

## Anglia Square Appeal

Dr Andrew Boswell, Climate Emergency Planning and Policy, June 28<sup>th</sup> 2019

### 1 AFFORDABLE HOUSING

- 1 The Inspector has identified the extent to which the proposed development is consistent with the Government policies for delivering a sufficient supply of homes (NPPF Chapter 5) as a material issue for the Appeal.

This NPPF chapter requires strategic policy to use a needs-assessed housing model (eg: NPPF2/59, 60 and NPPF2/61) in order to deliver a sufficient supply of homes, and especially:

- *that the needs of groups with specific housing requirements are addressed (NPPF2/59)*
- *within this context, the size, type and tenure of housing needed for different groups in the community should be assessed (NPPF2/61)*
- *strategic policies should also set out a housing requirement for designated neighbourhood areas (NPPF2/65)*

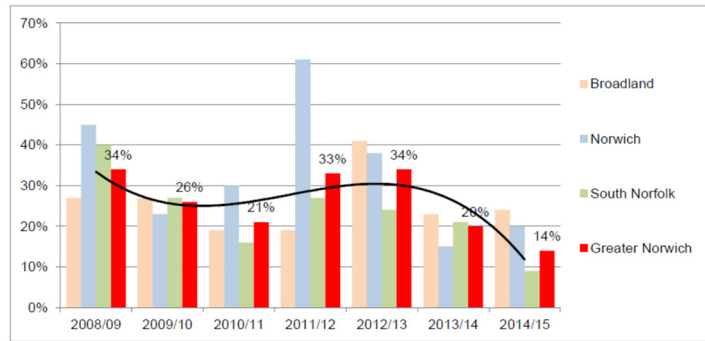
- 2 Whilst the existing strategic policy is the Joint Core Strategy (JCS), it was drafted in late 2000's era. It's first planning examination and adoption predated even the first NPPF: although legal action subsequently required a partial rework and re-adoption, the JCS4 Affordable Housing policy was set by 2011.

JCS4 sets a single target (33%) across an area of such diverse social, economic and community demographics. This is now outdated by both more recent assessments of need, and by the revised NPPF requirement for a finer grain "neighbourhood area" statement of housing need. It is important that these limitations of JCS4 are presented to the Inspector, along with the failure of JCS4 to deliver (see below) and more recent data on housing data that has been available for several years to help prepare the JCS successor plan.

- 3 Generally, the JCS4 policy has failed to deliver:
  - A local press investigation (EDP) showed a loss of 1,000 affordable homes in the Greater Norwich area against JCS4 policy in 4 years, equating to a financial loss to the Councils of the order of £100,000,000.
  - Greater Norwich Development Partnership (GNDP) annual monitoring has shown Red "RAG status" for affordable housing completions for several years **ie: the policy is seriously under-delivering.**

- The Sustainability Appraisal Scoping Report (SASR) Figure 71 for the draft GNLP graphically shows the declining delivery of affordable housing as shown.

Figure 71 Percentage of affordable dwellings



- 4 More recent work from both the Greater Norwich Local Plan (GNLP) process and Norwich City Council’s housing queue data (NR3 Anglia Square postcode area) provide a much clearer picture of what the affordable housing objective should be. In summary:
  - The 2017 Strategic Housing Market Assessment (SHMA) report (for GNLP preparation) finds an overall affordable housing need in the Norwich City Council area of 38.3%.
  - Analysis of SHMA, Figure 83, shows that the overall 38.3% need is further broken down to a 66.57% need for affordable 1-bedroom flats, a 51.20% need for affordable 2+bedroom flats in Norwich (figures here affordable as percentage of total).
  - Analysis of May 2019 Council data shows that 56.64% of the City housing queue in NR3 is for 1-bed flats and 26.74% for 2-bed flats.

Two clear conclusions are:

- 1) Whilst the largest need in NR3 and the whole City is for 1-bed flats, there is also a significant need for 2-bed flats.
- 2) The overall need is much higher than the JCS policy suggests.

- 5 The development delivers 111 1-bed flats out of a total of 1200 flats, and claims this to equate to 10% with 9 affordable 3-bed houses bring the affordable total to 120 units. Whilst it may be claimed that this is “10% affordable housing”, the Government minimum since NPPF2, it is completely inadequate as follows:
  - It fails to meet any need for 2-bed flats which is approximately one third of the need for affordable flats from both the SHMA and the NR3 housing queue.
  - It fails to deliver SHMA based need of 66% of 1-bed flats to be affordable, and 51% 2-bed flats.
- 6 There is also a long-term strategic issue with the configuration of affordable and market housing in the development: it spectacularly over-delivers market housing whilst under-delivering affordable housing creating a future bias for the plan period to 2036. This is because it delivers 50.34% of SHMA assessed market 1-bed flats in Norwich until 2036, whilst delivering just 5.31% of the affordable 1-bed flats (a 10-times divergence). For 2-bed flats, it delivers 48.58% of 2036 market need, whilst delivering ZERO% of affordable need.

