

Anglia Square, Norwich

Affordable Housing Statement

Weston Homes Plc

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March 2018

1 Introduction

- 1.1 This Affordable Housing Statement is provided in support of the Hybrid (part detailed, part outline), planning application made to Norwich City Council (NCC) for development on land at Anglia Square, and the remainder of the block bounded by Edward Street, New Botolph Street, Pitt Street, St Crispin's Road and Magdalen Street, (save for an area in the southeast corner of that block), together with two parcels of land, to the north and west of Edward Street respectively, (the Site), for which the joint applicants are Weston Homes, (the Developer), and Columbia Threadneedle, (the Landowner), referred to as the Applicant. The proposed development is for a mix of uses, comprising:

demolition and clearance of all buildings and structures except Gildengate House and the phased, comprehensive redevelopment of the site with 7 buildings and refurbished Gildengate House for a maximum of 1,250 residential dwellings (Use Class C3); 11,350 sq m hotel (Use Class C1); 9,850 sq m ground floor flexible retail, services, food and drink and non-residential institution floorspace (Use Classes A1/A2/A3/A4/D1/Sui Generis (bookmakers and/or nail bars, up to 550 sqm)) within ranges specified in the Retail Strategy Report; 1,150 sq m ground floor flexible commercial floorspace (Use Classes A1/A2/A3/A4/B1/D1), service yards, cycle and refuse stores, plant rooms and other ancillary space; up to 3,400 sq m cinema (Use Class D2); 1,300 sqm place of worship (Use Class D1); and multi-storey car park (public element: 600 car spaces, 24 motorcycle spaces), with associated new and amended means of access, closure of existing means of access, widening of footways, formation of service/taxi/car club/bus stop laybys and other associated highway works on all boundaries, maximum of 950 car parking spaces for Use Classes C1 / C3 / B1 / D1, (of which maximum of 40 spaces for C1/B1/D1), hard and soft landscaping of public open spaces comprising 2 streets and 2 squares for pedestrians and cyclists, other landscaping, service infrastructure and other associated work; (all floor areas given as maximum gross external area); (The Development)

- 1.2 The Site is situated in the northern part of Norwich city centre.
- 1.3 The Statement seeks to confirm that the proposed Development will make provision for affordable housing.
- 1.4 The exact nature of the affordable housing contribution will be discussed with NCC, the local planning authority, in further detail, during the determination of the planning application. However it is proposed that there will be at least 120 affordable housing units, comprising 9 x 3 bedroom houses and 111 x 1 bedroom flats, which will be met via either provision of affordable housing on site through partnering with an appropriate registered provider, an alternative provider to be agreed, or as a last resort, via a commuted sum.

2 Policy

2.1 Norwich Local Plan, adopted November 2014, comprises three documents, the Joint Core Strategy,(JCS), the Development Management Policies Plan, (DMPP), and the Site Specific Policies and Site Allocations Plan. The JCS provides the policy context for Anglia Square until 2026, and provides a framework for future development of the Site.

2.2 The policy context for housing provision is provided by JCS Policy 4 – *Housing Delivery*. , This states that:

- In respect of housing mix, proposals will be required to contribute to the mix 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;
- there is a requirement for a provision of 33% of proposed dwellings to be affordable, on sites of 16 or more dwellings. The tenure mix should be approximately 85% social rented and 15% intermediate tenures.

2.3 The policy also states 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.”*

2.4 As noted above, JCS Policy 4 calls for the mix to be considered with regards to the most up to date study of housing need. The latest SHMA update from June 2017, for NCC states that the affordable housing tenure mix should be 90% affordable rent and 10% intermediate housing with a mix of units achieving:

1 bed apartment 36%
2 bed apartment 21%
2bed house 11%
3 bed house 25%
4 bed 6%
5 bed 1%

2.5 The SHMA also states market housing should consist of:

1 bed apartment 11%
2 bed apartment 12%
2 bed house 12%
3 bed house 52%
4 bed house 11%
5 bed house 2%

