

# Place Shaping Panel

## Agenda

### **Date**

Monday 1 July 2019

### **Members of the Place Shaping Panel**

Mrs L H Hempsall (Chairman)	Miss S Lawn (Vice Chairman)
Mr N J Brennan	Mrs L A Starling
Mr S M Clancy	Miss J L Thomas
Ms J A Neesam	Mr J M Ward
Mr G K Nurden	

### **Time**

6.00 pm

### **Place**

Council Chamber  
Thorpe Lodge  
1 Yarmouth Road  
Thorpe St Andrew  
Norwich

### **Substitutes**

**Conservative**  
Mr A D Crotch  
Mr J F Fisher  
Mr R R Foulger  
Ms R M Grattan  
Mr D King  
Mr G F Peck  
Ms C E Ryman-Tubb

### **Substitutes**

**Liberal Democrat**  
Mr S Riley  
Mr D M Thomas

### **Contact**

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**If any Member wishes to clarify details relating to any matter on the agenda they are requested to contact the relevant Director / Assistant Director.**



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**The Chairman will ask if anyone wishes to  
film / record this meeting**

**A G E N D A**

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- |          |   |               |
|----------|---|---------------|
| <b>1</b> | <b>To receive declarations of interest under Procedural Rule no 8</b>   |               |
| <b>2</b> | <b>Apologies for absence</b>  |               |
| <b>3</b> | <b><u><a href="#">Minutes of meeting held on 25 March 2019</a></u></b>  | <b>3 – 5</b>  |
| <b>4</b> | <b>Matters arising therefrom (if any)</b>   |               |
| <b>5</b> | <b><u><a href="#">Affordable Home Ownership in Broadland and South Norfolk</a></u></b>  | <b>6 – 16</b> |
|          | To receive a report that considered eligibility for affordable home ownership.  |               |
| <b>6</b> | <b>Greater Norwich Local Plan</b>   |               |
|          | To receive a briefing on the document that will be a key driver in determining where new homes and jobs would go in the District; prior to formal consultation. |               |

Trevor Holden  
Managing Director

Minutes of a meeting of the **Place Shaping Panel** held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on **Monday 25 March 2019** at **6.00pm** when there were present:

Mr I N Moncur – Chairman

Mr R R Foulger  
Miss S Lawn

Mrs J Leggett  
Mr G K Nurden

Mr F O'Neill  
Mr S Riley

Also in attendance were the Director of Place, Spatial Planning Manager and the Committee Officer (JO).

Mr Mike Burrell, Greater Norwich Planning Policy Manager, was in attendance for item 39 - Towards a Strategy – GNLP Report

### **37 APOLOGY FOR ABSENCE**

An apology for absence was received from Mr Everett.

### **38 MINUTES**

The Minutes of the meeting held on 4 December 2018 were confirmed as a correct record and signed by the Chairman, save for the following amendment:

Mr Kular was in attendance for part of the meeting.

### **39 TOWARDS A STRATEGY – GNLP REPORT**

The report, which went to the 29 January 2019 meeting of the Greater Norwich Development Partnership, proposed a high level strategy to guide the preparation of the draft Greater Norwich Local Plan (GNLP), which would be due for consultation in September 2019.

The strategy proposed a broad distribution of growth and the basis for the site allocation choices. It was intended to be a broad and flexible guide through the plan making process, as further evidence was gathered and sites appraised. When adopted, the GNLP would be flexible in order to support economic growth and the delivery of housing need through buffers, windfalls and contingency sites.

The report confirmed that existing large strategic employment sites had the potential to support significant economic growth over the period of the Plan. Some smaller employment sites in rural areas were also likely to be needed.

It was projected that new sites for around 7,000 homes on top of the existing commitment of 34,100 homes would be required to 2036.

Principles for developing the preferred strategy for the distribution of growth were:

- Maximising brownfield growth
- Ensuring that reasonable alternatives to policies were tested
- To broadly follow the settlement hierarchy that had already been consulted on
- Limiting the number of new large sites
- No new settlement was proposed at this time
- To take account of Habitats Regulations Assessment
- Demonstrating support for the Cambridge/Norwich Tech Corridor
- The allocation of small sites of 15 plus dwellings to ensure the provision of affordable housing

Strategic scale growth would be concentrated in and around the city of Norwich and outwards along the A11, as well as in main towns, key service centres and village clusters.

In answer to a query, Members were informed that rural growth would be stimulated by allocated sites in village clusters, especially in areas that had primary schools with capacity. Taking a positive approach to windfall development would also help stimulate growth in rural areas.

