councils are relying to some extent on an improvement in the market. Thus for example the conclusion in the supplementary evidence (EV6) refers to "relatively small increases in house prices" and the fourth scenario for scheme A Zone 1 is described as viable "if house prices increase in real terms by just 7%". Bearing in mind the uncertainty about the future of the property market the advice in the Harman guidance is that plan policies for the first five years should work on the basis of current values and costs. While aimed at local plan policies this advice is logically also applicable to CIL charges. In any event the Councils did not adequately counter the argument that if increases in house prices are taken into account it is also necessary to have regard to the impact of cost inflation.

22. Thirdly the work done by the Councils to demonstrate what funds are likely to be available for CIL (Appendix 1 of the Note following Day 1) relies on the full 25% of the benchmark land value being available for the CIL "pot". While this may sometimes be the case it is unlikely that it will always apply. Even if some landowners may be prepared to accept less than 75% of the benchmark value, the 25% figure should be treated as a maximum and not an average. Using 25% to try to establish what the theoretical maximum amount in a CIL "pot" may be is reasonable, but when thinking about setting a CIL charge in the real world it would be prudent to treat it as a maximum that will only apply on some occasions in some circumstances.

23. Fourthly the JCS seeks affordable housing at a rate of 20% for sites of 5 – 9 dwellings, 30% for 10 – 15 dwelling sites and 33% for sites of 16 or more dwellings. The Councils believe that the CIL charge would allow at least 20% affordable housing to be delivered in all locations and its approach is that where viability is an issue the percentage of affordable housing will need to be negotiated in accordance with policy 4 in the JCS. Whatever the merits of this approach in terms of pragmatism, it seems clear that in setting its CIL rate the Councils are prepared to compromise on their affordable housing policies, whereas they should have taken all of their policy requirements, including affordable housing, into account when setting the CIL rate.

24. Fifthly in its viability work the Councils have been unduly optimistic about the likely costs of development. Of particular concern is an over-simplistic approach to finance and cash flow considerations, a likely under-estimation of the cost of servicing large green field sites (taking as a guide the Harman estimates) and the use of build costs rather than GDV as a basis for calculating overheads and profit margins.

25. Finally the statutory CIL guidance and the Harman guidance make clear that it is important to avoid assuming that land will come forward at the margins of viability. Thus the use of what is termed a "viability cushion" is recommended. No doubt the Councils are aware of this and believe that they have allowed an adequate viability cushion, but, even assuming that their basic figures are correct, the "cushion" allowed for is inadequate. The need for a substantial "cushion" is particularly important on green field sites where, as the Harman advice notes, prospective sellers are often making a once in a lifetime decision and are rarely distressed or forced sellers. A large proportion of the anticipated development in the area will be on large green field sites.

26. The combined impact of these factors leads to the conclusion that the rate for residential development should be reduced. The extent of the reduction is open to question. Using the residual valuations only to answer this question is unreliable because of the wildly different results in them. Accordingly the issue has also been looked at in terms of the anticipated CIL "pot" by taking into account the estimated contribution from the land price and the anticipated consequence of substituting a CIL charge for most of what were previously infrastructure funds raised through S106 agreements. Following the discussion on day one of the hearings the Councils helpfully provided a supplementary "Note" providing their assessments of what the "pot" might be.

27. At the hearings Savills suggested that within strategic housing areas and assuming affordable housing at 18%, either a S106 charge or a CIL charge (but not both) of about £30 per m. sq. would be acceptable. Some of the other private sector representatives at the hearing sessions considered that this would be too low given the infrastructure needs of the area. At the earlier Preliminary Draft Charging Schedule stage Ptarmigan Land Ltd (later Hethersett Land Ltd) suggested a rate of around £100 for residential development in Zone A. At the hearing this suggestion was confirmed as being the position taken by Ptarmigan although it was not repeated in the written representations made by Hethersett Land Ltd. In response to the Councils' Note, Savills have refined their suggestions and now propose a rate of £60 – £65 with 18% affordable housing in Zone A and between £35 and £46 per sq m in Zone B. Morston Assets response to the Note is that within the inner city locations the threshold land value will need to be within 10% of the benchmark value because land owners are likely to require greater incentives to bring forward land that is already in commercial use. On this basis there would be less available for the CIL "pot" and Morston Assets argues for a maximum charge of £55 per sq. m. in central areas.

28. Whichever way it is looked at it is not possible to arrive at a definitive answer that is indisputably correct. I consider that the calculations in Appendix 1 of the Councils' Note are a reasonable starting point subject to the following considerations. First the land price per acre should be at the lower end of the range suggested. Secondly, the difference between the benchmark value and the threshold value should be regarded as 15%. Thirdly the assessment should assume 33% affordable housing in accordance with the target for sites of 16 or more dwellings in the JCS. Although not precise such an approach seeks to take into account the higher development costs suggested by the private sector and provides for a viability cushion. On this basis it can be broadly concluded that the rate within the City should be reduced by a minimum of around 35% and by a similar figure in the South Norfolk/Broadland fringe of Norwich area. Having regard to the probability of high servicing costs of large green field sites it is reasonable to argue that the reduction in the latter area should be increased. There is no reason why the same logic should not apply to the parts of the area subject to the Zone B charge. The overall conclusion is therefore that the residential rate in both Zone A and Zone B should be reduced by around 35% or more.

