

GREATER NORWICH LOCAL PLAN EXAMINATION (PART 1) HEARING STATEMENT

Quality Assurance

Site name: Greater Norwich Local Plan Examination (Part 1)

Client name: M Scott Properties Ltd

Type of report: Hearing Statement

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Signed



Date 13th January 2022

Reviewed by: Sarah Hornbrook MA (Cantab) MSc MRTPI

Signed



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1.0 Background

- 1.1 This Hearing Statement has been prepared by Bidwells LLP on behalf of M Scott Properties Ltd in support of representations made to the Greater Norwich Local Plan. By way of background, M Scott Properties are promoting land located between Fir Covert Road and Reepham Road, Taverham and which is proposed to be allocated under Policy GNLP0337R for the development of at least 1,400 homes, including specialist care housing and older persons units.
- 1.2 This Statement seeks to address Issue 1, Questions 4 and 8 within Matter 6 Homes (Policy 5).

Response to Inspector's Questions

- 1.3 Issue 1 asks is the policy for affordable housing justified, effective and consistent with the evidence and national policy.

Question 4 of Issue 1 asks:

Policy 5 allows for a viability assessment to be submitted at decision making stage for brownfield sites. Is this approach justified and consistent with national policy?

- 1.4 This approach is neither justified nor consistent with national policy, as it restricts the use of application stage viability assessments to brownfield sites only, without providing evidence to demonstrate that the approach is based on reasonable evidence, or that alternatives have been considered.
- 1.5 Whilst viability testing has been undertaken at the planning making stage, there is the potential that unforeseen matters will arise during the preparation of an application that will influence development viability. A scenario that is not uncommon and can occur on either greenfield or brownfield site. These could, for example, include an increase in build costs, which as has been seen in recent years is not guaranteed to be off-set by a similar increase in sales values. In addition, notwithstanding the work done at the local plan promotion stage, which tends to be desktop based, there is the potential that unforeseen costs associated with matters such as archaeology and contamination will arise as the preparation of a planning application is progressed.
- 1.6 There is also the potential that changing Government guidance will impact the viability of a development. For example, in recent years continually evolving guidance in relation to flooding and surface water drainage has impacted the quantum of development that can be secured on a site, as well as the cost of development. These issues are not restricted to brownfield sites only, and are just as likely to affect greenfield sites. All of this requires flexibility in relation to viability and ultimately the need to be able undertake an application stage Viability Assessment.
- 1.7 Furthermore, the approach set out in Policy 5 is not consistent with national policy; paragraph 58 of the NPPF does not restrict application stage viability assessments to brownfield sites only – it allows the weight given to such an assessment to be determined by the decision maker having regard to all the relevant circumstances of the specific case.

Question 8 of Issue 1 asks:

Is the requirement for specialist older people's accommodation, including care homes, to provide an affordable housing contribution justified and consistent with national policy? Have these requirements been subject to viability testing?

- 1.8 As drafted, Policy 5 requires all forms of specialist housing, irrespective of the different characteristics of the use and whether it is considered to fall within Class C2 or C3, to provide affordable housing.
- 1.9 The draft policy and supporting text (paragraph 276) recognises that specialist housing can take a variety of forms, including sheltered housing, residential/nursing care homes and extra care housing. However, the policy makes no distinction between the different characteristics of the various types of specialist care, such as the physical nature of the building and the level of care provided. These can vary widely, affecting development viability, and in turn the ability of certain types of specialist housing to provide affordable housing.
- 1.10 For example, the characteristics of what may be termed a 'traditional' residential care home, within Class C2 (residential institution), are very different to extra care housing, which can comprise self-contained dwellings, and which, depending on the level of care provided to residents, falls within either Class C2 or Class C3 (dwelling houses).
- 1.11 Furthermore, when compared with standard residential developments, specialist housing developments, regardless of whether they fall within Class C2 or Class C3, can incur different financial costs. For instance, specialist housing developments have costs associated with, amongst other things, the provision of communal facilities and, where required, on-site management and care teams. In addition, specialist housing can be required to provide a range of amenities, such as consulting rooms and health services. These are costs which can have significant viability implications.
- 1.12 The GNLP Viability Appraisal (December 2020) does not give consideration to any of the issues identified in the preceding paragraphs and the ability of specialist housing to meet the affordable housing requirements of Policy 5 has not been tested. On this basis, the policy cannot be considered to be justified as it is not based on proportionate evidence, and does not appear to have taken into account any reasonable alternatives.
- 1.13 Failure to robustly consider the ability of specialist housing to viably meet the requirements of affordable housing will potentially undermine the GNLP's ability to meet the identified need for specialist housing; a need (see Paragraph 276 of the supporting text) which is not disputed. More specifically, if specialist housing developments are required to provide affordable housing, it may mean that developments of this nature are unable to compete with standard residential developments, disincentivising developers from bringing such schemes forward. This, in turn, would be contrary to Norfolk County Council's Living Well programme, which has been used to inform the policy and which seeks to increase housing options for older people.
- 1.14 As part of the Living Well programme, Norfolk County Council have created a £29m capital fund specifically to make the development of affordable extra care units easier; a point which recognises the viability issues associated with the delivery of affordable care.

- 1.15 Failure to meet the identified need for specialist housing, will also result in the GNLP being inconsistent with national policy, as the needs of groups with specific housing requirements will not be addressed as required by paragraph 60 of the NPPF. This in turn will have significant economic and social implications, given that the recognised benefits of specialist housing, including the savings to the NHS and the freeing up of under occupied houses, as well as Norfolk County Council's aim (Paragraph 275 of the supporting text) of allowing people to remain more independent either in their own homes or supported housing, will not be realised.
- 1.16 Alternatively, if such schemes do come forward and seek to reduce the affordable housing contribution through application stage viability assessments, the GNLP's supply of affordable housing has the potential to be undermined, resulting in the failure to meet the need identified in the Strategic Housing Market Assessment 2017.

Suggested Revisions / Modifications

- 1.17 The wording of the policy relating to affordable housing should be expanded to allow for application stage viability assessments for all sites, including greenfield sites, in order to provide flexibility to allow the policy to respond to changing circumstances and to ensure consistency with national policy.
- 1.18 In terms of specialist housing, the requirement to provide affordable housing should be removed from Policy 5, unless an updated GNLP Viability Appraisal is prepared that demonstrates it is viable, justified and in accordance with national policy.
- 1.19 If the decision is taken to update the Viability Appraisal, it is considered crucial that to ensure that the policy is justified, the appraisal recognises the different types of specialist housing and the different characteristics affecting them in terms of viability. For example, a viability appraisal relating to a nursing home is likely to be very different to one for extra care housing. In addition, the policy should, if demonstrated by the Viability Assessment, recognise that the provision of affordable housing is potentially reliant on capital funding from parties such as Norfolk County Council.
- 1.20 It is likely that to meet the identified need for specialist housing, development will be required to take place on greenfield sites. The aforementioned text and specifically the ability of specialist housing developments to accommodate affordable housing, further highlights the importance of developments on greenfield sites being able to submit viability assessments at the decision making stage.
- 1.21 If the Viability Appraisal concludes that certain types of specialist housing can provide affordable housing, it is recommended that in order to ensure the policy is clear and concise that Policy 5 provides further information on what is considered to comprise affordable housing in this context. For example, how would a residential / nursing home be expected to provide affordable housing?
- 1.22 Finally, it is recommended that the Policy has regard to paragraph 65 of the NPPF, which recognises that where development provides specialist accommodation for a group of people with specific needs, is it not required to ensure that 10% of the total number of homes are available for home ownership.