The Panel was also informed that housing land supply figures for the whole of Greater Norwich were currently being calculated and indications suggested that it was more than the required five year supply. This would allow predatory planning applications to be defended more robustly over the transitory period between now and the adoption of the GNLP. However, it would not mean refusing all further development, as the five year supply would have to be maintained.

Members were also informed that job creation and employment indicators

were very positive for Greater Norwich, which should make the growth in housing sustainable. They were also advised that in many cases planning permission was not required for home working.

A Member noted that the contingency allocation of 1,200 dwellings listed in the report at Sprowston was at White House Farm, not White Woman Lane.

In answer to a question, the Director of Place confirmed that under the National Planning Policy Framework planning applications were judged on their merits, not on the number of objections to the development.

The Strategic Housing Market Assessment provided evidence of affordable housing need, but viability remained an ongoing challenge. To address this the Local Plan would include an element of affordable housing at the allocation stage, which should then be taken into account in the land price and therefore the development should be viable for affordable housing and the Community Infrastructure Levy.

The emerging strategy would be brought back in May for further consideration and then consulted upon in September/October 2019. It would then be submitted to the Inspector in 2020 and adopted in 2021.

### **RESOLVED**

to note the report.

*The meeting closed at 6.46 pm*

## **AFFORDABLE HOME OWNERSHIP IN BROADLAND AND SOUTH NORFOLK**

<b>Report Authors:</b>	Kay Oglieve-Chan Housing Enabler, Broadland District Council tel: 01603 430639 email: <a href="mailto:kay.oglieve-chan@broadland.gov.uk">kay.oglieve-chan@broadland.gov.uk</a>  Keith Mitchell Housing Enabling and Strategy Officer, South Norfolk Council email: <a href="mailto:kmitchell@s-norfolk.gov.uk">kmitchell@s-norfolk.gov.uk</a>
<b>Portfolio Holders:</b>	Planning (Broadland District Council) People and Communities (South Norfolk Council)
<b>Wards Affected:</b>	All
<b>Purpose of the Report:</b>	This report considers eligibility for homes provided for affordable home ownership, focusing on those provided through negotiation with developers under planning policy.

### **Recommendations**

That Cabinet resolves that:

1. ordinarily there will be no local connection priority for people wishing to purchase affordable home ownership, other than homes built to meet local needs under the exceptions policy (with flexibility to reintroduce local connection priority if deemed necessary) if this applies then a decision will be made by the Portfolio Holder for Housing and Wellbeing;
2. all applicants for affordable home ownership must register with the regional Help to Buy agency (or any successor body);
3. Cabinet amends policy to introduce these changes.

## 1 SUMMARY

- 1.1 This report arises from the Joint Strategic Housing Statement which was produced to identify activities whereby a common approach by Broadland and South Norfolk Councils could benefit the residents of both Districts. One of the projects agreed is 'Affordable Home Ownership – a common approach to tenures and qualification'.
- 1.2 The report relates to homes provided through the planning policy in the Greater Norwich Joint Core Strategy which requires a proportion of dwellings on larger sites to be affordable homes. More specifically, the subject is affordable home ownership dwellings for sale at no more than 80 percent of their open market value. Consideration does not include homes built for local needs under the 'exceptions policy', which are prioritised for people having a connection with the parish.
- 1.3 The Joint Strategic Statement suggested a common approach to all affordable home ownership on the following basis:
- method of application;
  - eligibility (connection to the District).
- 1.4 The Statement noted that both Councils prefer shared ownership to shared equity because it is a more affordable product (savings required and monthly cost). Any council, as the Local Planning Authority, cannot refuse to accept an affordable housing tenure permitted by national planning guidance (the National Planning Policy Framework February 2019, Annex 2). However, local authorities do have the flexibility to choose the appropriate affordable home ownership products to meet local need - as set out in the National Planning Policy Framework.
- 1.5 This report implements the intention of the Statement, and recommends a way forward.

## 2 BACKGROUND

- 2.1 The three most common tenures of affordable home ownership are:
- **Shared ownership (S/O):** part buy / part rent, with the purchaser buying 25%-75% of the equity, usually having the right to buy the remaining equity at any.
  - **Shared equity (S/E):** purchase of a specified percentage of the equity, most commonly 75%, with no rent payable on the remaining equity. The purchaser has the right to buy the remaining equity, but often not before a specified period has passed.
  - **Discounted market sale (DMS):** purchase of a home at a specified percentage of its market value, usually 75%. These are sold with a restriction on the title deeds and so all future sales must be at the same percentage of open market value.

