

Subject: Great Yarmouth Borough Council Housing Action Plan 2019

Report to: Housing & Neighbourhoods Committee 25 July 2019

Report by: Head of Planning and Growth

SUBJECT MATTER

The production of the Council's Housing Action Plan for 2019

RECOMMENDATIONS

That Housing and Neighbourhoods Committee:

- 1. Notes that the Council has not met the national Housing Delivery Test for the period 2015/16-2017/18 and so needs to prepare and publish a Housing Action Plan by 16th August 2019**
- 2. Notes that the Council will also not meet the next Housing Delivery Test (for the period 2016/17-2018/19) and so will need to monitor and update the Housing Action Plan in due course**
- 3. Notes and agrees that sections 2-4 of this report will form the basis of the contents of the Council's emerging Housing Action Plan**
- 4. Notes that officers will complete the Housing Action Plan and will keep members updated on the progress of the measures**

1 BACKGROUND

1.1 Increasing the delivery of housing across the country has been a key aim for all recent national governments. For many years, housing delivery has been significantly lower than most estimates of housing need, across all tenures of housing (market and affordable). [A paper exploring \(amongst other matters\) a history of housing delivery nationally and in the Borough was considered by the Housing & Neighbourhoods Committee on 14th March 2019](#) and the details are not repeated at length in this paper.

1.2 The Government's aim is to see housing delivery across England reach 300,000 per year by the mid-2020s. As part of this, it introduced a new national formula to calculate the minimum housing need for each local authority area. The formula takes household growth projections for 10 years as its starting point, and then adjusts to take account of local housing affordability – broadly, the less affordable average house prices are in relation to average local earnings, the higher the “adjustment factor” is applied to housing need (i.e. it adds more houses to the total need). Those authorities with a relatively recent Local Plan do not yet need to use the new national formula, but others do.

1.3 In 2018, the Government also introduced the Housing Delivery Test. The Test result is a percentage of the total homes delivered over the previous three-year period,

divided by the total number of homes required over that three-year period. Where delivery is below 95% of the requirement, the authority must prepare a Housing Action Plan to assess the causes of under-delivery and identify actions to increase delivery in future years. The first Test results were published by the Ministry of Housing, Communities and Local Government in February 2019, with the results covering the three-year period 2015/16-2017/18. All required Action Plans must be published by 16th August 2019.

1.4 According to the national figures, the need for Great Yarmouth was 301 dwellings in each year (*it is unclear why the figure is not 300, which is the total every year from 2013-2020 set out in the Core Strategy*); according to the Government figures, there was total delivery of 606 dwellings. This delivery rate equates to 67%, requiring the production of a Housing Action Plan. (The Council's own completion figures are slightly higher, totalling 631, but even using these figures, the figure is only 70%, still substantially below the 95% threshold.) The Council's most recent housing land supply figure (for the end of 2017/18) is just 2.55 years, well below the minimum required level of 5 years.

1.5 The most recent housing completion figures for the Borough, 2018/19, show a significant (and extremely welcome) increase in completions to 328, a more than 50% increase over 2017/18, but these figures will not show up until the next national Housing Delivery Test figures are published, probably in early 2020. The updated housing land supply figure for 2018/19 is not yet available; whilst indications are that it will be higher it is not thought likely to be a significant increase.

1.6 Recent 2019 figures show that commitments (sites with planning permission plus a couple of allocations in the Core Strategy) total roughly 3,250 houses. Not all are immediately deliverable; some have only outline planning permission and some larger sites (such as Wheatcroft Farm, Bradwell) obviously take a number of years to build out, but nonetheless there is a significant bank of consented sites available.

1.7 The figures also show that approximately two-thirds of the supply is more than a year old, and approximately one-third less than a year old. There is a roughly 50:50 split in outline permissions and full/reserved matters permissions.

1.8 The [Planning Practice Guidance](#) sets out the steps required to produce a Housing Action Plan. In essence, they are: i) identify reasons for under-delivery; ii) explore ways to reduce the risk of further under-delivery; and iii) set out measures the authority intends to take to improve levels of delivery.

