

Interim Statement on the off-site provision of affordable housing in Norwich.

Introduction

1. This note sets out the circumstances in which it is considered that off-site provision of affordable housing may be acceptable as a departure from adopted Joint Core Strategy policy 4 (JCS4). It also addresses how payments in lieu of affordable housing will be calculated in these circumstances.
2. It is intended that this interim note will be superseded by either the adoption of a new affordable housing supplementary planning document (SPD), or the adoption of a Community Infrastructure Levy, whichever is the sooner. Both these are expected to occur late in 2012.

Background

3. Norwich City Council adopted the JCS for Broadland, Norwich and South Norfolk in March 2011. At this point the JCS became part of the development plan for Norwich, superseding affordable housing policy set out in policy HOU4 of the Replacement Local Plan and its supporting Supplementary Planning Document. Policy 4 in the JCS concerns Housing Delivery and, among other things, sets out the following policy towards the provision of affordable housing:

“A proportion of affordable housing, including an appropriate tenure mix, will be sought on all sites for 5 or more dwellings (or 0.2 hectares or more). The proportion of affordable housing, and mix of tenure sought will be based on the most up to date needs assessment for the plan area. At the adoption of this strategy the target proportion to meet the demonstrated housing need is:

- On sites for 5-9 dwellings (or 0.2 – 0.4 ha), 20% with tenure to be agreed on a site by site basis (numbers rounded, upwards from 0.5)
- On sites for 10-15 dwellings (or 0.4 – 0.6 ha), 30% with tenure to be agreed on a site by site basis (numbers rounded, upwards from 0.5)

- On sites for 16 dwellings or more (or over 0.6 ha) 33% with approximate 85% social rented and 15% intermediate tenures (numbers rounded, upwards from 0.5)

The proportion of affordable housing sought may be reduced and the balance of tenures amended where it can be demonstrated that site characteristics, including infrastructure provision, together with the requirement for affordable housing would render the site unviable in prevailing market conditions, taking account of the availability of public subsidy to support affordable housing.”

4. This policy introduced a significant change to the previous policy on affordable housing provided by the City of Norwich Local Plan (adopted 2004) policy HOU4 and its associated SPD (adopted Oct 2009). The JCS policy was supported by a wealth of evidence and policy guidance and was subject to considerable debate and examination before it was adopted.
5. The previous approach required a higher proportion of affordable housing to be delivered (40%) but only required any provision to be made on sites delivering 25 dwellings or more. .
6. Provision of affordable housing on-site is the city council's preferred method, and is also the preference set out in government guidance. This promotes social inclusion and the design of individual sites should also take account of this objective.
7. JCS policy 4 seeks provision of affordable housing on site to meet this objective. However, in relation to some sites this can create certain practical difficulties and tensions with other policy objectives such as the minimum density requirement leading to flatted forms of development where high service charges or small floor areas may make the dwellings unattractive to Registered Providers (RPs). It is also recognised that the viability of providing affordable housing on site for some developments maybe difficult in the current housing market and that the RP capacity to take on affordable dwellings on private developments is limited at present.

Circumstances in which off-site provision may be acceptable

8. In accordance with current and emerging government policy to secure balanced and cohesive communities, the provision of affordable housing on-site in accordance with JCS4 is favoured and will remain the starting point in all cases. However, in the light of government statements about the need for flexibility in the planning system and in recognition of the need to stimulate the development economy to increase the rate of provision of homes and jobs it is considered that there are three circumstances where provision of a contribution to allow affordable housing to be provided off-site may be acceptable. These are:
 - 1) On any site where after an open-book viability has been conducted (and accepted by the Council after independent assessment) that demonstrates that a site is not sufficiently viable to enable the provision of a single social rented dwelling on the site;
 - 2) On relatively small sites proposed for flatted developments (typically developments of 15 or fewer units on sites of 0.2ha or less) where it can be demonstrated that RPs are reluctant to take on the management of a small number of affordable units. In these cases developers will be expected to provide written evidence that no RP is willing to take on the unit(s). The housing development team will contact the relevant RPs on behalf of the developer if requested.
 - 3) On small to medium sites with exceptional factors which would not be attractive to RPs (evidence of this will be required), such as inappropriate floor areas or high service charges, and where it is capable of using contributions in lieu to deliver more affordable units off-site than would have been provided on-site (or the same number of units but in a form that better meets established local needs) elsewhere in the local area.
9. In these circumstances it may be considered acceptable for a commuted sum to be accepted in lieu of the provision of affordable housing on site. It

will be up to the developer to demonstrate that the constraints associated with development of the site make it impractical for development to be brought forward in a form which may be more attractive to RPs and that RPs are not prepared to manage units as proposed. City Council Officers can advise further about the level of evidence that will be necessary to be submitted in relation to both matters.

10. Where off-site provision is accepted it may be necessary to revisit viability assessments to ensure that these adequately reflect values associated with development with no affordable provision.
11. A schedule of level of payments that will be accepted in lieu of provision on site is set out in appendix 1. These are set at a level that will enable the City Council to typically deliver a unit equivalent in type to the those being provided on the site proposed for development i.e. a site providing for 5 one bedroom flats and not able to provide an affordable unit on site will be expected to make a contribution sufficient to provide for a one bedroom flat as part of another development elsewhere in the City. Appendix 1 will be reviewed annually to ensure it is kept up to date with changing costs.
12. The level of contribution may be reduced only if an open-book viability assessment has been agreed demonstrating that the full level of provision would render the development unviable. Any such proposals will also need to comply with the Council's published approach towards prioritisation in the event of development being unviable.

Contacts

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