Non Residential viability Evidence

29. In relation to non-residential development the proposal involves a charge of

£5.00 per square metre for office and industrial development. This very low charge reflects the weak market for office and industrial development. At the hearings the option of a nil charge for these types of development was discussed. A consensus view emerged that this nominal charge, which would represent only about 0.5% of average build costs, would not threaten the overall viability of these forms of development. On this basis this level of charge for office and industrial development is acceptable.

30. Retail development, where the proposals involve a charge of £135 for developments of over 2000 sq m and £25 for other retail development is contentious. Three major supermarket operators objected to the proposals. One disputed area is the validity of having different rates for different sized retail outlets given that Regulation 13 of The Community Infrastructure Regulations 2010 provides for different rates by zone or by intended uses of development but does not make reference to size. However the Regulations do not prohibit different charges within the same use class provided that the difference is based on viability evidence and the way the premises are used.

31. In this instance the Councils distinguish between large retail stores traditionally used for major weekly or less frequent convenience shopping and other retailers, including convenience stores used primarily for irregular "top up" shopping. This distinction in the way the stores are generally used is backed up by viability evidence produced by GVA showing that large scale food-based stores are able to support a very high charge and remain viable. The hypothetical example tested by GVA for a 75,000 sq. ft. convenience store with 400 parking spaces showed that depending on whether the store was developed by an operator or a developer the residual land value would be in the order of £10 - £14 million pounds compared to a residential benchmark of £1.5 - £3.5 million. On this basis large convenience stores are judged to be capable of easily meeting a CIL charge of £135 per sq.m.

32. The Councils have also produced convincing evidence showing that convenience stores above 2000 sq. m. are operated almost exclusively by major national retailers and are aimed at providing what is described as a "main food shopping function". Stores below this largely perform a local top up function. This use distinction is reinforced by viability evidence (albeit dated at 2007) showing that a major national retailer such as Sainsbury has average sales per sq. m. of over £10,000 whereas the comparable figure for smaller convenience retailers is less than £3,500.

33. In relation to other retailers GVA produced satisfactory evidence showing that the viability of such stores is relatively weak with for example town centre vacancy rates increasing steadily since 2008.

34. WM Morrison Supermarkets PLC, Sainsbury's Supermarkets Ltd and Asda Stores Ltd contend that the rate for large stores is too onerous. Based on the written submission by Indigo Planning Limited on behalf of Sainsbury's Supermarkets Ltd it is not clear whether Sainsbury's appreciate that the intention of the Councils is to largely replace S106 agreements with the CIL charge but in any event none of these organisations produced any quantitative evidence to support their assertions. In view of the lack of supporting evidence little weight can be given to the representations made by these supermarket operators.

35. My conclusion regarding the proposed retail rates is that the Councils have provided satisfactory evidence justifying the proposed charges.

Other Matters

36. All the written representations have been considered. A number of these relate to matters that are not within the scope of this examination. For example whether or not CIL is a justified tax, how the CIL money is spent and what discretionary relief is made available are not matters for this examination.

37. McCarthy and Stone Retirement Lifestyles Ltd argue for a rate based on net saleable area for their type of specialist type of accommodation. However they do not provide any convincing viability evidence and in any event it is completely unrealistic to expect charging schedules to be made flexible and varied enough to cater for a variety of considerations particular to different types of residential accommodation providers.

Conclusion

38. The Councils have tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the area. For non-residential development this objective has been met. However for residential development the rates in both Zone A and Zone B pose a significant threat to the viability of schemes. Within the Greater Norwich area the residential market is not robust and the rates suggested would not meet the NPPF requirement that they "support and incentivise new development". I recommend that the rates for residential development are modified to reduce them by around 35% (EM1) as specified at Appendix A.

LEGAL REQUIREMENTS	
National Policy/Guidance	The Charging Schedules do not comply with the National Policy/Guidance as drafted, unless modification EM1 (or other sufficient modification) is made.
2008 Planning Act and 2010 Regulations (as amended 2011)	The Charging Schedules comply with the Act and the Regulations, in respect of the statutory processes and public consultation.

39. I conclude that the three Councils' Community Infrastructure Levy Charging Schedules do not satisfy the requirements of Section 212 of the 2008 Act in respect of the viability of residential development. In accordance with Section 212A of the 2008 Act (as amended) and the 2010 Regulations (as amended 2011) I therefore recommend that the Charging Schedules be modified to address the rates for residential development. With

recommendation for modification **EM1 in Appendix A**, I recommend that the drafts are approved.

