

Sent by email to: planningpolicy@north-norfolk.gov.uk

18/06/2019

Dear Sir/ Madam

Response by the Home Builders Federation to the North Norfolk First Draft Local Plan consultation

Thank you for consulting the Home Builders Federation (HBF) on the First Draft Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our members account for over 80% of all new housing built in England and Wales in any one year. Our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders.

Presumption in favour of sustainable development (SD1)

We recognise that when the presumption in favour of sustainable development was first introduced the advice from PINs was to duplicate this policy in local plans. However, this is no longer the case and given that paragraph 16 of the NPPF states that local plans should avoid unnecessary duplication of policies in the Framework we would recommend that the Council deletes policy SD1.

Effective co-operation

The Council provide an overview in section 3 of the draft Local Plan of their approach to co-operation through the Norfolk wide strategic planning forum. This co-operation has resulted in a strategic planning framework for the County and a statement of common ground. We welcome the preparation of this statement, which is a requirement of national policy, and the broad overview of the key concerns facing the County in meeting development needs. However, we note that the current statement does not include evidence as to the delivery of development in each authority and whether there will be any unmet housing needs. The Council state in paragraph 9.18 of the draft local plan that neighbouring authorities have agreed that needs will be met though their local plans, however, it is acknowledged in sub section 6.6 of the statement of common ground that delivery has not kept pace with targets and we are concerned that there may be unmet needs within the County in future and that the Council should not dismiss the need to meet the needs of others at this stage. We would suggest that such details are included in the statement of common ground and that, in line with paragraph 27 of the NPPF this is regularly updated to reflect the current situation in each planning authorities covered by the statement of common ground.



Housing requirements (HOU1)

The Council states in paragraph 9.16 that its local housing needs assessment is 543 homes per annum - 10,860 homes over the plan period. On the basis of this level of housing needs the Council have set a housing requirement in HOU1 of between 10,500 and 11,000 new homes between 2016 and 2036.

Whilst we consider the Council to have applied the standard method correctly, we note that this assessment uses the median affordability ratio from 2017 rather than the 2018 ratio that were published earlier this year. The Council acknowledge this position in figure 3 of Background Paper 1 'Approach to setting the Draft Housing Target' which indicates that housing needs will be 553 dwellings per annum and 11,060 homes over the plan period. We would agree with the later assessment of needs and it will be important that the Council plan for this higher number. PPG states that Councils can rely on this figure for two years following submission. However, if further evidence is published prior to submission the Council will need to reconsider its housing needs to ensure consistency with paragraph 60 of the Framework and its associated guidance.

The Council recognise in the local plan that the standard method results in the minimum level of housing needs. Councils must therefore consider, as established in paragraph 60 of the NPPF and paragraphs 2a-010 and 2a-024 of PPG, whether the level of housing delivered will need to be higher in order to:

- Address the unmet needs arising in neighbouring areas;
- Support the delivery of growth strategies or strategic infrastructure improvements; and
- Help ensure the delivery of the Council's affordable housing requirements

Unmet needs

Whilst it would appear that there are no unmet needs within neighbouring authorities at present it will be important for the Council to continue to monitor this situation through statements of common ground. Should it become evident that there is likely to be unmet needs arising within any neighbouring areas the Council will need to consider increasing its housing requirement.

Economic growth

The Council state in paragraph 9.17 of the draft local plan that they have considered whether employment growth within the Borough will require an uplift to the baseline housing needs assessment resulting from the standard method. The Council note in 'Background Paper 1' that they do not expect economic activity to change over the plan period. However, the Council continue to seek increased economic activity through the allocation of an additional 93 ha of employment land in policy ECN1, which when developed will generate a substantial number of new jobs. The Council will need to consider the impact of these allocations on jobs growth in North Norfolk and whether an uplift in the Council's housing requirement is needed to ensure there are

sufficient working age people to support these aspirations. Alongside this the Council will need to consider the areas ageing population and the fact that this sector of the population will lead to a shrinking workforce and potentially increase the need for housing growth beyond the established baseline.

Affordable housing needs

The Council outline in HOU1 their intention to deliver a minimum of 2,000 affordable homes over the plan period. What is not clear from the Local Plan or the Council's evidence base is whether this level of delivery will meet the affordable housing needs for North Norfolk. The Central Norfolk SHMA identifies the need for 17,450 additional affordable homes between 2015 and 2036. However, we could not find within the SHMA a separate breakdown of the need for affordable housing within each LPA covered by this assessment. The Council must state how many affordable homes are needed during the plan period to meet its own needs and the degree to which its proposed housing requirement and affordable housing policies will meet this need. If affordable housing needs are not being met in full then the Council will have to consider increasing its housing requirement to better meet affordable housing needs as mandated by paragraph 2a-024 of Planning Practice Guidance.

