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08/05/2024

Dear Sir/ Madam

## Great Yarmouth Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the First Draft of 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.

## Spatial Strategy

### Policy OSS1 Housing Growth and Location

2. The Council are proposing to adopt a housing requirement of 7,200 homes over the plan period 2021 to 2041, an average of 360 dwellings per annum (dpa). This requirement is consistent with the standard method at time the plan was written, and the council will need to review this as the plan progresses. To meet this requirement the council state that approximately 7,500 homes have been identified from existing commitments and new allocations.
3. The HBF's first concern is regarding the plan period. The Council outline in their most recent Local Development Scheme that the plan as expected to be adopted in January 2026. If this timetable is met, then the plan will look ahead for 15 years. However, any delay in the next stages would lead to the plan not being consistent with paragraph 22 of the NPPF which requires strategies policies in local plan to look forward at least 15 years. To ensure

that the plan period inconsistent with national policy on adoption the HBF would recommend it is extended to 2041/42.

4. Secondly, it is unclear as to why the plan period commences in 2021 given that the assessment of housing needs is based on household growth over a ten-year period starting in the current year with the affordability adjustment being applied to take into account any under, or indeed over, supply in previous years. The HBF would therefore suggest that the plan period is moved forward to 2023/24 to reflect the approach to assessing housing need required by national policy.
5. Our third concern is that the buffer between the housing requirement and supply is just 300 homes, around 4% of the housing requirement. This is a very small buffer and means that if supply does not come forward as expected the housing requirement over the plan period there is a risk that needs will not be met. In part some of this risk would appear to be mitigated by the council's approach to windfall development which paragraph 3.6 suggests is not included within the 7,300 homes expected to come forward. If this is not included the council must set out how many homes are likely to come from windfall if it is to show that there is sufficient flexibility in its housing supply to ensure the plan is deliverable over the plan period as required by paragraph 35c of the NPPF.
6. Finally, the Council will need to be able to show that it has identified at least 10% of its housing requirement on sites of less than 1 hectare to be consistent with paragraph 69 of the NPPF. In meeting this requirement the Council will need to ensure that these are identified with as an allocation in the local plan or in the Brownfield Register and does not include small site windfalls within the 10% requirement. Whilst it will be important to promote more small sites to come forward over the plan period as windfall, as mentioned in part d of paragraph 70 of the NPPF, this is distinct from the 10% requirement set out in part a of paragraph 70 of the NPPF. Further clarification that the 10% should not include windfall development is in the glossary where windfall is defined as "*Sites not specifically identified in the development plan*". (our emphasis)
7. It is important to recognise that the allocation of small sites is a priority for the Government and stems from the Government's desire to support small house builders by ensuring that they benefit from having their sites identified for development either through the local plan or brownfield register. The effect of an allocation is to take some of the risk out of that development and provide greater certainty that those sites come forward. This in turn will

allow the SME sector to grow, deliver homes that will increase the diversity of the new homes that are available as well as bring those homes forward earlier in the plan period.

8. Council should also recognise that allocating small sites and supporting SME house builders not only ensures a stronger supply in the short term but also improves the diversity of choice within local housing markets, support local and regional supply chains and are often pivotal in bring forward innovation and supporting jobs growth locally, with 1 in 5 of the SME work force comprising of apprentices. A failure to allocate small sites will contribute to the continued decline in small and medium sized house builders. Recent research by the HBF has found that there are 85% fewer small house builders today than there was 20 years ago and that of a survey of SME house builders 93% said that planning was a major barrier to SME growth. Whilst this decline is due to a range of factors more allocations of small sites would ease the burden on many SME developers and provide more certainty that their scheme will be permitted, allowing them to secure the necessary finance that is often unavailable to SMEs until permission is granted.
9. Therefore, for the plan to be consistent with national policy the Council should not just seek to maximise delivery from the small sites that do come forward but to actively promote these through allocations in the local plan.