Keith Holland

Examiner

This report is accompanied by:

Appendix A (attached) – Modification that the examiner specifies so that the Charging Schedules may be approved.

Appendix A

Modification EM1, recommended by the Examiner to allow the Charging Schedules to be approved.

Broadland District Council

1.

Charging Schedule (£ per m2)

Use Class	Zone A	Zone B
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.	£75	£50

Norwich City Council

2.

Charging Schedule (£ per m2)

Use Class	Zone A	Zone B
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.	£75	Not applicable
Flats in blocks of 5 storeys and above	£65	Not applicable

South Norfolk Council

3.

Charging Schedule (£ per m2)

Use Class	Zone A	Zone B
Residential development (Use classes C3 and C4 excluding affordable housing) including domestic garages, but excluding shared-user/ decked garages.	£75	£50

Greater Norwich City Deal

Expression of interest

Transforming world class research
into world class business

JANUARY 2013

Section A: Summary information

14 January 2013

A1. Proposal title:

Greater Norwich: Transforming world class research into world class business

A2. Key partners involved in the proposal:

Public Sector
Broadland District Council
Norwich City Council
Norfolk County Council
South Norfolk Council

Private Sector
New Anglia Local Enterprise Partnership
Norfolk Chamber of Commerce
Norfolk Network
Norwich Research Partners LLP
Private Sector Landowner – Bullens

Research & Clinical Institutions
Biotechnology and Biological Sciences Research Council
Institute of Food Research
John Innes Centre
Norfolk and Norwich University Hospital
The Genome Analysis Centre
The Sainsbury Laboratory
University of East Anglia

Educational Institutions
City College Norwich
Easton College
Norwich University of the Arts
University of East Anglia

A3. Local Point of Contact:

Jerry Massey
Deputy Chief Executive (Operations)
Norwich City Council
St Peter's Street
Norwich
NR2 1NH

email: jerrymassey@norwich.gov.uk
telephone: 01603 212225
mobile: 07787 758480

Executive Summary

Transforming world class research into world class business.
The deal with Government to accelerate growth in Greater Norwich.

Big Idea

We will make Greater Norwich a dynamic international centre for business enterprise in life sciences to meet the global challenges of healthy ageing, food and energy security, sustainability and environmental change.

How we are going to do this?

By bringing together the three strands of Enterprise and Innovation, Skills and Infrastructure we will aggressively commercialise the development potential of our world class asset – Norwich Research Park.

To grasp this opportunity we are asking for:

Enterprise & Innovation

- Devolved national business support to the LEP to provide immediate, locally-tailored solutions to support and quicken the pace of business growth.
- A formal local partnership with the Technology Strategy Board to have a local presence that will accelerate growth by providing immediate support for business led innovation.
- Formal local agreements with Capital for Enterprise to provide local and immediately available finance, advice and support for SMEs to grow and flourish.
- A local Green Investment Bank presence to provide the link between local scientific excellence and commercial investment that has a green impact.
- Re-direction of European funding to the LEP to ensure available funds are used to support and speed up local growth.

Skills

- Devolved skills funding to ensure employers' needs are met.
- The opportunity to work with Greater Ipswich to deliver a LEP-wide locally-determined skills investment programme tailored to our sectoral needs.

Infrastructure

- A single central government funding pot to enable us to direct resources to local priorities to accelerate growth.
- Authority to borrow against future CIL income to give developers confidence that the infrastructure necessary for growth will be provided.
- The underwriting of investment risk if CIL income underperforms.
- Retention of business rates uplift to invest into enterprise & infrastructure.
- More Growing Places Funding to provide a local pipeline of premises for immediate occupation by new and expanding SMEs.
- Funding for high capacity broadband and data processing capability.
- A compact for growth between local and national agencies and utilities to speed up development.

Continued...

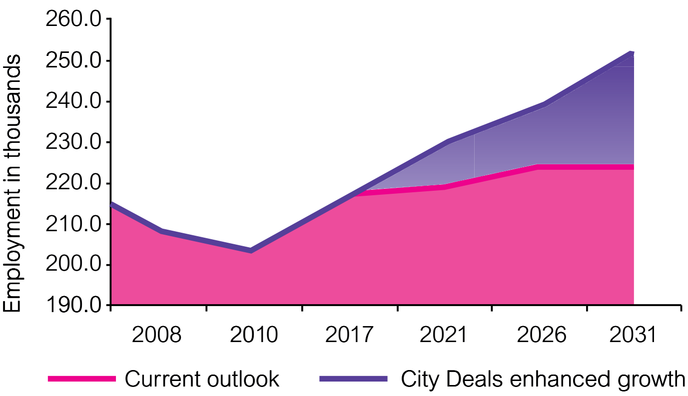
To make this happen we will:

- Bring together creative scientific institutions, an ambitious LEP and public sector, a confident private sector and proactive landowners to create a single focus on innovation and enterprise to deliver growth fast.
- Establish a capital pot of local infrastructure funding to support growth.
- Advance fund infrastructure to unlock private sector investment.
- Use our land and property holdings to create more investment opportunities.
- Pool staff resources to deliver the city deal.
- Work with Greater Cambridge to strengthen and extend existing life sciences links.
- Create a robust local private/public governance structure to speed up growth.

