

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

28/02/2022

Dear Sir/ Madam

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

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

Plan period

The plan is unsound as the plan period is inconsistent with national policy.

2. Paragraph 22 of the NPPF states that strategic policies in local plans should look “... *ahead for a minimum of 15 years from adoption*”, with the exception of policies relating to town centre development. However, given that the submission of this local plan is unlikely to be before the summer of 2022 it is unlikely that the plan will be adopted until 2023/24 at the earliest. Therefore, in order to have a local plan that has a minimum of 15 full years after adoption the Council must extend the plan period to 2038/39 and ensure that there is sufficient development to meet assessed needs over this period.

Viability

The plan is unsound as the cumulative impact of the policies on the viability of development has not been robustly tested.

3. The Council recognises in policy HC4 that development which meet all the requirements set out in the local plan should be considered to be viable and do not need to be accompanied with a viability assessment. When considering viability, the Council also sets out in paragraph 5.4.15 that the Local Plan Viability Assessment sets the standard approach for such appraisal. However, we are concerned that the North Norfolk Interim Plan Wide Viability Assessment does not



consider all the costs being placed on new development and as such does not form a robust assessment of the impact of the local plan on development viability. Before submitting the plan for examination, the Council must include the following costs as part of its viability assessment.

4. *Biodiversity Net Gain.* The Council must include the cost of meeting the mandatory 10% biodiversity net gain (BNG) required by the Environment Act. The impact assessment of this legislation undertaken by Government considers the cost of delivering 10% net gain to be circa £18,000 per hectare in the East of England¹ based on their central assumption that 75% of the required net gain being delivered onsite and 25% being delivered off site. However, should a development find it necessary to deliver more of the net gains offsite the costs will be significantly higher costs are estimated to be in the region of £60,000 per hectare. Given that the cost of meeting the 10% requirement will not be known until the baseline for the site has been established it will be important that the Council considers both low and high costs relating to BNG within the viability assessment. It is also important that consideration is given as to the potential land take from delivering 10% BNG on site and whether this will reduce the developable area.
5. *Energy Efficiency Standards.* As the Council note in the supporting text policy CC3 the Government have stated they will introduce a revised part L of the Building Regulations which will see new homes produce 27% less CO₂ than under the existing regulations. In addition, the Government have stated that in 2025 they will introduce the Future Homes Standard that is expected to see new homes produce 75% less CO₂ than under the current regulations. However, the Council have only evaluated the cost of delivering the equivalent of level 4 of the Code for Sustainable Homes – a 20% reduction in CO₂ compared to current regulation. Given that there is the potential for a sizeable proportion of development in this plan to be delivered under the higher future homes standard we would suggest that the Council considers the impact of meeting both these proposed standards.
6. *Electric Vehicle Charging.* No allowance appears to have been made to take account of the local plan requirements for electric vehicle charging. The evidence supporting the Government's response to the consultation on EVCPs estimated an installation cost of between £615 to £1,115 per EVCP for off-street parking and between £975 and £2,947 per charge point for multi-occupancy surface parking. Whilst this in itself may not seem a significant amount it is important that the actual cost of delivering this policy is included in the viability assessment to ensure the cumulative impact of all costs does not impact the deliverability of the local plan. However, the HBF and its Members also have serious concerns about the capacity of the existing electrical network in the UK. The supply from the power grid is already constrained in many areas across the country. Major network reinforcement will be required across the power network to facilitate the introduction of EVCPs and the move from gas to electric heating as proposed under the Future Homes Standard.

¹Table 14 Biodiversity net gain and local nature recovery strategies Impact Assessment, Defra (2020)

7. These costs can be substantial and can drastically affect the viability of developments. If developers are funding the potential future reinforcement of the National Grid network at significant cost, this will have a significant impact on their businesses and potentially jeopardise future housing delivery. The updated part S of the Building Regulations indicate that the extra costs to connect charging points to the grid should not exceed £3,600 per charging unit and we would therefore recommend that this should be considered within the viability assessment.
8. Given that the viability assessment indicates that in the lower value zone 1 area viability is marginal or negative across all development typologies we are concerned that the cumulative costs placed on development by this local plan could lead to even those sites considered viable at present to being unviable with the cumulative costs being placed on them. It is therefore essential that the Council produces a robust viability assessment that considers the impact of all the costs faced by developers. Given the level of inflation currently being seen we would also recommend that the assessment includes sensitivity testing to consider the impact of potential higher cost of materials and labour.

