

Greater Norwich Local Plan Examination in Public (Part 1)

Matter 6, Issue 1

Statement on behalf of Halsbury Homes Ltd



MATTER 6 – HOMES (POLICY 5)

Issue 1 - Is the policy for affordable housing justified, effective and consistent with the evidence and national policy?

[Jointly prepared with Tetlow King]

Q1. – Q9, Q11.

- 1.1 It is anticipated that these questions will be primarily addressed by the GNLP Authorities and their advisers.

Q10. Are the respective affordable housing targets achievable and deliverable?

- 1.2 We do not consider that the targets for affordable housing are either achievable or deliverable. The Greater Norwich Local Plan ("GNLP") as submitted will not achieve 33% affordable housing and in turn, will not meet affordable housing needs in full, especially in the context of continuing losses through the Right to Buy.
- 1.3 Analysis of housing completions data published by DLUHC¹ shows that across Greater Norwich, an annual average of 505 affordable housing completions has been achieved between 2008/09 (the base date of the current Core Strategy period) and 2020/21. This is equivalent of 30% of overall completions. These calculations are set out in the data table at Figure 3 of this Hearing Statement.
- 1.4 However, it is important to consider losses to the affordable housing stock arising from the Right to Buy. Dwellings sold under the Right to Buy are permanently lost from the affordable housing stock. As Figure 3 below shows, an annual average of 109 Right to Buy losses from local authority stock has been recorded between 2008/09 and 2020/21. In addition, an annual average of 19 Right to Buy losses from Registered Provider stock has been recorded between 2011/12 and 2020/21. This gives a combined annual average loss of 128 affordable dwellings per annum, which is deducted from the completions to reach a net figure.
- 1.5 This annual average loss through the Right to Buy is the equivalent of 25% of the annual average recorded completions of 505 affordable dwellings. In other words, over the Core Strategy period since 2008/09, for every four affordable houses completed in Greater Norwich, one has been lost through the Right to Buy.
- 1.6 Once account is taken of Right to Buy losses, the net position is that across Greater Norwich, an annual average of 377 net affordable housing completions has been achieved between 2008/09 and 2020/21. This net figure is equivalent of 22% of overall completions.

¹ DLUHC Live Tables 122 and 1008c

- 1.7 When measuring net affordable housing delivery against the identified needs in the Strategic Housing Market Assessment 2017 ("SHMA"; **B22.1**) and Local Housing Needs Assessment 2021 ("LHNA"; **B22.3**), significant shortfalls have already arisen in affordable housing delivery. Against the SHMA need figure of 525 dwellings per annum from 2015/16 onwards (see SHMA Figure 83, page 101), a shortfall of 1,308 affordable dwellings has arisen. Against the LHNA need figure of 500 dwellings per annum from 2018/19 onwards (see LHNA Figure 46, page 74), a shortfall of 275 affordable dwellings has arisen.

Figure 1: Net Affordable Housing Delivery compared with Identified Needs, 2015/16 to 2020/21

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Greater Norwich Net Affordable Housing Delivery	-76	335	358	582	440	203	1,842
Housing Need (SHMA 2017) 525 dpa 2015/16 to 2035/36	525	525	525	525	525	525	3,150
Surplus/Shortfall	-601	-190	-167	57	-85	-322	-1,308
Housing Need (LHNA 2021) 500 dpa 2018/19 to 2037/38	n/a	n/a	n/a	500	500	500	1,500
Surplus/Shortfall	n/a	n/a	n/a	82	-60	-297	-275

Sources: SHMA 2017; LHNA 2021; DLUHC data (see Figure 3)

- 1.8 Looking ahead at future delivery to be secured under the submitted GNLP, the detailed affordable housing trajectory at Appendix D of Topic Paper 5: Homes (**D3.6** and **D3.7**) shows that across Greater Norwich, an annual average of 635 affordable housing completions is projected between 2021/22 and 2025/26, as set out in Figure 2 below. This is equivalent of 23% of overall completions, 7% less than the figure of 30% (gross of Right to Buy losses) that has been achieved over the Core Strategy period to date, and only 1% more than the figure of 22% (net of Right to Buy losses) over the same period (see Figure 5 below). This is at odds with the objective set out at paragraph 60 of the National Planning Policy Framework of "significantly boosting" the supply of housing.