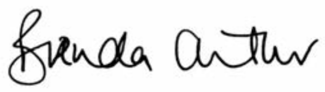
Dynamic growth at the NRP will act as a catalyst to deliver:

- Accelerated local growth for national economic recovery.
- 40,000 new jobs, which is a major increase over our pre-recession projection (over a 30% increase) and a significant uplift to our current outlook.
- 37,000 new homes for greater Norwich.
- 50% increase in knowledge based businesses.
- 30% increase in GVA above trend.
- An international flagship for life sciences enterprise.

Greater Norwich Jobs Growth

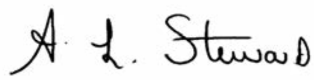


Cllr Andrew Proctor
Leader
Broadland District Council



Cllr Brenda Arthur
Leader
Norwich City Council

Cllr John Fuller
Leader
South Norfolk Council



Cllr Ann Steward
Cabinet Member for Economic Development
Norfolk County Council

Andy Wood
Chairman
New Anglia Local Enterprise Partnership

Section B: Problem definition

B1 What is the single economic challenge or opportunity that you want to address through a city deal? Why has this been chosen as the focus of your proposal?

By bringing together the three strands of enterprise and innovation, skills and infrastructure we will aggressively exploit the growth potential of our world class asset, Norwich Research Park (NRP). We will make Greater Norwich a dynamic international centre for business enterprise in life science to meet the global challenges of healthy ageing, food and energy security, sustainability and environmental change.

City Deals gives the potential for accelerating the growth of the world acclaimed NRP to echo the 'Cambridge phenomenon' but with the benefit of much lower housing and employment costs. We have identified this opportunity in partnership with industry and businesses that are prepared to commit substantial resources to delivery, which is attached as a confidential annex.

Why has this been chosen?

The NRP is an international centre of excellence in life sciences. The NRP campus comprises five world renowned institutions including three of the UK's five BBSRC institutions and one of the UK's world-class universities. Expansion and development of the NRP[1] will deliver UK led solutions to global challenges. Norwich has a well established critical mass of life sciences ripe to be exploited to drive innovation, enterprise and to promote economic growth.

The NRP has been physically constrained for many years. For the first time the opportunity exists, through private sector investment, to expand to create a 55 ha world-class science, enterprise and commercialisation centre. Building on private sector investment, the masterplan, and a well developed vision we will bring forward growth at a transformational rate. Given new freedom and flexibility to align funding and decision making, we will deliver additional jobs (see section D1 for detail), an enhanced skills pool, and business start-ups and associated infrastructure. This will accelerate NRP expansion but also extend jobs and business growth across the wider economy.

This opportunity is real. Norwich is already the largest economy in the East of England. The John Innes Centre and The Sainsbury Laboratory on the Norwich Research Park are ranked higher than any other organisation in the world[2] for the most influential papers of the last ten years in plant and animal sciences. NRP is one of Europe's largest single-site concentrations of research in life sciences, currently employing 11,000 people. [3]This opportunity is further endorsed by the research completed by The Work Foundation identified Norwich[4] as at the tipping point in terms the growth in its knowledge economy.

There has never been a bigger opportunity for the Greater Norwich area to achieve transformational growth. The transition from a historically low skill manufacturing economy to one of high growth and high value knowledge industries, drawing in particular on life science research, is underway. In 1984, 25% of employees (30,900) worked in the manufacturing sector, by 2011 even though the total number of jobs had increased overall, manufacturing jobs had fallen to 9% (15,100). Over the same period, employment in knowledge intensive industries more than doubled to 88,300. To give an idea of the scale of the economy, 178,600 people are employed in Greater Norwich which equates to one in five jobs in the LEP area. GVA currently stands at £8,474.4m (2008 prices).

[1] The Norwich Research Park includes University of East Anglia, Norfolk and Norwich University Hospital, John Innes Centre, The Genome Analysis Centre, The Sainsbury Laboratory, Institute of Food Research. www.norwich.gov.uk/Business/Documents/NchResearchPark.pdf

[2] www.norwichresearchpark.com/newsandevents/latestnews/norwichscientiststopworldrankings.aspx

[3] www.norwichresearchpark.com/newsandevents/events/postgraduateopenday.aspx

[4] www.theworkfoundation.com/downloadpublication/report/160_160_norwich_ke.pdf

B2 Why can't this be taken forward by the private sector or through existing policy tools?

