

### **Sustainable development panel**

**Date: Wednesday, 24 September 2014**

**Time: 09:00**

**Venue: Westwick room, City Hall, St Peters Street, Norwich, NR2 1NH**

**Committee members:**

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## Agenda

		Page no
1	<b>Apologies</b>  To receive apologies for absence.	
2	<b>Declaration of interest</b>  (Please note that it is the responsibility of individual members to declare an interest prior to the item if they arrive late for the meeting)	
3	<b>Minutes</b>  To agree the accuracy of the minutes of the meeting held on 23 July 2014.  <b>Minutes</b>	5 - 10
4	<b>Planning policies for Houses of Multiple Occupation (HMOs) draft options paper</b>  <b>Purpose -</b> This report covers planning policy options for addressing issues relating to Houses of Multiple Occupation (HMOs) and their potential links to licensing policy.	11 - 42
5	<b>Response to the government's technical consultation on planning reforms</b>  <b>Purpose -</b> This report is about the recent technical consultation by the Department for Communities and Local Government (CLG) which seeks views on further prospective changes to several different aspects of planning regulation and procedure, following on from reforms already introduced over the past two years. The proposed reforms are significantly more wide ranging than previously, covering not only a further round of changes to permitted development rights, but also proposing to streamline procedures relating to neighbourhood planning, environmental assessment, the use of planning conditions and other aspects of the development management process.	43 - 58

- 6      **Affordable housing supplementary planning document – draft for consultation**      59 - 106

**Purpose** - This report is about the draft *Affordable Housing supplementary planning document* (SPD). Members are asked to consider and make comment on the document before it is published for public consultation. Following consideration of the consultation responses it is expected that the document will be revised and reported back to the panel before being finalised and formally adopted by Cabinet to augment the *Development management policies plan* (DM policies plan) which are expected to be adopted in November. The document provides additional detailed advice and guidance to support Joint Core Strategy policy 4 (Housing delivery) and policy DM33 of the DM policies plan, dealing in particular with the approach to be taken when considering and determining applications which involve affordable housing when viability is a material consideration.

- 7      **Carbon footprint report**      107 - 114

**Purpose** - This report is for information.

- 8      **Integrated waste management strategic objectives - quarterly update no 3 2014**      115 - 120

**Purpose** - To update members on progress against the waste and recycling service action plan (SAP) and the integrated waste management strategic objectives.

#### **Recycling services roadshow at the Forum**

Following the end of the meeting members may wish to attend the recycling services roadshow at The Forum to promote the changes to the service from 1 October 2014.

Date of publication: **Tuesday, 16 September 2014**





**Sustainable development panel**

**9am to 11am**

**23 July 2014**

Present: Councillors Stonard (chair), Sands (M) (vice chair), Ackroyd, Bogelein (substitute for Councillor Boswell), Bremner, Herries, Jackson and Stammers

Apologies Councillor Boswell

**1. Declarations of interest**

There were no declarations of interest.

**2. Minutes**

**RESOLVED** to agree the minutes of the meeting held on 25 June 2014 subject to the following amendments:

- (1) to insert the panel's resolution to thank Councillor Carlo for her contribution to the panel as vice chair;
- (2) delete item 3 Apologies from the minutes; and correct the reference in the list of members present to record that Councillor Grahame was a substitute for Councillor Stammers and not Councillor Boswell as stated..

**3. Representations on local plan modifications**

The policy team leader (projects) and the policy team leader (planning) presented the report and, together with the planner (policy) answered members' questions. The policy team leader (projects) pointed out that the public consultation on the proposed main modifications would be extended to 15 August 2014.

The panel considered each of the proposed "inspectors' modifications" and the council's response. Members had no objections to the proposed modifications in relation to the Site allocation plan policies CC11 – Land at Garden Street; R10 Deal Ground; and, R32 – The Paddocks, Holt Road, and the proposed response of the council.

Members then discussed the proposed council representations set out in appendix 1 of the report objecting to the site's allocation on landscape grounds and that there was no need for an additional allocation in terms of housing numbers. Members considered that there was no need for low density housing and accommodation for older people at this site which would impact on the Yare Valley as other sites were available. Members considered that it was important to protect the Yare Valley and its biodiversity and therefore supported the council's representation as set out in appendix 1.

Members noted that the council had agreed to the inspector's modifications to policy DM14 – gypsy and traveller provision following discussion at the public examination. This would ensure that the council had flexibility to get funding in place and identify sites by the end of 2014.

**RESOLVED** to accept the recommendations of the officers and support the proposed representations on the local plan modifications on behalf of the council.

#### **4. Retail monitor 2014**

The policy team leader (planning) presented the report and answered questions. He said that in 1989 the city council had ranked 49<sup>th</sup> as a retail destination nationally. Since then it has improved dramatically as a retail centre and was now ranked in the top 15 centres. This long term success had continued with the low retail vacancy rates shown by the retail monitor.

In reply to a question, the policy team leader (planning) explained that the data included the provisions market but it would require a lot of work to differentiate between independent retailers and chain stores.

During discussion members considered that the city as a retail centre was doing well when compared with Ipswich, where out of town development had affected the town centre. The council's policies had resulted in restricting out of town development more than other comparative towns; however, centres such as Longwater, were outside the jurisdiction of the council.

Discussion ensued on the purpose of the retail monitor and whether the report could provide a more holistic overview of the health of the city. Members considered that transportation policies and information about bars, restaurants and other leisure uses were also important and should be considered alongside the retail monitoring report. The policy team leader (planning) said that the focus of the retail monitor was the retail vacancy rate. He could look at resources to see if it was possible to pull together the retail monitor with other information and acknowledge links with other pieces of work for future meetings. He pointed out that there was extensive evidence to support the city council's local plan policies and the Joint core strategy.

A member referred to the Northern distributor road and said that it would be important to respond to predicted changes to retailing in the city as an impact of the road being built. Members were advised that the regular monitoring ensured that the council could assess the implementation of its retail policies. There had been a number of changes to retailing since the implementation of the plan in 2008. The next item for consideration would look at how a supplementary planning document

could be used to support policy DM20 and respond to the changing needs of retailing in the city.

Officers had consulted the Norwich Business Improvement District (BID) had been during the preparation of the report.

**RESOLVED** to note the low vacancy rates across Norwich in all areas and the city's success as a retail destination and that the Retail monitor 2014 will be published on the council's website

## **5. Main town centre uses and retail frontages SPD – draft for consultation**

The policy team leader (planning) introduced the report.

The planner (policy) presented the report and explained the need for a supplementary planning document (SPD) which could be reviewed more rapidly in response to changing circumstances or where monitoring showed evidence of a need for a change in approach.

During discussion the planner (policy) and the policy team leader (planning) answered members' questions. Members were advised that this SPD covered retailing in the city centre and other policies were designed to strengthen local and district centres in the city. The SPD would be an important document to protect the retail frontages and minimum threshold of retail as opposed to different city centre uses such as banks, cafes and restaurants which would be controlled by applications for change of use and the grant of planning permission in the city centre. Members concurred with the key policy changes set out in paragraph 13.

A member pointed out that the consultation document should contain a clear key to explain the categories of A1, A2 and A3 use. The planner (policy) said that a table explaining the categories would be appended to the consultation document. Members also pointed out that references to PR02 The Lanes East (table in paragraph 4.1 and heading on page 86 of the agenda papers) should be amended to The Lanes East and London Street to reflect that London Street was included in this area. The planner (policy) explained that unfortunately it would not be possible to make such an amendment at this stage as the titles and boundaries of the retail sub areas had been set in the Local plan policy. The SPD which was being consulted on focussed on the thresholds for each of the established retail sub areas.

In reply to a question the planner (policy) explained that the Cathedral retail park was included with St Benedicts for historic reasons and had not developed as anticipated. The retail park had a very different function to St Benedicts. .

Discussion then ensued on the extent of the consultation over a 6 week period to obtain a wide range of views, which included the Chamber of Commerce, representative of the Norwich Lanes, large retailers, market traders, public transport providers and the Norwich BID. A member pointed out that the consultation should also include "users" of retail outlets in the city, local or district centres. In reply to a question, the planner (policy) said that part of the consultation would straddle the school holidays. Members were also advised that Prince of Wales Road was not

included in the consultation document because it was not classified as a retail area and was within the late night activity zone.

**RESOLVED** to note that the Main town centre uses and retail frontages SPD will be issued for public consultation for a 6 week period (in accordance with the requirements of the Statement of community involvement) subject to the inclusion of the amendments minuted above; and as soon as is practicable after the date of this meeting, and that the consultation responses will be reported back to the panel before being considered for approval by the cabinet in the autumn.

## **6. Climate Local commitment**

The environmental strategy manager, together with the environmental strategy officer, presented the report and explained that the Climate Local list of commitments comprised a summary of the work that the council was currently undertaking and listed existing policies. The council was the first authority in Norfolk to develop an environmental strategy in 2008 and had continued to be ahead of the neighbouring authorities. The Local Government Association (LGA) Climate Local was another way that the council could share its activities and visions and publish annually its progress. The nine commitments were top level statements which reflected the work streams and commitments in the Annual environmental statement.

Discussion ensued around the work that the council did to provide leadership and actively encourage citizens to reduce their environmental impact. The environmental strategy manager referred members to the Eco issues page on the council's website (<http://www.norwich.gov.uk/Environment/EcoIssues/Pages/EcoIssues.aspx>) which explained the council's policies and strategies and provided practical advice to residents and businesses on energy efficiency. He also referred to the work that the council did to advise the Transition Norwich Group and in the community. Performance indicators were used to measure progress on the housing services' carbon management plan (NN185) and adaption to climate change by helping people to reduce their energy bills (NI 188). Under the Home Energy Conservation Act 1995 the council produced an annual report which set out the energy conservation measures that the authority considered practicable, cost-effective and likely to result in significant improvement in the energy efficiency of residential accommodation in its area. The council also helped people reduce their energy (gas and electricity) bills and promoted the Green Deal.

Members noted that the panel would be considering the environmental strategy later in the year. Climate Local was a way of pulling the strands together from the existing strategy and annual environmental statement. The LGA in initiating Climate Local was encouraging authorities with less well developed strategies to engage in reducing carbon emissions.

A member expressed concern that the reduction in carbon emissions needed to be around 80 to 90% for future generations and that the council was falling short of this. The chair said that the council was ambitious and would do its best to reduce carbon emissions but as a district council it needed to be realistic on what it could achieve.

Councillor Bremner, pointed out that the council's achievements had been recognised by receiving awards and took the opportunity to congratulate Richard



Willson, the environmental strategy manager, for receiving the energy manager of the year, 2014, award from ESTA.

**RESOLVED** to note the report.

CHAIR



<b>Report to</b>	Sustainable development panel	<b>Item</b>
	24 September 2014	
<b>Report of</b>	Head of planning service	<b>4</b>
<b>Subject</b>	Planning policies for Houses of Multiple Occupation (HMOs) draft options paper	

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## **Purpose**

This report covers planning policy options for addressing issues relating to Houses of Multiple Occupation (HMOs) and their potential links to licensing policy.

## **Recommendation**

To comment on the draft HMOs policy options paper before it is published for consultation.

## **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**

Financial implications are set in paragraph 18 of this report.

Ward/s: All wards

Cabinet member: Councillor Stonard – Environment and transport

## **Contact officers**

Mike Burrell, planning team leader (policy) 01603 212525

Graham Nelson, head of planning 01603 212530

## **Background documents**

None

# Report

## Introduction

1. This paper considers firstly the evidence relating to the growth of HMOs in Norwich and secondly which planning policy measures could be taken to address the issues around HMOs. It also takes account of how any planning policy measures could be combined with licensing measures.
2. Members are asked to comment on the draft HMOs policy options paper before it is published for consultation which is in appendix 1.

## Why is action on HMOs needed?

3. A 'House in Multiple Occupation' (HMO) is a house or flat which is shared between 3 or more unrelated occupants living as 2 or more households who share basic amenities such as kitchen or bathroom facilities. There are two different types of HMO:
  - i) a 'small HMO' of between 3 and 6 occupants (classified in planning terms as a 'C4 HMO'), and;
  - ii) a 'large HMO' that generally has 7 or more unrelated occupants (termed a 'Sui Generis HMO').
4. At present, there is no policy in Norwich which specifically attempts to restrict an increase in the total number of either smaller or larger HMOs in any locations in the city.
5. Planning permission is not required nationally to convert from C3 (ordinary houses), to C4 or visa-versa. Such a requirement can be set locally, at some expense, through the introduction of an "Article 4 Direction".
6. Some residents, particularly in the College Road area of the Nelson ward, have recently expressed concerns about the growth in the number of HMOs in their area and have requested that planning controls be introduced to prevent further growth.

## Evidence

7. Norwich, like most cities, particularly those in which education forms an important part of the local economy, has a large number of HMOs.
8. HMOs play an important role in meeting people's housing needs by providing shared accommodation that is affordable. HMOs generally provide accommodation for a range of people such as young professionals, students and temporary workers, amongst others. Without HMOs, many people would not be able to afford to live in Norwich.
9. Between 2001 and 2011, the number of households in Norwich which were in HMOs increased from around 3,000 to 4,300, with the percentage increasing from 5.4 to 7.1%.

10. The main concentration of HMOs is in the central south west and west of the city, in Nelson, University, Town Close and Wensum wards.
11. There was an increase in the dispersal of households in HMOs around the city over the decade 2001 to 2011, with a doubling of the percentage of households which were in HMOs in both the University and Bowthorpe wards.
12. The students market was a key driver for growth in the HMO market.
13. National research suggests that there will be a significant increase in the private rented housing sector in the next two decades, with a parallel decrease in the owner-occupation and social renting.
14. While the demand for student only HMOs in Norwich may decline as more purpose-built accommodation is provided and student numbers increase at a relatively slow rate, it seems highly likely that many additional people, mainly younger people, many on low incomes, will enter the HMO market.
15. The effect over the next decade is likely to be increasing demand in Norwich for HMOs to meet the needs of those with the fewest housing options.

## **The Options**

16. The options for addressing HMO issues are set out in figure 5 of the options paper.
17. They include:
  - A city wide restrictive option (option 1) which would prevent an increase in HMOs whilst significantly reducing housing choice for those with the most need;
  - Geographically focussed options (options 2 and 3) which would restrict HMOs in some areas and would be very likely to increase the dispersal of HMOs elsewhere;
  - A limited intervention option, option 4, which promotes the development of accommodation types to reduce demand for conversion of existing housing to HMOs and allows time to assess licensing options.
18. There are financial implications associated with each option. Options 1 to 3 will all require spending on Article 4 Directions, policy development and ongoing resource implications to implement policies. Costs for option 3 are likely to be less than for the combined implementation of option 2a and b as they would require cheaper more restricted policy development would not require the evidence base on the location of HMOs to cover the whole city. Option 4 will not have such costs in the short term as it will rely on currently adopted policy. However, longer term costs may be similar to options 1 to 3 if it is concluded after assessing further evidence base requirements and the success of the implementation of JCS policy 4 that an Article 4 Direction and new policy development is required.

## **Conclusions and next steps**

19. Taking account of the SDP's comments on the draft options paper, officers will produce and consult on a revised options document with stakeholders and the public. The response to the consultation will be reported to SDP and to Cabinet.

## **Appendix 1: Planning policies for Houses of Multiple Occupation (HMOs) Draft Options Paper**

### **Purpose of this paper**

1. Some local authorities have introduced planning policies for Homes in Multiple Occupation (HMOs) in an attempt to restrict their increase in areas in which their concentration is regarded as having become too great. Norwich City Council does not currently have such planning policies.
2. This paper considers firstly the evidence relating to the growth of HMOs in Norwich and secondly which planning policy measures could be taken to address the issues around HMOs. It also takes account of how any planning policy measures could be combined with licensing measures.

### **Background**

3. A 'House in Multiple Occupation' (HMO) is a house or flat which is shared between 3 or more unrelated occupants living as 2 or more households who share basic amenities such as kitchen or bathroom facilities. There are two different types of HMO:
  - a 'small HMO' of between 3 and 6 occupants (classified in planning terms as a 'C4 HMO'), and;
  - a 'large HMO' that generally has 7 or more unrelated occupants (termed a 'Sui Generis HMO').
4. Ordinary houses are classified as C3. Purpose-built student accommodation, both self-catering accommodation and halls of residence, is classed as C2 (residential institutions).
5. Joint Core Strategy (JCS) policy 2 provides the strategic design policy which requires local distinctiveness, an important issue in some areas of the city with large number of HMOs, to be respected. JCS policy 4 requires proposals for housing to contribute to the mix of housing necessary to provide balanced communities and meet need, as set out in the most up-to-date study of housing need.
6. An updated study of housing need, the Central Norfolk Strategic Housing Market Assessment 2014 (SHMA), is being produced. It is expected that this will be published before the end of the year.

7. Development management (DM) policies provide the detailed policies to enable strategic aims to be implemented. Norwich has an emerging planning policy for large HMOs which mainly focuses on amenity issues (DM13). However, there is no policy specifically relating to small HMOs. Other policies cover amenity issues in C3 and C4 homes (policies DM2 and DM12). The JCS and DM policies are in appendix 1.
8. At present, there is no policy in Norwich which specifically attempts to restrict an increase in the total number of either smaller or larger HMOs in any locations in the city. Planning permission is not required nationally to convert from C3 to C4 or visa-versa. Such a requirement can be set locally, at some expense, through the introduction of an "Article 4 Direction". Appendix 2 provides further information on the issues surrounding the introduction of Article 4 Directions.
9. Norwich is currently considering implementing additional licensing for smaller HMOs to complement the nationally required licensing of larger HMOs required under housing law. This is separate to planning, and primarily aims to ensure a good domestic living standard for all HMO occupants, though it will also cover the management of properties and improved education for tenants on their rights and responsibilities. It can't be used to prevent concentrations on HMOs in particular areas or types of housing.
10. Norwich is also considering a voluntary accreditation scheme which may enable a higher management standard to be set. Depending on the success of the scheme, compulsory additional licensing of HMOs may be introduced in the future, though there is no guarantee of this.
11. Due to the rapid turnaround of HMO properties and the fact that the owners of a number of HMOs may seek to evade any form of licensing, it will be difficult to gain fully comprehensive up-to-date data on the location of all HMOs for use in policy implementation. Any policy approach for HMOs could use predictive data using an approach similar to that for map 1 on the location of HMOs in Norwich in 2014, or, if compulsory licensing of all HMOs were introduced, such evidence could be gathered over a period of time. Further investigation of the most appropriate approach, taking account of the experience of other cities with HMO policies such as Oxford, can be undertaken in the future.



## **HMOs in Norwich**

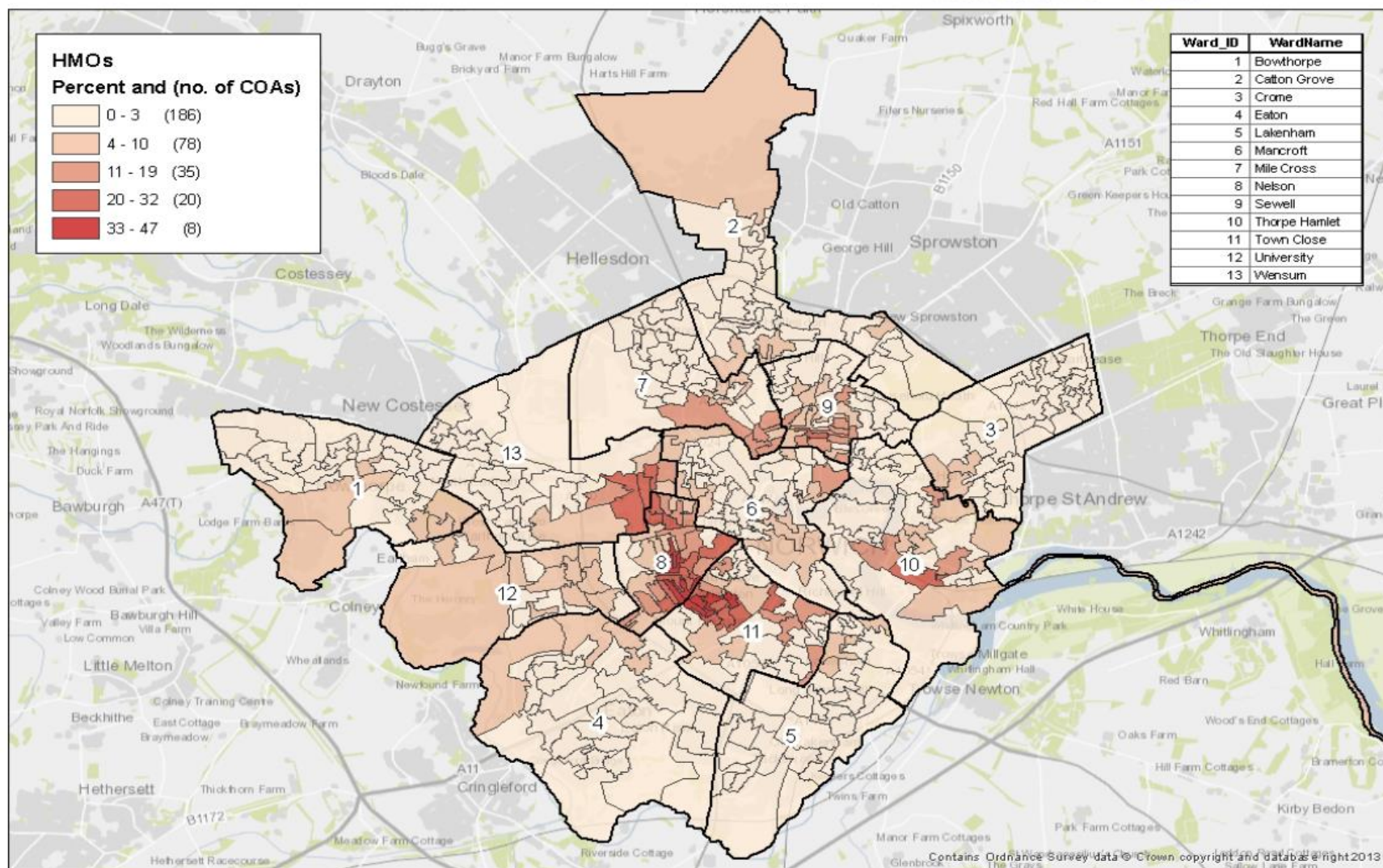
12. Norwich, like most cities, particularly those in which education forms an important part of the local economy, has a large number of HMOs. These play an important role in meeting people's housing needs by providing shared accommodation that is affordable. HMOs generally provide accommodation for a range of people such as young professionals, students and temporary workers, amongst other. Without HMOs, many people would not be able to afford to live in Norwich.
13. However, the growth in HMOs in some areas has led some people to believe that their communities are becoming unbalanced, because the number of short-term tenants with less established community ties has grown too large. There are also concerns that growth in HMOs restricts the amount of housing available to enable people to get on the housing ladder and that the increase in student HMOs can lead to those parts of the city with the highest concentration of students becoming "ghost neighbourhoods" outside term time.
14. Some residents, particularly in the College Road area of the Nelson ward, have recently expressed concerns about the growth in the number of HMOs in their area and have requested that planning controls be introduced to prevent further growth.