- 2.2 Homes England (which sets the regulations for developments by Registered Providers) does not permit any local eligibility criteria for shared ownership properties other than on exceptions sites because the Government regards them as a contribution to meeting national housing need.
- 2.3 Currently Broadland and South Norfolk Councils adopt different eligibility criteria for other affordable ownership tenures. This report considers whether there is justification for retaining this approach, adopting common eligibility criteria, and/or removing all local connection criteria.

### **3 CURRENT POSITION**

#### **Broadland**

- 3.1 Applicants meet the local connection criteria by either living working or having close family within the District and as such are eligible to purchase an affordable home within the District.
- 3.2 Broadland has seen a large supply of affordable home ownership products on sites across the District. The largest delivery has been as DMS, particularly on sites at Sprowston, Aylsham and currently Horsford. However, most recently a more balanced mix of affordable home ownership tenures is being sought through the planning process with the aim of delivering more new build shared ownership homes.

#### **South Norfolk**

- 3.3 Recently there has been a very good supply of affordable home ownership in South Norfolk. In some locations (Hethersett, Wymondham and Loddon) supply has sometimes exceeded demand. The outcome is that anyone in housing need who could afford a home has been able to buy, irrespective of any connection to South Norfolk.
- 3.4 Over 90 percent of purchasers in South Norfolk were not currently owners, although they might have owned in the past. About 30 percent of purchasers applied from addresses outside South Norfolk, with most of those being from Breckland.

#### **Analysis**

- 3.5 The attached Appendices show the detailed findings and analysis of combined Broadland and South Norfolk affordable home ownership data (Appendix 1 and Appendix 2). The main findings this was that:
- The largest proportion of purchasers already lived within the LA area in which they purchased.
  - Both areas had a significant number of applications where one of the applicants lived or worked in an adjoining LA area.
  - For both areas it was also noted that there were a small number applicants who lived or worked outside of Norfolk



- 3.6 From these various data collections it indicates that the homes available in both Districts are contributing to meeting the housing needs of people from outside their boundaries: people leaving Norwich, people leaving other rural Norfolk locations, and people moving from outside Norfolk.
- 3.7 It is anticipated that there will be an ongoing good supply of new build properties for affordable home ownership, and the table in Appendix 3 summarises the expectations from existing planning permissions.

## **4 PROPOSED ACTION**

- 4.1 Both Councils have recognised for many years that the Norwich housing market extends across their Districts. The 2017 Central Norfolk Housing Market Assessment used housing and economic evidence to demonstrate that the housing market now extends beyond Greater Norwich to most of Breckland and North Norfolk.
- 4.2 These factors, combined with the anticipated supply, support the proposition that restricting eligibility for affordable home ownership to local people is no longer necessary. Ending the practice could eliminate the Councils' process of checking and approving the circumstances of applicants.
- 4.3 Broadland's practice is to require all applicants to register with the regional Help to Buy agency, which checks eligibility on the basis of income and current housing status. South Norfolk does not have this requirement, but it could be imposed.
- 4.4 It is considered that such an approach would suffice for both Councils, ending a time-consuming activity for officers. It would also align the eligibility requirements for all three affordable home ownership tenures.

## **5 POLICY IMPLICATION**

### **Broadland**

- 5.1 Cabinet decisions relating to Local Lettings Policy are only referred to within the Housing Allocation Policy (adopted in April 2012 and last updated in May 2015). This policy outlines how rented homes are allocated in Broadland.
- 5.2 Allocation of Affordable Home Ownership products is via an informal arrangement with the developer and which requires a local connection to the District. However, the S106 agreement affordable housing clauses could allow for removal of the local connection criteria from Affordable Home Ownership products, subject to Member approval.

### **South Norfolk**

- 5.3 Two South Norfolk Council Cabinet resolutions would require amendment if eligibility was to be changed.

1. In June 2005, Cabinet agreed to a Planning Committee recommendation that:

In settlements with a population of less than 3,000 population local people with proven housing need are to have priority for all affordable housing provided through negotiation with developers.

In settlements with a population of 3,000 or more local people with proven housing need are to have priority for about one third of affordable housing provided through negotiation with developers.

A Cabinet resolution would be required to amend these priorities to only housing for rent.

2. In November 2005, Cabinet considered the precise wording of local connection cascades in S106 agreements for homes negotiated with developers and homes approved under the exceptions policy. It was resolved to 'approve the definition of 'Local' as outlined in the report, to be included in all relevant planning agreements.' A Cabinet resolution would be required to disapply this practice to affordable home ownership provided through any mechanism other than an exceptions policy planning permission.