Businesses have identified that the key barriers to growth are gaps in:

- enterprise and innovation – the lack of specialist support to translate innovation into jobs. For example an expanding life science business that requires a Smart Award has to navigate a complex process and a patchwork of forms and information.
- infrastructure – investment required in local transport network and ready-to-move into office accommodation and extending high capacity broadband and data processing capability. For example the NRP has no high capacity/super fast broadband and in some parts has communications blackspots.
- skills – the mis-match between skills provision and local employment opportunities.

In developing our City Deals proposal we have consulted extensively with businesses and business groups about the barriers they face. [5] Existing policy tools do not allow us to structure and shape national programmes at a local level to respond to the needs of our businesses. We have highlighted some of the key areas to be addressed to deliver identified growth opportunities including;

Difficulties in accessing finance restrict opportunities for commercialisation of innovative research. Strong Angel networks flourish in Oxford and Cambridge, but struggle to be established in Norwich even though it is the UK provincial city that ranks closest to them in research power and citations. The volume of applicants is low because they have limited visibility and this will only increase as access to Angel funding is improved. We want to bridge this gap and lever in significant local private sector investment.

Businesses have told us that it is hard to access enterprise and innovation support because programmes have been centralised and do not meet local needs. As a result the lack of a local dimension means local take-up has been low holding back job creation and development of spin-out companies. There is little join up on the ground between different national enterprise and innovation organisations and programmes, such as the BIS funded Growth Accelerator, UKTI, – the Manufacturing Advisory Service, the Technology Strategy Board, National Endowment for Science, Technology and the Arts and Start-up Britain. We want to deliver a transformed and comprehensive business support service, shaped by local business.

Businesses have identified a mismatch between skills provision and the job opportunities locally; they are keen to have a leading role in shaping that provision. We have no control and very little influence over the funding allocated for Greater Norwich to achieve a step-change in skills provision, particularly in the life sciences sector across all levels. This limits our ability to drive real benefits for the private sector now and in the future.

Existing approval processes for major infrastructure projects are uncoordinated, slow and complex. This creates delay and uncertainty, increasing the cost for local authorities promoting schemes and compounding difficulties for developers in financing associated projects.

Developers identify that the constraints for growth in the current market are the lack of certainty, confidence and access to finance. The authorities are willing to pool funds and take risks in underwriting future income streams, e.g. the county council is willing to borrow against potential CIL income. However we need Government to help us unlock this, for example, through providing certainty on timescales, by risk sharing and by enabling districts to raise additional funding finance such as through borrowing against CIL.

To support the development of the NRP and associated housing there is a requirement for investment in some key infrastructure including improvements to trunk road junctions such as Thickthorn and Longwater and Bus Rapid Transit investment. Further information is attached in the confidential annex.

Placing the infrastructure requirements for the NRP in a wider context we have well developed plans[6] for our infrastructure investment needs. The total investment across Greater Norwich is over £705m. We are well advanced with a joint approach to CIL which, with other funding and investment from industry e.g. AMP funding, is expected to generate £528m of private sector investment. Even after local pooling and making use of available mechanisms there remains a significant funding gap of £177m that the authorities have already agreed they will borrow to deliver and enter into formal contracts to ensure delivery.

The voluntary sector play an important role in the Greater Norwich economy and many provide business support and training services. Meetings with key businesses in the voluntary sector, many members of which are working in ways similar to SMEs have identified barriers to growth which mirror those highlighted by the mainstream private sector.

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[5] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/BusinessEngagement.pdf

[6] www.gndp.org.uk/downloads/LIPP-v4.1-2012-02-03.pdf
www.norfolk.gov.uk/download/etd141112item12apdf

Section C: Broad approach

C1 What broad approach do you intend to take to address the challenge or opportunity identified above?

We want to work with Government and the private sector to redesign the funding structure and financial vehicles available to ensure we can get projects underway and can sign long-term contractual agreements. We will set up a pooled investment pot, to borrow money and deliver soft and hard infrastructure up front. This will give confidence to developers and inward investors that the right structures are in place to respond to their proposals in a business-like way.

We will take a strong lead by creating a private/public sector delivery team and a governance structure which can provide leadership across authority boundaries to work with the NRP, private sector landowners and businesses to deliver our key themes of Enterprise and Innovation, Skills and Infrastructure.

In summary, to grasp the opportunities presented by NRP and to ensure benefits across the whole functional economic area, we are asking for:

- devolved national business support to the LEP to provide immediate locally tailored solutions to support and quicken the pace of business growth including Growth Accelerator Programme and the Manufacturing Advisory Service
- a formal partnership agreement with the Technology Strategy Board to develop a Launch pad project covering the New Anglia LEP area. This partnership would be the largest project of its kind focused on a single geography. It would also be aligned with the University of East Anglia's bid for funding from the HEFCE Catalyst Fund. Funding from the TSB would be matched by local contributions to maximise the outputs that it can achieve, such as:
  - over a 3 year period agree a guaranteed number of Smart Awards for SMEs to engage in R&D projects in strategically important areas of science, engineering and technology, from which new products, processes and services could emerge
  - tailored programmes to support key areas such as food, life sciences, energy, built environment and access to the new Catapult network.
- formal local agreements with Capital for Enterprise to provide local and immediately available finance, advice and support for SMEs to grow and flourish
- a local Green Investment Bank presence to provide the link between local scientific excellence and commercial investment that has a green impact
- re-direction of European funding to the LEP to ensure available funds are used to support and speed up local growth
- devolved skills funding to ensure employers needs are met
- the opportunity to work with Greater Ipswich to deliver a LEP-wide locally determined skills investment programme tailored to our sectoral needs
- a single central government funding pot to enable us to direct resources to local priorities to accelerate growth
- authority to borrow against future CIL income to give developers confidence that the infrastructure necessary for growth will be provided
- the underwriting of investment risk if CIL income under-performs
- retention of all business rates above existing growth trend to invest into enterprise and infrastructure
- more Growing Places Funding to provide a local pipeline of premises for immediate occupation by new and expanding SMEs
- funding for high capacity broadband and data processing capability, necessary to support the increasing data generation associated with life science research and business activities.

- a compact for growth between local and national agencies and utilities to speed up development. Our request is that consultees must satisfy or surpass statutory response times and that in each of the agency's business or asset management plans there is clear visibility of key projects and necessary funding to deliver growth in the Greater Norwich area that complies with our delivery programme.

C2 How can this approach 'do more with less' by delivering greater efficiency in public spend or by leveraging new resources from the private sector?

For the NRP we are going to do more with less by:

- providing a funding framework that gives certainty and confidence for private sector investment to come forward
- adopting a comprehensive approach to the development of the NRP to achieve significant economies of scale
- pooling resources to maximise revenues, reduce waste, reduce cost
- aligning central government processes to synchronise decision making to meet local priorities and create greater certainty for private sector investors
- aligning local processes to reduce bureaucracy – cutting red tape.

We are confident this will provide:

- forward funded infrastructure investment, thereby speeding up growth and income streams
- a co-ordinated approach to enterprise and innovation – fewer, but better targeted programmes which deliver faster and stronger outcomes
- a targeted skills programme that will better match the needs of employers, enabling them to grow faster.

On the NRP it will leverage in private sector commitment to fund the provision of serviced sites on an incremental basis. Moreover if we were able to invest upfront, the speed of development will increase.

C3 What local resources do you expect to invest in addressing this problem?

The four authorities are able to draw on a wide range of their own resources, and are prepared to securitise local government finance streams, (including major funding such as Community Infrastructure Levy and Business Rates) to underwrite the cost of borrowing. Current projections indicate that CIL could deliver £131m over the next 10 years and that a step change in commercial activity, which should see floorspace grow by 20% above existing trends, could see business rate income increase by an additional £26m over the period to 2025/26 which we would wish to retain for local investment to support growth. In addition we will:

- bring together creative scientific institutions, an ambitious LEP and public sector, a confident private sector and proactive landowners to create a single focus on innovation and enterprise to deliver growth fast
- establish a capital pot of local infrastructure funding to support growth
- advance fund infrastructure to unlock private sector investment
- use our land and property holdings to create more investment opportunities
- pool staff resources to deliver the City Deal
- pool New Anglia LEP funding from its revenue streams including Growing Places Fund and Regional Growth Fund.
- pool New Anglia Local Transport Body devolved Local Transport Majors funding from 2015
- work with Greater Cambridge to strengthen and extend existing life sciences links
- create a robust local private/public governance structure to speed up growth.

Section D: Expected Benefits

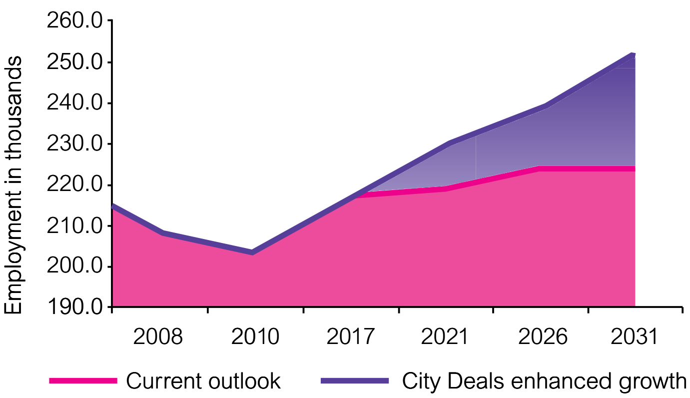
D1 How do you expect your proposal to have an impact on local jobs and growth, and at what scale?

Our City Deal will use NRP as a catalyst to drive enterprise and innovation, creating more jobs and businesses, increasing demand for higher level skills and unlock major infrastructure across the whole of the Greater Norwich area.