Policy CC3 – Sustainable construction, energy efficiency, and carbon reduction.

The policy is unsound as it is not consistent with national policy.

9. In paragraph 3.3.6 the Council sets out the Government's phased approach reducing the amount of CO₂ emitted by new homes. This policy then seeks to ensure that this policy is in conformity with the ambitions of Government in the Future Homes Standard consultation which was to deliver a 31% improvement, which in the final proposal to be adopted was reduced to a 27% improvement. The HBF supports the Government's phased approach we also consider it important that this is achieved through the Building Regulations and that it is unnecessary for local plans to seek to repeat national mandatory standards. Seeking to replicate such a standard in a local plan can create confusion for decision makers and applicants as to the standard that should be applied. In this case the situation is further confused given that the proposed changes to Building Regulations now being proposed by Government would lead to a 27% reduction in CO₂ on current building regulations. Given this shift to securing improvements in energy efficiency through mandatory building regulations which will be introduced in the summer of 2022 we would suggest that policy CC3 is inconsistent with national policy and should be deleted.

Policy CC8 Electric Vehicle Charging

The policy is unsound as it is not consistent with national policy.

10. The HBF recognise the need to increase access to electric vehicle charging points as the ownership of such cars grows. However, the HBF consider the most effective approach in relation to residential development is that set out by the

Government which will see mandatory standards set out through building regulations being implemented through an update part S of the Building Regulations from June 2022. This approach provides the necessary consistency across the country as to what is required both in terms of the number of charging points but also the technical standard as to the type of charger to be used. As such the Council should delete the requirement for electric vehicle charging points from the local plan.

HC5 Fibre to the premises

The policy is unsound as it is not consistent with national policy.

11. As the Council are no doubt aware the Government are consulting on amendments to part R of the Building Regulations: Physical Infrastructure and network connections to new dwellings. These improved regulations will require all new build dwellings to be installed with the gigabit-ready physical infrastructure connections subject to a cost cap of £2,000 per dwelling. These requirements, if adopted as set out in the consultation, will mean that HC5 will broadly repeat the requirements of the building regulations and as such be inconsistent with paragraph 16 of the NPPF which requires Councils to avoid unnecessary duplication. Given the Government's clear intention with regard to such infrastructure we would suggest that this policy is not needed and should be deleted to avoid confusion as to the relevant standard to be applied. The viability assessment will also need to take account of the cost of meeting these requirements up to the cost cap being proposed in the consultation.

HC7 Parking provision

The policy is not sound as it not consistent with national policy.

12. Part 2 of this policy must be rewritten as it is currently inconsistent with national policy. The policy cannot state that development proposals must accord with supplementary guidance as this can be changed without the need for the level of scrutiny required to amend a local plan policy. Whilst we recognise that the policy goes on to state that this is only a starting point, we would suggest that greater clarity is required to make the policy sound. We would suggest the following wording:

“Development proposals make provision for vehicle and cycle parking having regard to the latest Norfolk County Council Parking Standards. When deciding on the level of parking provided consideration will also be given to local conditions, such as the availability of public parking, sustainable travel modes and design and conservation objectives.”

13. As outlined in our comments on policy CC8 it is not necessary for the Council to refer to electric vehicle charging as these have now been set out in building

regulations. Therefore, the reference to electric vehicle charging should be deleted from this policy.

ENV8 High Quality Design

Policy is unsound as it not consistent with national policy.

14. Part 2 of the policy requires all development to be in conformity with the North Norfolk Design Guide SPD. As set out in our comments on HC7 the Council cannot require development to be in conformity with supplementary guidance. We would therefore recommend that the policy be amended to state that development should have regard to the SPD.

HOU1 Delivering sufficient homes

The policy is unsound as it is inconsistent with national policy and unjustified.