Recommendations

Firstly, any housing requirement must be stated as a minimum to ensure that this figure is not seen as a cap beyond which further development should not be delivered. Secondly, further evidence will need to be provided with regard to affordable housing needs and economic growth and whether either of these factors will require the Council to increase its housing requirement in HOU1.

Housing Supply (HOU1)

Policy HOU1 sets out in table 1 that the Council expects to deliver 9,316 new dwellings through existing permissions and new allocations. In addition to this supply the Council expects a further 2,295 homes will be delivered through windfall sites delivering a total of 11,611 new homes across the plan period. Whilst the HBF does not comment on the deliverability of specific sites we do consider it important that reasonable assumptions are made with regard to the deliverability of allocated sites and that windfall assumptions are justified. Whilst the Council will be aware that paragraph 73 the 2019 NPPF requires Local Plans to include a housing trajectory we also consider it helpful to include within the plan, or supporting evidence, detail of how each allocated site delivers over the plan period. In our experience this helps not only those commenting on the local plan but also the inspector tasked with examining it.

Windfall

The NPPF allows windfall to be included in anticipated delivery where there is compelling evidence that they will form a reliable source of supply. The Council's statement on five-year housing land supply indicates that the level of windfall is

expected to be 135 dpa. This accounts for 22% of the homes expected to be delivered over the remaining plan period - 2019 to 2036. Whilst we recognise that delivery on windfall sites has been high in previous years the plan should be seeking to reduce the level of windfall and increase the number of small site allocations within the local plan in line with paragraph 68 of the NPPF. This requires the Council to identify in the development plan sites of less than 1ha that will deliver a minimum of 10% of its housing requirement. We would therefore recommend that the Council seek to allocate smaller sites across the Borough and reduce the level of windfall expected to come forward. This would provide greater certainty in the delivery of new homes with North Norfolk and allow any windfall to be considered a bonus rather than a necessity.

Flexibility in supply

The Council's proposed supply indicates that the Council have 5.5% buffer across the plan period. This is insufficient and provides limited flexibility within supply should any of the proposed allocations not come forward as expected. We would suggest that the Council needs to allocate further sites and reduce its reliance on windfall. We generally recommend that Councils identify delivery (including windfall) for at least 20% more homes than the stated housing requirement.

Recommendations

Whilst the Council states it has sufficient supply to meet its housing needs over the plan period, we do not consider there to be a sufficient buffer to for such a statement to be made with any certainty. At present the Council is reliant on high level of windfall to come forward in order to meet needs and has limited flexibility should delivery not come forward as expected. We would therefore suggest that the Council allocates sufficient sites to ensure a 20% buffer across the plan period to provide the necessary certainty that its housing needs will be met.

Settlement Hierarchy (SD3)

Whilst we have no comments to make on the hierarchy itself, we note that this policy allows for developments of five dwellings or less on previously developed land where the site would result in rounding off or infilling in a predominantly built up area will be permitted outside of settlement boundaries. Such policies provide some flexibility, but it will limit opportunities to provide larger developments in such locations through restricting it to sites of five or fewer homes. As outlined earlier the Council are heavily reliant on windfall sites and whilst we would recommend that sites are allocated if the Council is going to rely on windfall delivery it will need to have policies that will maintain its diminishing supply. We would therefore recommend that policy SD3 is revised to increase its scope to support a wider range of sustainable residential development. One approach to supporting development on the edge of settlements that has been recently been found sound is policy HOU5 in the Ashford Local Plan and is set out below.

“Proposals for residential development adjoining or close to the existing built up confines of [list settlements] will be acceptable provided that each of the following criteria is met:

- a) The scale of development proposed is proportionate in size to the settlement and level, type and quality of day to day service provision currently available, and commensurate with the ability of those services to absorb the level of development in combination with any planned allocations in the Local Plan and committed development in liaison with service providers;*
- b) The Site is within easy walking distance of basic day to day services in the nearest settlement and/or has access to sustainable methods of transport to access a range of services;*
- c) The development is able to be safely accessed from the local road network and the traffic generated can be accommodated on the local and wider road network without adversely affecting the character of the surrounding area;*
- d) The development is located where it is possible to maximise the use of public transport, cycling and walking to access services;*
- e) Conserves and enhances the natural environment and preserves or enhances any heritage assets in the locality; and*
- f) The development (and any associated infrastructure) is of a high-quality design and meets the following requirements:*
 - i) It sits sympathetically within the wider landscape;*
 - ii) It preserves or enhances the setting of the nearest settlement;*
 - iii) It includes an appropriately sized and designed landscape buffer to the open countryside;*
 - iv) It is consistent with the local character and built form, including scale, bulk and the materials used;*
 - v) It does not adversely impact on neighbouring uses or a good standard of amenity for nearby residents;*
 - vi) It would conserve biodiversity interests on the site and/or adjoining area and not adversely affect the integrity of international and nationally protected sites in line with Policy.”*