Our ambition is to catch up on the 'lost decade' of lost jobs and output. Dynamic growth at the NRP will act as a catalyst to deliver:

- Accelerated local growth for national economic recovery.
- 40,000 new jobs, which is a major increase over our pre-recession projection (over a 30% increase) and a significant uplift to our current outlook.
- 37,000 new homes for greater Norwich
- 50% increase in knowledge based businesses.
- 30% increase in GVA above trend
- An international flagship for life sciences enterprises.

Greater Norwich Jobs Growth



Enterprise and Innovation

In addition to the NRP we have a number of analogous locations where we will create places for specialised enterprise and employment growth, such as Norwich Airport Business Park, Rackheath Eco Park and a mosaic of city centre sites. There is a direct link between the scientific research undertaken at the Centre for the Built Environment on the NRP into green building materials and the national exemplar Garden suburb community of 3,520 sustainable homes and the new jobs that go with it.

Skills

The creation of more jobs will increase demand for higher skills. Greater local determination over skills funding will allow us to supply a suitably qualified workforce to fill additional jobs [7] in a range of sectors including life science and agri-tech, advanced engineering and green technology and digital and creative industries. This is in recognition that such higher value jobs will leverage a wide spectrum of other jobs across the whole of the Greater Norwich area.[8]

Infrastructure

We will create infrastructure to support the expansion and growth of the NRP which in turn will release private sector investment and jobs in housing development to support the business and employment growth. The JCS has at least 37,000 new homes to be delivered by 2026 and has the flexibility to deliver more if required. Housing growth has stalled because of the global economic downturn which has generated a loss of confidence, uncertainty and lack of access to finance. Our proposal will enable us to put the plan back on track post recession.

The benefits of growth will spread across Norfolk, the New Anglia LEP area, through the supply chain, linking for example with the energy focussed Enterprise Zone in Great Yarmouth/ Lowestoft. It will also deliver improvements in key infrastructure such as the Norwich Northern Distributor Route, A47 and Norwich-London rail service, which is also critical to Greater Ipswich.

