



NORWICH City Council

Committee name: Cabinet

Committee date: 11/02/2026

Report title: Draft Affordable Housing Supplementary Planning Document (SPD)

Portfolio: Councillor Giles, Cabinet member for planning and regulatory services

Report from: Head of planning and regulatory services

Wards: All Wards

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Purpose

To consider and comment on the draft Affordable Housing Supplementary Planning Document (SPD).

Recommendation:

Cabinet

It is recommended that:

- a) Cabinet recommend that Full Council agree to go out for consultation on the draft SPD.
- b) Sign off for any minor amendments to the draft SPD prior to public consultation can be delegated to the Head of Planning in consultation with the Portfolio Holder for planning and regulatory services as appropriate.

Policy framework

The council has five corporate priorities, which are:

- A prosperous Norwich.
- A fairer Norwich.
- A climate responsive Norwich.
- A future-proof Norwich.
- An open and modern council.

This report addresses the first two aims. The report also helps to implement policy

5 of the Greater Norwich Local Plan.

In terms of priorities or actions in the Corporate Plan, this report addresses several including 'Norwich is a great place to live, work, learn and visit' and 'Good quality homes for all'.

Report details

1. This draft Supplementary Planning Document (SPD) on Affordable Housing supports the effective implementation of the Greater Norwich Local Plan (GNLP) Policy 5: Homes. Once adopted it will replace the existing Affordable Housing SPD (adopted July 2019) which is now out of date following the adoption of the GNLP.
2. Failure to adopt an up-to-date SDP supplementing policy 5 of the GNLP could negatively impact the Council's ability to secure off site contributions and deliver affordable housing. Due to forthcoming changes to planning regulations, the Council must adopt the new SPD by 30th June 2026 or it will no longer be possible to have an SPD on affordable housing.
3. This SPD applies to development in the Norwich City Council administrative area only. It does not apply within Broadland and South Norfolk. The Broads Authority, however, has regard to the district's affordable housing policies. As such, this SPD is relevant to housing schemes in the Norwich City part of the Broads.
4. Policy 5 is flexible in relation to affordable housing sizes, types and tenures to allow differing needs to be met in Broadland, Norwich and South Norfolk on a site-by-site basis based on the most up-to-date evidence, the Local Housing Needs Assessment 2021 (LHNA 2021). Legal advice has been sought, and it has been confirmed that the LHNA 2021 is currently the appropriate evidence base document on which to base calculations of Affordable Housing. The policy is pragmatic and adaptable, and when an updated Local Housing Needs Assessment is produced, the policy will enable this to be used instead.
5. The policy sets a general requirement for on-site affordable housing provision of 33% on sites that show better viability based on local evidence, with a lower requirement of 28% in Norwich City Centre. The policy is clear that affordable housing should be provided on-site except where exceptional circumstances justify off-site provision.
6. The main purpose of this SPD is to provide guidance on how the off-site affordable housing contribution will be calculated where such provision has been justified. The SPD will determine how much money is collected and must be fair and transparent. How the Council spends the money will not be influenced by this SPD.
7. The methodology used is similar to that used within the 2019 Affordable Housing SPD as this methodology has been considered robust in securing off site affordable housing contributions. The methodology is considered to be clear for both developers and the Local Authority and does not include any inputs that could be debated at planning application stage.
8. The main difference between the final blended figures within the 2019 Affordable Housing SPD and the proposed figures in this new SPD is that they have been updated (index linked and accurate as of September 2025) and the affordable housing tenure mix has been changed from 85% social rent and

15% shared ownership to 65% social rent and 35% shared ownership in order to accord with the most up to date evidence set out within the LHNA 2021. This has resulted in the cost of off-site affordable housing provision increasing from £1,020.05 per m² to £1,638.23 per m². Prior to adoption, this figure will be updated to take account of latest index linking.

Tenure split

9. In terms of the tenure split, the following bullet points clarify why this change is necessary:
 - a. The SPD cannot set new policy and must accord with the GNLP. Policy 5 of the GNLP sets out that major residential proposals will provide a mix of affordable housing sizes, types and tenures in agreement with the local authority, taking account of the most up-to-date local evidence of housing need. The inspectors report for the GNLP sets out that the evidence base underpinning the affordable housing requirements in Policy 5 is the Greater Norwich Local Housing Needs Assessment 2021. The inspector considered the evidence base that supports the policy requirement to be soundly based. This confirms that the most up-to-date local evidence of housing need referred to within the policy is the 2021 Local Housing Needs Assessment and this is the local evidence that should be the starting point for determining tenure split. The policy however does give flexibility so when a new Local Housing Needs Assessment is produced then this new LHNA should be used to determine the appropriate tenure mix; and if robust evidence comes to light which demonstrates a compelling case for some other tenure mix that can be considered on a case-by-case basis. For information it is likely that a new Local Housing Needs Assessment will be commissioned to inform the GNLP review.
 - b. The 2021 LHNA was produced fully in accordance with government guidance and was endorsed by the local plan inspector. Paragraphs 61 – 63 of the NPPF are relevant which are as follows:
 - 61 - The overall aim should be to meet an area's identified housing need, including with an appropriate mix of housing types for the local community.
 - 62 – To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance.
 - 63 – Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies.
 - c. The payment schedule needs to be set at a level that is equivalent in type to those that would otherwise be provided on site. On site affordable housing provision is not covered by this SPD and therefore the onsite tenure mix would be expected to be provided in accordance with the LHNA 2021 unless some compelling evidence suggested another tenure mix. It would not be reasonable or sound, as a matter of principle, to seek a different proportion of social rent in an off-site contribution, and any differential approach would have to be robustly justified.