This approach allows the Council to take a more flexible approach that is proportionate to the size and nature of the settlement without compromising the integrity of the Council’s spatial strategy and settlement hierarchy. Such an approach will better support the Council in meeting its ambitious targets for windfall development and provide flexibility in delivering both market and affordable homes that will improve the vibrancy and vitality of North Norfolk’s rural communities.

Recommendation

The SD3 is rewritten to provide greater flexibility to support development within and on the edge of settlements in rural communities.

Viability

The 2012 NPPF recognised the need for the viability testing of the policies in a local plan to ensure the cumulative impact of the policies in such plans did not impact on the deliverability of development. Whilst paragraph 34 of the 2019 NPPF maintains this position paragraph 57 sets out that when considering viability of an application decision makers can assume that development that accords with local plan policies are viable. This paragraph places far greater emphasis on the need for viability to be considered as part of the preparation and examination of the local plan compared to the previous framework where there was more acceptance that policies could be negotiated at the application stage. The Government goes on to confirm this approach stating in paragraph 10-002 of PPG that:

“The role for viability assessment is primarily at the plan making stage”

Fundamentally the Government want far fewer applications to require negotiation with regard to affordable housing and other S106 contributions in order to speed up delivery and ensure that what is written in local plans is delivered. It is therefore vital that the Council considers viability very carefully and makes certain that the cumulative impact of the policies in the plan will not make development unviable. It will also be important that policies then reflect this evidence given that the Government expectation is that negotiation will be the exception rather than the rule.

After examining the Council's Interim Viability Assessment, we do have some concerns that the Council has not adequately tested the cumulative impact of the policies in the plan on viability as well as underestimating some of the financial inputs into the model. These concerns include:

- Developer profit. The Council have applied a profit margin of 17.5% and whilst we recognise that government guidance suggests a range of between 15% and 20% can be considered applicable many of our members will need to show a minimum of 20% profit margin in order to obtain finance. The Council must provide evidence as to why a lower profit margin is considered appropriate in North Norfolk;
- Specialist elderly care. HOU2 will require the provision of specialist care provision for the elderly on sites of between 151 and 300 units. It would appear that whilst such provision has been tested as separate scenarios, they have not been considered within the relevant residential scenarios outlined in paragraph 4.14 of the viability assessment;
- Sustainable construction costs. The Interim Viability Assessment states that this will be reflected in the BCIS as building regulations do not impose standards beyond the former Code for Sustainable Homes level 4 standard. As such, no additional costs have been applied within the assessment. However, HOU11 requires new build homes to achieve reductions of 19% below those that would be achieved via current Building Regulations. This will impose an additional cost on development above normal build costs and should be considered separately to BCIS in the viability assessment;

- Electric vehicle charging. The requirements of policy SD16 do not appear to have been taken into account. As well as the delivery of the charging points consideration will need to be given as to whether further upgrading to substations will be required to take account of the additional loads these will place on such infrastructure;
- Mitigation for designated habitats and biodiversity net gains. It is not clear whether these requirements, both part of policy ENV4, have been considered within interim viability assessment. Both have the potential to place substantial additional costs on development and must be included in any future assessments;
- Self-build and custom housebuilding. The viability assessment will need to considering the impact of the Council's requirement for self-build plots as set out in HOU2;
- Accessible and adaptable homes. The cost of providing housing to part M4(2) have been considered but the requirements for 5% of homes to be built to part M4(3) has not been considered in the viability assessment. The costs of providing such homes are significantly higher and will need to be included in the viability assessment.
- Open space standards. The viability assessment has considered standard open space requirements per hectare but does not state whether these reflect the Council's expectations that would result from the implementation of ENV7 of the draft Local Plan. A higher level of provision than tested in the viability assessment would reduce the net developable area; decreasing the number of units that are able to be provided which would impact on development viability.

Recommendation

Given that viability assessments are sensitive to changes in any inputs the Council will need to revisit their viability evidence following this consultation to take account of all the costs being imposed, as required by paragraph 34 of the NPPF. We would also suggest that further work will need to be undertaken to engage with the development industry on the evidence set out in this local plan. Paragraph 10-002 of PPG outlines the importance of engaging with developers with regard to viability and evidence will need to be provided as how this has been undertaken.