## **Evidence**

15. In order to assess the nature of the HMO issue in Norwich, and to provide advice on potential options for addressing these issues, an analysis of census data on HMOs in 2001 and 2011 within the city has been done, alongside comparative analysis for other tightly bounded urban authorities with significant student populations, Cambridge, Oxford and Nottingham.
16. Census data for Norwich shows that:
  - The Private Rented Sector (PRS) overall, which HMOs form a part of, grew by 53.5% between 2001 and 2011 (a higher percentage increase than in neighbouring districts, the eastern region and England). This was mainly through the conversion of housing formerly in other tenures rather than through new build;
  - Between 2001 and 2011, the number of households which were living in HMOs increased from around 3,000 to 4,300, with the percentage increasing from 5.4 to 7.1%;
  - The main concentration of HMOs in 2011 was in the central south west and west of the city, in Nelson, University, Town Close and Wensum wards (see map 1);

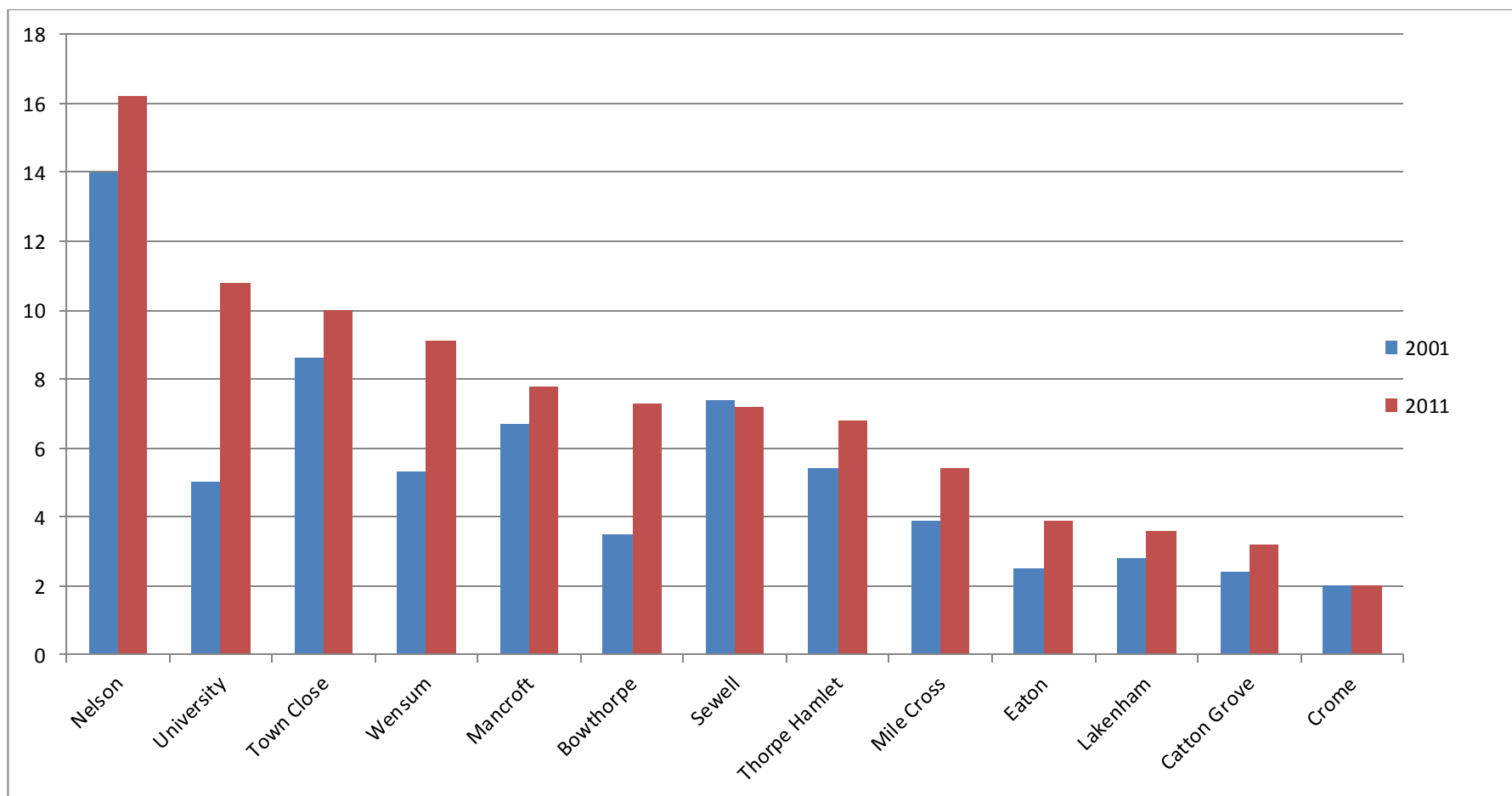
- There was an increase in the dispersal of households living in HMOs around the city over the decade 2001 to 2011, with a doubling of the percentage of households which were in HMOs in both the University and Bowthorpe wards (see figure 1);
- In 2011, 2.4 % of the households in Norwich were in HMOs in which all occupants were students and 4.8 % were classified as “other” HMOs, often shared housing for young professionals, (see figure 2) and;
- Between 2001 and 2011 the percentage and number of households which are in student only HMOs increased rapidly in comparison with “other” HMOs, particularly in the Bowthorpe and University wards, but to a lesser extent in Nelson and Town Close wards. The percentage of households which are in student only HMOs in Norwich doubled (from 1.2% to 2.4%) and the number of households in student only HMOs more than doubled (from 675 to 1,423). Over the same time period the number and the percentage of households in “other” HMOs slightly increased, from 2,291 to 2,888 and from 4.2% to 4.8%. This implies that a number of HMOs formerly classified as “other” HMOs became student only HMOs (also see figure 2), and that the student market was a key driver in the growth of HMO numbers.

17. Background census data to inform the statements above is set out in appendix 3.

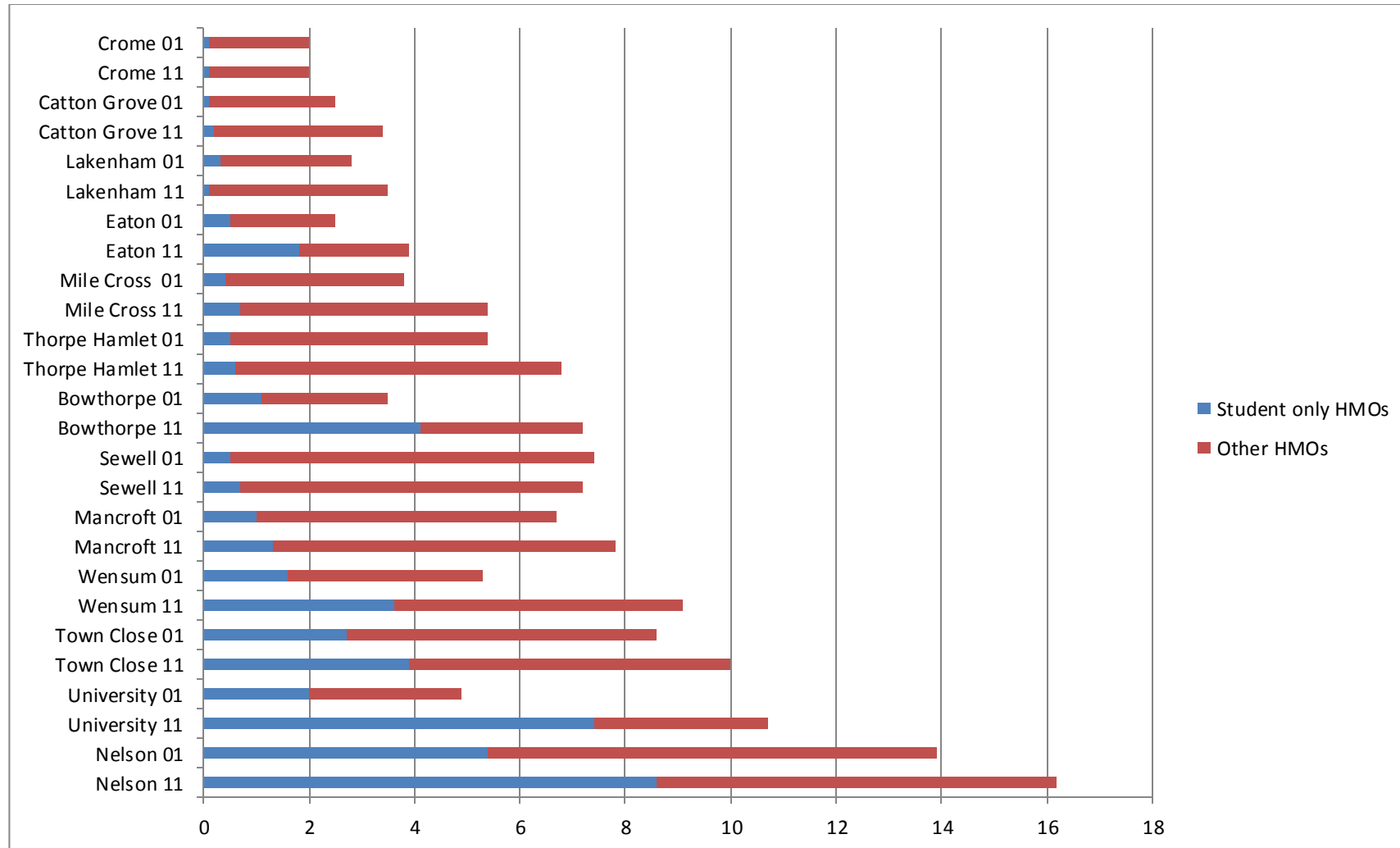


**Map 1: Concentration of dwellings used as HMOs 2014** (Note: data in this table is based on specific research undertaken for Norwich City Council by the Building Research Establishment (BRE) using data from the census 2011, Experian, the English Housing Survey and other sources. It is based

on census output areas (COAs) but is not directly comparable with census data in figures 1 to 3. Census data measures the number of households in HMOs, while the BRE data measures the number of dwellings used as HMOs. In addition, the BRE data is predictive of the location of HMOs, but is not a definitive database of the location of individual HMOs.



**Figure 1: Percentage of households in HMOs by ward, 2001 and 2011**



**Figure 2: Percentage of households in “Student only” and “Other” HMOs by ward, 2001 and 2011**

18. There are currently approximately 16,500 students at Higher Education Institutes (HEIs) in Norwich, with approximately 14,500 at the University of East Anglia (UEA) and 2,000 at Norwich University of the Arts (NUA).
19. There is purpose-built accommodation for 3,774 students (3,609 for UEA and 165 for NUA students), providing mainly for first year and international students. The great majority of the UEA accommodation is on the campus and at the neighbouring University Village, with a small amount of accommodation in the city centre. NUA accommodation is in three locations in Wensum and University wards.
20. Given the limited amount of purpose-built accommodation in comparison with student numbers, many students are obliged to meet their housing need in HMOs in the private rented sector.
21. Between 2001 and 2011 the overall numbers of students rose very slightly at UEA, from 13,274 to 13,514, with the 2014 figure at 14,602. While the increase in overall numbers was modest, the rapid increase in the number of student HMOs shown in census data is most likely to be the consequence the increase in the numbers of full time students from 9,266 to 12,143 and the decline in the number of part time students (from 4,008 to 1,371), who are more likely to live away from Norwich.
22. UEA's student union runs "Homerun", a register of rented properties for students. It is one of a number of agencies offering students accommodation in HMOs. The Homerun register of properties shows a small increase between 2006 and 2014, from 358 to 430.
23. No census data for 2001 and 2011 is available on households in HMOs on a house by house or road basis – the closest proxy available is the census super output area. College Road lies in census super output areas 009B, 009D and 009E (see maps in appendix 2). The data shows a small overall increase in the percentage of households in HMOs in this area between 2001 and 2011, with the number households in student only HMOs nearly doubling. Once again, this suggests that other HMOs became student HMOs and that some new HMOs were created (see figure 3 below).

	009B		009D		009E		TOTAL	
	No.	%	No.	%	No.	%	No.	%
<b>2001</b>								
<b>Student only HMOs</b>	32	5.2	26	4	66	9.9	124	6.4
<b>Other HMOs</b>	48	7.8	42	6.4	87	13.1	177	9.2
<b>TOTAL</b>	<b>80</b>	<b>13</b>	<b>68</b>	<b>10.4</b>	<b>153</b>	<b>23</b>	<b>301</b>	<b>15.6</b>
<b>2011</b>								
<b>Student only HMOs</b>	51	7.9	59	9.1	106	15.9	216	11
<b>Other HMOs</b>	47	7.3	35	5.4	60	9	142	7.2
<b>TOTAL</b>	<b>98</b>	<b>15.2</b>	<b>94</b>	<b>14.6</b>	<b>166</b>	<b>24.9</b>	<b>358</b>	<b>18.3</b>

**Figure 3 Number of percentage of households in HMOs in census output areas Norwich 009B, D and E, 2001 and 2011** (NB - numbers do not sum due to rounding)

### Comparator cities

24. The comparator cities chosen are, like Norwich, tightly bounded urban authorities with significant student populations. National comparator figures are also provided. However, since this last figure covers the whole country including rural and smaller urban areas, comparisons are less relevant.

25. Census data for 2001 and 2011 shows (see figure 4):

- The overall percentage of households which are in HMOs is lower in Norwich than the comparator cities, though the proportion of households which are in HMOs increased more rapidly in Norwich than in the comparator cities and nationally between 2001 and 2011;
- The percentage of households which are in HMOs occupied by students only grew more rapidly between 2001 and 2011 in Norwich than in the other local authority comparators and nationally.



	Norwich	Nottingham	Cambridge	Oxford	England
<b>2001</b>					
<b>Student only HMOs</b>	1.2	2.8	1.7	3.3	0.4
<b>Other HMOs</b>	4.2	4	6.5	7	2.6
<b>TOTAL</b>	<b>5.4</b>	<b>6.8</b>	<b>8.3</b>	<b>10.3</b>	<b>3</b>
<b>2011</b>					
<b>Student only HMOs</b>	2.4	3.8	2.3	3.3	0.5
<b>Other HMOs</b>	4.8	4.6	7.2	6.9	3.0
<b>TOTAL</b>	<b>7.1</b>	<b>8.3</b>	<b>9.4</b>	<b>10.2</b>	<b>3.6</b>

**Figure 4 - Norwich and comparators, percentage of all households which are in HMOs, 2001 and 2011** (NB - numbers do not sum due to rounding)

## **Future demand for HMOs in Norwich**

26. Change in the number of HMOs in Norwich in the foreseeable future will be dependent on a number of factors:

- Market factors relating to access to and the cost of mortgages, particularly for younger people and other housing market changes such as pension reforms announced in the 2014 Budget, allowing people aged over 55 to withdraw their entire pension fund, which may lead to increased investment in buy-to-let properties;
- Right to buy purchasing of council houses a subsequent letting of the properties;
- Recent and any further changes in housing benefit rules;
- New housing construction rates;
- The growth in student numbers and the amount of dedicated student accommodation which is provided to serve any growth and
- The Norwich City Council housing and planning policy approach.

27. The rate of home ownership among people in their 20s has halved in the last 20 years.<sup>1</sup>

28. Whilst government has launched a number of schemes designed to increase access to the house buying market, it is too early to assess what degree of success these are likely to have. Some commentators have suggested that such schemes need to be accompanied by rapid house building as demand side initiatives to enable people to enter the housing market risk inflating house prices further, ultimately with negative results for aspiring home owners.

29. National research done by the Joseph Rowntree Federation<sup>2</sup> in 2012 predicts that in 2020:

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<sup>1</sup> Tom Clarke, the Guardian 13th May 2014, based on ONS data

<sup>2</sup> Housing Options and Solutions for Young people in 2020 - David Clapham, Peter Mackie, Scott Orford, Kelly Buckley and Ian Thomas with Iain Atherton and Ursula McNulty, JRF Foundation  
[http://www.jrf.org.uk/sites/files/jrf/young-people-housing-options-full\\_0.pdf](http://www.jrf.org.uk/sites/files/jrf/young-people-housing-options-full_0.pdf)

- Around 1.5 million more young people aged 18–30 unable to access home ownership and unable to secure accommodation in the social rented sector will be pushed towards living in the Private Rented Sector (PRS), often in lower-end accommodation as a result of their relatively low incomes. This is partly due to recent changes in legislation relating to housing benefit. This view is also backed by research from the Intermediary Mortgage Lenders Association and DCLG which predicts that nationally, the PRS share of the housing market will rise from 13.5% in 2007 to 25.5% in 2025 and to 35.2% in 2032, with accompanying decreases in the share of the social rented and, most particularly, the owner-occupied sector (from 68% in 2007 to 49.2% in 2032)<sup>3</sup>. Given the changes to the benefit rules and the market changes outlined above, it is likely that the increase in the PRS share of tenure overall will include a rise in demand for HMOs from those without access to owner occupation or social housing to meet housing need;
- More young people will stay at home for longer;
- There will be a reduction in the number of students living in the PRS. Demographic evidence in the 2014 Savills spotlight on student housing<sup>4</sup> backs this view. It shows that there will be a decline in the number of UK students until 2020 due to lower birth rates in the late 1990s. In addition, with high fees it is likely that more students will go to university locally and live with their parents.

30. The effect of such national demographic trends on demand for HMOs in Norwich will be also dependent on the growth plans (including those for international students) of the universities and how much other additional purpose-built student accommodation is provided to support these.

31. The UEA Development Framework Strategy<sup>5</sup> was produced in 2010 to inform Local Plan making. It suggests a moderate growth in student numbers of 1,000-2,000 from 2008 to 2030, with all first year undergraduates and foreign students offered accommodation on campus, leading to accommodation on site for a further 300-600 students being required.

<sup>3</sup> Intermediary Mortgage Lenders Association and DCLG <http://www.imla.org.uk/perch/resources/imla-reshaping-housing-tenure-in-the-uk-the-role-of-buy-to-let-may-2014.pdf>

<sup>4</sup> [http://www.savills.co.uk/research\\_articles/141285/176499-0](http://www.savills.co.uk/research_articles/141285/176499-0)

<sup>5</sup> <http://www.norwich.gov.uk/Planning/JointSAandDMLibrary/UEA%20Development%20Framework%20Strategy.pdf>

- 32. More recent plans appear to have superseded this strategy to a certain extent and could provide significantly more additional purpose-built accommodation than the 300-600 student places envisaged in the strategy.
- 33. A hall providing accommodation for 232 students is currently nearing completion within the UEA campus adjacent to other recent accommodation development. Informal discussions with UEA suggest that further more significant developments of student accommodation are also being planned which will be consistent with the Local Plan following the adoption of the site allocations plan due later this year.
- 34. The reserve site allocation in the Local Plan for a further extension to the campus adjacent to the Prospect Hill within the campus could also provide additional accommodation.
- 35. Modest growth of approximately 300 students is predicted at NUA by 2016/17. Data for longer term growth is not currently available.
- 36. Development of purpose-built accommodation to provide 238 bed spaces for NUA students is taking place at All Saints Green adjacent to Norwich Bus Station.

#### **Commercial development of dedicated student accommodation**

- 37. In recent years nationally, there has been a growth in the privately operated purpose-built student housing sector. Such development has been limited in Norwich to the purpose-built student accommodation which has recently been completed on Prince of Wales Road (37 places).
- 38. The trend nationally has been partly focussed on the higher growth overseas student market and may also be due an increase in final year undergraduates returning to halls to focus on their exams. Savills predict this will continue, consequently freeing up some housing currently used as student HMOs to the wider HMO market or for family housing and that "In many of the largest student markets, the amount of housing that could be released is equal to 2-3 years of recent housing delivery". By freeing up homes

currently used as HMOs, such purpose-built student accommodation can therefore reduce problems in the wider housing market. It seems likely that the market for this form of student accommodation will rise in Norwich.

39. It is important that such accommodation does not create new problems. The most appropriate locations for such accommodation are those with accessibility to services in local, district and the city centre and with good access to public transport and cycling links to the educational establishments.
40. Thus while the demand for student only HMOs may decline as more purpose-built accommodation is provided and numbers increase at a relatively slow rate, it seems highly likely that many additional people, mainly younger people, as identified in the research quoted above, will enter the HMO market. The effect over the next decade is likely to be increasing demand in Norwich for HMOs to meet the needs of those with the fewest housing options.
41. The construction of high quality, new build products such as studio flats and bedsits in different tenures such as market or intermediate rent could slow the HMO conversion rate within the existing stock.
42. A potential policy response to promote such development is set out in figure 5, option 4 below.

## **Policy Options**

43. Figure 5 below provides a summary of the policy options considered available to Norwich City Council to address HMO issues through its role as the local planning authority, and/or through housing policy, along with relevant considerations and implications.
44. Since all options except option 4 would all require an Article 4 Direction with a 1 year notice (see appendix 2 for the justification for this approach) and the development of new planning policy, while option 4 would require the collection of further evidence for licensing, the likely timescale for each of the options is approximately 18 months to 2 years.
45. All the interventions in options 1 to 3 are likely to have an impact on the housing market in Norwich, as, for example, some investors would be less likely to buy homes if they are prevented from renting them out. The reduction in flexibility resulting from policy interventions may even have the unintended consequence in some cases of encouraging landlords to retain properties as HMOs when they might otherwise have rented them as C3 homes for periods. The greater the intervention, such as options 1 and 2, the more the effect on the market is likely to be.