By delivering 20.3% of the total 1-bed flat and 23.71% of the total 2-bed flat housing needs to 2036 in a single development, which is so heavily biased towards market delivery, affordable housing delivery in Norwich for the whole GNLP period to 2036 is put at risk, compounding the existing JCS poor delivery into a timebomb for the future.

Such a heavy bias towards market dwellings in the 8-year 2019-2027 period, will make it next to impossible to deliver affordable housing needs over the GNLP period to 2036. **To reset the imbalance created, all other housing developments to 2036 would need to deliver a greater than plan affordable housing level to compensate for the extreme bias to market dwellings in this application.** Essentially, the affordable housing element will always be playing catch-up. Of course, in the real world this catch-up won't happen, and this development creates the basis of continued poor delivery of affordable housing until 2036 and renders the GNLP undeliverable before it has even been fully consulted, examined in public and adopted. The only solution is to ensure that any development in Anglia Square makes its fair contribution to the most recent affordable housing needs assessments available.

- 7 For a large development, delivering a significant “chunk” of housing to 2036, market and affordable housing should be delivered, proportionately, along their policy and needs given trajectories. Using the SHMA data quoted here, to be consistent with needs trajectories, the development should deliver:
  - 424 affordable 1-bed flats (from total of 637)
  - 288 affordable 2-bed flats (from total of 563)
  - 2 affordable 3-bed houses (from total of 9)
  
- 8 I note with concern that the very poor level of affordable housing achieved in the development comes with massive public subsidy from 3 sources:
  - HIF funding
  - CIL relief
  - Vacant Building Credit (VBC)
  
- 9 VBC and the HIF funding both appear to be bid for on the same premise of demolition existing buildings and reusing land, so these factors have been double counted.
  
- 10 It is clear that the authorities concerned making these public subsidies, Homes England for the HIF and Norwich City Council for CIL and VBC, have not properly considered the poor provision of affordable housing and the long-term biasing effect that it will have on Norwich housing supply as outlined above.
  
- 11 On the VBC, there is no publicly available calculation for it, but I estimate it as £10,027,050 based on data in the DVS report on the viability assessments (numerical detail explained in my draft research report).
  
- 12 The HIF and CIL public subsidies also accrue a “financing windfall” of over £9.5m to the developer’s profit line. This has hitherto been hidden the viability data, but may be determined from the totals for the 10% Affordable Housing viability assessment models with and without HIF funding and CIL relief. The table below summarises this.

<b>Public subsidies contributions to GDV and Profit in the 10% Affordable Housing Viability Models</b>		Raw input contribution	Financing windfall
Vacant Building Credit	£10,027,050	£10,027,050	
HIF contribution	£19,538,464	£12,200,000	
CIL contribution	£11,001,471	£8,807,423	
<b>TOTAL</b>	<b>£40,566,985</b>	<b>£31,034,473</b>	<b>£9,532,512</b>

13 The DVS review is at a high level and has not engaged in challenging many of the assumptions, nor reviewing the calculations, in the Icenii viability models presented. **We suggest respectfully that the Inspector requires an independent review of the viability assessment to be carried for the Inquiry and appoints a third-party company to carry this out.** I can provide a more detailed rationale to support such a call on the public domain available data.

14 However, much of the detail of the viability assessment models have not been released by the developers based on commercial confidentiality, but the Appeal should have full transparency. Numerous challenges in recent years having been successfully made at Planning Appeals and in the Courts requiring the release of viability information, and disallowing the commercial confidentiality argument “tried on” by developers. This led to the August 2018 government planning guidance (revised May 2019, Reference ID: 10-021-20190509) on Viability requiring that a “viability assessment should be prepared on the basis that it will be made publicly available other than in exceptional circumstances”, and that “where an exemption from publication is sought, the planning authority must be satisfied that the information to be excluded is commercially sensitive”.

**We suggest respectfully that the Inspector requires all the data in the viability assessment(s) to be made available to the Inquiry for full transparency, and that if the developer’s wish for any exemption, then a developer statement is required to the Inspector at the outset of the Appeal.**

15 In the light of all this, the development should be refused because:

- I. It is contrary to Chapter 5 of the revised NPPF, and NPPF2/59, 61 and 65 therein.
- II. It is contrary to Planning Policy Guidance on Viability on transparency of financial data.
- III. It only claims to meet the Government 10% minimum for affordable housing: this claim itself undermined by it ignoring the significant demand for 2-bed flats in Norwich.
- IV. It spectacularly fails to meet the affordable housing needs as presented in the SHMA produced for preparation of the emerging GNLP.
- V. It stunningly fails to meet the affordable housing needs from Norwich City Council’s housing queue data for the NR3 area.
- VI. The development is biased towards market housing over affordable housing and will create an imbalance for the entire GNLP period to 2036 which the Council will be unable to correct.
- VII. Public subsidy amounting to over £31million gross and over £40million net profit gain for the developer should not be available for a project that so poorly deliver on national housing supply objectives. With over £40m of additional profit accruing to the developer from this massive public subsidy, including double counted subsidies, the scant affordable housing delivery is represents very poor value for money to the public purse.