#### Affordable housing needs

10. Planning Practice Guidance states at paragraph 2a-024 that “*An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*”. The Council’s evidence indicates that they will need to deliver 133 affordable homes each year in order to meet the need for affordable housing – around 37% of the total annual need for new homes. Given that the policy expects at most development will be able to deliver 25% with several allocations in Great Yarmouth delivering below that percentage it is evidence that the need for affordable housing will not be met. The level of delivery is likely to be much lower with the AMR 2022/23 indicating that to date the policies in the adopted local plan have seen just 382 affordable homes built - 13.5% of all new homes.
11. Given the clear difficulties of delivering affordable homes in urban area and on PDL the Council need to consider additional allocations to increase its supply of affordable housing. Therefore, the Council will need to consider whether a further uplift to housing delivery is

required in order to increase the supply of affordable housing across the Borough. As noted above the additional supply would also mean that the Council has a more substantial buffer between overall needs and supply to ensure that housing needs are met in full over the plan period.

### Conclusion on housing needs and supply

12. The HBF consider that in order for the plan to be sound additional allocations are required in order to ensure that there is sufficient flexibility in housing supply and to increase the supply of affordable housing to better meet the identified needs for such homes. In addition, the Council will need to ensure that 10% of its housing needs will be delivered on sites of less than one hectare.

### **OSS5: Development Viability**

13. Whilst the HBF supports the intention of this policy its scope is too narrow for the consideration of viability matters. Costs relating to Biodiversity or energy efficiency standard may also be higher than the costs considered in the Council's viability assessment and as such impact on the viability of development. As we note with regard to policy NAT3 the impact of BNG is not just in relation to additional costs but also the potential reduction in the developable area that reduces the number of homes that can be delivered, which in turn impacts on the viability of a site. The Council should therefore not limit the flexibility that is provided by stating very specific and limited circumstances where development viability will be considered a circumstance for reducing planning obligations required by this plan. An additional part could be added to the part b of the policy, stating:

*“The costs relating to the development can be shown to be higher than those set out in the council's viability assessment used in the preparation of this plan”.*

### **Housing Planning Policies**

#### **HOU1 – Affordable housing**

14. The HBF would suggest that minimum is removed from the second sentence of HOU1. The policy should be unambiguous as to what is required to ensure that decision makers are clear as to what percentage of affordable housing a development should deliver. It is also

unnecessary given the third paragraph which states that the council will permit developments that seek to go beyond what is required.

15. As set out below the HBF are concerned that the council have not fully considered the impact of BNG on development viability. If the council are to require the level of affordable housing set out in its policy, it will need to ensure that its policy NAT3 is viable and will not impact on the deliverability of development in Great Yarmouth over the plan period.

### **HOU6 Self Build**

16. Policy HOU6 requires 5% Self/ Custom-Build Housing on all sites of 200 dwellings or more. The justification for this policy is on the basis that on average the demand for self-build plots is roughly 7 plots per annum since 2016. The Council state that if demand remains constant then there will be demand for around 140 plots over the plan period. This is a relatively low amount and what is not clear is whether any of these individuals have had their needs met from windfall development or whether they have met their needs elsewhere in the housing market. It could be the case that there are sufficient plots coming through the market to satisfy this small level of needs without requiring larger sites to provide plots.
17. In the context of the above it is also important that before seeking to require the proposed developments to provide a proportion of the homes delivered as self-build plots the Council will need to examine other opportunities for meeting the needs of those who want to self-build. Under the Self Build & Custom Housebuilding Act 2015 and para 63 of the NPPF (2023), it is the Council's responsibility to ensure that sufficient permissions are given to meet demand. Further detail is provided in paragraph 57-014 of PPG with regard to the Council's duties and whilst this recognises that it should take account of self-build registers when preparing planning policies, it also outlines that consideration needs to be given by Councils to the disposal of their own assets in order to meet the need for self-build plots or whether self-build could support the regeneration of brownfield sites. A need for self-build plots should not automatically lead to a policy requiring their provision on other sites. PPG also notes at paragraph 57-025 that local authorities should be encouraging developers and landowners to consider providing plots for self-build and custom house building but makes no reference to requiring their provision. The Government clearly sees the role of the local authority as working to identify opportunities with developers rather than placing responsibility on to the development industry.

18. The Council will also need to consider whether it is feasible that all sites of 200+ dwellings can deliver self-build plots. Often, especially on the larger sites, there are multiple contractors and large machinery operating on-site, and the development of single plots by individuals operating alongside this construction activity raises both practical and health & safety concerns. Any differential between the lead-in times / build out rates of self & custom build plots and the wider site may lead to construction work outside of specified working hours, building materials stored outside of designated compound areas and unfinished plots next to completed and occupied dwellings, resulting in consumer dissatisfaction. Whilst some sites may be able to locate self-build plots in a manner that reduces these potential risks, on others this will be impossible with developers unable to co-ordinate the provision of self & custom build plots with the development of the wider site. Such concerns must be given full consideration by the Council when preparing any policies on self-build to be included in the Local Plan.
  
