

<b>Report to</b>	Cabinet 11 March 2015	<b>Item</b>
<b>Report of</b>	Executive Head of Regeneration and Development	<b>8</b>
<b>Subject</b>	Affordable housing supplementary planning document - Adoption	

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## **Purpose**

To consider how the council will meet the requirement to cooperate on strategic matters in local plan making.

## **Recommendation**

- 1) To adopt the *Affordable housing supplementary planning document* in accordance with regulation 14 of the Town and Country Planning (Local Development) (England) Regulations 2012.
- 2) To delegate authority to the head of planning, in consultation with the portfolio holder for environment, development and transport, to make any further minor factual updates and corrections required prior to adoption, and to proceed with the necessary legal and administrative process to complete formal adoption.

## **Corporate and service priorities**

The report helps to meet the corporate priority “Decent housing for all” and the service plan priority to implement the local plan for the city.

## **Financial implications**

There are no direct financial consequences for the council regarding adoption of this document.

**Ward/s:** All wards

**Cabinet member:** Councillor Stonard – Environment development and transport

## **Contact officers**

Mike Burrell, planning team leader (policy) 01603 212525

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## **Background documents**

None

# Report

## Introduction

1. This report seeks that cabinet adopt the *Affordable housing supplementary planning document* (SPD). The SPD provides essential detail to implement *Joint Core Strategy* (JCS) policy 4 and policy DM33 of the *Development management policies local plan* which was adopted in December 2014 (the *Norwich local plan*). Its preparation has been informed by consultation and consideration at Sustainable Development Panel. The Panel recommended cabinet to adopt it at its meeting on 25 February.
2. Policy 4 of the JCS seeks to achieve a proportion of affordable housing on all housing development sites of 5 or more dwellings, taking into consideration viability issues. Policy DM33 of the *Norwich local plan* sets out the planning obligations not covered by the Community Infrastructure Levy (CIL) and the circumstances in which negotiation of planning obligations will occur where non-viability of development can be demonstrated.
3. The policy background to and purpose of the SPD was described in more detail in the report to sustainable development panel dated 24 September 2014. Broadly, the SPD is intended to outline how the policy framework should be interpreted and implemented in order to promote mixed and sustainable communities, and to formalise the 2011 *Interim statement on affordable housing* and the *Prioritisation framework* to provide guidance on the circumstances in which the council will accept contributions in lieu of on-site provision of affordable housing.
4. It should be noted that procedurally, a full council resolution is not necessary in order to adopt an SPD. This is because SPD does not involve a substantive change in the council's policy approach, rather it is intended to supplement and update a policy which is already adopted.
5. Adoption of the SPD is likely to result in additional Section 106 funding being received by the council. Any such funding will be ring fenced and only able to be spent on the provision of affordable housing. If the SPD increases the amount of planning and development activity there may also be financial impacts associated with planning fees and new homes bonus payments to the Council.
6. The document for adoption (incorporating amendments to address comments made during the 2 consultations) is attached as Appendix 1 to this report. The detailed consultation responses received and the consideration of them were discussed and agreed by Sustainable development panel. A number of changes were made to the document in this light of the consultation response and new information.

## The consultation

7. The SPD was published in draft format on the Council's website on the 1<sup>st</sup> October 2014. Copies of the document were made available for inspection at City Hall and the Forum library. The consultation ran for a period of just over 4 weeks in accordance with the requirements of the adopted *Statement of community involvement* (SCI).

8. A range of groups and individuals were consulted including developers, agents and architects, registered providers of affordable housing, adjacent district councils, local interest groups, and councillors. Consultation was carried out via email and letters.

### **Issues raised in the consultation**

9. A limited number of responses, 4 in total, were received to the consultation.

10. Points raised included:

- Appendix 4 (Viability assessment requirements) being overly prescriptive, particularly for outline applications.
- Conflict with RICS guidance in relation to exceptional circumstances.
- The need for explanation of how the Broads Authority will use this SPD.
- More explanation of JCS policy 4 is needed.
- Reference to whom should pay for independent viability assessments should be made.
- Queried whether contributions for part dwellings would be accepted.
- Queried whether sensitivity testing is required and if yes then reference to this should be made within the document.
- Recommendation of the use of 'claw back' as well as reviews of viability of development proposals.
- Minor edits to wording and format.

11. One representation in support of the SPD was made by Norfolk County Council, specifically welcoming the inclusion of the section on prioritisation of planning obligations.

### **National planning policy changes**

12. A ministerial statement was issued on the 28 November 2014 introducing the new threshold for affordable housing contributions so that only developments of over 10 dwellings, or a 1,000 square metre gross floorspace, would be liable for affordable housing contributions through Section 106 agreements.

13. As a result of this national planning policy change some parts of adopted JCS policy 4 can no longer be applied. In particular:

- a) bullet point 1 (requiring 20% affordable housing provision on sites of 5-9 dwellings) can no longer be applied at all, and
  - b) bullet point 2 (requiring 30% affordable housing provision on sites of 10-15 dwellings) can now only apply to sites of 11 to 15 dwellings.
- All other parts of the adopted JCS policy 4 will be applied in full.

14. In addition, a 'vacant building credit' can now be offered to developers to incentivise them to develop sites. This applies where existing vacant buildings are proposed to be brought back into lawful use or demolished and redeveloped. This does not apply to buildings which have been abandoned.