2 REASONS CONTRIBUTING TO THE UNDER-DELIVERY OF HOUSING IN GREAT YARMOUTH BOROUGH

2.1 There are a variety of reasons why there has been under-delivery in the Borough, and many were set out in the Housing & Neighbourhoods Committee paper of 14th March 2019 referred to above. Officers have discussed these with a range of stakeholders, and in particular at the recent meetings of the Great Yarmouth Borough Developers' and Agents' Forum. Discussions also take place at monthly meetings of the Norfolk Strategic Planning Officers' Group, the Norfolk Development Control Officers' Group and the quarterly meetings of the Norfolk Strategic Planning Member Forum.

2.2 Not all reasons apply in all cases, of course. Some reasons are more local to the Borough whilst many are relevant right across England, but summarised the main factors are:

- Low land values and lack of viability of developments (especially in parts of Great Yarmouth town), in some places exacerbated by high flood risk;
- The lack of recognition in national planning policy and guidance of the challenges of poorly-connected coastal areas such as Great Yarmouth – in other words, the one-size-fits-all national approach is inappropriate;
- Difficulties in developers accessing development finance at sensible rates;
- Difficulties for some local people in accessing mortgage finance at sensible rates;
- Difficulties in securing the timely delivery of infrastructure to enable/support growth
- The time it can take to complete and sign Section 106 legal agreements (and thus delay the issue of the planning permission)
- Lack of competition for bigger sites amongst major builders – at present, Persimmon is the only volume housebuilder operating in the borough – and the general risks of developing such large sites;
- Difficulty in finding appropriate sites to develop (especially for some SME developers)
- Too many sites in the “wrong” places (leading to concerns about local over-supply) and not enough in the “right” places (not responding sufficiently to market demand);
- Developer caution (not wanting to build out too quickly or on too many sites in case the market ‘turns’ downwards);
- Unrealistically high development value expectations of for some landowners for their consented housing sites;
- Taxation strategies to mitigate (especially) inheritance tax and capital gains tax affecting decisions as to whether or when to sell land or build houses;
- Corporate landownership structures and landowner disagreements leading to complexity in agreeing actions on progressing sites;
- Labour and materials shortfalls;
- Negative perceptions of Great Yarmouth Borough;
- The impact of developer contributions and pre-commencement planning conditions in slowing proper “starts” on site;
- Delays in the Council progressing applications and responding to queries, causing

additional costs to developers, delaying the issuing of planning permissions/reserved matters approvals and thence the delivery of homes.

3. CURRENT/RECENT INTERVENTIONS

3.1 The Council has, like many other local authorities, always been trying to increase its housing delivery over many years. A wide variety of avenues have been explored and new approaches are continually appraised. There has been a significant increase in the scale and pace of activities in the last 18 months or so and although there is inevitably a lag time for some of the activities to turn into greater housing completions, some excellent building blocks are in place/being put in place; in other words, the Council is doing a very great deal already. The 50% increase in housing completions for 2018/19 (referred to in paragraph 1.5 above) shows that some of the measures in place are delivering:

3.2 Infrastructure improvements:

- The Council worked with Norfolk County Council to successfully secure £98m Department for Transport funding for the Great Yarmouth Third River Crossing in 2017;
- Funding was secured in 2019 from the Environment Agency and the New Anglia Local Enterprise Partnership for much-needed improvements to flood defences in the town; and
- The Council continues to work as part of the A47 Alliance to secure improvements to the whole of the A47, and the sections of the road in the borough in particular. Improvements to the Vauxhall roundabout are in Highways England's current plan

3.3 Progressing the Part 2 Local Plan

The Core Strategy, which was adopted in 2015, has a range of strategic policies – including two strategic-scale residential allocations – to help deliver over 7,000 homes by 2030. The Part 2 Local Plan, which will contain allocations of land to help meet the target and Development Management policies, is being progressed as rapidly as possible, with adoption planned for late in 2020. In addition, early work on the next Local Plan (which is likely to run to 2041) will commence in 2020.