Option no.	Policy intent	Mechanism/ Work	Considerations and Implications
1	Blanket restriction on additional HMOs in the city as a whole	<ul style="list-style-type: none"> <li>City wide Article4 Direction to bring C3-C4 conversion under planning control</li> <li>City wide single issue Local Plan policy review to place blanket ban on additional HMOs</li> </ul>	<ul style="list-style-type: none"> <li>Approach not taken anywhere else</li> <li>Significantly reduced housing choice for those with fewest housing options</li> <li>Very difficult to justify policy approach given housing need</li> <li>Significant resource implication from Article 4 Direction and Local Plan review</li> <li>Some ongoing resource implications to implement policies</li> </ul>

2a	Restrict additional HMOs in areas of over-concentration through percentage threshold e.g. maximum 20% HMOs in any street potentially combined with .....	<ul style="list-style-type: none"> <li>City wide Article 4 Direction to bring C3 to C4 conversion under planning control</li> <li>Develop new policy framework through city wide single issue Local Plan</li> <li>Requires city wide compulsory licensing regime to enable data to be collected on the location of all HMOs</li> </ul>	<ul style="list-style-type: none"> <li>Dependent on the threshold set and the size of the areas in which over-concentration is limited, likely to lead to significant dispersal of HMOs across the remainder of the city</li> <li>Potential difficulty in defining and justifying thresholds for areas of over-concentration</li> <li>Significant resource implication from Article 4 Direction, Local Plan review and licensing</li> <li>Considerable ongoing resource implications to implement policies</li> <li>Significant financial implications as no fee can be charged for Article 4 related planning applications</li> </ul>
2b	Drive up standards and management of new HMOs and ensure HMOs are only created in appropriate types of housing (Note: option 2b could be pursued without 2a)	<ul style="list-style-type: none"> <li>City wide Article 4 Direction</li> <li>Policy review to ensure C4 HMOs are only created in suitable types of housing</li> </ul>	
3	Limit the concentration of HMOs through a blanket ban on additional HMOs in one particular area, with no threshold	<ul style="list-style-type: none"> <li>Targeted Article 4 Direction for defined area</li> <li>Neighbourhood Plan or Area Action Plan for area of over-concentration</li> <li>Possibly also implement licensing regime in the defined area</li> </ul>	<ul style="list-style-type: none"> <li>Difficulty in defining and justifying single area of over-concentration</li> <li>Dependent on the size of the defined area, likely to lead to some dispersal of HMOs across the remainder of the city</li> <li>Some resource implications from focussed Article 4 Direction and new plan</li> <li>Some ongoing resource implications to implement policies and possibly for licensing</li> </ul>
4	Promote development of accommodation types to slow HMO conversion rate through planning and assess licensing options	<ul style="list-style-type: none"> <li>Use JCS policy 4 to promote development of property types to slow HMO conversion rate by encouraging development of new flats and bedsits in different tenures</li> <li>Continue to support provision of additional purpose-built student accommodation through implementation of Local Plan allocations at UEA and support of planning applications in other appropriate locations</li> <li>Implement city wide voluntary housing licensing regime and accreditation and then assess policy implications</li> </ul>	<ul style="list-style-type: none"> <li>No current reduction in housing choice for those with fewest housing options</li> <li>No new plans required</li> <li>Workload justifiable</li> <li>Allows opportunity to assess further evidence base requirement and ongoing resource implications</li> </ul>

### **Figure 5 Policy Options for HMOs**

46. Appendix 5 provides further background and details on the implications of the different options.



## **Appendix 1: Relevant sections of Local Plan policies**

### **JCS Policy 2: Promoting good design**

All development will be designed to the highest possible standards, creating a strong sense of place.

In particular, development proposals will respect local distinctiveness including as appropriate:

.....

- The ..... historic environment, taking account of conservation area appraisals .....
- Townscape, including the city .....

### **JCS Policy 4: Housing delivery**

.....

#### **Housing mix**

Proposals for housing will be required to contribute to the mix of housing required to provide balanced communities and meet the housing needs of the area, as set out in the most up-to-date study of housing need and/or Housing Market Assessment.

.....

### **DM13: Flats, bedsits and larger houses in multiple occupation (HMOs)**

Proposals for the construction or conversion of existing buildings to flats, bedsits and larger houses in multiple occupation will be permitted where they:

(a) achieve a high standard of amenity and living conditions for existing and future residents and would not result in an unacceptable

impact on the living and working conditions of neighbouring residential and non-residential occupiers, in accordance with the criteria as set out in policy DM2 of this plan;

b) satisfy criteria (a), (b) and (c) for residential development as set out in policy DM12 of this plan; and

c) demonstrate that a satisfactory standard of servicing, parking and amenity space for all residents can be achieved within any limitations imposed by the size and configuration of the site, including making provision for appropriately located bin storage, cycle storage and drying areas in accordance with policy DM31 of this plan and the standards set out in Appendix 3.

Landscaping schemes should be designed to be low maintenance and attractive and opportunities should be taken, where reasonably practicable, to reduce the level of car parking on and around the site.

#### **DM12: Principles for all residential development**

a) Proposals for development should not compromise the delivery of wider regeneration proposals and should be consistent with the overall spatial planning objectives for sustainable development set out in the JCS and policy DM1 of this plan;

b) Proposals should have no detrimental impacts upon the character and amenity of the surrounding area (including open space and designated and locally identified natural environmental and heritage assets) which cannot be resolved by the imposition of conditions;

c) Proposals should contribute to achieving a diverse mix of uses within the locality, taking account of individual site proposals in the Site Allocations Plan, other relevant development plan documents and neighbourhood plans and having regard to the overall housing delivery targets set out in the JCS. A mix of uses including housing will be encouraged and accepted on individual development sites where this is achievable and practicable;

#### **Policy DM2 – Amenity**

##### **Existing occupiers**

Development will be permitted where it would not result in an unacceptable impact on the amenity of the area or the living or working conditions or operations of neighbouring occupants. Particular regard will be given to:

a) the prevention of overlooking and the loss of privacy;

- b) the prevention of overshadowing and loss of light and outlook; and
- c) the prevention of disturbance from noise, odour, vibration, air or artificial light pollution.

### **Future occupiers**

Development will only be permitted where

- a) it provides for a high standard of amenity, satisfactory living and working conditions, adequate protection from noise and pollution and adequate levels of light and outlook for future occupiers; and
- b) such a standard can be achieved and maintained without preventing or unreasonably restricting the continued operation of established authorised uses and activities on adjacent sites.

To ensure that residential dwellings are designed to meet the demands of everyday life, adequate internal space must be provided and would normally be expected to exceed the City Council's indicative minimum guidelines for internal space standards.

### **External amenity space within residential developments**

Provision must be made for external private or communal amenity space which is appropriate for and integral to the residential development and forms a key part of the overall design of the site. Communal amenity areas shall be landscaped to a high standard in accordance with policy DM3. Provision of bin and cycle storage as required by policy DM31 should not be detrimental to the provision of suitable external private or communal amenity space.

Conversions to residential use not making provision for external amenity space will only be acceptable where such provision is not feasible and:

- a) it is enabling development to secure the future of a heritage asset;
- b) it involves the re-use of upper floors of commercial premises within a defined centre; or
- c) there are overriding benefits to the regeneration of a wider area.

## **Appendix 2: Article 4 Directions**

Since conversion of housing to HMOs is permitted development (PD) nationally, any planning based approach to address HMO issues will require the introduction of an Article 4 Direction to require planning permission to be gained for such a change of use. This could apply to the whole city or only to those areas of the city in which there is perceived to currently be over concentration of HMOs.

Article 4 Directions must only be made in 'exceptional circumstances where evidence suggests that the exercise of permitted development rights would harm local amenity or the proper planning of the area'<sup>6</sup> and the planning authority should clearly identify the potential harm that the direction is intended to address with particular regard to, amongst other things, 'whether the exercise of permitted development rights would undermine the visual amenity of the area or damage the historic environment'. A particularly strong justification should be made 'where the withdrawal of permitted development rights would relate to a wide area, e.g. those covering the entire area of a local planning authority...', and continued monitoring should be applied to ensure that the Direction remains valid.<sup>7</sup>

It should also be noted that Article 4 Directions cannot be applied retrospectively to development undertaken before the Direction comes into force, therefore the number of HMOs cannot be reduced on that which exist currently.

An Article 4 Direction can be introduced in two ways, either immediately, or with a 1 year notice period. The advantages and disadvantages of both approaches are shown in the table below:

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<sup>6</sup> For all Article 4 Directions the legal requirement is that the local planning authority is satisfied that it is expedient that development that would normally benefit from permitted development rights should not be carried out unless permission is granted for it on an application (see paragraph (1) of article 4 of the GPDO). Additionally, for directions with immediate effect, the legal requirement is that the local planning authority considers that the development to which the direction relates would be prejudicial to the proper planning of their area or constitute a threat to the amenity of their area (see paragraph (1)(a) of article 6 of the GPDO).

<sup>7</sup> All quotes taken from the DCLG document 'Replacement Appendix D to Department of the Environment Circular 9/95: general development Consolidation Order 1995.'

	<b>Advantages</b>	<b>Disadvantages</b>
<b>Article 4 direction - Immediate</b>	Planning permission for conversion to HMO required with immediate effect	Approach not used anywhere else nationally
		No current policy framework to refuse permissions on other than amenity grounds i.e. cannot prevent increase in concentration through this mechanism
		Potential for aggrieved parties to claim costs (the local planning authority may be liable to pay compensation to those whose PD rights have been removed and where, 1) permission is refused for development which would have been otherwise permitted, or, 2) if permission is granted but with more restrictive conditions than the GPDO would normally allow)
		Significant ongoing revenue costs associated with processing planning applications (no fee can be taken for applications required as the result of an Article 4 Direction)
		Increased risk of appeal and consequent cost implications
<b>Article 4 direction – with 1 year notice period</b>	Less potential for aggrieved parties to claim costs	No current policy framework to refuse permissions on other than amenity grounds i.e. cannot prevent increase in concentration through this mechanism
	Provides opportunity to introduce policy mechanisms to address identified issues	Significant ongoing revenue costs associated with processing planning applications (no fee can be taken for applications required as the result of an Article 4 Direction)

As a result of these considerations, it is concluded that an immediate Article 4 Direction should not be introduced in Norwich to address HMO issues.

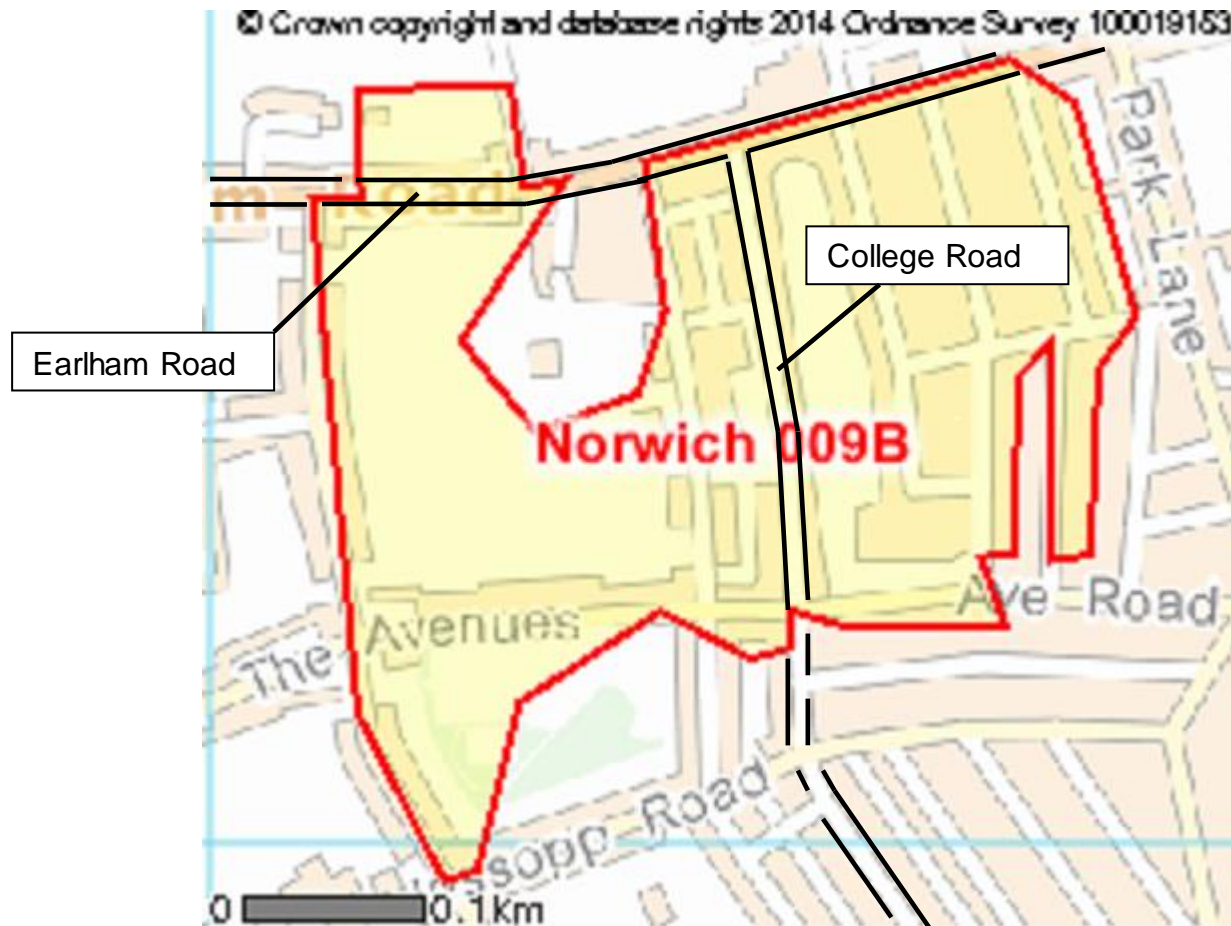
**Appendix 3: Census data**

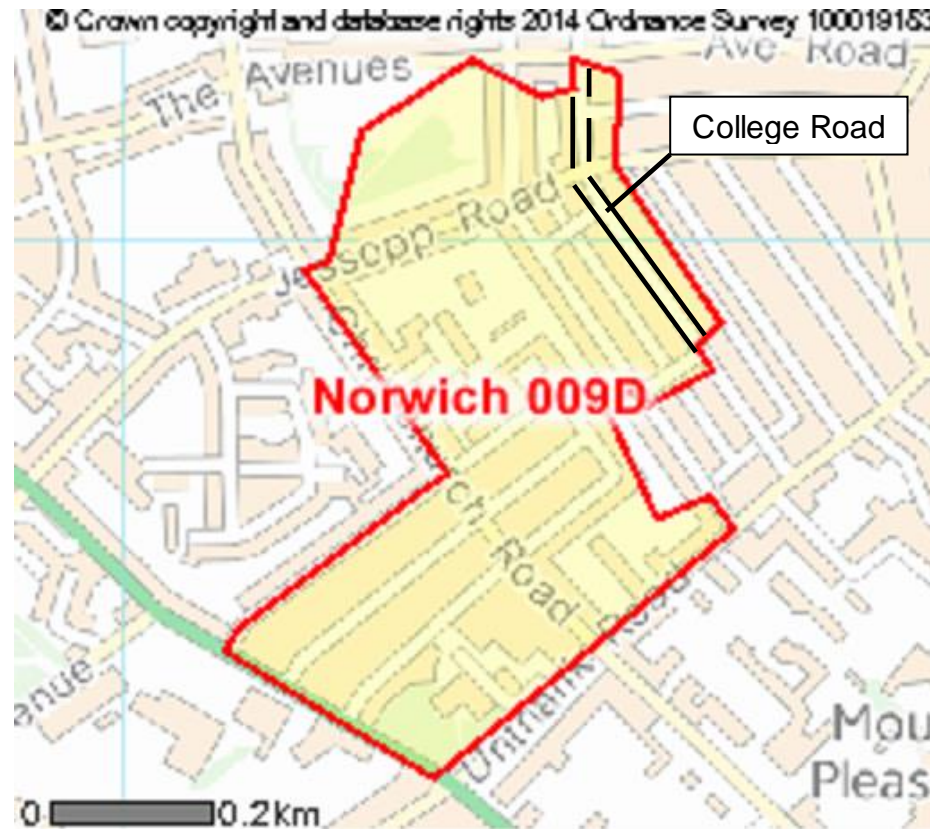
Number and percentage of all households which were in HMOs in 2001 and 2011 by ward (NB: numbers do not sum due to rounding)

	Nelson		Bowthorpe		University		Town Close		Sewell		Wensum	
	No	%	No	%	No	%	No	%	No	%	No	%
<b>2001</b>												
<b>Student only HMOs</b>	221	5.4	43	1.1	55	2.0	129	2.7	23	0.5	68	1.6
<b>Other HMOs</b>	347	8.5	93	2.4	79	2.9	277	5.9	319	6.9	158	3.7
<b>TOTAL</b>	<b>568</b>	<b>14</b>	<b>136</b>	<b>3.5</b>	<b>134</b>	<b>5.0</b>	<b>406</b>	<b>8.6</b>	<b>342</b>	<b>7.4</b>	<b>226</b>	<b>5.3</b>
<b>2011</b>												
<b>Student only HMOs</b>	354	8.6	195	4.1	216	7.4	208	3.9	36	0.7	173	3.6
<b>Other HMOs</b>	310	7.6	148	3.1	97	3.3	329	6.1	317	6.5	261	5.5
<b>TOTAL</b>	<b>664</b>	<b>16.2</b>	<b>343</b>	<b>7.3</b>	<b>313</b>	<b>10.8</b>	<b>537</b>	<b>10</b>	<b>353</b>	<b>7.2</b>	<b>434</b>	<b>9.1</b>

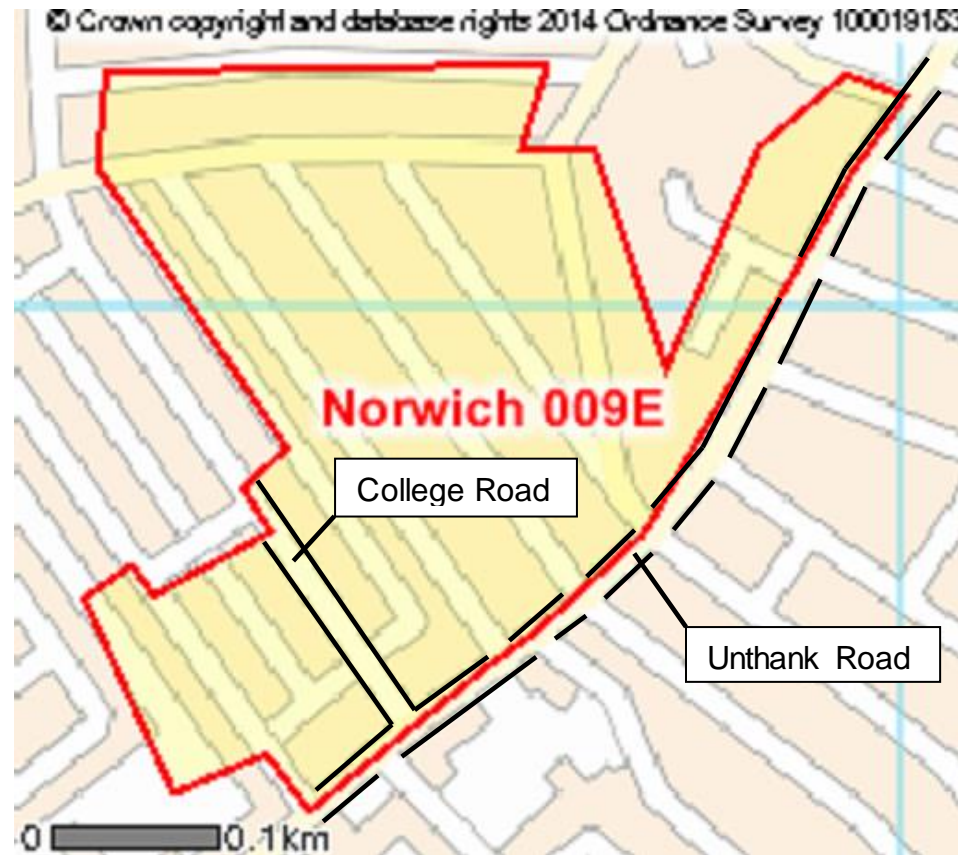
	Lakenham		Thorpe Hamlet		Mancroft		Crome		Mile Cross		Eaton		Catton Grove	
	No	%	No	%	No	%	No	%	No	%	No	%	No	%
<b>2001</b>														
<b>Student only HMOs</b>	12	0.3	23	0.5	51	1	5	0.1	18	0.4	21	0.5	6	0.1
<b>Other HMOs</b>	108	2.5	221	4.9	285	5.7	81	1.9	147	3.4	77	2	99	2.4
<b>TOTAL</b>	<b>120</b>	<b>2.8</b>	<b>244</b>	<b>5.4</b>	<b>336</b>	<b>6.7</b>	<b>86</b>	<b>2</b>	<b>165</b>	<b>3.9</b>	<b>98</b>	<b>2.5</b>	<b>105</b>	<b>2.5</b>
<b>2011</b>														
<b>Student only HMOs</b>	6	0.1	39	0.6	76	1.3	6	0.1	35	0.7	70	1.8	9	0.2
<b>Other HMOs</b>	150	3.4	368	6.2	371	6.5	80	1.9	221	4.7	84	2.1	152	3.2
<b>TOTAL</b>	<b>156</b>	<b>3.6</b>	<b>407</b>	<b>6.8</b>	<b>447</b>	<b>7.8</b>	<b>86</b>	<b>2</b>	<b>256</b>	<b>5.4</b>	<b>154</b>	<b>3.9</b>	<b>161</b>	<b>3.4</b>

**Appendix 4: Maps of College Road census output areas**









## **Appendix 5: Considerations relating to options table**

### **Licensing**

- Discretionary licensing schemes are aimed at increasing the quality of existing stock in the private rented sector in terms of both physical conditions and management standards. Under the proposed accreditation scheme and licensing arrangements stricter management rules for all HMOs, for both landlords and tenants, are being considered.
- Options 2 and 4 provide the opportunity to closely link licensing with planning and to improve the evidence base overall if compulsory licensing of all HMOs is introduced. Whilst evidence is available on the precise location of large HMOs as they are required to be licensed and from the census on the overall increase in households in HMOs in the last decade, no evidence is available on the exact location of smaller HMOs. Any threshold or blanket restriction for particular areas of the city would need to be based on as robust an evidence base as possible of existing over-concentration. This evidence would need to be developed.

### **Planning Policy based approaches**

- An increase in the supply of new housing and purpose-built student accommodation, as promoted in national policy in the NPPF and in the Local Plan, will play a significant role in reducing the pressure for additional HMOs. Norwich City Council will continue to work with general housing developers, the educational institutions and other providers of purpose-built student accommodation to increase supply.
- The introduction of either an over-concentration threshold or a blanket ban on further HMOs in parts of the city would be likely to lead the market to look for other geographical areas to convert housing to HMOs (including in South Norfolk and Broadland), leading to more dispersal of HMOs.

**Report to** Sustainable development panel

**Item**

24 September 2014

**Report of** Head of planning service

**5**

**Subject** Response to the government's technical consultation on planning reforms

---

## **Purpose**

This report is about the recent technical consultation by the Department for Communities and Local Government (CLG) which seeks views on further prospective changes to several different aspects of planning regulation and procedure, following on from reforms already introduced over the past two years. The proposed reforms are significantly more wide ranging than previously, covering not only a further round of changes to permitted development rights, but also proposing to streamline procedures relating to neighbourhood planning, environmental assessment, the use of planning conditions and other aspects of the development management process.

## **Recommendation**

To consider the report and comment on the proposed thrust of response before it is formally submitted to the Department for Communities and Local Government by the deadline of 26 September.

## **Corporate and service priorities**

The report helps to meet the corporate priority A prosperous city and the service plan priority to respond appropriately and effectively to ongoing legislative changes.