- 2.6 In the context of JCS Policy 4, discussions have been held with planning officers of NCC in respect of both the appropriate – and market relevant - mix of dwellings, and also scheme viability, bearing in mind the above considerations. The highly sustainable and central location, together with the form of development being overwhelmingly flats above ground floor commercial uses, so as to bring activity, natural surveillance, and increased footfall for commercial uses into the enlarged shopping centre area, has been acknowledged by officers to suit small dwellings, although officers have sought a mix of typologies within that limited range. In particular, officers have advised that the need for affordable dwellings in this part of the city is primarily for 1 bedroom flats. This has resulted in the Development proposals for up to 1250 dwellings comprising up to 563 No x 1 bedroom apartments, (45%), and up to 678 No. x 2 bedroom apartments, (54.3%), with final figures to be proposed in the Reserved Matters applications for later phases, together with 9 No. x 3 bedroom houses (0.7%) on the parcel of land west of Edward Street. Of the c.1250 dwellings, the minimum 120 affordable dwellings, (which includes the 9 No. x 3 bed houses), comprise 102 social rented units, (again including the 9 houses) (85%), and 18 intermediate units, all 1 bedroom flats, (15%).
- 2.6 An initial meeting has been held with the Strategic Housing Manager at NCC to discuss the details of the affordable housing for the scheme, at which it was confirmed that NCC would prefer the provision of 1 bedroom rather than 2 bedroom flats, and that some 3 bedroom houses are welcomed. In addition, it was confirmed that in this highly accessible location, no parking provision (other than for disabled residents) would be required in respect of the 1 bedroom flats. Further discussions will be held following submission of the planning application.

3 Evidence and Viability

Mix of Units

- 3.1 Clearly the Development proposals do not reflect the most recent housing mix intentions in the SHMA for either affordable or market housing, but the reasons for this have already been set out in the justification for the overwhelming proposed provision of 1 and 2 bedroom apartments. Furthermore, the Socio-economic chapter of the Environmental Statement which supports the planning application notes that based on 2011 Census, the average household size in the local impact area around the Site was 1.8 persons per household in comparison to Norwich (2.1) and East of England (2.4). Although the Census data are older than the SHMA, they do highlight the fact that this very central location already has supported notably smaller households than the average for Norwich, which is a logical finding. On this basis, it is contended that the proposed mix set out above is appropriate to the locality in Norwich as well as the Site, which requires the housing to be located above ground floor commercial uses in order for the Site's role as part of a Large District Centre to be maintained. The variety of typologies of unit within the categories of 1 and 2 bedroom apartments together with the provision of 3 bedroom houses will provide the maximum range of dwellings possible within the Development.

- 3.2 In terms of the tenure split within the affordable provision, the case is made that the JCS Policy 4 compliant 85% rental, rather than SHMA – based 90% rental will be shown to assist scheme viability, as has been discussed with NCC officers.

Proportion of Affordable Units

- 3.3 According to Norwich City Council Affordable Housing Supplementary Planning Document –

“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.

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.”

- 3.4 As part of their internal review strategy, Weston Homes have employed external consultants, Icen Projects who have carried out an initial viability appraisal, which determined that the scheme could not support any affordable housing. This was presented to NCC, assessed externally on behalf of the Council by the District Valuer Service (DVS), and acknowledged informally to be based on acceptable assumptions to support the appraisal model. However, following those initial discussions, and others in respect of the scheme generally, in order to improve the benefits of the scheme, and assist viability, Columbia Threadneedle increased the scheme site area to include the existing cinema and the retail and commercial units under it. This enabled an increase in the number of dwellings within the scheme. Additionally, the successful Housing Infrastructure Fund (HIF) bid by NCC in respect of a grant of £12.2m towards the costs of unlocking the larger scheme, ie the Development, the viability of the proposal is further improved. If additional financial assistance were to be provided by NCC through an exemption from Community Infrastructure Levy (CIL) charges for the scheme, which is under discussion with the Council, an updated viability appraisal is expected to demonstrate that the Development could support the proposed minimum of 120 units of affordable housing at pre-development assessment stage. This updated viability appraisal is in preparation at the time of submission of the Hybrid planning application , and a report incorporating this will be provided to the local planning authority for consideration as evidence to substantiate the proportion, mix and tenure of affordable housing being proposed. This will be the subject of further review by the DVS on behalf of NCC, to enable the Council to arrive at a view on the submitted viability case.
- 3.5 The viability assessment process will need to be reviewed at appropriate stages through the implementation of the scheme, such as at the submission of each future Reserved Matters

application. This will enable the scheme viability to be reassessed under prevailing economic conditions, and in the light of the viability outcome to date at that stage, so as to establish whether additional affordable units can be provided viably, and if so, in what tenure arrangement. The commitment is given that these would be upwards only reviews, so that no affordable units already committed in the first or subsequent phases of the scheme would be removed. The details of the review process and the triggers for review will be discussed with officers during the determination of the application, and enshrined in the section 106 Agreement.

4 Design

4.1 According to Norwich City Council Affordable Housing Supplementary Planning Document –

“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, 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.