Affordable housing (HOU2).

It will be important that the affordable housing policy reflects any updated evidence on viability taking into account all the additional costs resulting from the new local plan. This may require the Council to reduce its requirements in both areas to ensure that the Council can satisfy paragraphs 34 and 57 of the NPPF. However, even on the basis of the Council's current evidence we would suggest that the affordable housing requirement in zone 1 does not reflect the Council's evidence. The table at paragraph 5.4 suggests that a 15% affordable housing requirement on residential development in the low value submarket will make brownfield land unviable and could have an impact on the delivery of green field sites. In order to ensure compliance with paragraph 57 the evidence indicates that a 10% requirement would be most appropriate and reduce

the need for negotiation in zone 1. This amendment would also support the delivery of brownfield sites in the lower value zone and ensure the Local Plan is consistent with paragraph 117 of the NPPF.

Small sites threshold

One of the thresholds included in this policy is the requirement for development from 6 units upwards to contribute to affordable housing provision regardless of location. This is contrary to paragraph 63 of NPPF which states that the lower threshold can only be applied in designated rural areas. Whilst there are parts of North Norfolk that will be designated as a rural area it cannot be applied to the entire borough. The policy should therefore identify the designated rural area to which the lower threshold will be applied. Outside of the designated rural areas contributions should only be applied to major development.

Recommendation

The Council will need to reconsider its affordable housing requirements against a revised viability assessment that considers the cumulative impact of the policies in the local plan. The policy will also need to be amended to remove the requirement for small sites outside of designated rural areas to pay a contribution towards affordable housing provision.

Housing mix (HOU2)

Policy HOU2 requires developments of 6 or more units to provide no less than 50% of the market homes as either 2 or 3 bedroomed units. Firstly, the mix of market homes to be provided on each site should be a matter for the developer to consider. Housebuilder understand the market for new homes and what is needed within the location they are developing. Whilst the Council should seek to ensure a broad mix of housing is provided across the Borough this should be achieved through allocating sites that will achieve this mix. Whilst we do not agree with the imposition of a mix requirements on market housing on any sites it is even more onerous on smaller sites where development viability can be greatly affected by the mix if there is no market for such homes at the location the development is being delivered.

Recommendation

We would recommend that the housing mix requirements for market homes in HOU2 are deleted.

Self and Custom House building (HOU2)

HOU2 requires at least 1 plot or 2% of the total number of units provided to be self-build. Whilst the HBF is supportive of the self and custom house building industry we are concerned that the expectation to deliver such plots is being placed on the house building industry. PPG sets out in paragraph 57-025 a range of approaches that must

be considered to support the delivery self-build plots, such as examining whether delivery could be achieved on their own land or if their landowners willing to provide development land specifically to support the self-build market. The Council will need to provide evidence as to the extent they have considered delivery through other mechanisms if this policy is to be found sound.

In addition to considering how to deliver plots for self-builder the Council must also provide evidence as to the demand for such plots. We are particularly concerned that across the Country the level of need outlined on self-build registers is inflated and does not reflect demand. We have noted that when Councils have revisited their registers in order to confirm whether individuals wish to remain on the register numbers have fallen significantly. This has been the case at the EIP for both the Hart and Runnymede Local Plans. In Runnymede for example more stringent registration requirements were applied in line with national policy and saw the numbers of interested parties on the register fell from 155 to just 3. There are also concerns that self and custom build registers alone do not provide sufficient evidence with paragraph 57-011 of PPG requiring additional data from secondary sources to be considered to better understand the demand for self-build plots. In particular we are concerned that planning policies, such as the ones proposed in the draft local plan, will deliver plots on major house building sites whereas the demand for self-build plots may be for individual plots in more rural locations. Without the necessary evidence to show that there is demand for self-build plots on such sites the policy cannot be either justified or effective.

Recommendation

The Council will need to provide further evidence if it wishes to take this policy further. Without the necessary evidence the policy must be deleted. If the policy is retained it must include a mechanism for the return of self-build plots to the developer where these are unsold. It is important that plots should not be left empty to detriment of neighbouring dwellings or the development as a whole. The timescale for reversion of these plots to the original housebuilder should be as short as possible because the consequential delay in developing those plots presents further practical difficulties in terms of co-ordinating their development with construction activity on the wider site.

Accessible and adaptable homes (HOU8).