## **Financial implications**

These cannot be quantified in detail, although the implications of changes to the prior approval regime so far introduced are set out in paragraph 11 and 12 of the report.

Ward/s: All

Cabinet member: Councillor Stonard – Environment and transport

## **Contact officers**

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## **Background documents**

None

# Report

## Introduction

1. On 31 July 2014 the Department for Communities and Local Government (CLG) published a *Technical Consultation on Planning*. While previous consultations have tended to concentrate on a relatively narrow range of matters – for example extending rights to carry out specific types of development or change the use of premises without planning permission – the proposals in this paper are significantly more detailed and wide-ranging.
2. The paper contains a total of 76 questions seeking views on a number of additional deregulatory and procedural changes the Government wishes to make to the planning system nationally. It not only seeks further deregulation in relation to permitted development rights, but also proposes to streamline the process for neighbourhood plan making, improve the use of planning conditions, change and speed up processes for statutory consultation on planning applications, reduce the need for environmental impact assessment for industrial and other urban development projects and amend aspects of the recently introduced national infrastructure planning regime. All these changes are being presented as part of the general drive to cut “red tape”, increase flexibility and facilitate beneficial development and growth.

## Context - previous stages of national planning deregulation and the council's response

3. This consultation follows on from a series of changes to planning regulations (principally to the General Permitted Development Order) introduced between October 2012 and April 2014. The government has consulted on several separate rounds of substantive changes to planning regulations since it was elected, as well as issuing a series of ministerial statements on various individual reforms. Key consultations include:
  - *Planning for schools* (October 2010) – consultation on proposed new permitted development rights allowing the change of use of a range of commercial, residential and other premises to schools.
  - *Relaxation of planning rules for commercial to residential changes* (April 2011) – prospective new permitted development rights for office, light industrial and warehouses to change to residential use as well as doubling the permitted number of residential units that could be introduced above shops from one to two.
  - *Renegotiation of s106 planning obligations* (August 2012)
  - *Parliamentary written statement on housing and growth* (September 2012): this was the overarching statement which set out the government's intention to progress a wider package of measures to stimulate investment in housing and reduce administrative burdens, both by increasing the range of development that would no longer need planning permission and reducing the complexity of the planning process itself.
  - *Technical consultation on extending permitted development rights for homeowners and businesses* (October 2012) – measures largely

concerned with increasing the permitted size thresholds for residential and commercial extensions

- *Housing design standards review* (August 2013) – Proposals to rationalise national housing standards by reviewing and consolidating building regulations and code for sustainable homes provisions and reviewing the scope of local design standards to remove overlap and reduce complexity (the government published a further consultation on possible consolidated standards on 12 September 2014).
- *Greater flexibilities for change of use* (August 2013) – a series of proposed reforms introducing new permitted development rights for commercial uses to change to housing, childcare nurseries and state funded schools, and allowing the change of use of shops to banks and building societies within size limits.

4. Whilst recognising that some of these proposals have merit, the city council has maintained opposition to many of new measures which would weaken or otherwise reduce the effectiveness of adopted and emerging planning policy. We have repeatedly expressed concern that reforming the planning system through a series of piecemeal changes is a misconceived approach and the cumulative impact of changes has been poorly thought through. In our view, constantly extending the range of development that no longer needs planning permission can only erode democratic accountability by reducing opportunities for local people to have a meaningful say on development proposals that affect them. This appears directly contrary to the government's stated aim to increase the involvement of local communities in the planning process – to "put communities in the driving seat" as stated by the planning minister in the introduction to this consultation paper.
5. We have also expressed longstanding concerns that continuous planning deregulation of this nature reduces the ability of the planning system to positively shape development, protect amenity and manage change to support sustainable growth. For Norwich, this means that some aspects of adopted planning policy in the *Joint core strategy* – most obviously its requirement to promote and retain office employment in the city centre – are being significantly weakened. At the same time, policies in Norwich's own emerging local plan have had to be repeatedly reviewed even as they are being drafted to keep pace with constant legislative changes and ensure that they remain sound and legally compliant through examination. Given the government's emphasis on the primacy of an up to date local plan it appears perverse to have introduced measures that in some cases would make the policies in that plan virtually unimplementable. This does not make for a stable and effective planning system and will not deliver certainty for developers.
6. Officers have also highlighted deficiencies in the new prior approval regime. This seeks to speed up the planning process by replacing full planning applications for certain kinds of development with a simplified prior approval application requiring only that the proposal should meet basic tests on matters such as flood and contamination risk, economic and highways impacts before it can proceed. While undoubtedly making for a speedier determination process for applicants and case officers, the downside of prior approval is that it often appears little more than a "tick box" exercise which precludes a broader consideration of relevant planning issues and effectively excludes elected members from decision making. Not only do the prior approval tests so far introduced vary according to what form of development is proposed (without

any obvious logic or consistency); but the process fails in many cases to deliver basic safeguards such as securing a satisfactory standard of living accommodation, design and outlook for occupiers or preventing harmful impacts from adjoining uses – matters which should be the proper concern of local planning policies. Overall, the introduction of what is effectively a completely new tier of consent application has sped up the decision-making process in some areas but increased the administrative and technical burden in others and has substantially reduced fee income. In the longer term this will clearly have implications for resources and service delivery. Far from simplifying the system, the government's changes have so far (in our view) made it even more complex and confusing for users and planning practitioners alike.

## The current proposals

7. The proposals being consulted on build on previous reforms and are being presented as the culmination of a continuous process of planning deregulation to facilitate and remove barriers to growth, taking forward many of the ideas initially announced in the parliamentary statement of September 2012. Up until now the measures introduced by government have concentrated largely on extending permitted development rights. The proposals in this consultation paper go much further, seeking views in addition on a range of process improvements to both plan making and the planning consent regime. The consultation covers the following matters:
  - Proposals to change the **neighbourhood planning system**;
  - A further significant extension of **permitted development rights** to reduce the number of proposals requiring planning permission and expand the use of the fast track prior approval system;
  - Proposals to improve the use of **planning conditions**;
  - Proposals to improve **engagement with statutory consultees**;
  - Raising the screening threshold for when an **Environmental Impact Assessment (EIA)** is required for industrial estate and urban development projects located outside of defined sensitive areas;
  - Proposals to improve the **nationally significant infrastructure planning regime**, amending regulations for making changes to Development Consent Orders, and expanding the number of non-planning consents which can be included within Development Consent Orders.

The main proposals, and summarised proposed comments to be submitted on behalf of the city council, are set out below. The consultation document itself can be accessed here:

<https://www.gov.uk/government/consultations/technical-consultation-on-planning>

## Neighbourhood planning

8. Proposals to reform the neighbourhood planning regime are as follows:
  - a) A proposed new 10 week time limit on local planning authorities to determine applications for neighbourhood plan designation, potential reduction of neighbourhood plan funding for councils if a determination is not made within prescribed period; eventual provisions for automatic designation of a

neighbourhood plan area if a local authority fails to determine an application for designation in the prescribed period.

- b) Proposed abolition of the current mandatory six week pre-submission consultation period for neighbourhood plans, replaced by a basic test of whether the scope and nature of consultation has been adequate.
- c) A new mandatory requirement for neighbourhood planning bodies to consult landowners affected by proposals in neighbourhood plans.
- d) Provisions to clarify requirements for the submission of environmental assessments and supporting information with neighbourhood plans.

*Comment: Neighbourhood planning provisions don't directly affect Norwich at present since there are no active proposals for such plans in this area. However officers are concerned that the proposed removal of a statutory pre-submission consultation period will give less opportunity for public engagement at the start of the process and reduce transparency and accountability in general, particularly as neighbourhood planning bodies may not be fully representative of community views. A statutory pre-submission consultation remains a requirement for local plan documents prepared by the local authority, which appears discriminatory. We welcome the moves to clarify the circumstances where environmental assessments are necessary for neighbourhood plans and the proposed statutory requirement for a minimum level of environmental information – confusion over this issue has often been a factor in delaying the process where neighbourhood plans have been taken forward.*

### **Further permitted development rights changes**

9. An extensive range of proposals to extend permitted development rights beyond those already introduced are now proposed, as follows:

- a) Proposed new permitted development right to change B1(c) **light industrial and B8 warehouse premises** to housing. Prior approval tests would be needed on traffic, flood risk and contamination (these are the same as the tests currently required for permitted change of use of B1(a) offices to housing introduced in 2013) plus an additional prior approval test on noise. The permitted development right would not apply to listed buildings, scheduled ancient monuments, SSSIs, notifiable hazard areas or military explosive sites. The consultation is asking for views on whether the right should apply in Article 1(5) land - that is, conservation areas, National Parks, the Broads and World Heritage sites - and whether a size limit is needed. Views are also requested re a possible prior approval test to assess the impact of housing on neighbouring commercial businesses (but not vice versa).

*Comment: Officers are opposed to this proposal. Exempting conservation areas may not make any salient difference as many industrial premises targeted for conversion might be outside conservation areas anyway, and the issues around introducing housing in predominantly commercial areas will differ in individual circumstances whether the site concerned has conservation area status or not. The main concern is that these proposals could make it very difficult to secure basic standards of amenity, outlook, design and layout for the occupiers of residential accommodation in former industrial premises. Aside from immediate noise impact there would be no opportunity to influence any of these matters through the planning process. These arguments were also put forward in relation to the office to residential change rights already introduced. In particular we have*



*highlighted the potential unsuitability of premises in industrial areas, traffic and parking issues, loss of land required for employment purposes (which would undermine adopted and emerging policies seeking to protect a supply of land and suitable premises for business use) and potential conflicts with and wider economics impacts on neighbouring commercial businesses from new residents raising legitimate noise concerns.*

- b) Proposed new permitted development right to change **amusement centres, casinos, nightclubs and laundrettes** to housing and carry out building work associated with the change of use. Prior approval tests would be needed on traffic, flood risk and contamination (as above) but *not* one on noise. The permitted development right would not apply in Article 1(5) land nor to listed buildings, scheduled ancient monuments, SSSIs, notifiable hazard areas or military explosive sites. The consultation is asking for views on whether a size limit is needed and on a potential prior approval test for design and external appearance.

*Comment: Officers are opposed to this proposal. Nightclubs and amusement centres tend to cluster in small areas of town and city centres and are seldom freestanding, therefore it is very likely that occupiers of converted residential accommodation introduced through this route would be exposed to harmful impacts from retained commercial uses in the vicinity. Notwithstanding that these rights would not apply in conservation areas it is likely that reasons for refusal for the conversion of a nightclub to housing in the city centre would need to be based solely on conservation reasons and not on reasons related to amenity or noise. Even with a size limit there would be little to prevent housing being introduced within the same building envelope as a nightclub. There are, consequently, fundamental concerns about the impact of this proposal both on prospective residents and on the economic security of established nightclub operators nearby that could be exposed to legitimate noise nuisance complaints. We consider that the proposal would erode appropriate and necessary planning safeguards within the Late Night Activity Zone and make emerging development management policies to manage uses within that zone largely ineffective.*

- c) The existing temporary permitted development right to change B1(a) **offices** to housing (introduced in May 2013 and intended to run to 2016) is proposed to be made permanent, also the time limit for implementing office to housing schemes already granted prior approval is proposed to be extended to 2019. The prior approval tests on traffic, flood risk and contamination would remain. The consultation is seeking views on the wording of an additional prior approval test to assess the impact of the loss of the “most strategically important office accommodation”. As now, the permitted development right would not apply to listed buildings, scheduled ancient monuments, SSSIs, notifiable hazard areas or military explosive sites, but would apply everywhere else: the current limited area-specific exemptions introduced in 2013 would be abolished.

*Comment: Officers welcome the somewhat belated recognition from government that the most strategically important office space in a local authority area might need protecting, but are sceptical about how it could be defined in a “one size fits all” prior approval test applicable in all circumstances. We would argue that protection of an appropriate supply of office space to support business - and deciding where the most strategically significant space is - ought to be a matter for the local authority and relevant business interests to determine through a positively prepared local plan policy that meets the objectively*

*assessed needs of the area – precisely what the emerging development management policy on office development had been attempting to do. Evidence shows that the temporary office to residential permitted development rights introduced in 2013 have already resulted in some depletion of the office stock and employment base in the city centre. The majority of prior approvals granted in Norwich have been for the conversion of vacant and underused offices of generally poorer quality, however in one instance, more modern, good quality office space has been lost to allow conversion to a free school. Our fear is that introducing these rights on a permanent basis without appropriate local safeguards will continue to threaten prospects for retaining office employment in the city centre, undermining the adopted strategic policy approach of the JCS and emerging local plan policies to protect high quality office accommodation and promote significant floorspace growth. Because the prior approval tests for this category of development are so limited, there would continue to be no mechanism for the council to secure acceptable standards of design, layout, outlook or amenity for the residential occupiers of former office buildings. There would also be no opportunity to deliver much needed affordable housing so long as this category of conversion scheme does not require planning permission, nor could the introduction of housing in former offices in locations such as the Late Night Activity Zone be prevented. Despite offering some benefits to the housing supply in terms of absolute numbers, the continuing availability of an attractive low cost flat conversion option for housing developers (without their needing to provide affordable housing or any other planning obligation) is likely to distort the market and delay the beneficial regeneration of larger and more complex development sites.*

- d) The existing temporary permitted development right for larger **residential extensions** (introduced in May 2013 and intended to run to 2016) is proposed to be made permanent and the 2016 deadline for completion of extensions already granted prior approval would be abolished. A streamlined neighbour consultation and prior approval process (six weeks as opposed to the normal eight) is proposed.

*Comment: The city council had expressed some reservations about the generous permitted size limits for rear extensions to dwellings introduced in 2013 and the effects this deregulation might have on neighbours and on the character of residential areas. There is an argument that retaining these provisions on a permanent basis – intended as a temporary measure to facilitate small building projects during the recession – could undermine strategic and local policies seeking to raise standards of design and safeguard amenity. However local evidence shows that this position is not clear cut. 61 prior approval applications for larger residential extensions have been dealt with in Norwich since the inception of the new prior approval regime (31 May 2013) up until 12 September 2014. Of these, eight were withdrawn or cancelled and 53 were determined under the new procedures. In the majority of cases (43) prior approval was issued automatically because there were no objections, but there were 10 cases where neighbours objected to proposals and a judgement needed to be made as to the degree of harm to amenity. In only two cases a proposed extension was deemed to harm the amenities of neighbours sufficiently to withhold approval. There are no local examples that Officers are aware of of clearly unacceptable development going ahead under the temporary powers officers thus tend to the view that the impact of the process reforms for larger extensions are unlikely to be problematic. Members views on this issue would be welcome.*

- e) It is proposed to merge and redefine the existing **A1 retail use class** (shops, hairdressers, post offices etc.) with the existing **A2 financial and professional services use class** (banks, building society offices, estate agents, solicitors, accountants, employment agencies etc.) so that changes of use could be freely made between them. Betting shops and pay day loan stores would however remain in a greatly reduced A2 use class, meaning that a planning application would be needed for a change of use from most other uses. There would be largely unchanged permitted development rights for certain changes of use within class A – this would mean, for example that there would be no additional safeguards protecting against the change of use of pubs (A4) to shops or their complete loss compared with the situation at present. Provisions for the temporary change of use of commercial premises for certain purposes for up to two years with prior notification would remain, as would the permitted development rights for the introduction of up to two flats above shops and the change of use of smaller shops to housing in some areas. Views are sought on appropriate definitions for a pay day loan store.

*Comment: Officers welcome the proposed restrictions on betting shops and pay day loan stores – a move which has long been supported by this council – but consider it may be difficult to frame an effective definition of the latter. Under certain circumstances it is already possible to change smaller shops to banks and building societies under permitted development rights introduced in April 2014. We would support the inclusion of banks and building societies in an extended A1 use class (this was suggested in previous consultation responses) but would not necessarily support the inclusion of other uses currently in A2, which may have harmful impacts and could undermine the retail function of shopping frontages, undermining the effectiveness of emerging retail policy and SPD. There would be confusion between the “old” and “new” A2 definitions if betting shops remained in A2 – we have suggested it would be better to make them sui generis or create a separate new self-contained use class, for example A6. Should use class definitions change significantly it would be difficult to implement emerging retail frontages policy based on old definitions and draft SPD which has recently been consulted on might not only need a major review but the degree of flexibility inherent in the new proposals might make it virtually unimplementable.*

*Given the vigorous national campaigning for stronger planning controls to prevent the demolition or unregulated change of use of community public houses – a campaign which this council fully supports – we are disappointed at the lack of any proposals in this consultation to further limit permitted changes of use to public houses in use class A4. The only additional safeguard so far introduced would prevent a two stage permitted change from a pub to a shop or A2 use and then to housing, which the council highlighted as a potential loophole in the regulations when responding to a previous consultation. In late 2013, the then planning minister in response to local lobbying confirmed that regulations would be worded so as to make such a two stage change need full planning permission, and this has proved to be the case. However this is small comfort given the range of other uses that pubs can still be converted to under existing permitted development rights and these would not change under the current proposals. Following the Council resolution last year, officers are currently assembling a formal proposal to government under the Sustainable Communities Act to request a change in the planning regulations to tighten controls on pubs.*

- f) Proposed new permitted development right to change **A1 retail, A2 financial and professional services, amusement centres, casinos, nightclubs and laundrettes to A3 restaurants and cafés** subject to an upper size limit of 150 sq.m. There would be a new prior approval process in the form of a notification scheme to assess impacts of noise, odours, traffic and hours of opening on immediate neighbours; together with a proposed test to safeguard against loss of most valued local services and assess any impact on the town centre. The permitted development right would not apply to listed buildings, SAMs, SSSIs, hazard areas, military explosive sites or to uses commencing after the date of the Chancellor's autumn statement 2013. Importantly, the council could not exercise the prior approval tests unless neighbours object.

*Comment: The proposal appears superficially attractive, but a streamlined consultation process has risks and would only work if sufficient information was required to be submitted with an application for an informed objection to be made. The right to be consulted and object only applies to immediate neighbours – but there would be no opportunity for them to assess harm from a prospective change without details of fume and flue, waste management and parking, etc. Even if these details were submitted, the council could not withhold prior approval if no-one objected, but there might still be obvious harm and legitimate concerns raised by others e.g. councillors, amenity societies, chamber of commerce, BID. Under the proposals the views of anyone other than immediate neighbours would be irrelevant and could not be taken into account. We consider that a workable definition of key services and assessment of town centre impact could be problematic. It would be difficult for applicants to understand the different rules applying to uses commencing before or after a date in autumn 2013 and complicated (and time consuming) for the council to assess when a use had actually commenced.*

- g) Proposed new permitted development rights to change **A1 retail, A2 financial and professional services, amusement centres, casinos, nightclubs and laundrettes to D2 assembly and leisure** (cinemas, music and concert halls, gyms, and swimming pools). No size limit is proposed. Prior approval tests would be needed on traffic, flood risk and contamination (these are the same as the tests currently required for permitted change of use of B1(a) offices to housing introduced in 2013) plus an additional prior approval test on noise. The rights would not apply in Article 1 (5) land nor to listed buildings, scheduled ancient monuments, SSSIs, notifiable hazard areas or military explosive sites or to uses commencing after the date of the Chancellor's autumn statement 2013.

*Comment: Officers consider that this proposal and the rationale for it is flawed and damaging – with no constraints on size the new change rights would encourage larger out of centre retail units (and retail parks) to accommodate large format leisure uses which may have very different patterns of usage from retail. This is likely to perpetuate unsustainable patterns of development, increase the need to travel and lead to harmful diversification of use in out of town locations, with no opportunity to assess sequential suitability or impact on existing centres. This would critically undermine JCS retail strategy and adopted and emerging local plan policy requiring development to be prioritised in the city centre and a defined hierarchy of centres. More obviously, it directly contradicts national policy in the NPPF which also prioritises leisure uses in town*

centres. It would be difficult for applicants to understand the different rules applying to uses commencing before or after a date in autumn 2013 and complicated (and time consuming) for the council to assess when a use had actually commenced.

- h) Proposed new permitted development rights to erect **ancillary buildings** in the curtilage of shops and extend **loading bays**. Limits apply re maximum size (20 sq.m), height (4m) distance from boundary (2m) and distance from highway (5m). A new prior approval test is proposed on design and external appearance. The right would not apply in Article 1(5) land or listed buildings, SAMs, SSSIs, hazard areas or military explosive sites.

*Comment: The reforms here are limited, but in some circumstances the proposal could result in harm to immediate residential neighbours from intensification of activity and vehicle movements around shops and retail stores at unsociable hours. On balance officers consider it is more appropriate to keep current controls and require planning permission for these buildings: if a prior approval approach is taken, it should include an additional test re noise.*

- i) Proposed new permitted development right to allow commercial filming by film/TV companies, subject to prior approval on various matters and size limits on temporary structures.

*Comment: No comments – this is not a significant issue in Norwich.*

- j) Proposed new permitted development right for the installation of photovoltaic panels (solar PV) up to 1MW on the roof of non-domestic building. There would be a prior approval test on siting, design and glare and proposals should not protrude beyond the roof slope. The rights would not apply to installations fronting a highway in Article 1(5) land, or to listed buildings, SAMs, SSSIs, hazard areas or military explosive sites.

*Comment: Officers support these proposals subject to the proposed exclusions and size limits.*

- k) The new permitted development rights introduced for businesses in May 2013, increasing the size limits allowed for extensions to **shops, financial and professional services, offices, warehouses and industrial premises** are proposed to be made permanent.

*Comment: The new permitted development allowances for larger commercial extensions introduced in 2013 have not led to significant problems in Norwich. However (as with the permanent removal of the temporary increased size limits on residential extensions) there is an argument that this move might reduce the effectiveness of the strategic policy approach in the JCS seeking to raise standards of design and weaken local policies on design and amenity. On balance officers consider that the proposal should be supported, as it will help to facilitate business expansion and is unlikely to have a significant long term impact on the environment and amenity.*

- l) Proposed new permitted development rights for waste management facilities, subject to size restrictions.

Comment: No comments – waste management facilities are a county matter.

- m) New permitted development rights for equipment for sewerage undertakers, regularising the rules so that rights are the same as those already in place for water undertakers. Limits are proposed on size and cubic capacity of installations.

Comment: Officers support these proposals.

## Other deregulatory measures

- 10. The following proposals relate to a potential further relaxation of planning restrictions on retail mezzanines and local parking standards, which are put forward as changes for discussion rather than firm proposals at this stage.

Views are sought on a potential relaxation of the current 200 sq.m limit on **internal mezzanine floors within A1 shops**: this is presented as a proposal allowing retailers to “diversify their retail offer to support the town centre”.