19. Given the above we would suggest that the council review their requirements and are more explicit as to what they want, where and why, as at present policy HOU6 does not look to be properly justified or effective.

### **HOU8 Space Standards**

20. The Council state that it has been evidenced that a lack of space can have a significance impact upon health and wellbeing, educational outcomes, and family stability. In addition, the council note that Great Yarmouth suffer from high level so multiple deprivation, poor health outcomes and that the inner urban wards of Great Yarmouth suffer from overcrowding. The HBF do not dispute this, but we could not find any evidence that the new homes being built in Great Yarmouth were too small and as such having a negative impact on those people who are occupying new homes across the borough. In many case the negative consequences arise from families not being able to afford a home with sufficient rooms to meet their need rather than rooms or homes being too small. In requiring minimum space standard, the consequence can be that homes are built with fewer rooms in order to meet the requirements of the NDSS reducing the availability of smaller homes with 3 and 4 bedrooms.
  
21. Therefore, if the Council are to introduce the nationally described space standards evidence will need to provide evidence that the new homes which are being built in the Borough are too small and are having a negative impact on those occupying them.

### **Policy EMP3: Digital Infrastructure**

22. The policy will require development to demonstrate through a site connectivity statement the level of connection being provided. The HBF do not consider this to be necessary as Part R of the Building Regulation already set out the physical infrastructure required to support gigabit ready development. These are matters to be addressed by building regulations and are not a consideration with regard to the granting of planning permission. The HBF therefore recommends that the second paragraph and parts d, e and f are deleted.

### **HEC1: Healthy Environments**

23. HEC1 requires all major development proposals between dwellings to submit a HIA screening assessment, and development of 150 dwellings or more (or 50 or more for retirement/ extra care housing) to automatically require a HIA. Whilst the HBF would agree that HIA are an essential part of plan making to ensure the Council understand the health outcomes of its strategy and is thus able to ensure these are effectively addressed, this should be achieved through the preparation of a whole plan HIA which will help inform the Council that the policies the plan contains address the key health outcomes for the area. As the plan and the policies, it contains has been prepared to address the key health issues it is unnecessary for future development proposals that accord with this plan to undertake a separate HIA. If a development meets the policies in the plan, then it is by default addressing the health outcomes already identified by the Council. An HIA as part of the application would merely be repetition of the work the council has already undertaken. The only circumstance where an HIA may be appropriate would be for a larger unallocated site where the impacts may not have been fully considered by the council as part of the plan wide HIA.

### **NAT3: Biodiversity Net Gain**

24. The HBF consider the requirement for new development to deliver a 20% net gain to be unjustified. The latest guidance published by Government on the 14th of February and highlight the statement that:

*“... plan-makers should not seek a higher percentage than the statutory objective of 10% biodiversity net gain, either on an area-wide basis or for specific*

*allocations for development unless justified. To justify such policies, they will need to be evidenced including as to local need for a higher percentage, local opportunities for a higher percentage and any impacts on viability for development. Consideration will also need to be given to how the policy will be implemented*".

25. It is important to note that the Government's position is that local plan should not seek a higher requirement. This is different to a permissive policy allowing local plans to seek a higher level of BNG where justified and the HBF would argue that it should be considered a high bar with regard to the evidence required to justify such a policy. There must be very robust evidence that the area is significantly worse than the country as whole with regard to the negative impacts on biodiversity from development and that the viability evidence will need to have considered in detail the actual costs facing development rather than assumed costs based generalised national data if the 20% BNG requirement is to be justified.
26. The HBF does not disagree that the UK has seen a significant loss in biodiversity not just in recent past but previous centuries and as such recognise the importance of ensuring that the outcome of new development in future is that there is a net gain in biodiversity. At present the Council have presented evidence as to the status of Norfolk's natural assets and then stated that because green field sites have a low level of baseline biodiversity a higher contribution is required to ensure it makes a more meaningful contribution. However, no link is made as to why a more meaningful contribution is necessary and why biodiversity is more under threat in Great Yarmouth as a result of residential development, or indeed any other development, than elsewhere in the country which in turn requires a higher level of BNG to offset these concerns. Without any logical reason and supporting justification the 20% requirement must be reduced to the statutory 10%.
27. The Council have considered the 20% BNG requirement in the Viability Assessment (VA) which considers the cost uplift in meeting a 20% requirement is relatively modest the difference in delivering a 10% requirement to a 20% requirement having little difference in terms of viability. In some circumstances this will be the case. It is inevitable that some sites will be able to easily deliver 20%, especially where the baseline level of biodiversity is low. However, others with higher baseline levels of biodiversity will be unable to deliver even the statutory minimum on site and will require the purchase of offsite credits in order to meet the higher percentage. Alternatively, the developable area will need to be reduced significantly impact on the viability of the site and/or its development capacity. The problem