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.

4.2 In response to this guidance, it is proposed that the above mix of units is divided into ‘up to 1130 open market units’ and ‘a minimum of 120 affordable units’ in the following manner, with an 85/15 tenure split between social rent and shared ownership:

Affordable Units (120)

93 x 1 bed apartment (social rent) 77%

18 x 1 bed apartment (intermediate rent) 15%

9 x 3 bed houses (social rent) 8%

Market Units (up to 1130)

452 x 1 bed apartment 40%

678 x 2 bed apartment 60%

- 4.3 The positioning of the affordable dwellings within the Development will be influenced by the need to construct separate groups of them during the various phases of the scheme, so as to maintain viability. Thus Phase 1, which will have to bear high costs of demolition and site preparation, together with provision of the public multi storey car park and areas of public realm, will not be able to include any affordable dwellings. However, a large proportion of the affordable housing will be delivered in Phase 2, with a section of Block E comprising 51 apartments and all of Block D, comprising 44 apartments, being delivered. These blocks are located on different street frontages, and thus will avoid a concentration of affordable units. Phase 3 comprises Blocks G and H around the new cinema and associated retail units. In this phase, costs of the non-residential development will be high, and therefore it is not proposed to include any affordable units. Conversely, Phase 4, comprising the conversion and recladding of Gildengate House and the construction of the two parts of Block B, with 16no. apartments together with 9no. 3 bedroom houses, will be all residential, and within that, Block B will be appropriate as a further cluster of affordable dwellings, and thus these will be delivered within the final phase of the Development. It is necessary for Block B to be included in Phase 4, rather than an earlier phase, because that area will be the most appropriate to use for the majority of the construction process as the site office and staff welfare facility. This is because it will not need to be moved as different phases are built out, and will have its own vehicular access.
- 4.4 The external design of the apartments throughout the Development is completely tenure-blind, being instead based on a Design Code prepared by the scheme architects, as set out in the Design and Access Statement. The actual design of Block B and Blocks D – J within the main part of the Site, will be determined via separate Reserved Matters applications to be submitted in the future. Clearly the 9 houses within Block B will have a different form from the apartments, but it is considered that their provision as social rental affordable housing would be beneficial for the community, and therefore their distinction of form should be accepted. In terms of external design style, this will be the subject of a future Reserved Matters application, but they are anticipated to complement the remainder of the scheme.
- 4.5 Parking is to be provided in Block B, serving the houses and the apartments, which uniquely within the Development, would also be at ground level, and thus suitable for adaptation for the disabled. However the 1 bedroom affordable apartments within Blocks D and E would not be provided with parking. These are very sustainably located dwellings, and initial discussions with the NCC Housing Manager have indicated that in this location, affordable apartments do not need parking provision.
- 4.6 The abolition of the Design Quality Standards for affordable housing means that there are no specific requirements to achieve in terms of minimum sizes of units specifically for affordable units. However, the proposed residential dwellings throughout the scheme have been designed to meet the relevant national minimum space standards, as well as relevant

Building Regulations standards relating to accessible and adaptable dwellings (Part M4(2) and (3)), thereby ensuring that an appropriately high standard of accommodation is delivered. Weston Homes would look to provide units where furniture layouts work comfortably and provide planning drawings demonstrating this.

5 Registered Providers

- 5.1 Initial contact was made in July 2017 with a number of the more prominent Registered Providers (RP) who operate within Norwich, to gauge their appetite for the scheme as it was evolving. Two tenure mixes of rented and shared ownership units were provided for consideration, being 70/30 and 85/15 in favour of rented.
- 5.2 Saffron Housing advised they were looking for smaller schemes at the current time. Victory Housing advised that whilst the indicated development would be of interest, it fell outside their normal parameters and would need a special approval if they were to consider acquisition. Clarion, formerly Circle Housing, advised they could not support the scheme. Flagship Housing were not approached, as they have previously advised shared ownership apartments are not supported by them.
- 5.3 Given the response received to date, the Applicant will discuss with the NCC Housing Manager the best route to seek a suitable RP, which would hopefully be easier with the scheme now more developed and an application submitted. Nevertheless, the Applicant will need to discuss with NCC officers whether alternative arrangements, in the form of a cascade mechanism should be included within the Section 106 agreement in the event that they are unable to enter into contracts with a Registered Provider. The cascade mechanism should include a proposal for a commuted sum as a last resort in the event that an RP cannot be found to purchase the units in all or any one of the phases, nor any other operational arrangement for onsite provision be agreed with NCC.