Comment: It is considered that these proposals would be very damaging – extended rights to install retail mezzanines are far more likely to be taken up on retail parks and larger out of centre stores than in the city centre because it would be significantly more straightforward to install mezzanines in larger single span buildings than in more traditional city centre premises. Consequently (as with the proposals in (g) above on leisure uses) the move is likely to intensify retail use in unsustainable locations and perpetuate an unsustainable pattern of development, with reduced opportunity to assess sequential suitability or impact. The government’s argument that this move would support the town centre is frankly baffling. Again it would undermine an adopted JCS retail strategy and policies seeking to prioritise retail development in the city centre and a defined hierarchy of centres, directly contradicting NPPF national policy to support town centres. The proposal would make emerging DM policy DM18 less effective, particularly in relation to its intended restraint of new retail development at Riverside on traffic grounds.

Views are sought on whether parking policy needs to be strengthened to tackle on-street parking problems by restricting local authority powers to set **maximum parking standards**.

Comment: The city council’s maximum parking standards reflect longstanding local policy aims to restrain traffic growth by managing the provision of on and off street parking. The prospect of not being able to impose maximum parking standards on any new development would make current and emerging policies and parking standards in the local plan effectively unenforceable and would undermine the integrated sustainable transport strategy in JCS and NATS promoting a move to non car modes. It would also reduce the effectiveness of ongoing major investment in public transport and cycling. The commentary suggests that developers should be able to meet “market demand” for parking – that would be effectively impossible in Norwich given its limited network capacity - and that aspiration flatly contradicts the government’s stated position on sustainable transport in the NPPF. There may however be scope to address this issue selectively in areas where there is no on street parking as the government’s aim is to “tackle on-street parking problems”. In Norwich effective on street parking controls are in

*place in CPZs . Such problems only occur in unrestricted streets so it might be appropriate to support such a change in areas outside CPZs where there are no on-street parking controls. There is anecdotal evidence in new housing estates of garages routinely being used as store rooms (because new houses are so small) and footways and roads being blocked by parked cars. However, a balance needs to be struck between addressing a practical problem and pursuing a longer term policy aim to reduce car use. Members views on this issue would be welcome.*

### **Practical implications of the new prior approval regime for service delivery**

11. A significant extension of the prior approval regime (and further reduction of the need for full applications) will have financial implications for the development management service, since fees for a prior approval application would be less than the equivalent planning application fee. The fee proposed for these new categories of application would be £80 for most prior approvals applications but £172 for prior approval for changes of use which include some physical development or changes of use from sui generis uses (nightclubs, launderettes, amusement centres and casinos) to residential.

*Comment: The development management service reports that the prior approval regime is having, and will continue to have a significant impact on income. Although there will be a modest reduction in workload this is not as much as was initially envisaged due to procedural aspects - the need for application registration, validation, uploading to website, issuing a decision etc. being largely unchanged in comparison with full applications. Although there would be some reduction in time and complexity in dealing with prior approvals there is also an increased officer time implication in dealing with the complex nature of these consents, interpreting the criteria and the need to explain this already complex and confusing system to the public, councillors and other stakeholders. Overall there would be a modest reduction in time but a larger reduction in income.*

12. As a broad indication of the scale of income lost since the introduction of the prior approval process, the following sets out a comparison of fee income generated in the first year of prior approval applications (the twelve month period from 1 June 2013 to 31 May 2014) and what might have been received had full applications been needed.

Prior approval for change of use of B1(a) offices to residential

12 applications totalling 201 units.

Fees received = 12 x £385 = £1,020

Fees that would have been received under planning application process

201 x £385 = £77,385

Prior approval for house extensions

45 received with nil fee

Fees that would have been received under planning applications process.

45 x £172 = £7,740

Prior approval for change of use of B1(a) offices to free school

Fees received 2 x £80 = £160 (Colegate – two applications as first one withdrawn due to inability to agree off-site works in statutory period)

Fees that would have been received under planning applications process 1 x £385 = £385

Total actually received = **£1,180**  
Would have been received under old regime = **£85,510**  
Net difference = **£84,330**

### **Proposals to Improve the use of planning conditions**

13. The main proposals in this section are:

- Deemed discharge for some conditions if a timely decision not made, together with other technical and procedural changes
- A requirement to consult agents on draft conditions for major applications.

*Comments – These proposals are supported in general terms. However officers do not support the proposal to reduce the time limit from 12 weeks to 8 weeks for a fee refund to be made if planning conditions cannot be discharged. Reducing the time available to process condition discharge applications would simply make refusals more common rather than necessarily speeding up the process of issuing an approval. The requirements for consultation with agents on conditions will need to be very carefully drafted to avoid a lot of delay and protracted negotiations on amendments. The principle is supported but could easily result in an increase in workload and time pressure for little real benefit.*

### **Proposals to improve engagement with statutory consultees**

14. The main proposals in this section seek to improve engagement with statutory consultees with detailed technical changes relating to consultation with English Heritage, Natural England and Highways Agency

*Comments: These proposals are supported. They will speed up the planning application process but will slightly reduce contact with English Heritage and the Secretary of State on conservation area and listed building matters.*

### **Raising the screening threshold for when an Environmental Impact Assessment (EIA) is required**

15. It is proposed to raise the threshold for screening the need for an Environmental Impact Assessment (EIA) from 0.5 hectares to 5 hectares for industrial estate and urban development projects located outside of defined sensitive areas.

*Comments: Officers support these proposals. The existing size threshold of 0.5ha is too low and 5ha seems more reasonable. The proposals will simplify the administrative process and reduce officer time and costs involved in assessing routine applications for medium scale residential and commercial development. This does not mean that the proposers of such projects would not need to consider local environmental impacts: it means that they would no longer need to be subject to a time consuming exercise to establish the need for a complex formal EIA before applications can be progressed. (In Norwich no applications in this category falling within the present lower screening threshold have ever been assessed as requiring EIA). The safeguards in the EIA*



*regulations requiring screening for the majority of major developments and those with potentially significant environmental impacts would remain in place.*

### **Improving the nationally significant infrastructure planning regime**

16. Proposals to improve the nationally significant infrastructure planning regime amending regulations for making changes to Development Consent Orders, and expanding the number of non-planning consents which can be included within Development Consent Orders.

*Comments: None. These are largely technical matters relating to major infrastructure projects such as road and rail schemes. They appear to be sensible changes but with little relevance to Norwich.*

### **Conclusions**

17. The council has expressed significant concerns over the potential impacts of the various deregulatory measures so far introduced by the present government. Whilst some of the changes can be supported (including streamlining of certain aspects of the development management process and the welcome move to increase restrictions on betting shops), there is a good case for maintaining opposition to many of the reforms being proposed. Concern over the impacts of continued deregulation on the planning process in general and the inconsistencies in the prior approval regime in particular have certainly not been addressed by this latest round of changes. In fact, the extension of the prior approval regime, a proposed overhaul of the Use Classes Order and the unnecessary complication of having to establish commencement dates for certain permitted changes of use means that it would become still more complex and confusing, with a probable reduction in fee income to support the delivery of services.
18. In many cases the proposals significantly undermine adopted and emerging planning policies for Norwich – implementing effective parking standards, beneficial management of change in city centre shopping areas and the protection of office accommodation and employment land might be increasingly difficult under this regime, potentially requiring an almost immediate review of the emerging local plan and supporting SPD. Given the government's oft-repeated commitment to "put communities in the driving seat" and keep up to date and positively prepared local plans at the heart of the planning process, it appears perverse that many of these measures would in fact reduce the ability of the public to influence development and change in their areas – already limited by measures so far introduced - and would further restrict the council's ability to implement its own up to date local plan. Importantly, proposed deregulation of certain changes of use appears to directly contradict the government's own policies to support town centres by encouraging dispersal and diversification of leisure uses and other main town centre uses to unsustainable peripheral locations. This point is stressed in the response.



**Report to** Sustainable development panel

**Item**

24 September 2014

**Report of** Head of planning service

**6**

**Subject** Affordable housing supplementary planning document –  
draft for consultation

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## **Purpose**

This report is about the draft *Affordable Housing supplementary planning document* (SPD). Members are asked to consider and make comment on the document before it is published for public consultation. Following consideration of the consultation responses it is expected that the document will be revised and reported back to the panel before being finalised and formally adopted by Cabinet to augment the *Development management policies plan* (DM policies plan) which are expected to be adopted in November. The document provides additional detailed advice and guidance to support Joint Core Strategy policy 4 (Housing delivery) and policy DM33 of the DM policies plan, dealing in particular with the approach to be taken when considering and determining applications which involve affordable housing when viability is a material consideration.

## **Recommendation**

To comment on the *Affordable Housing supplementary planning document* (SPD) before publication as a draft for consultation for a period of four weeks, commencing as soon as reasonably practicable after the date of this meeting.

## **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 commenting on this document and agreeing it for consultation.

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.

Ward/s: All wards

Cabinet member: Councillor Stonard – Environment and transport

## **Contact officers**

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**Background documents**

None

# Report

## Introduction

1. This report presents the *Affordable housing supplementary planning document* (SPD) for members to consider, make comments on, and agree as a draft for consultation. The SPD provides guidance on implementation of Joint Core Strategy policy 4 (Housing Delivery) and emerging policy DM33 of the *Development management policies plan* (DM policies plan).
2. JCS policy 4 sets out the criteria for provision of affordable housing on sites of 5-9 dwellings, 10-15 dwellings, and 16 plus dwellings. Emerging policy DM33 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 proposed document, and its parent policies, provides a consistent framework to ensure that planning decisions involving affordable housing provision are made positively, flexibly, and promote housing delivery. The SPD clearly outlines the Council's preferred approach to affordable housing delivery being on-site provision.
4. The SPD provides guidance on the Council's approach to prioritisation of planning obligations and the circumstances in which provision of affordable housing via a commuted sum will be accepted when non-viability of development can be demonstrated.
5. The SPD makes clear that off-site provision will only be accepted in the following circumstances:
  - Where it can be demonstrated that development of on-site affordable housing, or reduced levels of on-site provision of affordable housing are not viable, or
  - Where it can be demonstrated that a registered provider (RP) is not willing to take on management of the units or
  - Where highly exceptional site specific factors exist which would render the site unattractive to an RP.
6. The SPD outlines how the Council will approach viability review where non-commencement of development occurs in an effort to incentivise delivery of housing.
7. In addition, submission requirements for viability assessments are outlined to address varying quality of submissions since 2011.
8. The 2011 Interim Statement on Affordable Housing and the corresponding Prioritisation Framework will be superseded in full by this document.
9. The draft document is attached as Appendix 1.

## National and local policy context

10. National planning policy in the National Planning Policy Framework (NPPF) requires local authorities to 'deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive, and mixed communities'. In order to achieve this local authorities should:
- Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);
  - Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand, and;
  - Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example, to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.
11. Policy 4 of the Joint Core Strategy (JCS) seeks to achieve the following proportion of affordable housing on sites of 5 or more dwellings<sup>1</sup>;
- On sites of 5-9 dwellings (or 0.2-0.4ha), 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 0.4-0.6ha), 30% with tenure to be agreed on a site by site basis (numbers rounded upwards from 0.5), and;
  - On sites of 16 dwellings or more (or over 0.6ha) 33% with approximate 85% social rented and 15% intermediate tenures (numbers rounded upwards from 0.5).
12. The policy also states that the proportion of affordable housing may be reduced, and the balance of tenures amended, where it can be demonstrated that the site is unviable in prevailing market conditions.
13. Members should note that The Government recently consulted on a proposed change to the threshold for affordable housing contributions so that only developments of 10 or more dwellings, or a 1,000 square metre gross floorspace, would be liable for affordable housing contributions through S106 agreements. The Government considers that this will aid the delivery of housing small-scale sites.
14. Further details of the consultation can be found here:
- <https://www.gov.uk/government/consultations/planning-performance-and-planning-contributions>
15. The consultation closed in May 2014 and the results have not yet been published but the Government intention appears to have significant implications for the

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<sup>1</sup> See Appendix 1 for a full version of JCS policy 4.

implementation of policy 4 of the JCS. If the Government announce a change in legislation to increase the threshold for affordable housing contributions then bullet point 1 of JCS policy 4 could not be applied.

### **Why is SPD needed?**

16. It is recognised that affordable housing provision through JCS policy 4 is dependent on the overall viability of development. In turn, this is dependent upon a wide range of site specific circumstances.
17. In 2009 the Prioritisation Framework was agreed by Executive with an update agreed in March 2011. This Framework sought to provide guidance for Development management officers and members of planning applications committee on how to prioritise requirements for developer contributions covered by Section 106 agreements, planning conditions and planning obligations. This list included essential policy requirements such as transport contributions, education and library contributions, play and open space provision/contributions and affordable housing amongst others.
18. An Interim Statement on off-site affordable housing provision was adopted by Cabinet in December 2011 following adoption of the JCS which saw a significant change in policy in respect of housing provision and particularly affordable housing in JCS policy 4. At that time, the scale of the challenge involved in meeting the requirements of JCS policy 4 was significant with housing completions down significantly on the annual requirement.
19. The purpose of the Interim Statement was to identify the issues relating to implementation of JSC policy 4 and introduced a payment contribution in lieu of provision of affordable housing on site in certain circumstances.
20. The criteria outlined in the interim statement for accepting contributions in lieu of on-site provision of affordable housing provision have been successfully applied to several development schemes across the city, ultimately helping to deliver much needed homes.
21. Two successive reports to Sustainable development Panel regarding the JCS Annual Monitoring Report (AMR) have discussed the threshold for affordable housing and the problems of securing affordable housing on site in smaller developments.
22. The first, in February 2013 advised that *'There would appear to be very little affordable housing provision resulting from the introduction of the lower threshold requirements introduced through JCS policy 4 on small sites (which reduced the threshold for provision from sites of 25 to sites of 5), especially in relation to sites providing less than 15 homes. In this context it is questionable whether the costs (both to the applicant and the planning authority) of seeking to enforce JCS policy 4 in relation to smaller sites is worthwhile in the current market, particularly as this requirement may slow the redevelopment of small brownfield sites. There may be a case to consider whether to temporarily suspend the implementation of JCS in relation to smaller sites. This is being investigated further and may be the subject of a further report to the SD Panel if this idea is considered worthwhile to pursue.'*

<http://www.norwich.gov.uk/CommitteeMeetings/Sustainable%20development%20panel/Document%20Library/20/REPSDP06AnnualMonitoringReport20130227.pdf>

23. A second report in January 2014 again advised that *'Affordable housing completions are down on last year (although last year's high levels can be attributed to development of the Council's garage sites), but still up on the preceding 2 years. This may be partly the result of the low threshold requirement for providing some affordable housing in the JCS (the requirement is triggered at 5 dwellings) acting as a disincentive to private small scale housing development. Last year's AMR highlighted that there had been limited affordable housing delivery on small scale private housing developments. This trend appears to have continued. Detailed work is planned to provide firm evidence on this issue. Once this evidence is gathered, a review of our approach to affordable housing policy will be undertaken through an Affordable Housing Supplementary Planning Document. Any subsequent recommendations will be reported to SD Panel as necessary'*.

<http://www.norwich.gov.uk/CommitteeMeetings/Sustainable%20development%20panel/Document%20Library/30/REPSDP5ReportJCSAMR20131218.pdf>

24. Local evidence has highlighted that this trend continues. In the prevailing market conditions, it is proposed that the approach in the interim statement on affordable housing provision is continued, updated to reflect current circumstance, and formalised in this SPD.

## Key points

### Criteria for accepting off-site provision

25. The SPD builds on the approach introduced in the 2011 Prioritisation framework and the 2011 Interim statement on affordable housing. In June 2013 the City Council adopted the Community Infrastructure Levy (CIL). CIL is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development in their area. It came into force through the Community Infrastructure Levy Regulations 2010.
26. The introduction of CIL effectively renders the Prioritisation Framework of 2011 null and void as many of the essential policy requirements now have contributions paid under the mandatory levy rather than through Section 106 agreements. However, this SPD highlights those planning obligations which remain under Section 106, namely the provision of affordable housing, on-site open/play space and on-site transport improvements.
27. The SPD outlines the circumstances where provision of affordable housing off-site will be accepted. These are broadly similar to those in the 2011 interim statement but have been updated. Off-site affordable housing will be accepted:

### Criterion 1:

On **any site** where after an open-book viability appraisal has been conducted and accepted by the Council after independent assessment where necessary (based on a Residual Method) it can be demonstrated that site is not sufficiently viable to enable the provision of a single affordable dwelling on site.



## Criterion 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 affordable units.

In these cases developers will be expected to provide written evidence that no RP is willing to take on the unit(s) and that their preferred scheme design has difficulty accommodating affordable housing on site and that they have considered alternative arrangements which would be more attractive to RPs. The housing development team will contact the relevant RPs on behalf of the developer if requested. A list of contact details for local RPs is listed in appendix 5 of this document;

## Criterion 3:

On **any site** with exceptional site specific factors which would not be attractive to RPs (evidence of which will be required), such as inappropriate floor areas or high service charges.

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.

28. The interim statement set out a schedule of the level of payments which would be accepted in lieu of provision of affordable housing on site. This schedule is carried forward here. At this time it has not been updated to reflect current cost figures and values due to limited resources. However, these figures will be updated by the end of the consultation period and any significant changes highlighted to members in the report to SD Panel following the conclusion of the consultation period.

## Section 106BA applications

29. The government has recently introduced a new clause within the Town and Country Planning Act 1990 to allow applicants to renegotiate affordable housing contributions as part of previously approved developments. The SPD outlines the Council's approach to assessing such applications.
30. Under such applications, the Council has 28 days to determine whether the proposals are acceptable. The process for considering these applications will be similar to that for considering the viability of new planning applications in that a viability appraisal and associated supporting information is required to be submitted and this in turn needs to be verified by an independent third party.
31. Any proposed changes to the amount of affordable housing approved as a result of previous committee resolutions, would need further committee authorisation. In such cases it is unlikely that such applications would be determined within the initial 28 day period specified by the legislation and so the SPD states that the Council would look to agree alternative timescales for consideration of the application with the applicant in a planning agreement.

### Review and viability

32. Until recently the Council has advocated the approach of using an overage clause in Section 106 agreements (informally referred to as a 'top-up' payment). Where a commuted sum is agreed, but where the developer cannot afford to pay the full sum, the overage clause would "kick in" if more than 21% profit was made over projected sales values in the viability assessment.
33. This requires a further viability assessment to be carried out, prior to completion of the development. Where an overage clause has been used in the past, no sites have yet got to a point where the second viability assessment is required. The only site where an overage clause has been used which is nearing the point of a second viability review is Westlegate Tower. It is unclear at this time how the process will work, how much officer time is involved, and, most importantly, whether the Council will secure any further funding for provision of affordable dwellings.
34. Guidance produced by the Royal Institute of Chartered Surveyors (RICS) suggests that rather than an 'overage' clause, a review of the viability assessment should be made where non-commencement occurs.
35. Such an approach would have significant benefits for housing delivery and positive resource implications:
- More incentive for developers to build out schemes and complete them within a specified time period, thereby boosting housing delivery, and;
  - Less officer time negotiating complicated overage clauses with developers.
36. The S106 agreement for any development would have a 'review' clause which would come into effect in the following circumstance:
- If there has been no commencement of the permission within 12 months of the date of the decision being issued, or;
  - If commencement has occurred within 12 months of the decision being issued but where there has been no occupation within 12 months of commencement.
37. Advice has been sought from the District Valuer on the issue of overage versus review. At the time of writing this report a response has not been received. Officers will update members verbally at the meeting if a response has been forthcoming.

### Viability assessment requirements

38. Finally, the SPD outlines the Council's minimum requirements for viability assessments. Since 2011 the Council has received varying qualities and quantities of data in viability assessments. As such, it was felt that it would be helpful for developers and agents if minimum submission requirements for viability assessments were outlined. This will aid the planning application process, ensuring that applications can be dealt with in a timelier manner.

### **Conclusions and next steps**

39. Officers consider that this SPD makes clear the Council's preference for provision for affordable housing to be made on site, but also outlines why, in prevailing market conditions a more flexible approach is required.
40. Subject to any changes requested by the panel, this draft of the *Affordable housing SPD* will be issued for public consultation for a four week period (in accordance with the requirements of the Statement of Community Involvement). Comments and suggestions for change will be assessed and incorporated, as appropriate into the final version of the document which will then be reported back to a future meeting of this panel before being reported to Cabinet for adoption (alongside the development management policies plan) in late 2014.



**Affordable Housing  
Supplementary Planning Document to Joint Core Strategy  
Policy 4 and Local Plan Policy DM33**

**(2014)**

**DRAFT FOR CONSULTATION**





## Executive Summary

This supplementary planning document (SPD) provides detailed guidance on how policy 4 of the Greater Norwich Joint Core Strategy (JCS) and policy DM33 of the local plan, both relating to delivery of affordable housing, should be interpreted and implemented in order to help promote mixed and sustainable communities.

The SPD reiterates the requirements for affordable housing on development sites of 5 or more dwellings as required by JCS policy 4, and makes clear the design requirements for affordable housing provision.

Development viability is a material consideration currently affecting the implementation of JCS policy 4. Local evidence shows low levels of delivery of affordable housing.

Where non-viability of sites can be demonstrated, the Council's approach to prioritisation of planning obligations is outlined.

Where non-viability of development is accepted but affordable housing is prioritised over other policy requirements, and/or where a reduced on-site provision is accepted, then JCS policy 4 and the design criteria outlined in this SPD should be applied.

Where affordable housing is not prioritised over other planning obligations, the Council's approach to provision of off-site affordable housing via a commuted sum is outlined.

Further, the Council's approach to reviewing development viability is also covered, recommending a review within 12 months of permission being granted if no commencement on site has occurred in order to incentivise development and promote housing delivery.

In response to the varying quality of viability assessments submitted to date, the SPD seeks to provide best practice guidance in relation to what should be contained in viability assessments in order to better inform developers of the Council's expectations and ease the process at planning application stage.

This SPD is for use by applicants, agents, developers and land owners applying for residential development and development management staff and members of Planning Applications Committee in assessing and determining applications. It incorporates advice from the Council's planning and housing services.

Consultation on this draft will take place in the autumn 2014. The adopted SPD will be a material consideration in determining planning applications and will supersede the 2011 Interim Statement on Affordable Housing and the corresponding Prioritisation Framework.

The SPD is flexible and will be updated annually to reflect changes in development viability and market conditions at that time and any relevant changes in Government policy.

# 1. Introduction

## National Planning Policy

1. National planning policy in the National Planning Policy Framework (NPPF) requires local authorities to *'deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive, and mixed communities'*. In order to achieve this local authorities should:

- *Plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);*
- *Identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand, and;*
- *Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example, to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.*

*(NPPF, paragraph 50)*

2. For the purposes of this SPD the same definition of 'Affordable housing' is used as that within the NPPF and as shown in Figure 1 on the following page.
3. The following paragraphs of the NPPF have been taken into account in preparing this document: paragraphs 56 (good design), 69 (mixed and healthy communities), 159 (the need for a Strategic Housing Market Assessment (SHMA)), and 173 and 179 (viability and deliverability).
4. In addition, relevant guidance in National Planning Practice Guidance (NPPG) published in March 2014, has also been taken into consideration, in particular the sections on planning obligations and design<sup>1</sup>.
5. Any references within this document to housing tenures, including affordable rent, social rent and intermediate housing, will be as defined in the glossary of this SPD (see Appendix 6).