Figure 2: Projected Affordable Housing Delivery compared with Identified Needs, 2021/22 to 2025/26

	To date	2021-22	2022-23	2023-24	2024-25	2025-26	Total	Average 21/22 to 25/26
Greater Norwich Projected Affordable Completions	1,842	438	617	886	619	613	5,015	635
Housing Need (SHMA 2017) 525 dpa 2015/16 to 2035/36	3,150	525	525	525	525	525	5,775	n/a
Surplus/Shortfall	-1,308	-87	92	361	94	88	-760	n/a
Housing Need (LHNA 2021) 500dpa 2018/19 to 2037/38	1,500	500	500	500	500	500	4,000	n/a
Surplus/Shortfall	-275	-62	117	386	119	113	398	n/a

Sources: SHMA 2017; LHNA 2021; DLUHC data (see Figure 3); Appendix D Topic Paper 5

- 1.9 The projected average 635 completions appear sufficient to meet the annually arising needs from the SHMA 2017 (525 affordable dwellings per annum) or the LHNA 2021 (500 affordable dwellings per annum). However, crucially they would not clear the shortfall since 2015/16 against the SHMA 2017 need.
- 1.10 Moreover, once account is taken of Right to Buy losses, assuming the prevailing rate continues at an annual average rate of 128 dwellings, the net projected affordable housing delivery between 2021/22 and 2025/26 will stand at just 507 affordable dwellings per annum. The prevailing annual average loss through the Right to Buy is the equivalent of 20% of the projected annual average recorded completions of 635 affordable dwellings between 2021/22 and 2025/26. The projected net delivery of 507 affordable dwelling per annum is less than the need identified in the SHMA 2017 and only marginally above the need identified in the LHNA 2021. In both cases, the existing shortfall in affordable housing delivery will persist.
- 1.11 In this context, it is also important to note the effect of the Plan strategy on the ability to meet affordable housing needs. The projected future supply includes planning permissions granted at sites within the Growth Triangle Area Action Plan ("GTAAP") area, which are effectively 'rolled forward' to form part of the projected housing supply into the GNLP. Several of these sites have been consented with reduced affordable housing requirements when compared with the policy expectation of 33% affordable housing provision. A snapshot of sites that have been consented with reduced affordable requirement and are rolled forward are in Figure 3 below. Across the six sites referenced within the table, there is a shortfall of 942 affordable dwellings against the 33% policy expectation, and the effective delivery rate across the sites averages 13%.

Figure 3: Affordable Housing Provision at GTAAP Sites

Site Reference	Number of Units	Approved Affordable Housing provision (%)	Shortfall in Units (against 33% policy expectation)	Shortfall in % (against 33% policy expectation)	Status
GT7 Land South of Salhouse Road (Halsbury)	351	10%	81	23%	RM consent
GT7 Land South of Salhouse Road (Phases 2 -5 / Barratt Homes)	535	17%	86	16%	RM consent
GT7 Land South of Salhouse Road (Phase 1 / Tilia Homes)	251	15%	46	18%	RM consent
GT16 North Rackheath (cabinet approval)	3,000	10%	690	23%	Cabinet approval for reduced affordable
Land off Manor Road, Newton St Faiths (App Ref: 2018/2043)	69	10%	16	23%	RM consent
Land off Green Lane West, Rackheath (App ref: 2017/1464)	322	28%	16	5%	Full consent
Land off Green Lane East , Rackheath (Halsbury Ref: 2020/0202)	130	28%	7	5%	Outline Consent

1.12 As can be seen, the evidence produced by Tetlow King Planning demonstrates that the submitted GNLP will deliver a smaller proportion of affordable housing than has been achieved over the Core Strategy period, even if one takes no account of the likely Right to Buy losses from the affordable housing stock. The result will be that the GNLP will not deliver sufficient affordable housing to meet the need identified in the submitted plan.

1.13 Taken together with our evidence in response to Matter 2 Issue 2 – which calls into question the overall deliverability of a significant proportion of the currently-proposed site allocations in the submitted Reg 19 Plan - the above evidence suggests the strategy for the provision of affordable housing should be reviewed as part of the Main Modifications and adjustments made to the housing land supply so as to increase affordable housing delivery to meet identified needs.

1.14 It is our view that the strengthening of Policy 7.6 to give certainty over the ability for early delivery of a new settlement within the Plan period with a committed timeframe for the preparation of a DPD would greatly assist in the ability to deliver policy-compliant levels of affordable housing in a timely manner.