3.4 Setting up a Developers' Forum

In July 2018 Council officers re-constituted, after a break of some years, a Developers' and Agents' Forum for the borough. The Forum – which meets 3-4 times per year – discusses a wide range of planning and development matters and there is a standing item for feedback on how the Planning & Growth Service could improve. Discussions are open, frank and therefore very useful for Council officers (as well as external attendees).

3.5 Appointing a Housing Growth Manager

The Council created a new – cross-authority – post in August 2018 of Housing Growth Manager. The postholder's role is to work closely with developers and landowners to try

to understand blockages to development and accelerate the delivery of housing, something that has been very successful so far. He also leads on various specific Council initiatives (detailed below).

3.6 Promoting a Housing Deal for Great Yarmouth

Housing and Neighbourhoods Committee agreed, in July 2018, that the Council should prepare and submit to Government a proposal for a bespoke housing deal with Homes England (in other words, seeking Government funding to help undertake additional housing delivery). Work on *Sustainable Coastal Community – a housing deal for Great Yarmouth* is continuing, with external advisers and Norfolk County Council assisting in the preparation of the bid, which will be HM Treasury 'Green Book' compliant and will be submitted later in 2019. Six potential opportunity areas will be highlighted, including empty homes and town centre vacant properties.

3.7 Updating the Council's Property Acquisition and Disposal Policy

The Council is seeking to acquire appropriate residential properties in Great Yarmouth – including some in a poor condition – with a view to providing a greater number of better quality homes in the borough. A degree of refurbishment is likely to be necessary for these properties – some might be divided into flats, for example. The updated policy (agreed in March 2019) provides more clarity on when and how such properties can be acquired and the safeguards and checks that are in place. A number of potential properties have been examined so far by officers, but none have yet progressed to the purchase stage.

3.8 Middlegate Estate Regeneration

The Middlegate Estate was constructed in Great Yarmouth in the 1950s, following post-war clearance. Originally a council-house estate, some of the properties have been sold through right-to-buy over the years, but about 90% remain in the Council's hands. It is in need of refurbishment and a masterplan has been prepared which may allow delivery of an additional 125 or so dwellings as part of the regeneration of the estate.

3.9 Regeneration of North Quay and The Conge

North Quay and The Conge in Great Yarmouth are areas of the town in need of regeneration. They link the railway station to the town centre and North Quay borders the River Yare, with excellent waterfrontage. They are identified for mixed-use regeneration (including residential uses), as part of a wider area, in Core Strategy Policy CS17 (*Regenerating Great Yarmouth's Waterfront*). Thus far, there has been little activity – there are significant constraints meaning that viability is low. The Council made an unsuccessful bid for £4m in 2017 to the Housing Infrastructure Fund to help improve the infrastructure (and thus viability of the area).

3.10 Recognising that regeneration of the area is unlikely to see a private sector-led regeneration, the Council has appointed consultants to undertake various evidence base studies for the area, leading to the production of a Supplementary Planning Document.

The SPD will provide further, more detailed, guidance to help in the regeneration efforts. In July 2019, Full Council also agreed to release £2.5m for the Council to begin to purchase various properties and landholdings in the area, with a view to land assembly to increase the chances of a comprehensive scheme coming forwards.

3.11 Property Market Study

The Council commissioned consultants in early 2019 to prepare a Property Market Study. The aim of the study – which should be finalised later in the summer – is to provide evidence of the current situation and also to advise on strategies to try to expand/alter the local property market. This is with a view to trying to provide the types of dwellings which will be attractive to developers and help raise the value of land more generally in the area, thus improving viability.

3.12 Improved relationships with Registered Providers

The Council is conducting a series of meetings with various affordable housing providers operating in the area, with a view to trying to arrange development partnerships to see appropriate schemes developed (whether affordable-led or market-led). It is hoped that this will unlock various sites and see early delivery of housing. In addition, the Council is introducing a more proactive approach to the delivery of affordable housing on sites, assisting and being pragmatic as and when issues arise.