Policy HOU8 requires all new homes to be built to part M4(2) of the Building Regulations and 5% of dwellings on sites of over 20 units to be provide wheelchair adaptable homes in line with part M4(3). When the optional technical standards were introduced the Government stated in the relevant Written Ministerial Statement that their application must be based on a clearly evidenced need for such homes and where the impact on viability has been considered – a position that is now reflected in footnote 46 of the 2019 NPPF – with further detailed guidance being provided in PPG. In addition to needs and viability PPG requires the Council to also consider:

- the size, location, type, and quality of dwellings needed;
- the accessibility and adaptability of the existing stock; and
- variations in needs across different housing tenures.

The evidence on need provided by the Council in the draft local plan is based principally on the Council ageing population. Yet just because there is an ageing population does not necessarily mean that there is an increase in the proportion of households requiring more accessible homes. For example, the English Home Survey, which examined the need for adaptations in 2014/15¹, noted that 9% of all households in England had one or more people with a long-term limiting disability that required adaptations to their home and that this had not changed since 2011-12. The survey also found that in 2014-15, 81% of households that required adaptations in their home, due to their long-term limiting disability, felt their current home was suitable for their needs. In addition, the survey indicated that those over 65 that required an adaptation to their home were more likely to consider their home suitable for their needs. So, whilst there is an ageing population there may not be a consequential increase in the need for adaptations or more adaptable homes. Many older people are evidently able to adapt their existing homes to meet their needs or find suitable alternative accommodation. A new home built to the mandatory M4(1) standard will therefore be likely to offer sufficient accessibility for the rest of their lives and as such to require all new homes to comply with Part M4(2) is disproportionate to the likely need within the plan period.

Recommendation

The Council should reduce the proportion of new homes to be provided as part M4(2) as there is insufficient evidence to justify all new homes being built to this optional technical standard.

Minimum space standards (HOU9)

Policy HOU8 proposes to adopt national minimum space standards (NDSS) for residential development in North Norfolk. The Council suggests that the application of these standards will ensure a reasonable level of amenity and quality of life. However, there is no evidence or justification confirming that the introduction of the NDSS will improve the quality of housing or that these will improve the living environment for residents. There is also no evidence presented to indicate that homes slightly below space standards have not sold or that such homes are not meeting their owner's requirements. We consider that additional space does not necessarily equal improvements in quality. There must be concerns that the introduction of the NDSS could lead to people purchasing homes with a smaller number of bedrooms, but larger in size due to the NDSS, which could have the potential to increase issues with overcrowding and potentially lead to a reduction in quality of the living environment.

Need is generally defined as "requiring something because it is essential or very important rather than just desirable". The NDSS should only be introduced on a "need to have" rather than a "nice to have" basis. The HBF consider that the Council's approach of collating evidence of the size of dwellings completed does not, in itself,

¹https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/539541/Adaptations_and_Accessibility_Report.pdf

identify need as set in the PPG or local demand as set out in the NPPF. It would be expected that the evidence includes market indicators such as quality of life impacts or reduced sales in areas where the standards are not currently being met. There is no evidence provided that the size of the homes being completed are considered inappropriate by those purchasing them or that these homes are struggling to be sold in comparison to homes that do meet the standards.

The HBF in partnership with NHBC undertake a Customer Satisfaction Survey annually to determine the star rating to be given to individual home builders. This is an independently verified survey and regularly demonstrates that new home buyers would buy a new build home again and would recommend their homes builder to a friend. The results of the 2017/18, the most up to date information available, asked how satisfied or dissatisfied the buyer was with the internal design of their new home, 93% of those who responded were either fairly satisfied (28%) or very satisfied (65%). This does not appear to suggest there are significant number of new home buyers looking for different layouts or home sizes to that currently being provided.

We consider that standards can, in some instances, have a negative impact upon viability, increase affordability issues and reduce customer choice. This could lead to a reduction in housing delivery, and potentially reduce the quality of life for some residents. In terms of choice some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards but are required to ensure that those on lower incomes can afford a property which has their required number of bedrooms. Essentially it could mean that those families requiring a higher number of bedrooms will have to pay more for a larger home. The industry knows its customers and what they want, our members would not sell homes below the enhanced standard size if they did not appeal to the market.

Recommendation

We do not consider that this policy is required and that local needs can be met without the introduction of the nationally described space standards. However, if the policy is considered to be justified, we would suggest that the policy is made more flexible to allow for support development schemes including smaller well-designed homes where it is required to make a development viable and deliverable. We would suggest the following amendment to policy HOU3:

“The Council will consider developments including dwellings below space standards where these are well designed or are required to ensure the viability of the development.”

We hope these comments are helpful and if you would like to discuss these issues further please contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Mark Behrendt'.

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