1.15 Furthermore, and specifically in relation to Silfield Garden Village, evidence provided to GNDP officers at and since the Regulation 18(c) stage of the plan demonstrates that this new settlement is commercially-viable whilst meeting all policy requirements set out in the submitted plan, including the policy relating to affordable housing provision.

Figure 4: Affordable Housing Delivery in Greater Norwich 2008/09 to 2020/21

		Area	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total	Annual Average
A	Net additional dwelling completions <small>DLUHC Live Table 122</small>	Broadland	386	288	230	227	182	368	434	772	700	679	640	663	499	6,067	467
		Norwich	536	381	386	280	377	260	249	365	445	237	905	509	164	5,095	392
		S Norfolk	909	647	643	675	670	675	1,032	765	1,162	1,118	1,212	984	803	11,295	869
		Greater Norwich	1,831	1,316	1,259	1,182	1,229	1,303	1,715	1,902	2,307	2,034	2,757	2,156	1,466	22,457	1,727
B	Affordable housing completions <small>DLUHC Live Table 1008c</small>	Broadland	126	124	76	53	81	74	142	19	283	208	198	218	174	1,776	137
		Norwich	461	226	184	189	166	77	107	25	116	74	173	196	21	2,015	155
		S Norfolk	491	243	185	228	216	170	85	45	146	290	357	187	128	2,771	213
		Greater Norwich	1,078	593	445	470	463	321	334	89	545	572	728	601	323	6,562	505
C	Gross AH completions as a % of overall completions B ÷ A	Broadland	33%	43%	33%	23%	45%	20%	33%	2%	40%	31%	31%	33%	35%	29%	31%
		Norwich	86%	59%	48%	68%	44%	30%	43%	7%	26%	31%	19%	39%	13%	40%	39%
		S Norfolk	54%	38%	29%	34%	32%	25%	8%	6%	13%	26%	29%	19%	16%	25%	25%
		Greater Norwich	59%	45%	35%	40%	38%	25%	19%	5%	24%	28%	26%	28%	22%	29%	29%
D	Local Authority Right to Buy losses <small>DLUHC Live Table 691</small>	Broadland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Norwich	16	36	35	37	90	145	149	151	163	187	138	156	112	1,415	109
		S Norfolk	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Greater Norwich	16	36	35	37	90	145	149	151	163	187	138	156	112	1,415	109
E	Reg. Provider Right to Buy losses <small>Private Registered Provider Statistical Data Returns</small>	Broadland	No data before 2011/12				3	2	7	7	4	10	2	4	1	4	4
		Norwich	No data before 2011/12				0	1	5	1	0	0	1	0	0	0	1
		S Norfolk	No data before 2011/12				5	16	17	21	10	37	24	4	4	4	14
		Greater Norwich	No data before 2011/12				8	19	29	29	14	47	27	8	5	8	19
F	AH housing completions net of Right to Buy losses B – D – E	Broadland	126	124	76	50	79	67	135	15	273	206	194	217	170	1,732	133
		Norwich	445	190	149	152	75	-73	-43	-126	-47	-114	35	40	-91	592	46
		S Norfolk	491	243	185	223	200	153	64	35	109	266	353	183	124	2,629	202
		Greater Norwich	1,062	557	410	425	354	147	156	-76	335	358	582	440	203	4,953	381
G	Net affordable completions as a % of net completions F ÷ A	Broadland	33%	43%	33%	22%	43%	18%	31%	2%	39%	30%	30%	33%	34%	29%	30%
		Norwich	83%	50%	39%	54%	20%	-28%	-17%	-35%	-11%	-48%	4%	8%	-55%	12%	5%
		S Norfolk	54%	38%	29%	33%	30%	23%	6%	5%	9%	24%	29%	19%	15%	23%	24%
		Greater Norwich	58%	42%	33%	36%	29%	11%	9%	-4%	15%	18%	21%	20%	14%	22%	22%

Figure 5: Future Housing Delivery in Greater Norwich 2021/22 to 2025/26

	2021/22	2022/23	2023/24	2024/25	2025/26	TOTAL 2021/26
AFFORDABLE						
Broadland	129	252	378	385	460	1,604
Norwich	86	85	188	0	0	359
S Norfolk	223	280	320	234	153	1,210
Greater Norwich	438	617	886	619	613	3,173
ALL						
Broadland	880	1,148	1,291	1,220	1,153	5,692
Norwich	458	1,044	386	475	556	2,919
S Norfolk	1,216	1,251	1,340	1,106	855	5,768
Greater Norwich	2,554	3,443	3,017	2,801	2,564	14,379
AFFORDABLE %						
Broadland	15%	22%	29%	32%	40%	28%
Norwich	19%	8%	49%	0%	0%	12%
S Norfolk	18%	22%	23%	20%	18%	21%
Greater Norwich	17%	18%	29%	22%	24%	22%

Sources: Appendices to Topic Paper 5

Q11. Does the policy sufficiently recognise the need for viability considerations? Has the impact of affordable housing requirements on the viability of schemes been robustly assessed?