15. This policy sets out the Council's aim to deliver 9,600 homes between 2016 and 2036 – an average of 480 dwellings per annum (dpa), some 51 dpa below the minimum required using the standard method. The HBF do not consider the Council to have justified either the annual level of housing needs they plan to deliver, nor the overall level of housing need which is based on an unsound plan period.

Housing requirement – use of the 2016-based projections.

16. Paragraph 61 of the NPPF establishes that the minimum number of homes to be planned for should be determined by a local housing needs assessment using the standard method set out in PPG – unless exceptional circumstances justify an alternative approach being used. The Council consider there to be the necessary exceptional circumstances required to apply an alternate method and have set out their justification in the North Norfolk Local Housing Needs Assessment 2019 (LHNA). This document sets out that due to problems with the 2014-based household projections and how they relate to population growth in North Norfolk they cannot be relied on as the basis for the standard method. The Council consider the 2016-based projections to be a more accurate assessment of population growth as the migration estimates in these later projections should be seen as a correction to the problems relating to the unattributable population change (UPC) seen in the 2014-based projections.
17. Whilst we recognise that there were issues with regard to UPC in the 2014-based projections we do not consider their impact in relation to the standard method to be so significant as to justify the use of the 2016-based projections and ignores the Government concerns with regard to lower levels of housing delivery being baked into household growth. The Council's position also ignores the relatively small difference between the outcomes of each projection. Between 2021 and

2031 the annual growth in the 2014-based household projections was 403 households compared to 347 households in 2016-based projections a difference of 56 household per annum. This 14% difference in expected household formation is lower than percentage change between the two projections for 22 other authorities in the East of England. This does not suggest that North Norfolk circumstances are particularly exceptional and the HBF do not consider the use of the 2016-based projections to be justified.

18. As the Council note in the LHNA the Government are aware that the 2016-based projections, and indeed later iterations of these projections, have in most areas shown that the number of households being created will reduce. However, when faced with the decision as to whether to require the use of the updated household projections the Government have decided to require the use of the 2014-based projections. In fact, this situation has been considered not only with regard to the 2016-based projections but also the 2018-based projection published in 2020.
19. It is also worth noting that the principal 2018-based projections indicate that household growth in North Norfolk between 2021 and 2031 is expected to be around 430 households per annum which if used in the standard method would result in a minimum housing requirement of 570 dwellings per annum. Whilst the principal projection in the 2018-based projections is based on only two years of migration data, and as such should be treated with caution, it does indicate that future household growth may not be as low as the Council suggest.
20. What is evident from the Government's position is that it considers the level of housing growth resulting from the application of the standard method using the 2014-based projections as the level of housing delivery required in order to meet future needs and address the backlog in demand from past under deliver across the country. We therefore do not consider the Council's proposed approach to be justified and that it should apply the standard method using the 2014-based projections. This requires the Council to deliver a minimum of 532 dpa over the plan period.

Housing requirement and the plan period.

21. As set out earlier in these representations the HBF is concerned that the plan period is not consistent with national policy and should be extended to at least 2037/38. However, equally we do not consider it necessary for the plan to look back to 2016/17, five years prior to the period used to assess the minimum housing requirement. The standard method has been developed to take account of past under delivery and as such it is not necessary include any delivery from previous years within the local plan. On this basis we would recommend that housing needs are considered over a new plan period be 2021/22 to 2038/39 which if the standard method is applied would result in a requirement to deliver 9,558 new homes in total.