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<sup>1</sup> <http://planningguidance.planningportal.gov.uk/>



***'Affordable Housing':***

*Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*

*Social rented housing is owned by local authorities and private registered providers (as defined in section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.*

*Affordable rented housing is let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including charges, where applicable).*

*Intermediate housing is homes for sale and rent provided at costs above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.*

*Homes that do not meet the above definition of affordable housing, such as "low cost market" housing, may not be considered as affordable housing for planning purposes.*

*NPPF Annex 2: Glossary*

*Figure 1: Affordable Housing definition from the National Planning Policy Framework (NPPF)*

## 2. Local policy context

6. The local plan for Norwich consists of the Joint Core Strategy (JCS), the emerging Site allocations and site specifics policies plan (the Site allocations plan), the emerging Development management policies plan (the DM policies plan), the emerging policies map, and the Northern city centre area action plan (NCCAAP). At time of writing this draft the Site allocations plan, DM policies plan and corresponding policies map have all been subject to examination in public by the Secretary of State and are nearing adoption.
7. Policy 4 of the Joint Core Strategy (JCS) seeks to achieve the following proportion of affordable housing on sites of 5 or more dwellings<sup>2</sup>;
  - On sites of 5-9 dwellings (or 0.2-0.4ha), 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 0.4-0.6ha), 30% with tenure to be agreed on a site by site basis (numbers rounded upwards from 0.5), and;
  - On sites of 16 dwellings or more (or over 0.6ha) 33% with approximate 85% social rented and 15% intermediate tenures (numbers rounded upwards from 0.5).
8. The policy also states that the proportion of affordable housing may be reduced, and the balance of tenures amended, where it can be demonstrated that the site is unviable in prevailing market conditions.
9. It should be noted by those using this document that affordable housing requirements apply to the **net increase of dwellings only** (where planning permission is required). For example, if an application is submitted to demolish 10 open market dwellings and replace them with 20 dwellings then the net increase is 10 dwellings. The policy should only be applied to the 10 new dwellings.
10. The requirement for affordable housing provision applies to **all C3 dwellings, C4 dwellings and sui generis dwellings (e.g. HMOs)** irrespective of tenure or ownership model.
11. All relevant development proposals should have regard to the principles set out in this SPD.
12. The appropriate mix of tenures is as set out in JCS policy 4. For sites of 5-9 dwellings and 10-15 dwellings, tenure is to be agreed on a site by site basis. On sites of 16 or more dwellings a split of 85% social rented and 15% intermediate tenures is advocated. However, in accordance with JCS policy 4, this can be negotiated in exceptional circumstances and/or where certain tenures are not appropriate in specific areas of the city.

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<sup>2</sup> See Appendix 1 for a full version of JCS policy 4.

13. It is current practice to accept affordable rent dwellings because Registered Providers (RPs) are currently not taking on dwellings provided under social rent tenure. It is considered preferable to accept affordable rent dwellings on-site, rather than a commuted sum as this helps build sustainable mixed communities.
14. Provision of affordable housing on-site is the city council's preferred approach, and is also the preference set out in government guidance. This promotes social inclusion and the design of individual sites should take account of this objective.
15. The policies of the DM policies plan relating to amenity (DM2), design (DM3), and principles for residential development (DM12) should be adhered to when applying for planning permission for any development of residential dwellings. These standards should be applied to *all* forms of housing development, including affordable units.
16. It is critical that the design process recognises at an early stage the need to accommodate a mix of affordable tenures, and has the ability to incorporate affordable housing which meets the needs of, and is attractive to, Registered Providers (RPs). Applicants should undertake early discussions with RPs, considering alternative designs where necessary, to try to accommodate on site affordable housing in the first instance.
17. Both purpose built student accommodation (C1 halls of residence) and care homes (C2 residential institutions) make a valuable contribution to meeting housing need, which in turn releases accommodation in open market housing stock. Any consent granted for such a use is likely to be subject to a condition restricting and making clear the approved use.
18. Neither student accommodation nor residential institutions have permitted development rights to transfer to C3, C4 or sui generis dwellings. Therefore, any proposal to convert such accommodation would require a new planning consent. These forms of development are not subject to the same requirements for affordable housing provision as market housing.
19. Full planning applications should confirm the amount of development proposed, including the amount of affordable housing to be provided, the dwelling mix in terms of tenure and unit size and the location of the affordable homes. If, subject to the criteria outlined in this SPD, the affordable dwellings are not to be provided on site, applicants should use the tables in Appendix 3 of this document to calculate the amount of commuted sum required to be paid in lieu of on-site provision.
20. Outline planning applications should as a minimum secure the full affordable housing provision in accordance with JCS policy 4. The overall numbers to be provided with, if possible, an indicative tenure mix, dwelling sizes, types and proposed location should be outlined. Any subsequent Reserved Matters applications can review the affordable housing provision and tenure mix.

Submissions should comply with the requirements for a full planning application (listed above).

21. Paragraph 12 of this document outlines the threshold for an affordable housing requirement and the corresponding required percentage of affordable housing to be provided on site. In order to achieve the mixed and balanced communities advocated in JCS policy 4, as a minimum, the following design criteria should be met:
- There should be no distinction between affordable units and market units, (i.e. development should be 'tenure-blind');
  - The same levels of car parking provision should be made for the affordable units as for market units (i.e. if 80% of the market housing has a parking space, then 80% of the affordable units should have a parking space), and;
  - If reasonable and practical to do so, affordable units should be distributed evenly throughout the development to promote social inclusion and mixed communities. Where a flatted development is proposed, the affordable housing units should meet the requirements of the RP taking on the units upon completion of the development.
22. Where a site is in a single ownership, artificial sub-division to avoid provision of affordable housing will not be permitted. The intention behind this statement is to distinguish between those schemes which are prepared with the intention of circumventing JCS policy 4, and those schemes which have been drawn up addressing legitimate planning considerations, and therefore may not be able to provide affordable housing in accordance with the core strategy policy.

### 3. Local evidence on affordable housing delivery

23. It is recognised that affordable housing provision secured through JCS policy 4 is dependent on the overall viability of development and that this is, in itself, dependent upon a wide range of site specific circumstances.
24. Wider economic conditions over past years have impacted on levels of housing delivery on all sites, and the viability of sites has been significantly affected by the levels of affordable housing required under the JCS policy 4 and other planning obligations.
25. Table 1 below shows numbers of housing completions since the start of the plan period (2008), the average annual requirement and the actual annual requirement taking into account the actual rate of housing delivery in previous years.

	2008/09	2009/10	2010/11	2011/12	2012/13
<b>Completions</b>	<b>527</b>	<b>399</b>	<b>377</b>	<b>280</b>	<b>377</b>
JCS allocation annualised over 18 years (2008-2026)	477	477	477	477	477
Managed delivery target – annual requirement taking account of past/projected completions	477	474	479	486	531

*Table 1: Extract from the JCS AMR 2012/13*

26. As a result of low levels of house building due to poor site viability, levels of affordable housing provision from private development have also been affected (see table 2 below).

	2008/09	2009/10	2010/11	2011/12	2012/13
<b>AH Completions</b>	<b>235</b>	<b>92</b>	<b>112</b>	<b>171</b>	<b>145</b>

*Table 2: Affordable Housing completions 2008-2013*

27. The particularly successful years of delivery in 2011/12 and 2012/13 can be largely attributed to the work of the City Council in partnership with the Homes and Communities Agency (HCA) to deliver affordable homes on Council owned sites (shown as RP sites in table 3 below). From this partnership, between December 2011 and March 2013 108 dwellings were delivered on small sites of 10 dwellings or fewer, all counting towards provision of affordable housing.

28. The JCS AMR has raised concern in previous years with poor affordable housing delivery, and the impact of the requirements on JCS policy 4 on development viability.
29. Table 3 below sets out the number of sites which have provided on-site affordable housing provision and those where a commuted sum has been accepted in lieu of on-site provision.

	5-9 dwellings	10-15 dwellings	16 plus dwellings
<b>Total sites where JCS policy 4 applicable</b>	24	13	17
<b>Of which private</b>	13	8	16
<b>Of which RP</b>	11	5	1
<b>Private Schemes</b>			
Delivering on-site provision	3 (23%)	2 (25%)	11 (69%)
Delivering a commuted sum and/or overage for off-site provision	10 (77%)	6 (75%)	5 (31%)
<b>RP Schemes</b>			
Delivering on-site provision	11 (100%)	5 (100%)	1 (100%)
Delivering a commuted sum and/or overage for off-site provision	0 (0%)	0 (0%)	0 (0%)

*Table 3: Number of sites where on-site affordable housing provision has been made, and where a commuted sum has been accepted since base date of JCS 01.04.2008 to 31.03.2014.*

30. The City Council is continuing to identify sites where affordable homes can be delivered. However, it is clear from low levels of schemes, particularly small and medium sites up to 15 dwellings, providing on-site affordable dwellings since adoption of the JCS that the private market is struggling to meet the on-site policy requirements of JCS policy 4.
31. The current approach of the Council of accepting a commuted sum for off-site provision delivers a valuable funding stream to provide affordable dwellings off site.
32. This SPD proposes to continue this approach, to ensure that potential funding sources are not lost and to ensure affordable housing is provided. The Council considers that this approach takes account of the need for flexibility advocated by

Government in prevailing market conditions which are a material consideration when determining planning applications.

### **Future changes in national legislation**

33. The Government recently consulted on a proposed change to the threshold for affordable housing contributions so that only developments of 10 or more dwellings, or a 1,000 square metre gross floorspace, would be liable for affordable housing contributions through S106 agreements. The Government considers that this will aid the delivery of housing small-scale sites.
34. Further details of the consultation can be found here:  
<https://www.gov.uk/government/consultations/planning-performance-and-planning-contributions>
35. The consultation closed in May 2014 and the results have not yet been published but the Government intention appears to have significant implications for the implementation of policy 4 of the JCS. If the Government announce a change in legislation to increase the threshold for affordable housing contributions then bullet point 1 of JCS policy 4 could not be applied.

## 4. Establishing development viability

36. Planning Law requires that applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise<sup>3</sup>. The issue of viability is a material consideration.
37. It is recognised that seeking provision of affordable housing on site is an important and longstanding aspect of government planning policy which enables mixed communities and social cohesion. However, the requirements of JCS policy 4 are still putting increased pressure on development viability in the current economic market and with the Government drive to deliver homes the planning system must be flexible to ensure that developments can go ahead.
38. The fundamental issue in considering development viability is whether an otherwise viable development is made unviable by the extent of planning obligations or other policy requirements. Figure 2 below illustrates this point.

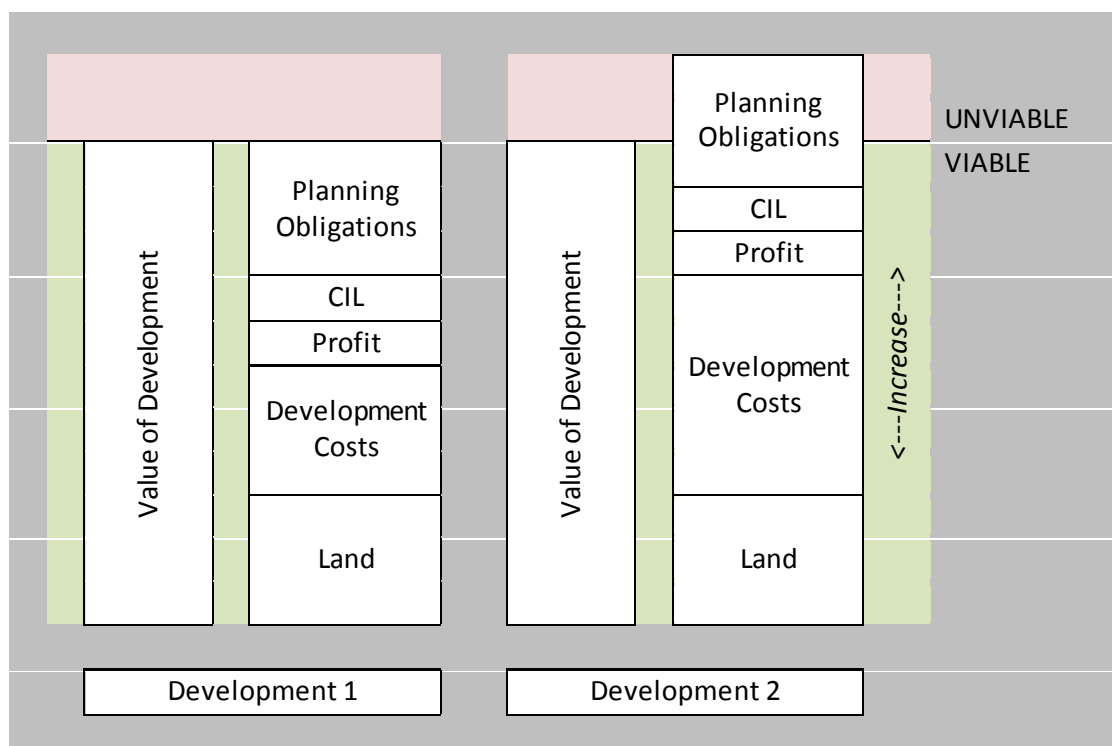


Figure 2: Adapted from RICS 'Financial Viability In Planning' (2012)

39. In "development 1" the value of the development can be met whilst meeting all planning obligations and costs and maintaining a reasonable return for the land owner.

<sup>3</sup> Section 38(6) of the Planning and Compulsory purchase Act 1990 and Section 70(2) of the Town and Country Planning Act 1990.



40. In “development 2” the costs have increased and as a result the development becomes unviable. In such a case a viability assessment would be required to be provided by the developer.
41. The Council’s requirements for viability assessments are set out in section 10 and appendix 4 of this document. Upon receipt of an assessment, the Council will seek independent verification (where necessary) of the developer’s viability assessment to determine the accuracy of the projected development cost, land values and the level of return, and to ascertain those planning obligations that could be negotiated, and to what level, to render the site viable whilst still retaining a reasonable return for the land owner. The Council will do this taking into consideration the planning obligation prioritisation framework outlined in the following section of this document.

## 5. Planning Obligations - Prioritisation Framework

42. In 2009 a Prioritisation Framework was agreed by Executive with an update agreed in March 2011. This Framework sought to provide guidance for Development management officers and members of planning applications committee on how to prioritise requirements for developer contributions covered by Section 106 agreements, planning conditions and planning obligations. This list included essential policy requirements such as transport contributions, education and library contributions, play and open space provision/contributions and affordable housing, amongst others.
43. In June 2013 the City Council adopted the Community Infrastructure Levy (CIL). CIL is a planning charge, introduced by the Planning Act 2008, as a tool for local authorities in England and Wales to help deliver infrastructure to support the development in their area. It came into force through the Community Infrastructure Levy Regulations 2010.
44. The introduction of CIL effectively renders the Prioritisation Framework of 2011 null and void as many of the essential policy requirements now have contributions paid under the mandatory levy rather than through Section 106 agreements.
45. However, planning obligations are still relevant in certain circumstances and are required in order to secure acceptable development. Policy DM33 of the local plan outlines when such obligations will be required. The remaining obligations include (positioning in the list below is not an indication of priority)<sup>4</sup>:
- the delivery of affordable housing;
  - the delivery of on-site open space and playspace required directly to serve the development, and;
  - pedestrian and highway safety improvements necessary to secure satisfactory access to the development via a range of modes of transport.
46. In the event that a developer can demonstrate that a development is not viable with the full range of planning obligations being met, the Council will undertake an assessment of the priority of those obligations required from the development.
47. Prioritisation of planning obligations will be made on a case by case basis, taking into consideration site specific circumstances and other material considerations.
48. It is important to recognise that provision of affordable housing on site may be prioritised over other obligations and that the following sections of this SPD may not always apply. Where affordable housing provision on site is considered to be a priority over other obligations, JCS policy 4 and paragraphs 14-17 of this SPD should be applied and dwelling numbers and tenures negotiated as appropriate.

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<sup>4</sup> Policy DM33 is appended in full at Appendix 2.

49. Where affordable housing provision on-site is considered to be of a lesser priority to other site specific planning obligations, or where development remains unviable even when all planning obligations are removed, then the following sections of this SDP will apply.

## 6. Reduced on-site affordable housing provision

50. It is recognised that affordable housing provision through JCS policy 4 is dependent on the overall viability of development. In turn, this is dependent upon a wide range of site specific circumstances.
51. JCS policy 4 states, in addition to setting the levels of affordable housing provision, that *'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'*.
52. Provision of affordable housing on site is the Council's preferred approach. However, taking a flexible approach, if non-viability of development with a policy compliant level of affordable housing can be demonstrated, then reduced provision on-site will be considered in the first instance.
53. In such cases, the design considerations outlined in paragraphs 14-17 of this SPD should be applied and dwelling numbers and tenures negotiated as appropriate.
54. In addition, paragraphs 79-83 of this SPD regarding review of viability where non-commencement of development occurs, will also apply.

## 7. Off-site affordable housing provision via a commuted sum

55. In December 2011 an Interim Statement on off-site affordable housing provision was adopted by Cabinet following adoption of the JCS. The interim statement saw a significant change in policy in respect of housing provision and particularly affordable housing in JCS policy 4. At that time, the scale of the challenge involved in meeting the requirements of JCS policy 4 was significant with housing completions down significantly on the annual requirement.
56. The purpose of the Interim Statement was to identify the issues relating to implementation of JSC policy 4 and introduced a payment contribution in lieu of provision of affordable housing on site in certain circumstances.
57. The criteria outlined in the interim statement for accepting contributions in lieu of on-site provision of affordable housing provision have been successfully applied to several development schemes across the city, ultimately helping to deliver much needed homes. It is therefore proposed that this approach is continued at present, but also updated to reflect current circumstance, and formalised in this SPD.
58. This SPD supersedes in full the Planning Obligations Prioritisation Framework of March 2011 (discussed in section 5 of this SPD) and the Interim Statement of December 2011.

### Where are we now

59. The NPPF and CIL regulations set out the tests against which planning obligations should be considered:
- **Necessary** to make the development acceptable;
  - Directly **related** to the development, and;
  - Fairly and reasonably **related in scale and kind** to the development.
60. The following sections of this SPD outline the circumstances in which provision for affordable housing to be made off-site via a commuted sum may be considered acceptable whilst not undermining the NPPF objective to create mixed and balanced communities, and whilst still providing a contribution towards provision of affordable homes.
61. 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. This may lead to single units being required, or flatted forms of development with high service charges or small floor areas, both of which may be unattractive to RPs.
62. It is also recognised that the viability of providing affordable housing on site for some developments may be difficult in the current housing market and that the RP capacity to take on affordable dwellings on private developments is limited at

present. However, as stated at paragraph 16 of this SPD, developers should undertake early discussions with RPs, considering alternative designs where necessary, to try to accommodate on-site affordable housing in the first instance.

63. In accordance with government policy to secure balanced communities, the provision of affordable housing on-site in accordance with JCS policy 4 is favoured and will remain the starting point in all cases. However, in recognition of local evidence, and in the light of government statements about the need for flexibility in the planning system and recognition of the need to stimulate the development economy to increase the rate of provision of homes and jobs, it is considered that, in the following circumstances, provision of off-site affordable housing via a commuted sum will be acceptable:

**Criterion 1:**

On **any site** where after an open-book viability appraisal has been conducted and accepted by the Council after independent assessment where necessary (based on a Residual Method) it can be demonstrated that site is not sufficiently viable to enable the provision of a single affordable dwelling on site.

**Criterion 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 affordable units.

In these cases developers will be expected to provide written evidence that no RP is willing to take on the unit(s) and that their preferred scheme design has difficulty accommodating affordable housing on site and that they have considered alternative arrangements which would be more attractive to RPs. The housing development team will contact the relevant RPs on behalf of the developer if requested. A list of contact details for local RPs is listed in appendix 5 of this document;

**Criterion 3:**

On **any site** with exceptional site specific factors which would not be attractive to RPs (evidence of which will be required), such as inappropriate floor areas or high service charges.

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.

64. Where it is accepted that a development meets any of the 3 criterion outlined above then a commuted sum for provision of off-site affordable housing will be accepted.
65. A schedule of the level of payments that will be used in calculating such a commuted sum in lieu of provision of on-site affordable housing is set out in Appendix 3. 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 10 one bedroom flats and not able to provide three affordable units on site will be expected to make a contribution sufficient to provide for three one bedroom flats as part of another development elsewhere in the City. Appendix 3 will be updated upon publication of the new SHMA and thereafter reviewed annually to ensure it is kept up to date with changing costs. Any changes will be published on the website.

66. 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. Where the Council considers it necessary, viability assessments will be subject to independent assessment. The Council will expect the developer to pay for such independent assessment and the costs of this can be added to the appraisal. The Council will seek a fee quote for such an assessment and expect the developer to provide the Council with the funds to meet this inclusive of VAT before the independent assessment commissioned.

#### **How will commuted sums be spent?**

67. Commuted sums collected by the Council in lieu of on-site provision of affordable housing will be spent on delivery of affordable housing schemes across the city.
68. A clause in the Section106 agreement will impose a time limit of 10 years on the Council within which they must spend the commuted sum received from the development. Such a time limit will start from the date of receipt of the commuted sum.
69. The commuted sum must be spent on the provision of affordable housing within 1km of the site from which the sum was received in order to ensure balanced and mixed communities are created as a result of the development, albeit, not on site. However, in the instance that such provision within 1km is not practical, feasible or viable itself, the commuted sum will be able to be spent on provision of affordable housing city wide.

## **8. Section 106BA applications**

70. The government has recently introduced a new clause within the Town and Country Planning Act 1990 to allow applicants to renegotiate affordable housing contributions as part of previously approved developments. This new clause ceases on the 30<sup>th</sup> April 2016.
71. This applies to sites where a policy compliant provision of affordable housing is agreed, and also sites where a reduced on-site provision of affordable housing has been agreed.
72. The process for considering these applications will be similar to that for considering the viability of new planning applications. A viability appraisal and associated supporting information is required to be submitted by the applicant and this will usually be required to be considered by an independent party, appointed by the Council.
73. Any proposed changes to the amount of affordable housing approved as a result of previous committee resolutions, would need further committee authorisation. In such cases it is unlikely that such applications would be determined within the initial 28 day period specified by the legislation. The Council will look to agree alternative timescales for consideration of such applications with the applicant.
74. The Council will expect any changes to affordable housing provision to be formally agreed via a deed of variation to the original agreement. The Council would look to include the measures set out within the government guidance (Department for Communities and Local Government (DCLG): 'Section 106 affordable housing requirements: Review and appeal' (or any such subsequent document)) to encourage schemes to be implemented rapidly. This will include a clause within the deed of variation which stipulates that the modifications to the original Section106 agreement are for a three year period only. The original Section 106 requirements will apply to any completions following the temporary three year period. This will incentivise developments to be completed within 3 years of the date of the Section 106BA application.