### **The re-consultation**

15. It was considered necessary to carry out a focused re-consultation on the changes proposed to the document following national policy changes.
16. The new section proposed to be included in the draft SPD detailing the parts of the JCS policy which can no longer be applied and how the vacant building credit is calculated (Section 4) was advertised on the council's website on the 19 January 2015. The consultation ran for a period of 2 weeks.
17. A range of groups and individuals were consulted including developers, agents and architects, registered providers of affordable housing, adjacent district councils, local interest groups, and councillors. Consultation was carried out via email and letters.

### **Issues raised in the re-consultation**

18. Only 3 responses were received, one of which made a particularly useful comment was made on the 'vacant building credit' calculation.
19. The respondent proposed an alternative method to that proposed by officers for calculating the vacant building credit. After consideration of the proposed alternative methodology it is considered to be a simpler calculation which is not influenced by unit sizes or by the specific design of the scheme. It is also considered to be more adaptable if elements of the scheme change and more appropriate for flatted developments.

### **Proposed changes from the draft SPD**

20. A number of minor changes have been made to the document in the light of consultation responses. These were considered in detail by Sustainable Development Panel. The two most significant changes are summarised below:
21. The area within which commuted sums will be spent is proposed to be changed from within 1km of the site to within the same or an adjacent electoral ward. It is considered that 1km is too restrictive a radius and alternative sites are unlikely to be found which are suitable for off-site affordable housing provision. Extending the area within which commuted sums can be spent is likely to give rise to more opportunity for affordable housing development to occur whilst also ensuring balanced and mixed communities are formed.

Also an amendment is made to the proposed Section 4 regarding how the 'vacant building credit' will be calculated. The previous methodology proposed by officers was based on the net increase in floorspace but had the potential to be influenced by unit numbers and sizes as it involved calculation of an average unit size to determine the affordable housing requirement. This could potentially have been used to negative effect by developers. The revised methodology now proposed is based on an approach suggested by a respondent to the re-consultation as this was

considered simpler and more effective. It revises the affordable housing percentage requirement according to the net increase in floorspace only, irrespective of the number and size of units proposed. Section 4 of the SPD outlines the methodology in full.

## **Conclusions**

22. Officers are confident that the SPD will provide a sound basis for the future determination of applications where affordable housing is required and/or where planning obligations are to be negotiated due to poor development viability.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	11 <sup>th</sup> March 2015
<b>Head of service:</b>	Graham Nelson
<b>Report subject:</b>	Affordable housing supplementary planning document
<b>Date assessed:</b>	25 <sup>th</sup> February 2015
<b>Description:</b>	<p>This report is about the Affordable housing supplementary planning document (SPD), which was initially published as a draft for consultation in October and subsequently in January and has been revised in response to consultation feedback and agreed by Sustainable Development Panel on 25 February 2015. The report outlines the main issues raised in response to consultation, summarises the responses received and describes the amendments to the document to address those responses. Members are asked to endorse the document for formal adoption.</p>

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There are minor costs associated with adoption, chiefly the costs associated with formally publicising the document, but this is a statutory requirement. Adoption of the SPD is likely to result in additional Section 106 funding being received by the council. Any such funding will be ring fenced and only able to be spent on the provision of affordable housing. If the SPD increases the amount of planning and development activity there may also be financial impacts associated with planning fees and new homes bonus payments to the Council.
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Limited impact on Design, Print and Production services which will organise the uploading of the SPD and accompanying documentation onto the council's website. There is expected to be limited demand for printed copies of the SPD and the costs of providing these on request can be absorbed within the planning budget.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	None identified

	Impact			
<b>Economic development</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	National planning policy changes have been made by central government to facilitate the delivery of housing on brownfield land. Aspects of the SPD outline how elements of these changes to national planning policy will be implemented which in turn should help the delivery of housing within the city, boosting the development sector and encouraging investment.
<b>Financial inclusion</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
<b>Social</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Safeguarding children and adults</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
<b><u>S17 crime and disorder act 1998</u></b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
<b>Human Rights Act 1998</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
<b>Health and well being</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
<b>Equality and diversity</b> (please add an 'x' as appropriate)	<b>Neutral</b>	<b>Positive</b>	<b>Negative</b>	<b>Comments</b>
<b>Relations between groups</b> (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
<b>Eliminating discrimination &amp; harassment</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified

	Impact			
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The adoption of the SPD will have a positive impact on the built environment, promoting the development of brownfield land and the beneficial reuse of premises within the city.
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No impact identified
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The risks of not adopting the SPD are that, without it, the effectiveness of the JCS and local plan policies which it is intended to implement would be reduced, giving less weight and certainty to planning decisions.

## Recommendations from impact assessment

### Positive

The SPD will have a positive impact following adoption as it provides the detail to implement the adopted Joint Core Strategy policy for affordable housing and support the recently adopted development management policies relating to planning obligations.

### Negative

No negative impacts identified.

### Neutral

No impact has been identified in relation to many of the issues.

### Issues

The key risk is the non adoption of the SPD, which would result in uncertainty for developers and failure to effectively implement the policies in the Joint Core Strategy and the Norwich Local Plan regarding provision of affordable housing.