Housing supply

22. Between 2016/17 and 2035/36 the Council expects to deliver 10,600 homes. This provides the Council with a buffer of some 526 homes, around 5% more than the Council stated minimum housing needs. However, given that this plan period is inconsistent with national policy the Council will need to identify sufficient supply to meet needs for the period 2036/37 to 2038/39.
23. As set out above the HBF consider that the Council's housing requirement should be 531 dpa as established using the standard method. Over the revised plan period the Council will therefore need to ensure there is sufficient supply to ensure the delivery 9,558 homes. At present supply between 2021/22 and 2035/36 is expected to be 8,170 homes. In order to ensure this level of delivery is secured the Council will need to find supply for a further 1,388 new homes between 2036/37 and 2038/39 as well as an additional buffer to ensure that needs are met in full.
24. The HBF does not comment on the deliverability or developability of specific sites. However, it will be essential that the Council provides sufficient evidence to support their assumptions and that delivery expectations are reasonable and not overly optimistic. Similarly, the Council will need to provide evidence to support its assumptions with regards to windfall. The Council set out in the housing trajectory that they expect windfall development to account for 135 dpa from 2022/23, delivering a total of 1,890 units over the plan period. However, we are concerned that there is considerable overlap between the delivery of existing permissions with the Council only deducting a single year of windfall to ensure there is no double counting. This is insufficient and will not eliminate double counting of permissions in the windfall allowance over the first five years of the local plan. Much of the windfall development seen in the first three years of the local plan will be from existing permissions and as such the Council should exclude windfall from the first three years of the five-year housing land supply. This would push back the inclusion of a windfall allowance to at least 2023/24 in the published housing trajectory. However, the year in which the windfall allowance starts will need to be pushed back as data on extant permissions is updated.

HOU2 Delivering the right mix of homes

The policy is unsound as it is unjustified

Affordable housing

25. As set out earlier in this representation the HBF consider that not all the costs faced by developers have been included the viability assessment. The Council will need to address these concerns to ensure that the cumulative impact of the costs required by the Council through the local plan are considered to ensure that they do not make development unviable and the plan as a whole undeliverable. In particular we are concerned that the cumulative cost could mean residential

development in the lower value areas of the Borough (Zone 1) is unviable on the basis of the policies in the local plan.

26. It is also unclear from the Council's evidence as to what the need for affordable housing is within North Norfolk. The Strategic Housing Market Assessment (SHMA) from 2017 gives an indication as to the need across the Central Norfolk HMA but it is not clear as to what the need is in North Norfolk. It is also notable that no new evidence on affordable housing needs has been produced since 2017 nor any assessment as to whether the 2017 SHMA remains consistent with the approach to assessing affordable housing needs set out in paragraphs 2a-018 to 2a-024 of Planning Practice Guidance, which was updated in 2019. In order to ensure the policy is justified the Council should ensure that it has an up-to-date evidence base as to the need for affordable housing in the Borough.
27. The Council state in paragraph 7.2.1 that at least 10% of the affordable homes should be in affordable home ownership. This statement is not consistent with paragraph 65 of the NPPF which requires at least 10% of homes delivered on major development sites to be available as homes for affordable home ownership. These homes would form part of the overall affordable housing requirement on a site and should be met unless this would exceed the level of affordable housing required in the area or significantly prejudice the ability to meet the affordable housing needs of specific groups.
28. The Council should therefore amend paragraph 7.2.1 to ensure the local plan is consistent with national policy and provide the necessary clarity to both decision makers and developers as to the required proportion of homes to be provided as set out in the NPPF.

Self-build and custom housebuilding

29. There is no justification to support the Council's policy that 2% of all homes delivered on sites over 25 dwellings should be self-build given that the Council has only 14 individuals on its self-build register. It is also important to note that the list expresses an interest in building their own home and not necessarily the ability to actually finance such a project. Whilst we recognise that PPG sets out that other evidence of demand should be considered the evidence from the self-build register does not give any indication that there is significant demand for such plots in North Norfolk. It will also be important that the Council establish how many such homes they expect to deliver through such a policy if they are to justify its inclusion. Given wide number of sites that could potentially be affected by this policy and the low level of demand there is a significant risk that supply will exceed demand. Without the necessary evidence the policy cannot be justified and as such should be deleted.
30. If further evidence of demand is established and the policy is considered to be sound, then provision should be made in the policy for unsold plots to return to the developer. Such provisions are necessary to ensure plots for much needed homes

are built out and not left empty to the detriment of the other residents in the other homes on a development. We would recommend that after a marketing period of six months the home should be returned to the developer for completion.

HOU8 – Accessible and Adaptable Homes

The policy is unsound as it has not been justified.