- d. Due to the current economic climate, the Council receives viability assessments for most Norwich schemes, and the policy does allow site specific viability assessments to be submitted to reflect case by case differences and differences over time. Where a reduction in affordable housing is agreed then social rent will always be prioritised with low-cost home ownership being dropped first. This is included within the SPD for the avoidance of doubt.
- e. Within Norwich it has been identified that more low-cost home ownership properties are needed. We have a duty to meet this need as well as meeting the need of those requiring low-cost rental properties.

Legal advice

10. Legal advice has been sought on this matter. The legal advice confirms that the tenure split has to be evidence based and consistency with policy 5 is key. Whilst the policy allows up to date evidence, the legal advice confirms that the starting point should be the most recent LHNA. Furthermore, there must be a consistent methodology, and we cannot get away from the vital point that Policy 5 of the GNLP is based on the LHNA 2021, and it would be unwise to have conflict between the two documents. If the tenure split and calculation in the SPD draws on other documents which do not underpin the policy, this will have the potential to erode the status of the LHNA and undermine both the Policy and the SPD. Only where that more recent evidence was comprehensive and compelling, and demanded a different approach to that in the LHNA, would such a position be justified.

Viability and deliverability of affordable housing

11. Between 2019 and 2025 there were 20 applications approved that were for major residential schemes (i.e. 10 or more residential units). All Council owned schemes (with the exception of Anglia Square which was not in public ownership at the time of determining the planning application) provided policy compliant levels of on-site affordable housing with many being 100% affordable schemes.
12. On private led schemes (excluding outline applications but including Anglia Square) only 5 schemes did not challenge viability however this was due to being a registered provider site or due to a very low/zero contribution due to vacant building credit.
13. Changing the tenure split will have no or very little implications on the total amount of contributions received. Where viability is a consideration, the contribution is likely to remain the same regardless of the tenure split (as there is only a certain amount of surplus in a scheme which can be put aside for affordable housing). However, the 85:15 split will appear to result in a lower percentage of affordable housing than a 65:15 split. For example, if a scheme for 25 units totally 3250 sqm has a surplus of £300,000 for provision of AH, based on an 85:15 split it would be able to provide 4.8% affordable housing. With a 65:15 split it would provide 5.6% affordable housing.
14. In terms of delivery it must be highlighted that how the Council spends the money will not be influenced by this SPD. The Council can choose to deliver 100% affordable rent schemes from the collected commuted sums with no low-cost home ownership products if they wish.

15. Since 2014/15 there has been a total of 957 new affordable homes delivered in the city since, with 700 of these having been delivered or enabled by the council through the provision of land and/or grants from S106 commuted sums or retained Right to Buy receipts.
16. Since 2014 the Council has approved planning permissions that have the potential for c£2.982m of S106 commuted sums for affordable housing to be received. Some of these sites have subsequently stalled but the Council has received c£1.934m.
17. The commuted sums receipts have largely been utilised to support the council's own development programme with £0.817m supporting the Goldsmith Street development of 93 council homes for social rent and £0.014m provided as a grant to support the provision of 2 additional bed spaces at YMCA central.
18. The remaining c£1.102m has been allocated to the council developments at Mile Cross depot site (67 homes) and Argyle Street (14 homes), both projects to deliver affordable housing for rent.

Other considerations

19. It is considered that the GNLP policy, the National Planning Policy Framework and Planning Practice Guidance provide sufficient detail to ensure the effective implementation of the rest of the policy on affordable housing. The SPD does however signpost readers to relevant policies and evidence.
20. A copy of the draft Affordable Housing SPD is contained at Appendix 1 to this report.