3.13 Future High Streets Fund

The Council heard in July 2019 that it had been successful with its Expression of Interest to the Government's £650m Future High Streets Fund, one of only 51 successful bids across England (out of more than 300). The work is now moving to a period of co-development, and part of the Council's proposal will be to boost the delivery of residential units in the Great Yarmouth town centre through better use of upper-storey under-used spaces and selective conversions of former shops to wholly residential use. This aim is also supported by the Town Centre Masterplan, which was adopted in 2017 and the Hall Quay Planning Brief, for which Policy & Resources Committee endorsement is being sought on 23rd July 2019.

3.14 Future Places status

In March 2019, the Council was one of only five areas in England awarded "Future Place" status as part of a process led by the Royal Institute of British Architects and including three other professional bodies. The bodies will assist the Council to develop a vision for Great Yarmouth, with training and expert advice from each of the Future Places partners. This will be a significant boost for place-making in the town and dovetail very well with some of the other initiatives mentioned above, plus other Council priorities on economic growth and tourism.

3.15 Strategic Planning work across Norfolk

The Norfolk authorities (the County Council, all the district/borough councils and the Broads Authority) have a long history of working closely together on strategic planning matters. In more recent years, a formal councillor committee (the Norfolk Strategic Planning Member Forum) was set up in 2016 to help guide the work of the officers, and this led to the production of the first Norfolk Strategic Planning Framework (NSPF), in 2017. The NSPF is a non-statutory document and does not create new policy, but it does contain a number of Agreements on various policy matters, which all the authorities have endorsed individually. The next formal update to the NSPF has been prepared and is being endorsed by all the Norfolk councils during summer 2019 (Policy & Resources Committee is being asked to endorse it on 23rd July 2019).

3.16 The Norfolk Strategic Planning Officers' Group prepares the NSPF and also commissions and undertakes a variety of research. Research in 2017 did a "deep dive" into the factors speeding or hindering the delivery of larger housing sites in Norfolk, for example, and made various recommendations for managing the situation, and a variety of joint work has been – and continues to be – done. Many of the issues affecting the delivery of housing are similar across Norfolk, so it makes a great deal of sense to share costs and expertise in trying to overcome some of these issues.

3.17 Enterprise Zones

Although not directly housing related, the Council has two very successful Enterprise Zones, at Beacon Park (Gorleston) and South Denes (Great Yarmouth). The EZs which have Local Development Orders covering them (which basically means that if buildings meet certain size and use criteria, they benefit from permitted development and do not need to follow the normal planning application process). Both EZs have a focus on offshore energy uses and related industries and increasing the strength of the local economy further should have a positive effect on the local housing market.

3.18 Equinox Enterprises Ltd

Like many local authorities, the Council has a wholly-owned, arm's-length property company. Equinox Enterprises Ltd was set up in 2016 and will primarily develop housing on Council-owned land. Equinox's first main development, East Wood (at Beacon Park, in Bradwell), will comprise a total of 287 new homes, with the first phase of 56 homes under construction, but the company has also completed a small brownfield scheme of six dwellings, with further opportunities likely. The work of Equinox could therefore help deliver yet further housing in the future.

3.19 Pre-application charging

The Council introduced a chargeable pre-application service in October 2018, with the twofold aim of assisting in the generation of better-quality, more deliverable planning applications (saving time and money and smoothing the process for such applications)

and also generating money to help support the running of the Planning department. The take-up so far has been better than expected, and the feedback from users of the service has also been very good.

3.20 Promotion of the town and borough to potential investors and developers

Over recent years, the Council has worked alone and with partners such as Norfolk County Council and the New Anglia Local Enterprise Partnership to promote key sites (such as North Quay) for potential investors at major trade fairs such as REVO (Retail Evolution) and London MIPIM. Officers also attend major offshore energy conferences and trade shows regularly (e.g. Global Offshore Wind). This activity has raised the profile of the borough significantly and it is believed that this has contributed to some recent successful funding and advice awards mentioned above, such as the Future Places and Future High Streets fund.

4. CURRENT AND POTENTIAL FURTHER ACTIONS

4.1 As mentioned above in the report, the Housing Delivery Test is calculated over a three-year period. The much higher completions figure for 2018/19 (328) will not show in the Test result until the next period (for 2016/17-2018/19), expected in late 2019 or early 2020. Even when it does, clearly the Council will still be well below the 95% delivery rate, as the two poorer years' delivery will remain in the figures (the figure is likely to be about 80%), so a revised Housing Action Plan will need to be produced.