## 9. Review of development viability

75. It is important to recognise that a viability assessment represents a snapshot of development viability at a particular moment in time, and is based upon the best available up to date information at that point. As a result, the assumptions within the viability assessment could change.
76. Where reduced on-site provision or off-site provision is accepted by means of a commuted sum it will be necessary to revisit the viability assessment for the development scheme if the scheme has not been commenced. This will ensure that the values associated with the development are still valid should the development be implemented some time after the viability appraisal was originally undertaken.
77. Any Section106 agreement relating to a development where reduced on-site provision or a commuted sum has been accepted as necessary due to development viability considerations will include an Affordable Housing Viability Review clause. Such a clause will come into effect upon either of the following criteria being met:
- If there has been no commencement of the permission within 12 months of the date of the decision being issued, or;
  - If commencement has occurred within 12 months of the decision being issued but where there has been no occupation within a further 12 month period from commencement, unless the scheme is of such a size and complexity that occupation is unlikely to take place within 12 months of commencement.
78. The review will reassess the total commuted sum to be paid in lieu of on-site affordable housing provision and a Deed of Variation to the original S106 agreement will be required.

## 10. Viability Assessment Requirements

79. As a result of varying quality and content in viability assessments submitted to the Council in the past, this section of the SPD offers guidance on the information the Council expects to be submitted in a viability assessment if the case for non-viability is being pursued.
80. This information is expected **as a minimum** if a development is proposed which does not provide the amount or type of affordable housing and/or commuted sum required by JCS policy 4.
81. The following bullet points outline some general points to consider when submitting a viability assessment with any application.
- The applicant should provide a brief covering report providing an overview of why the viability case is being made. This should detail the viability case being made - what the issue is – it should be clear on the request / offer that is being made (i.e. the extent of departure from Policy compliance considered necessary) and the reasons why in the applicant's view this should be considered;
  - The report should be accompanied by the supporting information / evidence associated with the viability assessment and appraisal(s) / sensitivity tests, for example, a detailed costs plan (prepared by a Quantity Surveyor), appropriate evidence to support the existing land use valuation, and evidence of comparable sales in the area to support the projected sales value for the proposed units.
  - A development appraisal toolkit which incorporates a cash flow analysis should be used, such as the Homes and Communities Agency (HCA) Development Appraisal Tool (DAT). The toolkit to be used should be agreed prior to submission;
  - The appraisals content and summaries should be supplied in PDFs. In addition, a "live" (functional) appraisal version(s) should also be submitted in order to aid the review process and enable the independent assessor to examine the data across a range of scenarios;
  - Appraisal(s) should be consistent with, and clearly linked to the written submission / covering report;
  - Appraisals should show the optimum planning obligations position that can be reached in the opinion of the applicant based on their viability assessment;
  - Applicants should provide a policy compliant viability assessment to illustrate the viability issues as a baseline;
  - If sensitivity analysis has been carried out, an explanation of sensitivity assumptions should be provided.
82. Appendix 4 offers a detailed guide to what should be included in any viability assessment submissions.
83. If applicants are submitting viability assessment information which is commercially sensitive and confidential then a redacted version of the assessment which can be made available to members of the public should also be submitted. Applicants

should clearly detail why they believe the information to be confidential and should be aware that the council cannot guarantee the confidentiality of information submitted. Information held by the council is subject to the Freedom of Information Act. The Act has exemptions for trade secrets and the disclosure of information which would be likely to prejudice the commercial interests of any person. Further guidance is provided on the Information Commissioner's website.

## Appendix 1: Joint Core Strategy Policy 4: Housing Delivery

### Policy 4: Housing delivery

Allocations will be made to ensure at least 36,820 new homes can be delivered between 2008 and 2026, of which approximately 33,000 will be within the Norwich Policy Area (NPA – defined in Appendix 4), distributed in accordance with the Policies for places.



#### Housing mix

Proposals for housing will be required to contribute to the mix of housing required to provide balanced communities and meet the needs of the area, as set out in the most up to date study of housing need and/or Housing Market Assessment.

#### 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.

At appropriate settlements, sites that would not normally be released for housing will be considered for schemes that specifically meet an identified local need for affordable homes. Such schemes must ensure that the properties are made available in perpetuity for this purpose.

#### Housing with care

Mixed tenure housing with care will be required as part of overall provision in highly accessible locations. In particular provision will be required in Norwich, and the major growth locations of Old Catton, Sprowston, Rackheath and Thorpe St Andrew growth triangle, Cringleford, Hethersett, Wymondham and Long Stratton, and at Aylsham, Acle and Wroxham.

## Gypsies and Travellers

Provision will be made for a minimum of 58 permanent residential pitches for Gypsies and Travellers between 2006 and 2011 to ensure full conformity with Regional Spatial Strategy Policy H3. These will be provided on the following basis: Broadland 15, Norwich 15, and South Norfolk 28.

Between 2012 and 2026, an additional minimum 78 permanent residential pitches will be provided to ensure full conformity with Regional Spatial Strategy Policy H3. These will be distributed on the following basis: Broadland 20, Norwich 20, and South Norfolk 38.

These will be provided on a number of sites. Generally sites will not have more than 10 to 12 pitches, but may be varied to suit the circumstances of a particular site. The sites will be provided in locations which have good access to services and in locations where local research demonstrates they would meet the needs of the Gypsy and Traveller communities. Some of the allowance to be provided after 2011 is

expected to be provided in association with large-scale strategic housing growth.

In addition, 17 transit pitches will be provided, with the expectation that these will be provided by 2011. These will generally be in locations providing good access to the main routes used by Gypsies and Travellers, such as the A11, A47, A140 and A 143/A1066. Again, sites would not normally be expected to accommodate more than 10 to 12 pitches.

Research also shows the need for additional plots for Travelling Show People. The expectation is that 15 additional plots will be provided by 2011 and a further 12 between 2012 and 2026. These will be located on sites within the Norwich urban area, or if sites within the urban area cannot be identified, with easy access to it.

The Government has signalled its intention to revoke the Regional Spatial Strategy. When this is enacted new targets for permanent residential and transit pitches for the period after 2011 will be set, based on local evidence.

**Contributes to spatial planning objective 2**

## Appendix 2: Policy DM33 of the Development Management Policies Plan

### Policy DM33 - Planning Obligations

#### General principles

Delivery of essential infrastructure on or adjoining a site which:

- a) is only necessary as a direct consequence of the development proposed; and
- b) cannot be secured via condition; and
- c) is not identified as infrastructure to be delivered through the Community Infrastructure Levy (infrastructure identified on the “Regulation 123 list”) will be secured by a site specific planning obligation.

Planning obligations will be required to secure infrastructure which is necessary to ensure:

- a) the delivery of sustainable development (through compliance with the policies of this plan, other development plan documents and relevant neighbourhood plans);
- b) the delivery of affordable housing;
- c) the delivery of on-site open space and playspace required directly to serve the development
- d) pedestrian and highway safety improvements necessary to secure satisfactory access to the development via a range of modes of transport.

#### Viability considerations

In cases where it is demonstrated by independent viability assessment that:

- a) the impact of CIL contributions, planning obligations and abnormal development costs either individually or in combination would result in a proposed development becoming economically unviable; and
- b) a viable scheme cannot be achieved by amendments to the proposals which are consistent with the other policies within this plan,

specific policy requirements which would clearly and demonstrably compromise scheme viability may be negotiated, and planning obligation requirements covering specific matters may be reduced, by agreement. Negotiation on planning obligation requirements should be in accordance with the Council’s approved Planning Obligations Prioritisation Framework (or successor document) or consideration may be given to specific infrastructure which would normally be delivered through a planning obligation being added to the “Regulation 123 list” and delivered instead via CIL.

**Appendix 3: Methodology for calculating payments for off-site affordable housing provision in circumstances where provision off-site is considered acceptable. [FIGURES WILL BE UPDATED FOLLOWING CONSULTATION]**

<b>SOCIAL RENT</b>								
<b>Property Type</b>	<b>Land costs (£) (a)</b>	<b>Build costs (£) (b)</b>	<b>On Costs (£)</b>	<b>Total scheme costs (£)</b>	<b>RP/LA borrowing (£) (c)</b>	<b>Cost (£) (d)</b>	<b>Typical floorspace* (sqm) (e)</b>	<b>Cost per sqm (£) (d/e) (f)</b>
Studio	15,000	24,000	2,925	41,925	-7,824.58	34,100.42	20	1,705.02
1B 2P	15,000	61,200	5,715	81,915	-12,897.49	69,017.51	51	1,353.28
2B 3P	15,000	79,200	7,065	101,265	-19,015.72	82,249.28	66	1,246.20
2B 4P	15,000	92,400	8,055	115,455	-22,167.07	93,287.93	77	1,211.53
3B 5P	15,000	111,600	9,495	136,095	-28,300.68	107,794.32	93	1,159.08
4B 6P	15,000	127,200	10,665	152,865	-34,403.55	118,461.45	106	1,117.56
Average	15,000	82,600	7,320	104,920	-20,769.87	84,150.13	68.83	1,222.52

SHARED OWNERSHIP – 25% equity sold									
Property Type	Land costs (£) (a)	Build costs (£) (b)	On costs (£)	Total scheme costs (£)	Value to RP (£) (c)	Value to tenant (£) (d)	Cost (£) (e)	Typical floorspace* (sqm) (f)	Cost per sqm (£) (d/e) (g)
Studio	15,000	24,000	2,925	41,925	-11,775.30	-16,250	13,899.70	20	694.99
1B 2P	15,000	61,200	5,715	81,915	-22,751.23	-25,000	34,163.77	51	669.88
2B 3P	15,000	79,200	7,065	101,265	-29,038.56	-30,000	42,226.44	66	639.79
2B 4P	15,000	92,400	8,055	115,455	-33,742.53	-33,750	47,962.47	77	622.89
3B 5P	15,000	111,600	9,495	136,095	-41,582.48	-40,000	54,512.52	93	586.16
4B 6P	15,000	127,200	10,665	152,865	-47,869.81	-45,000	59,995.19	106	565.99
Average	15,000	82,600	7,320	104,920	-31,129.21	-31,667	42,124.12	68.83	611.97

\*Net internal

Average cost of provision of affordable floorspace is therefore calculated to be  $0.85 \times £1222.52$  plus  $0.15 \times £611.97 = £1130.94$  per sqm.

Total contribution due therefore equals net internal floorspace of open market housing proposed x 0.2 (if 5-9 dwellings), or 0.30 (if 10-15 dwellings), or 0.33 (if 16 plus dwellings) x £1130.94. Plus flat fee of £1000 to cover legal charges associated with the land transfer.

Figures correct at October 2011. Figures will be updated following consultation and will be updated annually thereafter.



## Appendix 4: Viability Assessment Requirements

**Scheme Details and Context – the report/appraisal(s) should include / provide the following:**

- **An Ordnance Survey based site plan and overview layout plan**
  - To include indication of the location and extent of any adjoining highways works or similar.
- **Scheme description/details to include**
  - Site areas (ha) - gross and net (developable)
    - land areas for any other non-residential / ancillary / other uses
  - Confirmation of resulting development density
  - Total residential unit numbers; both market and affordable (with percentage of affordable housing)
  - Residential unit schedules (market and affordable housing) with:
    - type of units
    - number of bedrooms
    - floor areas of each unit (usually GIA)
    - any non-saleable floor areas / net : gross ratio
  - Any commercial / other / mixed use development details – equivalent information (to include gross and net internal floor areas).
- **Details of timings and any phasing**
  - Include numbers and types of units in each phase
  - Assumed project / phase start and end dates
  - Construction start and period
  - Sales period, rate of sale and any post construction sales period
  - Cash flow
  - Affordable housing timing
    - construction period
    - payments / handover / receipts.

**Site Value – the report/appraisal(s) should include / provide the following:**

- **Details of current use(s)** of the site and planning context / status (with any relevant supporting information)
- **Value of site / premises** at the assessment (current) date – include supporting evidence
  - Full explanation with valuation and other supporting details where relevant including existing rental values being achieved
  - Details of any special assumptions and planning risk adjustment being made with respect to alternative use value assessment as a basis for site value

- Clear approach on whether site value being used as an appraisal input or as a benchmark against which a RLV is being compared (i.e. is the viability benchmark based on land value or profit)
- Land purchase and timing details may be relevant – including background, basis / planning assumption, any conditions, etc. The value of the site should normally be based on the Existing Use Value with a premium to allow for a reasonable profit for the landowner. Only in exceptional circumstances will an Alternative Use Value be acceptable (such as an extant permission/ site allocation for alternative use). Evidence of how the Existing Use Value has been calculated will need to be provided.
- **Land purchase related costs / fees**
  - Stamp duty, legal and any agent's fees plus supporting information if necessary.

**Gross Development Value (GDV) – the report/appraisal(s) should include / provide the following:**

- **Assumed sales values**
  - Provide sales values both as £ per unit and £/m<sup>2</sup>
  - Ground rents
  - Total revenue summarised
  - Provide supporting evidence including analysis of any comparable cases/ research / agents advice / other justification.
  - Service charges or any other deductions / incentives that may impact on value
- **Affordable housing revenue assumptions**
  - Provide revenue assumptions both as £ per unit and £/m<sup>2</sup> (where based on offer(s) from Registered Providers please indicate offer and provide supporting evidence)
  - Indicate tenure assumptions - by unit type and overall mix (e.g. affordable rent / shared ownership or similar ratio)
  - Affordable and/or social rent assumptions
    - Rent assumptions
    - Percentage of market rent assumed
    - Other financial criteria used to calculate affordable housing revenue where applicable
  - Assumptions for shared ownership revenue
    - Percentage initial equity share and percentage rent on retained equity;
  - Equivalent information / explanation on any other affordable housing models / variation.
  - Details of any offers from RPs for the affordable units
- **Commercial / Non-Residential Values (where applicable):**
  - Rental values
  - Yields
  - Void rates
  - Rent free periods
  - Tenant incentives

- Any other area that impacts on value (e.g. purchaser's costs).
- Evidence of any pre-development agreement with future occupiers (e.g. retailer)

The above is to be provided with supporting evidence.

**Development Costs – the report /appraisal(s) should include / provide the following:**

- **Build Costs**
  - Basis and source of build cost assumptions / estimates – e.g. all-in / unit costs plus external / site works; contingency percentage and any other costs additions.
  - £/m<sup>2</sup> rates for each element (if separated) and totals provided.
  - A cost plan drawn up by a registered Quantity Surveyor
- **Other**
  - E.g. abnormals (provide supporting evidence including qualified assessments and details of the mitigation/solutions needed to overcome issues with supporting details of costs)
  - Site or other works
  - Infrastructure or services related costs etc. not otherwise allowed-for.
- **Build cost related fees**
  - Details and basis / percentage (of build costs). E.g. professional fees (architect, planning, surveyors etc.).
- **Survey / investigation or similar costs**
  - Provide details and supporting evidence.
- **Sustainability standards**
  - Provide details and supporting evidence for costs relating to:
  - Sustainable design and construction costs (Code for Sustainable Homes / renewable energy or equivalent for both market and affordable (*NB – These will not be accepted as 'abnormal costs' where meeting normal policy requirements. Where policy requirements are being exceeded, a balanced judgement will be made on a case by case basis, as to whether these costs should be classed as 'abnormal'*)).
  - Any additional measures and costs.
- **S.106 obligations and contributions**
  - Provide details and costs including explanation and any Council / formulaic calculations
  - Anticipated CIL liability and any relevant assumptions where applicable.
- **Finance costs**
  - Finance rates assumed (negative and positive cash flow balance)
  - Related fees
  - The appraisal cash flow should be provided.

- **Development Profit**
  - Clear statement on target return / assumed fixed appraisal input and basis (percentage of value / percentage of cost or other) including:
    - Profit assumptions on private / affordable housing and commercial / other non-residential elements of the scheme where applicable.
- **Sale & marketing costs**
  - Usually expressed as a percentage of value with details of any separate elements provided.
- **Legal fees on sale**
  - Provide details and supporting evidence where applicable. Generally expressed as a rate per unit or percentage of value.

**Please note: Documents and accompanying evidence should be provided by the applicant / their agent(s) as a package with an explanatory note of the components / appendices in electronic format where possible.**

## Appendix 5: List of Registered Providers

Company / Name	Telephone	E-mail	Additional details
<b>Norwich City Council</b>			
Andrew Turnbull	01603 212778	<a href="mailto:andrewturnbull@norwich.gov.uk">andrewturnbull@norwich.gov.uk</a>	
Debbie Gould	01603 212851	<a href="mailto:debbiegould@norwich.gov.uk">debbiegould@norwich.gov.uk</a>	
<b>Broadland Housing Association</b>			
Andrew Savage	01603 750211	<a href="mailto:Andrew.savage@broadlandhousing.org">Andrew.savage@broadlandhousing.org</a>	
Ed Mumford-Smith	01603 750241	<a href="mailto:Ed.mumford-smith@broadlandhousing.org">Ed.mumford-smith@broadlandhousing.org</a>	
Mark Walker	01603 750247	<a href="mailto:Mark.walker@broadlandhousing.org">Mark.walker@broadlandhousing.org</a>	
<b>Cotman Housing Association / Places for People</b>			
Paul Smith	01603 731644	<a href="mailto:Paul.smith@placesforpeople.co.uk">Paul.smith@placesforpeople.co.uk</a>	
<b>Circle Anglia (Wherry Housing Association)</b>			
Jerry Harkness		<a href="mailto:Jerry.harkness@circleanglia.org">Jerry.harkness@circleanglia.org</a>	
Dean O'Regan	01603 703853	<a href="mailto:Dean.oregan@circleanglia.org">Dean.oregan@circleanglia.org</a>	
Pete Goodrick	01603 703889	<a href="mailto:Peter.goodrick@circleanglia.org">Peter.goodrick@circleanglia.org</a>	
<b>Flagship Housing Group (Peddars Way Housing Association)</b>			
Mike Cramp	01603 255439	<a href="mailto:Mike.cramp@flagship-housing.co.uk">Mike.cramp@flagship-housing.co.uk</a>	
<b>Orbit Housing Association</b>			
Laura Hanford	01603 283302	<a href="mailto:Laura.hanford@orbit.org.uk">Laura.hanford@orbit.org.uk</a>	
<b>Orwell Housing Association</b>			
Wendy Evans-Hendrick	01473 228602	<a href="mailto:weh@orwell-housing.co.uk">weh@orwell-housing.co.uk</a>	
Greg Dodds	01473 228648	<a href="mailto:gdodds@orwell-housing.co.uk">gdodds@orwell-housing.co.uk</a>	
<b>Saffron Housing</b>			
John Whitelock	01508 532000	<a href="mailto:jwhitelock@saffronhousing.co.uk">jwhitelock@saffronhousing.co.uk</a>	
<b>Victory Housing</b>			
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Company / Name	Telephone	E-mail	Additional details
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Phil Murton	01284 723834	<a href="mailto:phil@icenihomes.com">phil@icenihomes.com</a>	
YMCA			
Darryl Smith	01603 621263	<a href="mailto:darrylsmith@ymca-norfolk.org.uk">darrylsmith@ymca-norfolk.org.uk</a>	
Housing 21			Specialist older person provider, limited stock in Norwich
David O'Neill	0370 192 4000	<a href="mailto:David.oneill@housing21.co.uk">David.oneill@housing21.co.uk</a>	
Hanover			Specialist older person provider, limited stock in Norwich which is not a key area for them
Sarah Baker	01480 223986	<a href="mailto:Sarah.baker@hanover.org.uk">Sarah.baker@hanover.org.uk</a>	

## Appendix 6: Glossary

Term	Definition
<b>Affordability</b>	A measure of whether housing may be afforded by certain groups of households.
<b>Affordable housing (AH)</b>	<p><i>Social Rented, Affordable Rented and Intermediate Housing</i>, provided to eligible households whose needs are not met by the market.</p> <p>Affordable housing should:</p> <ul style="list-style-type: none"> <li>• Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.</li> <li>• It should include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.</li> </ul> <p>The definition does not exclude homes provided by private sector bodies or provided without grant funding. Where such homes meet the definition above, they may be considered, for planning purposes, as <i>Affordable Housing</i>. Those homes that do not meet the definition, for example, 'low cost market' housing, may not be considered, for planning purposes, as <i>Affordable Housing</i>.</p>
<b>Affordable rented housing</b>	Rented housing let by Registered Providers of social housing to households who are eligible for <i>Social Rented</i> housing. <i>Affordable Rent</i> is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.
<b>Bedspaces</b>	The maximum number of full size beds which can be accommodated in the sleeping area of a house.
<b>CIL</b>	Community Infrastructure Levy. A levy allowing local authorities to raise funds from owners or developers of land undertaking new building projects in their area. CIL is levied on a wider range of developments and in accordance with a published tariff or charging schedule. This spreads the cost of funding infrastructure and provides certainty to developer of how much they will have to pay. In addition, the charging authority must produce a regulation 123 list of the infrastructure projects CIL monies will be spent on.
<b>Commencement</b>	<p>Commencement of development is taken to be initiated if any material operation or change of use is carried out:</p> <p>Any work of construction in the course of erection of a building;</p> <p>Any work of demolition of the building;</p> <p>The digging of a trench which is to contain the foundations, or part of the foundations of any building;</p> <p>The laying of any underground main pipe to the foundations or part of the foundations of a building, or to any such trench mentioned in bullet point 3 above;</p> <p>Any operation in the course of laying out or constructing a road or part</p>

	of a road; Any change in the use of the land which constitutes material development.
<b>Commuted payment</b>	Payment made by a developer to the local planning authority (usually secured by means of a Planning Obligation) to fund provision of a facility needed to serve a development, but to be built or provided elsewhere or in some way other than by the developer.
<b>Core Strategy</b>	The spatial planning strategy that sets out long term objectives for planning across the authority area.
<b>Density (Housing development)</b>	A measure of the average concentration of housing within a given area (normally expressed as n dwellings per hectare). Net density is a more refined measure of the actual area developed for housing purposes and excludes open space, major distributor roads, landscaped strips and primary school sites from the calculation of the developed area.
<b>Development</b>	Defined in planning law as 'the carrying out of building, engineering, mining or other operations in, on, over, or under land, or the making of a material change of use of any building or land'.
<b>Gross Development Value (GDV)</b>	The total value achieved on sale of the completed development. It is shown before the deduction of any costs or allowances and is simply the total of funds realised on the sale of the completed development.
<b>Implementation</b>	Implementation of development is taken to be initiated when, in the case of a change of use, the new use is begun, or, in the case of residential development, upon the development being capable of being occupied.
<b>Intermediate affordable housing</b>	Housing at prices and rents above those of Social Rented, but below market price or rents, and which meet the criteria set out above. These can include shared equity (e.g. Home Buy), other low cost homes for sale and Intermediate Rent but does not include Affordable Rented housing.
<b>Local plan</b>	The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies, which under the regulations would be considered to be development plan documents, form part of the Local Plan. The term includes old policies which have been saved under the 2004 Act. Previously referred to as the Local Development Framework.
<b>Market housing</b>	Housing for those households who can afford to pay the full market price to buy or rent their home, i.e. occupied on the basis of price alone.
<b>Market Value (MV)</b>	The value of market housing.
<b>Material considerations</b>	Factors which will be taken into account when reaching a decision on a planning application or appeal. Under Section 38 of the Planning and Compulsory Purchase Act 2004, decisions on planning applications 'must be made in accordance with the [development] plan unless other material considerations indicate otherwise'. Material considerations include issues regarding traffic, wildlife, economic impacts and the



	historical interest of the area (this list is not exhaustive). Issues such as the loss of a view or the impact on property values are not material to planning decisions.
<b>Mixed use developments</b>	Development comprising two or more uses as part of the same scheme (e.g. shops on the ground floor and residential flats above). This could apply at a variety of scales from individual buildings, to a street, to a new neighbourhood or urban extension.
<b>National Planning Policy Framework (NPPF or The Framework)</b>	This document sets out national planning policies for England and the Government's requirements for the Planning System. The policies in the NPPF must be taken into account when preparing Local Plans.
<b>Permitted Development</b>	Certain types of minor changes to houses or businesses can be made without needing to apply for planning permission. These changes can be made under " <b>permitted development rights</b> ". They derive from a general planning permission granted not by the local authority but by Parliament. The permitted development rights which apply to many common projects for houses do not apply to flats, maisonettes or other buildings.
<b>Planning condition</b>	A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990 (as amended)) or a condition included in a Local Development Order or Neighbourhood Development Order.
<b>Registered Provider (RP)</b>	Registered providers (RP) are landlords who provide affordable accommodation for rent and/or sale. The way they operate is governed by a government body called the Homes and Communities Agency.
<b>Residual Land Value (RLV)</b>	Land value and referred to as a residual because it is the amount remaining after a calculation that deducts from the GDV (as above) the various costs of development (e.g. usually comprising of costs including build costs and contingencies, professional fees, site purchase costs, finance costs, developer's profit, marketing and sales expenses). The amount left over (hence 'residual') indicates the land price that can be justified by the calculation and the assumptions used within it.
<b>Section 106 (S.106)</b>	Legal agreements entered into under Section 106 of the Town and Country Planning Act 1990 (as amended) between a planning authority and a developer, or undertakings offered unilaterally by a developer to ensure that specific works are carried out, payments made or other actions undertaken which would otherwise be outside the scope of the planning permission. Also referred to as Planning Obligations. Section 106 agreements differ to CIL in that whilst they secure monies to be paid to fund infrastructure to support new developments, the agreements are negotiable and not all new development is subject to such agreements.
<b>Shared ownership</b>	A form of intermediate tenure low cost home ownership housing. Homes in which the occupier owns a share of the equity and pays rent on the remaining share.