Public consultation

21. This version of the SPD is a draft for consultation. The consultation process is a forum in which evidence and points about the SPD including the method for calculating the offsite contribution and tenure split can be raised and considered. A four-week period of consultation is due to take place in March 2026.
22. The consultation and methods for involving people in plan-making must accord with that set out within the SCI. A variety of methods will be used which will include:
 - Emails to all groups and individuals on the plan-making database
 - News release, if appropriate
 - Social media
 - Council's website
 - Paper documents in City Hall
 - Get Talking Norwich
23. This draft document will also go through a period of consultation with the statutory consultees (Natural England, Historic England and Environment Agency) as part of the Strategic Environmental Assessment and Habitats Regulation Assessment screening process. The initial screening assessment

determined that the draft SPD would not have any likely significant environmental effects, as it is providing additional information to an already adopted policy which has previously been subject to full assessments. A copy of the screening report is included in Appendix 2.

24. Following the public consultation, amendments to the document will be made as appropriate/necessary. The document in its amended form will then be presented to Sustainable Development Panel with a recommendation to note the summary of consultation responses, and comment on the revised document. The finalised document will be presented to cabinet, then full Council for adoption.

Implications

Financial and resources

25. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2024-29 and budget. There are no proposals in this report that would reduce or increase resources. Staff time to produce the SPD and to carry out the consultation process is met from existing budgets.

Legal

26. There are no legal implications.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	The SPD will be used to inform and guide planning decisions affecting all sections of the community. GNLP Policy 5 was subject to a detailed Equalities Impact Assessment . Whilst few direct impacts were found for protected groups, more generally the GNLP is assessed as having a positive effect towards reducing socio-economic inequality by planning for new homes, jobs, and infrastructure. The EqlA for the GNLP concluded that the GNLP does not require further assessment of equalities impact in this respect. An EqlA has also been carried out for the SPD. It is not considered that the SPD will have any different or new impacts from those considered under the GNLP. The EqlA is contained at Appendix 3 to this report.
Health, social and economic impact	The SPD seeks to secure the provision of affordable housing within major residential developments. The provision of on-site and off-site affordable housing can improve the well-being of existing and future residents and can

	help provide mixed sustainable communities.
Crime and disorder	No direct impact as a result of this report.
Children and adults safeguarding	No direct impact as a result of this report.
Environmental impact	No significant impact as a result of this report. The SEA screening report (Appendix 2) sets out that the SPD is unlikely to have a significant environmental effect and accordingly does not require a Strategic Environmental Assessment. Furthermore, the SPD is not likely to have adverse effects on the integrity of any European Site.

Risk management

Risk	Consequence	Controls required
Cabinet/Full Council may not recommend/agree that the draft SPD is put out for consultation.	The SPD provides guidance to applicants and planners on how to secure off-site contributions for affordable housing and signposts readers to the relevant information on affordable housing provision. The existing SPD is out of date and not having a new SPD will make the decision-making process harder and will not help with the effective implementation of policy 5.	Members have the opportunity to view and comment on the draft SPD. They will also have the opportunity to see the consultation responses and to comment before the document is finalised. This should allay any concerns that the draft SPD is not fit for purpose and should not be put forward for consultation.

Other options considered

27. Two other options have been considered which are as follows:

Option 1 – Produce a guidance note rather than an SPD. This would still need to be consulted on but it would not need to be adopted by 30th June 2026. There are few recent examples of guidance notes relating to affordable housing. They have less weight and may prejudice the provision of affordable housing so this option is not recommended for such an important topic.

Option 2 - Not adopt an SPD or guidance note. This would mean that the Council has no up-to- date methodology for calculating off site contributions.

The Council could continue to use the existing SPD but this could be challenged and could mean that there is no way of securing off-site contributions which could have a significantly detrimental impact upon the delivery of affordable housing in Norwich. This option is therefore not recommended.

28. Carrying forward the tenure split from the existing SPD is not an option as it does not accord with our most up to date local evidence and would not be consistent with policy 5 of the GNLP. This finding is supported by legal advice received.

Reasons for the decision/recommendation

29. It is recommended that the Council proceeds with the SPD and ensures that it is adopted prior to 30th June 2026. This provides developers and the Council with the most certainty and will ensure that the Council has an up-to-date and robust methodology for calculating off site contributions. Adopting an up-to-date affordable housing SPD will protect the Council's ability to collect commuted sums so we can continue to deliver affordable housing as we have been for our city. Furthermore, purpose-built student accommodation and sheltered accommodation is now required to provide an affordable housing contribution so it is important that the SPD is adopted as soon as reasonably practicable to ensure the Council can secure contributions towards much needed affordable housing. In accordance with the legal advice received, the tenure split must be based on that within the LHNA 2021 to ensure the SPD is sound.

30. There is a requirement to consult on SPDs. Cabinet is therefore asked to recommend Full Council agree to put the SPD out for consultation.

Background papers: None

Appendices:

Appendix 1 – Draft Affordable Housing SPD

Appendix 2 - Strategic Environmental Assessment / HRA Screening Report

Appendix 3 – Equalities Impact Assessment

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