- 1.16 In our response to this question we would draw the Inspectors' attention to our analysis and commentary under Matter 2 Issue 2 with respect to the lack of delivery of existing commitments, and the consequent under delivery of affordable homes.
- 1.17 However, in considering the approach to viability adopted by the GNDP, we are concerned that the whole-Plan viability information falls short of the NPPF requirements and therefore is inadequate to determination the soundness of the plan in this respect, particularly in respect of determining whether large scale housing site commitments and new allocations will be able to meet the level of policy compliance demanded at the planning application stage.
- 1.18 The Inspectors should be satisfied that each promotor of a housing commitment or new site allocation in the plan commits to meeting the plan's full range of affordable housing and section 106 requirements at local plan stage in accordance with the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) and RICS guidance on viability in planning².
- 1.19 This is especially relevant considering the evidence required to provide the requisite degree of scrutiny at other Examinations held over recent months. Recent revisions to the NPPF and PPG place an increased emphasis on viability assessments at the plan making stage, as well as site promoter engagement in this process, stating *"It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies"* and that *"it is the responsibility of site promoters to engage in plan making, take into account any costs including their own profit expectations and risks, and ensure that proposals for development are policy compliant"*³.
- 1.20 Furthermore, the PPG expressly requires that the specific circumstances of strategic sites are considered at plan making stage, stating: *"It is important to consider the specific circumstances of strategic sites. Plan makers can undertake site specific viability assessment for sites that are critical to delivering the strategic priorities of the plan. This could include, for example, large sites, sites that provide a significant proportion of planned supply, sites that enable or unlock other development sites or sites within priority regeneration areas. Information from other evidence informing the plan (such as Strategic Housing Land Availability Assessments) can help inform viability assessment for strategic sites"*⁴.

² RICS *Assessing Viability in Planning under the National Planning Policy Framework 2019 for England* (1st Ed., March 2021)

³ PPG Viability: Paragraph: 002 Reference ID: 10-002-20190509 Revision date: 09 05 2019

⁴ PPG Viability: Paragraph: 005 Reference ID: 10-005-20180724 Revision date: 24 07 2018

- 1.21 In order to satisfy themselves that the allocated sites are both deliverable and viable, the GNDP has undertaken a programme of agreeing Statements of Common Ground with site promoters. However, we are concerned that the evidence made available through the SoCG published post-submission of the Reg 19 Plan is insufficient in this regard and poses a risk to the soundness of the GNLDP. The SoCG are high level only and in themselves do not provide the requisite level of evidence (and therefore confidence) that the policy requirements set out in the plan, and specifically in Policy 2, will be met at planning application stage.
- 1.22 We suggest that in order to provide the required degree of viability testing to ensure that the requirements of Policy 2 (and other policy requirements, such as affordable housing provision) can be delivered, the GNDP undertakes further viability testing with allocated site promoters prior to the confirmation of allocations through adoption of the Plan.
- 1.23 For reference, and by way of comparable example, we refer the Inspector to a request for viability evidence prepared by Aspinall Verdi on behalf of Horsham District Council to inform deliverability decisions and site assessments prior to the confirmation of allocations at Examination⁵. In essence, this approach required in-depth workshops with strategic site promoters with a specific focus on:
- Assumptions made in concept masterplan;
 - Details of land ownerships, developer partners, delivery mechanisms, planning policy compliance, risks and dependencies, viability and timescales;
 - Discussion of site viability and delivery considerations, based on the above; and
 - Revising and agreeing proposed site-specific assumptions.

All information provided was to be capable of being made publicly available to allow scrutiny at the Local Plan Examination.

⁵ Appended to the letter from David Lock Associates to the Programme Officer dated 22 December 2021 confirming the request to participate in the Part 1 Examination.