## 6 ISSUES AND RISKS

- 6.1 **Resource implications** – None and would require less officer time within the approvals process.
- 6.2 **Legal implications** – None.
- 6.3 **Equality implications** – No negative implications and may improve applicant access to affordable home ownership for all equalities groups.
- 6.4 **Environmental impact** – None.
- 6.5 **Crime and disorder** – No.
- 6.6 **Risks** – If in the future applicants with a local connection are unable to access new build homes then the local connection criteria might be justified, and could be reinstated within a particular parish.

## 7 CONCLUSION

- 7.1 It is concluded that there should be no eligibility criteria\* other than registration with the Help to Buy agency for affordable home ownership tenure where the dwellings are not provided as part of an exception site. This is justified because:
  - The anticipated supply is expected to meet the needs of Broadland and South Norfolk.

- It contributes to the effective working of the housing market.
- It supports economic development by enabling people in housing need to buy a home which they believe meets their needs.
- It removes an unnecessary administrative burden from both Councils.
- It provides consistency and it simplifies arrangements for potential purchasers, house builders and financial advisors.

\*A flexible approach should be taken to allow a reversion to Local Lettings if circumstances change and indicate there is a requirement for local lettings within a particular location

## **8 OTHER OPTIONS**

- 8.1 The alternative to agreeing to the proposal is to retain a local connection priority for affordable home ownership.

## **9 RECOMMENDATIONS**

- 9.1 That Cabinet resolves that:
1. Ordinarily there will be no local connection priority for people wishing to purchase affordable home ownership, other than homes built to meet local needs under the exceptions policy (with flexibility to reintroduce local connection priority if deemed necessary) if this applies then a decision will be made by the Portfolio Holder for Housing and Wellbeing;
  2. all applicants for affordable home ownership must register with the regional Help to Buy agency (or any successor body);
  3. Cabinet amends policy to introduce these changes.

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### **Background Papers**

None

## SALES OF AFFORDABLE HOME OWNERSHIP

### Combined Affordable Home Ownership Data collection for BDC and SN on properties purchased since April 2017

Affordable Home Ownership Product	Average Full market price	Average Purchase Price paid	Min discounted price paid	Max discounted price paid	Average Equity Purchased	Average House hold Income	Average Equity / Savings
Shared Ownership x 44	£201,776	£83,119	£59,500 2 bed house (35% equity)	£140,000 2 bed house (70% equity)	42%	£26,130	£26,404
Shared Equity x 43	£191,470	£142,750	£112,000 1 bed flat	£176,250 3 bed house	76%	£27,804	£23,800
Discounted Market Sale x 50	£208,441	£166,015	£140,000 2 bed house	£216,000 3 bed house	79.5%	£31,420	£37,945

Data was collected for sales of affordable home ownership products within Broadland and South Norfolk from Early 2017 to the end of 2018. The data collected was for 137 sales completions of Affordable Home Ownership products and the total number of each tenure is shown in the table above. Not all data was accessible (such as sales price or household income) for each sale completed, however the data collected allowed for comprehensive findings as outlined below:

The main points arising from analysis of these affordable home ownership product sales in Broadland and South Norfolk are:

- Most purchasers (69%) previously lived in the LA area where they purchased.
- 29% of purchasers lived in or had a connection to an adjacent area.
- A significant proportion of purchasers had a connection to the district through work or close family.
- Both South Norfolk and Broadland saw applicants wishing to move between their LA areas as well as from Norwich City or Breckland Council area.
- Broadland also saw applicants from Gt Yarmouth and North Norfolk who met the local connection criteria whilst applicants moved from Suffolk Authorities to South Norfolk.
- Two applicants living within adjacent LA areas were MOD or ex-MOD and therefore met the local connection criteria under the Forces Covenant.
- The remaining purchasers were from out of the LA area but met the eligibility criteria as required by the relevant LA.