<b>Strategic Housing Market Assessment (SHMA)</b>	This document for the Cambridge sub-region draws on a number of data sources and has been developed with a range of partners. It assesses the housing needs of the sub-region as well as each district and helps to inform the scale and mix of housing and the range of tenures that are required to meet the need.
<b>Social housing</b>	Housing let at lower than market rents to people in housing need. It includes social rent, affordable rent and intermediate housing tenures and is usually provided by not-for profit organisations including housing associations and councils.
<b>Social rented</b>	Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.
<b>Supplementary Planning Document (SPD)</b>	Guidance published by the local planning authorities to provide further detailed information on how local plan policies are to be applied or interpreted in order to bring forward sustainable development. SPD may be prepared jointly, particularly where a consistent policy approach is required over an area covered by more than one local planning authority.
<b>Viability Assessment</b>	An objective financial viability test of the ability of a development project to meet its costs including the cost of planning obligations/CIL, while ensuring an appropriate site value for the landowner and a market risk adjusted return to the developer in delivering that project.

<b>Report to</b>	Sustainable development panel	<b>Item</b>
	24 September 2014	
<b>Report of</b>	Executive head of strategy, people and neighbourhoods	<b>7</b>
<b>Subject</b>	Carbon Footprint report	

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## **Purpose**

This report is for information.

## **Recommendation**

That the contents of the report are noted.

## **Corporate and service priorities**

The report helps to meet the corporate priority Value for money services and the service plan priority percentage reduction in CO2 emissions from local authority operations.

## **Financial implications**

None.

Ward/s: All wards

Cabinet member: Councillor Stonard – Environment and transport

## **Contact officers**

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Richard Willson, Environmental Strategy Manager 01603 212 312

Claire Tullett, Environmental Strategy Officer 01603 212 545

## **Background documents**

Department of Energy and Climate Change (DECC) annual carbon footprint report.

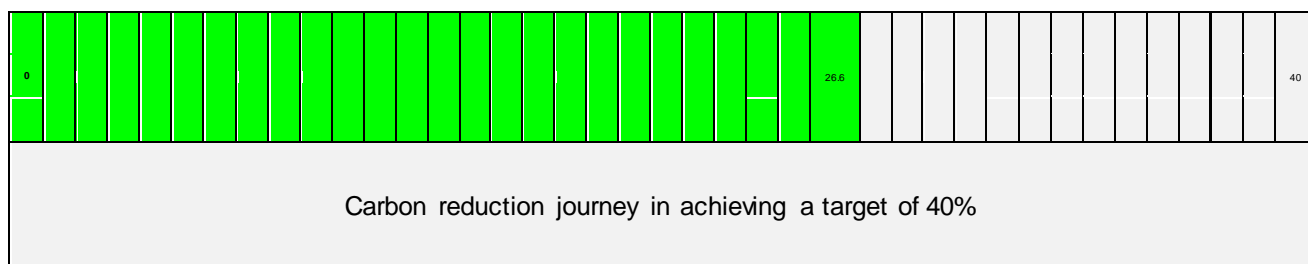
# Report

## Summary

1. In 2008/09 the council produced its first Carbon Management Plan and set a target to achieve a 30% reduction in carbon emissions by 2013/14 (using a 2006/07 baseline). In total over the 5 year period a reduction of 24% (29% when weather corrected) was achieved using previous conversion factors. Following the production of the council's second Carbon Management Plan this target has been re-set to achieve a total reduction of 40% in carbon emissions over the next 5 years (from the 2006/07 baseline).
2. The council's carbon reduction figures have been impacted by the re-baselining of our electricity data in line with the requirement of the Department for Environment, Food and Rural Affairs (Defra)/ Department of Energy and Climate Change (DECC) 2013 conversion factor. In accordance with the advice issued "*Our carbon footprint has been restated for all years in order to account for material changes to the conversion factors provided by Defra for company reporting purposes*". The restated data is given below. Further information is available here: <http://www.ukconversionfactorscarbonsmart.co.uk/> then follow the link to 'What's new in 2013'.
3. This report has been compiled in accordance with the guidelines set by the DECC. The requirements are that the council publish this report on its website using the standard template, dividing emissions into 3 categories. DECC have also requested that a link of this report be sent to them containing totals for all the scope 1, 2 and 3 emissions enabling them to collate all LA figures centrally.

4.

GHG emission data for period 1 April 2013 to 31 March 2014 (restated)							
Global kg of CO <sub>2</sub> e							
	2013	2012	2011	2010	2009	2008	2007
Scope 1	3,121,775	3,446,651	3,136,959	3,549,707	3,745,825	3,873,933	1,682,048
Scope 2	3,478,538	3,644,381	3,774,122	3,972,326	4,311,715	4,691,648	6,603,828
Scope 3	1,480,944	1,449,823	1,800,339	1,821,824	2,173,565	2,167,385	2,355,434
Total gross emission	8,081,257	8,540,855	8,711,420	9,343,857	10,231,105	10,732,966	10,641,310
Carbon offsets	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Green tariff	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total annual net emissions	8,081,257	8,540,855	8,711,420	9,343,857	10,231,105	10,732,966	10,641,310



5. Using the re-baselined electricity data, a further 5.4% reduction in 2013/14 means that our progress in achieving our next carbon emissions reduction target stands at 26.6%.

## Company information

6. Norwich City Council is a local authority based in the east of England.

## **Reporting period**

7. The reporting period is 1 April 2013 to 31 March 2014.

## **Changes in emissions**

8. The figure of 8,081,257 Global kg of CO<sub>2</sub>e is a 5.4% reduction on the previous year. The following is an outline of sources of change in emissions from the previous year:

Main emission reductions:

- Server Virtualisation
- Energy efficient air conditioning in the server room
- More energy efficient IT equipment for all staff
- A mild winter in 2013/14 meant that less gas was required for heating assets

Main emission increases:

- More rigorous reporting of contractor fuel use has resulted in an increase over previous years

## **Measuring and reporting approach**

9. All information is stored and processed in Microsoft Excel spreadsheets. Reporting will be on an annual basis, using the Defra/DECC method (based on GHG protocol). Internal reporting on carbon reduction targets will be using the NI 185 (Defra) method.

10. The following scopes are included in the footprint:

### **Scope 1**

#### ***Process emissions (owned buildings)***

- Data obtained from utility bills (kWh)

#### ***Process emissions (contractor-operated buildings)***

- Data obtained from contractor's energy records (kWh)

#### ***Fuel use (owned vehicles)***

- Data obtained from fuel invoices (litres)

### **Scope 2**

#### ***Electricity emissions (own buildings)***

- Data obtained from utility bills (kWh)

### **Scope 3**

#### ***Business travel (grey fleet and contractor)***

- Data taken from officer and member business mileage claim forms (km)
- Data taken from contractor business mileage records (km)

#### ***Public transport***

- Data taken from officer and member business mileage claim forms (km)
- Data for train journeys taken from rail account invoices (km)

#### ***Fuel use in contractor vehicles***

- Data obtained from contractor fuel records (litres)

## Organisational boundary

11. The approach chosen to identify the operations we have collected data from was based on the original guidance for the National indicator 185, which stated that:

“The indicator is to include all CO<sub>2</sub> emissions from the delivery of local authority functions. It covers all an authority’s own operations and outsourced services. Even if the services are being provided by an external body (e.g. a private company) they remain the function of the authority... the definition of a local authority’s function includes outsourced services (eg a private company, third sector organisation), as they remain a function of the authority. CO<sub>2</sub> emissions arising from the buildings and transported related to these outsourced services should be measured and included in the authorities return.”

12. Following an assessment of the main outsourced services associated with the Council’s functions, leisure centres and street services and housing support services were included.

## Operational scopes and emissions

13.

<b>Scope 1 - Direct emissions (e.g. onsite fuel consumption; gas/vehicles)</b>	<b>CO<sub>2</sub> (kg)</b>	<b>Exclusions and %</b>
Gas from buildings (council) – kwh	3,002,618	n/a
Gas from buildings (contractors) – kwh	31,779	n/a
Fuel in fleet vehicles (council) - litres diesel	44,071	n/a
Fuel in fleet vehicles (council) – litres petrol	43,307	
<b>TOTAL SCOPE 1</b>	<b>3,121,775</b>	n/a
<b>Scope 2 - Energy Indirect</b>	<b>CO<sub>2</sub> (kg)</b>	<b>Exclusions and %</b>
Electricity in buildings (council) – kWh	3,317,250	n/a
Electricity in buildings (contractor) – kwh	161,287	n/a
<b>TOTAL SCOPE 2</b>	<b>3,478,537</b>	n/a
<b>Scope 3 - Other indirect (e.g. business travel)</b>	<b>CO<sub>2</sub> (kg)</b>	<b>Exclusions and %</b>
Grey fleet eg private cars	18,007	n/a
Taxis	2,073	n/a
Flights	9,399	n/a
Trains	465	n/a
Contractors vehicle use	1,451,000	n/a
<b>TOTAL SCOPE 3</b>	<b>1,480,944</b>	n/a
<b>Grand total (CO<sub>2</sub> (kg))</b>		
	<b>8,081,257</b>	

## Geographical breakdown

14. All operations occur within the city council boundary except for contractor/staff transport related activities



## **Base year**

15. The base year for emissions is January to December 2007. This year's carbon emissions report concludes a 5 year carbon management programme.

## **Target**

16. The target for reduction in overall (i.e. all scopes) CO<sub>2</sub> emissions has been re-set to 40%, from a 2006/07 baseline following the completion of the first phase of the council's carbon management plan. This target exceeds the national target of a 34% reduction in carbon emissions by 2020.
17. This target will be measured using the emissions factors required for reporting on the old National Indicator 185.

## **Intensity measurement**

18. No intensity measurement has been used, as this is generally more relevant for private sector businesses who wish to compare CO<sub>2</sub>/turnover.

## **External assurance statement**

19. PWC audit carried out in 2009. The process was considered to be sound.

## **Carbon offsetting**

20. No carbon offsetting was carried out.

## **Green tariffs**

21. Norwich City Council has signed up to a Green tariff through electricity supplier, Scottish and Southern Electricity. However, no reduction in CO<sub>2</sub> is applicable as the SSE tariff does not comply with strict Ofgem Green Supply Guidelines which would enable the council to claim the CO<sub>2</sub> reduction.

## **Electricity generation**

22. Solar Photo Voltaic (pv) cells were installed on the roof of City Hall in late March 2012. During the period 1 April 2012 to 31 March 2014 the pv cells have produced 57938 kwh of electricity, despite having been offline for part of this time due to essential maintenance work being carried out on the roof.

## **Heat generation**

23. There was no heat generation from owned or controlled sources.

## **Opportunities in 2014-15**

24. The council has recently produced the second phase of its Carbon Management Plan. The plan details opportunities across our assets and services where we can further reduce energy consumption. Given the new Defra/ DECC methodology we will be further reviewing the Carbon Management Plan targets.

25. On completion of this report 26.6% of the 40% target has been achieved so far. It is expected that emissions will reduce even further in 2015-16 with the recent installation and commissioning of the following Salix loan funded projects within the council's assets:

- Completion of the Server Virtualisation project.
- Completion of the City Hall – Server room cooling project.
- Riverside Leisure Centre – replacement of poolside light fittings with LED fittings
- Refurbishment of community hall – Norman Centre – using more efficient heating and LED
- Car park lighting upgrades to LED lighting
- Insulation work at Sheltered Housing schemes
- Trial of Burner Management systems – various assets
- Trial of variable-speed drives – various assets

<b>Report to</b>	Sustainable development panel	<b>Item</b>
	24 September 2014	
<b>Report of</b>	Head of citywide services	<b>8</b>
<b>Subject</b>	Integrated waste management strategic objectives: quarterly update no 3 2014	

### **Purpose**

To update members on progress against the waste and recycling service action plan (SAP) and the integrated waste management strategic objectives.

### **Recommendation**

To note the contents of this report.

### **Corporate and service priorities**

The report helps to meet the corporate priority 'a safe and clean city' and the service plan priority 'to deliver an efficient and effective waste service whilst increasing landfill diversion rates'.

### **Financial implications**

Ward/s: All wards

Cabinet member: Councillor Stonard – Environment and transport

### **Contact officers**

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### **Background documents**

None

# Report

## Introduction

1. This is the third quarterly report updating members on progress against the service action plan (SAP) for the new waste and recycling strategic objectives. This report focuses on those areas within the SAP where there has been reportable progress since the previous quarterly update (June 2014).

## Residual waste audits

2. As previously reported, the audits took place between Tuesday 10 and Friday 13 June across a range of Acorn profiles. Waste from properties in George Pope Road (Acorn 5 – hard-pressed), Pettus Road (Acorn 4 – Moderate means) and Connaught Road (Acorn 3 – comfortably off) was analysed, along with communal waste from the flats in Thorpe Park, where there are communal recycling facilities (not including food waste).
3. Following discussions within the Norfolk Waste Partnership the other six Norfolk district and borough councils scheduled similar audits with the same research company and these have now been completed. This will enable a county-wide assessment of the levels of recyclable material in the residual waste. Using this data, officers from across the county will be able to identify joint-working opportunities and projects aimed at diverting more recyclable waste from land-fill.
4. A county-wide response to the whole audit programme will be provided jointly (led by the county council) following analysis of all the results. This will then help to inform the county council about the incentives provided for recycling (the recycling credit scheme) and to shape future policies in response to the audit findings. Further information regarding this analysis will be reported to members in due course.
5. As well as the county-wide considerations, there are also significant local issues highlighted in the Norwich audit. The headline findings are –
  - Residual waste set-out rates were between 60% and 81%
  - The amount of food waste in waste bins was between 1.21 kg per household per week (kg/hh/wk) and 2.73 kg/hh/wk. This means that food waste constituted between 25% and 42% of the total volume of the residual waste bins
  - Between a quarter and a half of all the food waste was of a type that could have been composted at home – e.g. fruit and vegetable peelings
  - Garden waste was absent in the bins for flats but formed 27% of the volume in the Acorn 4 category
  - The percentages of currently recyclable material in the residual waste ranged from 38% to 60% (see Table 1 for details)
  - Up to 60% of the residual waste from the flats is currently kerbside recyclable and up to 70% of the waste from the flats will be recyclable from 01/10/14

Table 1

	%age in residual waste – <b>Acorn 3</b>	%age in residual waste – <b>Acorn 4</b>	%age in residual waste – <b>Acorn 5</b>	%age in residual waste – <b>Flats</b>
Dry material recyclable now (dry recycling)	10.59	5.25	11.63	17.66
Dry material recyclable from 01/10/14 (dry recycling)	11.11	8.34	9.26	9.76
Garden waste	8.38	26.07	3.26	0
Food waste	33.86	24.92	30.27	42.10

6 In addition to the joint-working arising from the county-wide audit programme, officers continue to analyse the Norwich figures in order to identify both general and targeted responses to the particular 'local' issues.

- Acorn 5 (Hard Pressed) had large amounts of recycling and food waste in the residual waste. This is typical of such areas where residents generally have other priorities, making behaviour more difficult to change. There are also likely to be a relatively high % of residents where English is not their first language. Targeted communications could be delivered in these areas - messages which feature more pictures and are easier to read and understand.  
This Acorn category constitutes the largest % population in the city at 35.2%
- Acorn 4 (Moderate Means) had high levels of garden waste, again not surprising as the area is largely council housing with good sized gardens. Targeted communications promoting the garden waste service can be delivered to these areas and officers will look again at the option for smaller garden waste bins at a reduced price
- A review of recycling facilities in private flatted areas will be undertaken to establish what is in place currently and what might be possible in future. There are significant financial and administrative challenges relating to the provision of facilities for private developments (not least establishing land ownership details and communicating with landlords and letting agents) and these factors will have to be carefully considered and the options thoroughly appraised
- A communications plan can be developed based on the audit findings and specifically aimed at alerting residents to how much recyclable waste is still being land-filled, backed-up by targeted door-knocking in these areas
- The Environmental Services Development Manager will prepare a report for consideration by the SDP outlining a pilot scheme to provide free food caddy liners to a specific area in order to monitor what impact this has on the amount of food waste in the residual waste bins
- There will be follow-up audits after the new recycling service is operational to measure the level of behavioural change achieved

## **New MRF recycling service**

- 7 The new recycling service will commence on 1<sup>st</sup> October – from that date all of the new items will be processed through the plant. (For reference, the full list of materials was included in the June report.) This means that for anyone on an AWC service, the new materials can be placed in their recycling bin following their collection day from the 17<sup>th</sup> September onwards.
- 8 A programme of county-wide media events and briefings, supported by a professional marketing campaign and substantial communications material is ongoing. This includes an information ‘flyer’ delivered to all households in Norfolk as well as a ‘new service letter’ being distributed to all Norwich households. It is anticipated that this will have the desired effect of ensuring that current recyclers recycle the additional items as well as encouraging reluctant recyclers to participate in the new service. A presentation for members was given on 8<sup>th</sup> September and Member briefing packs are available for anyone who has not yet received one.
- 9 In addition, all individual and communal blue recycling bins will be re-labelled during October so that information on the full range of recyclable materials is available to all residents, regardless of whether they have read the communications material. This will also provide a memory aide and ‘front-line’ information for new residents.
- 10 From the commencement of the AWC service in 2007 the council has made clear that there would not be a ‘one-size-fits-all’ approach. As a result, some bespoke recycling services (green box and/or blue bag) will continue in those areas where the council has not yet been able to provide an AWC or communal bin service. All these households will be notified in accordance with the service they receive and they too will be able to add the additional (new) items to whichever recycling container they use.
- 11 To resolve two queries from the last meeting –
  - Tetra-pak and similar drinks cartons are included in the new service and should therefore be recycled via the blue bin
  - Window glass, mirrors and pyrex have a different chemical composition to the glass used for bottles and jars. As these items melt at different temperatures to bottle glass they cannot be recycled together. In addition, the glass sorting and crushing equipment is designed to deal with the uniform shapes of bottles and jars, rather than any other shapes.

## **Ensuring that existing services are delivered efficiently and effectively**

- 12 Due to the success of the tower block recycling scheme all three of the Mile Cross towers are now receiving only two refuse collections a week instead of three. Officers are hopeful that recycling trends at the other tower blocks will allow for their waste collections to be reduced accordingly in the near future.

## **Waste Electrical and Electronic Equipment (WEEE)**

- 13 The last WEEE event was held at the CNS on Saturday 28<sup>th</sup> June. As with the first event, officers gave their time voluntarily and worked alongside the British Heart Foundation. They were supported by staff from our collection contractor, Biffa, who once again provided their support without a charge to the council.

- 14 The BHF collected 276 items for resale in their stores and logged a resale value of £3,165. They sent a further 95 electrical items for recycling. The council also recorded a further 2.5 tonnes of recycling. In total this year the two events have raised £7,000 for charity and recycled over 4.5 tonnes of equipment. Another event will be scheduled for early in the new year.

### **Recycling performance update.**

- 15 The first quarter figures for 2014/15 are showing a very welcome and significant improvement in recycling performance, as illustrated in Table 2. This is likely to be the result of a combination of initiatives over the last twelve months, which have increased the availability of recycling services across the city, particularly to large flatted areas of our own housing stock. These efforts will continue and this should provide a strong platform from which to launch the new service in October.

Table 2

	1 <sup>st</sup> quarter – 2013/14	1 <sup>st</sup> Quarter – 2014/15	Change +/-
Recycling tonnage	4,087	4,425	↑ 338 tonnes
Landfill tonnage	6,937	6,489	↓ 448 tonnes
Total waste/recycling stream	11,024	10,914	↓ 110 tonnes
<b>Recycling rate %</b>	<b>35.7</b>	<b>39.1</b>	↑ 3.4 points