[7] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EvidenceSectionB.pdf

[8] www.norwich.gov.uk/Business/Documents/SkillsLadder.pdf

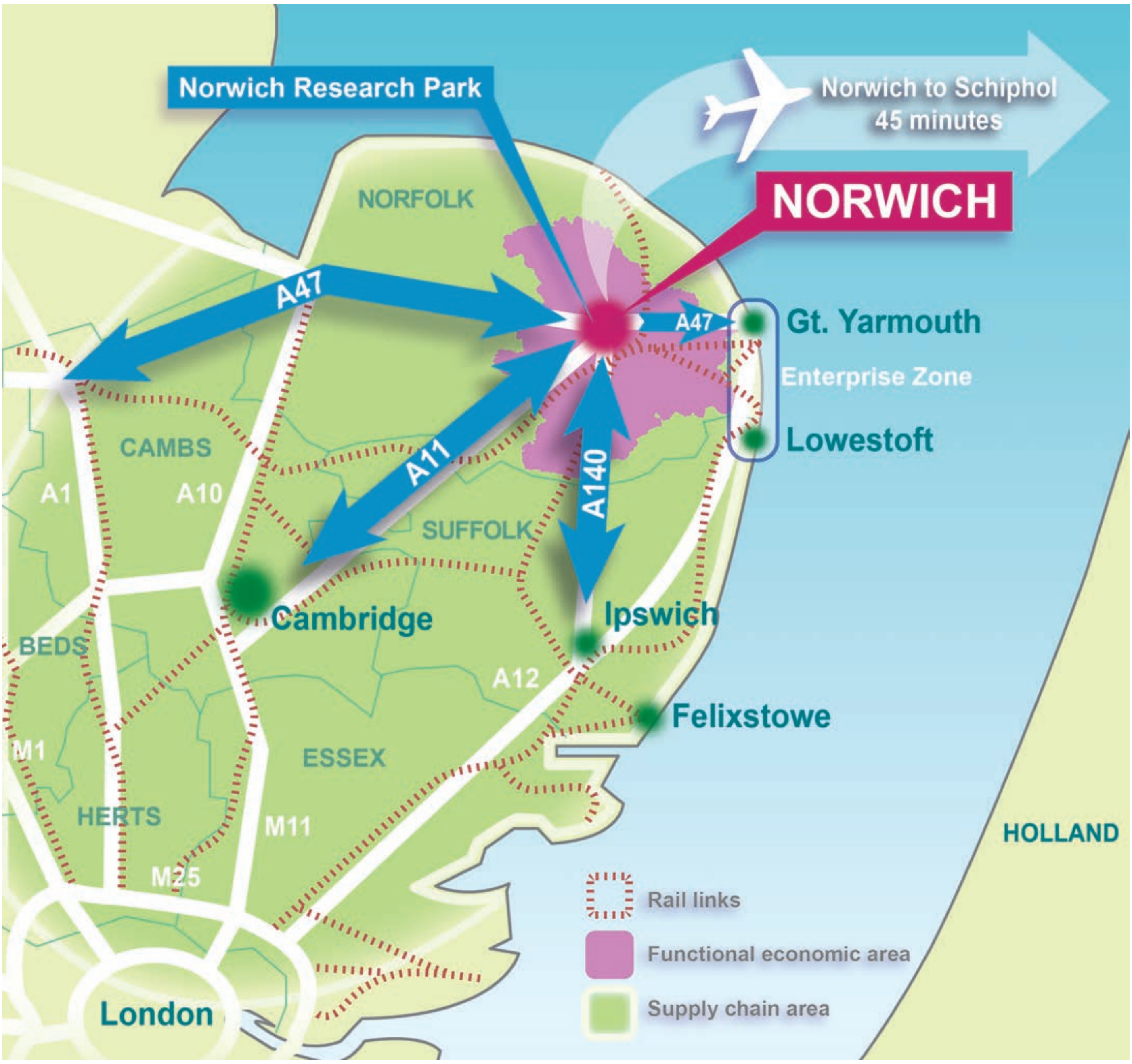
Section E: Governance

E1 Over what geographical area will you address this problem? Why?

It is clear that a successful City Deal for the Greater Norwich area will have local, regional, national and global implications. This reflects the growth ambitions of the New Anglia LEP. The LEP will also ensure that the separate proposals for Greater Ipswich and Norwich adopt a cooperative and a cohesive approach.

The functional economic area has been defined as the administrative areas of Broadland, Norwich and South Norfolk. This is consistent with the Travel to Work and Housing Market Areas as shown in the map below. The local authorities involved have a track record of working together and there is a strong political will to deliver economic growth across administrative boundaries. This is underpinned by Greater Norwich being one of the few areas in the country to complete a Joint Core Strategy[9] with an ambitious strategy for growth.

[9] www.gndp.org.uk/our-work/joint-core-strategy



E2 What governance structures will ensure effective, binding and strategic decision-making across the relevant economic area?

The four local authorities have a long standing and effective private/public partnership which is governed by a board with membership drawn from the constituent local authorities and the LEP. It is supported by a multi-disciplinary officer team and has delivered a Joint Core Strategy and Economic Strategy for Greater Norwich; a joint approach to CIL and investment of £20m in Growth Point projects based on a Local Investment Plan. There is already a political commitment to move the focus of the partnership from policy coordination to the delivery of ambitious homes and jobs targets. It is recognised that the broader remit of a City Deal for the Greater Norwich area will take this commitment even further. To do this we have worked with PwC on a number of governance models that would:

- be robust, straightforward, easily understood and focussed on increasing delivery pace
- have the ability to prioritise and make long-term difficult decisions
- be responsible for investment decisions
- blend entrepreneurial commitment with democratic accountability.

We will establish a Greater Norwich City Deals Board to oversee delivery. This Board would agree a business plan and allocate resources to 3 Delivery Boards, based around the themes of enterprise and innovation, skills and infrastructure. These Delivery Boards[10] will be able to prioritise investment proposals, take difficult decisions quickly and allocate resources fast to deliver economic growth. This is particularly important for the Infrastructure Delivery Board, which will be made up of the local authorities and LEP. The constitution of the Board will enable robust and contractually binding decisions to be taken. All of this will be developed in line with the government's thinking around the development of a single investment pot for local areas. These Boards will work alongside existing delivery bodies. The key one being the Norwich Research Partners LLP.

[10] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EmploymentSkillsBoard.pdf

E3 How will you generate momentum in developing a workable City Deal proposal?

To shift the momentum from concept to reality, the next steps required, over the next 6-9 months will include:

- building on the existing strength of Greater Norwich Development Partnership and Norwich Research Partners LLP and the political commitment to establish a robust and sustainable governance structure
- continuing engagement with private sector partners to develop a shared vision and further increase leverage
- creation of a dedicated multi-disciplinary project team, the pooled resource to support it and an implementation programme, with workstreams identified and project leads agreed
- a comprehensive engagement and communications plan which will target the wider stakeholders who it has not been possible to engage at concept stage.

We will continue to build on our strong relationship with New Anglia LEP and their engagement with businesses. There has already been engagement with local businesses, local Members of Parliament, academic institutions and key stakeholders. All have expressed support for a City Deal for the Greater Norwich area and they have helped identify the key barriers to growth as enterprise and innovation support, skills and infrastructure.[11/12/13]

A unique characteristic of the New Anglia LEP is that it has two City Deal proposals within its boundary. Should both proposals go forward we will continue to work with the Greater Ipswich area to identify shared solutions and potential for integration around approaches to skills, innovation and enterprise.

Finally we recognise we cannot do this by ourselves, so as part of the City Deal dialogue we need Central Government to help us to deliver our shared ambition for economic success.

[11] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/BusinessEngagement.pdf

[12] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EDP24JobsBoostArticle.pdf

[13] www.norwich.gov.uk/Business/GreaterNorwichCityDeal/Documents/EN24JobsBoostArticle.pdf