4.2 The Council's projections for delivery in 2019/20 are for a similar level of completions to 2018/19 (300-350) and every effort will continue to be made to boost delivery as much as possible during the current year. Due to:

- i) The 'lag' time for many of the measures and interventions referred to above to come into effect fully;
- ii) Wider economic and market factors beyond the direct control of the Council; and
- iii) Uncertainty about what the baseline housing need figure will be (it will vary over time, depending on population projections, average house prices and average income prices; and the Government is reviewing the whole Housing Need Assessment methodology anyway, which could lead to higher need levels arising);

it is unclear whether the 95% delivery rate could be met for the Test results period for 2017/18-2019/20 will be met – it may be very close if there is an excellent delivery year in 2019/20.

4.3 As highlighted in section 2 above, there can be a wide variety of reasons why housing delivery may be slower than the Council desires, many of which are out of the direct control of the Council itself (such as the state of the national economy). Even though the Council – alone and with partners – is progressing a very significant number of initiatives (see section 3 above), there is still more that can be – and is being done.

4.4 Greater analysis of why sites are not coming forward more quickly

Firstly, although the raw figures for the split of small/large, young/old, outline/full permissions are available, each site has its own characteristics and circumstances. A detailed investigation into as many of these sites as possible is underway – the Council is employing an intern until early September 2019 to take the lead on this process as well as help draft the Housing Action Plan itself. This involves contacting site owners and developers and asking them a series of questions about their site(s) – what is going well, problems they may have and whether the Council might be able to be of any assistance in speeding up delivery.

4.5 Whilst many of the general problems and issues affecting many sites will already be known (see section 2), specific intelligence will be extremely useful in helping to unlock sites. This more detailed work will take place over the coming months and may well lead to a range of significant new measures being considered by the Council to speed delivery.

4.6 Small sites and small developers

Larger sites tend to deliver significant housing numbers when they are under construction – such as the Persimmon site at Wheatcroft Farm (south Bradwell). Most larger developers also have significant resources, experience and capacity to help start on site overcome problems. This is not necessarily so for some small- and medium-sized developers and landowners and some more focused pieces of work and engagement are therefore likely to be of value.

4.7 The setting up of a small sites sub-group of the Developers' and Agents' Forum may be particularly useful to enable a better understanding of their particular difficulties – of which finding the right sites in the right places and accessing development finance are common. An example of a measure that might have potential to be explored further (without any commitment or certainty) are the Council forming joint venture companies with certain developers/landowners.

4.8 Other internal measures to be considered

A regular theme mentioned during the Developers' and Agents' Forum meetings and also individually by a number of applications and agents is slow response times from Development Control officers to their queries and in processing discharge of condition material. Whilst the picture can sometimes be different to that as portrayed, it is worth considering whether there should be some prioritisation given to discharge of condition submissions if they are delaying the commencement of housing delivery.

4.9 As mentioned above in paragraph 3.19, the introduction of pre-application charging in 2018 has gone well so far. Interest has been expressed in extending this to Planning Performance Agreements by some larger developers (bespoke agreements to process and determine applications within a defined time period in exchange for a higher fee). This could be considered as part of the review of the first year's operation, which will be considered by Policy and Resources Committee in autumn 2019.

4.10 External measures and "asks" to potentially be considered

Paragraph 3.6 discusses the emerging proposed “Housing Deal for Great Yarmouth”, which is in preparation. It is important to note here that it has long been the view of the Council that the various national systems of planning and funding for particular initiatives are “one-size-fits-all” approaches. They do not easily match the particular circumstances that are found in some more remote coastal communities such as Great Yarmouth, where low land values and (in places) significant viability challenges occur.