31. The HBF and its members recognise that some homes will need to be built to higher accessibility to standard to meet the increasing demand for such homes. However, the HBF does not consider the Council have justified the requirement for all new homes need to be built to part M4(2) of the Building Regulations in order to meet needs moving forward.
32. The Council outline that the population of North Norfolk is ageing and that will have an impact on the number of homes that will need to be more accessible in future. This is not disputed. However, when considering whether this ageing population translates to the need for all new homes to be built to part M4(2) it is important to consider how many of those over 65 will not only require the home to be adapted but will also seek to move in order to have their needs met. Some evidence relating to this is provided in the English Homes Survey. Whilst we recognise that this is a national study it provides an indication as to the proportion of more adaptable homes that are required. The study examined the need for adaptations in 2014/151 and noted that just 9% of all households in England which had one or more people with a long-term limiting illness or disability required adaptations to their home and that this had not changed since 2011-12. So, despite an increasing amount of older people in the general populace the proportion of the population requiring adaptations had not changed as a result of a long-term illness or disability had not changed.
33. The English Homes 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 and that 10% of those households whose home required an adaptation were trying to move somewhere more suitable. So, whilst there is an ageing population this does not directly lead to the need for all new homes built to higher accessibility standards. An ageing population will lead to more people who are likely to have a mobility problem but not necessarily more people who need a new home built to the M4(2) standard. Many older people, and indeed those of all ages with a long-term limiting illness or disability, will be able to adapt their existing homes to meet their needs and do not need to find alternative accommodation. It is also the case that for many people a new home built to the mandatory M4(1) standard will offer sufficient accessibility and adaptability throughout their life.
34. Finally, it is also the case that many older people are less likely to move home and the majority of those 'new' older person households forming over the plan period

are currently resident in the Borough – they have not moved from elsewhere; they are a reflection of an ageing population. Many will want to stay in their own home and, if necessary, have that home adapted to meet their needs. In many cases that will be possible, and even more so in more recently built homes where accessibility is significantly better than in older housing stock.

35. To conclude whilst the HBF consider that there will be a need for some homes to be built to part M4(2) of the Building Regulations we do not consider the evidence to show that all homes should be built to this standard. It is important that the Council, as required by footnote 49 to paragraph 130 of the NPPF, provides the necessary evidence to show that the need for accessible and adaptable homes justifies this policy.

HOU9 Minimum Space Standards

The policy is not sound as it has not be justified.

36. Minimum space standards can, as set out in paragraph 56-002 of Planning Practice Guidance (PPG), only be introduced where they are needed and where they do not impact on the viability of development. The application of space standards has been considered in the viability assessment; however, we could not find any evidence on the need for space standards. The Council refer to an ageing population but provides no evidence that homes are coming forward below space standards in order to justify the application of minimum space standards.
37. Whilst the HBF share the Council desires to see good quality homes delivered within Tendring we also consider that space standards can, in some instances, have a negative impact upon affordability issues and reduce customer choice. In terms of choice, for example, some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards, but which would allow on lower incomes can afford a property which has their required number of bedrooms. Given the poor affordability of property in the area it is important that the Council can provide, in line with PPG, robust evidence that there is a need to introduce the optional space standards – that these standards are a must have rather than a nice to have policy.
38. Given that there is little to suggest that development below space standards is an endemic concern within North Norfolk we would suggest that the policy is deleted from the plan. This would give the Council greater flexibility to maximise the number of sites that are developable as well as extending consumer choice to more households.

Conclusion

39. At present we do not consider the plan to be sound, as measured against the tests of soundness set out in paragraph 35 of the NPPF for the following reasons:
 - The plan period is inconsistent with national policy;

- The viability assessment is not robust
- Requirements for sustainable construction and electric vehicle parking are inconsistent with national policy;
- Requirements to conform to supplementary guidance are not consistent with legal requirements of local plans;
- The alternative approach to assessing local housing need is unjustified;
- Starting point for windfall allowance in the housing trajectory is unjustified;
- No up-to-date assessment of affordable housing needs;
- Approach to delivery of dwellings for affordable home ownership is inconsistent with national policy;
- Requirements for the provision of self-build plots are unjustified; and
- Requirements related to the technical standards for accessible homes and space standards have not been adequately justified.

40. I can also confirm that I wish to participate in the relevant hearing sessions in order to full represent our concerns which reflect the views of discussions with our membership who account of 80% of the market housing built in England and Wales.

Yours faithfully



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