- a) For Shared Ownership it was noted that there was an almost equal split of purchases between 2 and 3 bedroom houses (48% 2 bedroom and 52% 3 bedroom). Rather unusually there were slightly more 3 bedrooms delivered within this tenure – as compared to Shared Equity and DMS completions. The percentage equity ranged from the lowest equity of 30% up to a max of 70%, but included a large choice of equity shares from 30% equity up thru 35%, 40%, 45%, 50%, 60% to a max of 70%.
- b) Shared Equity properties purchased ranged from 1 bedroom flats and houses, 2 bedroom flats and houses and 3 bedroom houses. Therefore, this tenure offered the best mix of affordable homes out of all of the tenures. Within the S/E units the predominant properties purchased were 2 bedroom property types (44%) which were predominately as 2 bedroom houses but also included 2 x 2 bedroom flats/apartments.
- c) Although Shared Equity provided the lowest amount of complete data this was still seen to be the affordable home ownership tenure requiring the next lowest combined household income – when compared to DMS. This would be expected as the average discount for the Shared Equity products was higher (24%) compared to DMS (almost 20% discount).
- d) DMS units were delivered mainly as 2 bedroom houses (64%) with the reminder as 3 bedroom houses within this data collection. The percentage equity ranged from 75% up to 80% with the greater number of properties being delivered with a 20% discount. Therefore because of the smaller discount available this could be considered to be the least affordable of the homeownership products.

Comparing these findings to previous data collections (Broadland sales completions – AHO report November 2017) it was noted that the average joint household income for Shared Ownership purchasers was now closer to the Norfolk average household income data. The main reason for the increase may be because there were considerably more results available within this data collection which was combined for South Norfolk and Broadland DC. There was also a more equal spread of data across the three tenures.

This latest data collection reiterates the findings that Shared Ownership is still the most affordable tenure, requiring the lowest deposit and the lowest income. Whilst it was noted that DMS requires the highest joint household income and average savings. For Shared Equity (as previously) this tenure still showed the lowest amount of completed / collected data but was found to be the next most affordable tenure compared to DMS. This was expected as the average discount for the Shared Equity products was higher (24%) compared to DMS (almost 20% discount).

**APPLICANTS FOR AFFORDABLE HOME OWNERSHIP****Help to Buy East South East data - extracted for BDC and SN**

Applications with one or more applicant as current resident of Broadland	BDC where either applicant lives or works within another LA area	Applications with one or more applicants as current resident of South Norfolk	SN where either applicant lives or works within another LA area
<b>197</b>	Norwich City = 52	<b>181</b>	Norwich City = 41
	South Norfolk = 18		Broadland = 11
	Breckland = 7		Breckland = 11
	North Norfolk = 6		North Norfolk = 3
	Gt Yarmouth = 1		Mid Suffolk = 3
	Waveney = 1		Ipswich = 3
	Ipswich = 1		Waveney = 2
			KLWN = 2
			Gt Yarmouth = 1

Analysis of Help to Buy applications for all Affordable Home Ownership applicants registered from January 2018 to March 2019 shows:

- 197 applicants registered for Broadland where one or both applicants live within Broadland district
- 181 applicants registered for South Norfolk where one or both applicants live within South Norfolk

This was applicants registering for all property sizes and for all tenures of AHO products.

Again this data showed that both areas had a significant number of applications where one of the applicants lived or worked in an adjoining LA area (if recorded). For both areas it was also noted that there were applicants who lived or worked out of area, some outside Norfolk.

- For Broadland we saw applicants (where recorded) originally living or working in other LA areas further afield, including Chelmsford, Hillingdon, Hounslow, South Cambs and St Edmundsbury.
- For South Norfolk the data also showed applications where one of the applicants lived or worked in another LA area, including Aylesbury Vale, Islington, Bedford, Braintree, Birmingham, Colchester, East Cambs, and South Somerset.
- Therefore, both LA areas had applicants who lived or worked outside of Norfolk, wishing to relocate from quite distant locations.

When filtering only on applicants specifying Shared Ownership, it was noted that South Norfolk shows a greater proportion of applicants indicating this tenure (if

specified) compared to Broadland. For Shared Ownership only (for all property sizes) South Norfolk had 133 applications whilst Broadland had 67 – within the above totals. This is to be expected as the largest delivery of AHO products within Broadland has been as DMS at 75% or 80% OMV and so we would expect a larger number of applicants to have specified this tenure.

**PREDICTED PIPELINE SUPPLY FOR AFFORDABLE HOME OWNERSHIP**

	Expected completions to 2025			
	S/O	S/E	DMS	Total
Broadland	86	42	114	<b>242</b>
South Norfolk	148	74	2	<b>224</b>
<b>Total</b>	<b>234</b>	<b>116</b>	<b>116</b>	<b>466</b>
<b><i>Of which, before December 2020</i></b>	<b>86</b>	<b>24</b>	<b>30</b>	<b>140</b>

Note: additional completions can be expected from planning permissions not yet granted.

This table summarises expectations from existing planning permissions, assuming no major changes in the housing market. This indicates a good predicted continuing supply, although the tenure mix varies between the two districts because of the outcomes of past priorities and negotiations.