4.11 Whilst the Council has recently seen very welcome successes in various funding bids (as mentioned above), the requirement in the National Planning Policy Framework for there to be a five-year housing land supply has been a significant millstone for the Council. As discussed above in the paper, there is a healthy supply of consented housing land overall (about 3,000 units) but only a 2.55-year housing land supply (as at the end of 2017/18). A significant number of unallocated sites (especially smaller sites in some of the more rural parishes) have been consented over the past couple of years, but this has not yet been reflected in starts and completions. In some locations there has even been industry comments to the effect that there are now “too many” consented sites, which is hindering starts and build-out rates due to fears of local competition and market saturation.

4.12 It is therefore proposed that the Housing Action Plan states that discussions will be sought as part of/alongside the proposed “Housing Deal for Great Yarmouth” with the Ministry of Housing Communities and Local Government. Introducing a significantly lower housing land supply minima for the Borough – even if for a relatively short period of time until the Part 2 Local Plan is adopted in late 2020 – would give a degree of “protection” from further speculative planning applications. Such an approach would allow the Council to concentrate its efforts on bringing forward already consented sites for starts and completions whilst completing the Part 2 Local Plan (Site Allocations and Development Management Policies).

4.13 Related to this is the frustration of there being a significant number of sites which have outline planning permission, but there seemingly being little early activity to either sell the site to a developer or make a reserved matters application. There should be a clear expectation that, if a landowner or developer makes a planning application for housing and receives permission, they expect and intend the site to be developed. If a landowner or developer does not seem to be making pragmatic and timely steps to dispose of or develop their site without good reasons, then the Council (indeed, all local authorities) should be given “step-in” rights to potentially acquire sites and consider i) developing it themselves; ii) developing it through a joint venture company with a developer; or iii) parcel the site out to a local developer to build. This power too should be requested in discussions with MHCLG.

5. NEXT STEPS

5.1 Officers will complete the Housing Action Plan (a draft of which is in progress) and publish it on their website by 16th August 2019 and the measures and proposals contained within will be advanced/continued as soon as is practicable.

5.2 The Action Plan will require monitoring (potentially quarterly to assess the actions being taken). As stated above in the report, it is already known that the Council will not pass the next Housing Delivery Test results (for 2016/17-2018/19) and so a full annual review will be needed in due course.

6. FINANCIAL IMPLICATIONS

6.1 None directly, although any specific activities proposed such as acquiring sites/land will depend on necessary powers being granted and must then follow the Council's normal processes. Preparation of the Action Plan itself is within the normal budget for the Planning & Growth Service.

7. RISK IMPLICATIONS

7.1 It is very important that the Council is seen to be doing everything it can to try to address the shortfall in delivery of housing as quickly as possible. This is both because it is the right thing to do anyway – there are people needing or wanting housing in the Borough who do not have one because of the lower delivery rates – but also because the Government needs to see that all levers within the Council's power are being pulled before they are likely to even consider granting special powers or dispensations. As stated in the report, it is felt that there is a good story to tell in relation to the

8. CONCLUSIONS

8.1 The Council has to prepare a Housing Action Plan due to under-delivery of housing in the past three-year period, even though this under-delivery is not mainly due to any shortcomings of the Council itself. A very significant number of mitigation and improvement measures are already in train (and have been for years in some cases) which showing early success (the 328 housing completions for 2018/19) but further steps are also likely to be both useful and necessary to boost delivery further, both internally, with developers/landowners and from MHCLG and its institutions.

9. RECOMMENDATIONS

That Housing and Neighbourhoods Committee:

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- 2. Notes that the Council will also not meet the next Housing Delivery Test (for the period 2016/17-2018/19) and so will need to monitor and update the Housing Action Plan in due course**
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10. BACKGROUND PAPERS

[Local Plan Core Strategy \(2015\)](#)

[Emerging Local Plan Part 2 \(2019\)](#)

[Review of Unbuilt Housing Permissions and Allocations and the need to prepare a Housing Action Plan – Housing & Neighbourhoods Committee paper 14th March 2019](#)

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated?

Area for consideration	Comment
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	N/A
Existing Council Policies:	Local Plan Core Strategy (2015)
Financial Implications:	Discussed in the report
Legal Implications (including human rights):	None directly
Risk Implications:	Discussed in the report
Equality Issues/EQIA assessment:	None
Crime & Disorder:	None
Every Child Matters:	None