with assessing BNG through the local plan viability VA is that the costs on site will rarely reflect any general assumptions made due to variation in the biodiversity of every site.

28. These are considerations that cannot easily be factored into development typologies and plan wide viability assessments which are by their very nature make generalised assumptions about the costs of BNG. The Council's Viability Assessment uses the costs used in the 2019 Impact Assessment (IA). Whilst in the absence of other costs these have been used across the country for assessing viability. However, it must be noted that the IA is an examination of the broad costs to the development industry based on a range of assumptions that will not necessarily reflect the type and location of development coming forward in Great Yarmouth and the costs of delivering BNG. In addition, the cost of creating and maintaining one hectare of habitat on site is based on 2017 study by Natural Trust, RSPB, and the Wildlife Trust in relation to farms and not residential development. In particular the on-site management costs may well be higher compared to the study and the Council will need to provide evidence to what these costs are rather than rely on those set out in the IA.
29. Furthermore, the IA makes no consideration as to the potential reduction in the developable area in order to deliver at least 50% of net gains on site. This is the assumption made in the central estimate and which is used in the Council's VA. In some cases, this may have limited impact whereas on some sites it will impact significantly on the number of homes delivered. These assumptions will need to be tested with regard to allocated sites to understand the degree to which BNG can be delivered on site whilst still delivering expected levels of development. For the typology testing we would suggest that the council should undertake sensitivity testing to consider the impacts of having to deliver more BNG offsite.
30. Finally in using the cost estimate in the IA the Council are underestimating the cost of offsite delivery to meet net gains. The IA applies a cost of £11,000 per offsite credit. This is much lower than current prices in the market which are in the region of:
  - £30-50,000 per Grassland unit.
  - £30-50,000 per Hedgerow unit.
  - £30-50,000 per scrubland unit.
  - £30-50,000 per individual tree.
31. These costs could also be higher still if there are insufficient credits locally. If credits are bought elsewhere then the spatial risk multiplier in the BNG Metric will increase the number of credits that are required. It will therefore be necessary for the Council to set out whether

there will be sufficient credits to deliver net gains offsite within Great Yarmouth. If not, then the costs in the VA will need to be increased. It should also be noted that a 20% BNG requirement will in many cases require more offsite delivery if a developer is to maintain viable levels of housing delivery on site. This will mean that it is likely that more than 50% of the BNG required on site will be delivered off site and that this will place additional demand for credits within Great Yarmouth, potentially increasing the price per unit.

32. However, the council does not appear to have undertaken any work either generally or in relation to the sites allocated in the local plan as to the cost of delivering BNG on site in Great Yarmouth nor the level of credits that might be needed to meet the 20% BNG requirement in NE2. Whilst it will be difficult to assess the impact in relation to general typologies it will be necessary for the Council to undertake a more detailed assessment as to the impact of BNG on allocated sites. Without any understanding as to the impact of BNG on the level of development that can be achieved on allocated sites, or the potential level of credits required to ensure they can deliver a 20% net gain the policy is not justified. With regard to typologies, we would suggest that more local evidence is required as to the likely impact. If this evidence is not available, then the Council must revert to the 10% required by the Environment Act 2021.
33. As set out earlier the Government have stated that plan makers should not seek to require a higher level of BNG unless justified. It is therefore for the council to robustly justify why it is both needed and that it has fully considered the impact of a 20% requirement on development viability. It is clear to the HBF that the Council have not achieved what must be seen as a high bar and as such the 20% requirement must be removed from the plan.
34. If it is considered sound to maintain the 20% requirement the policy must recognise that whilst the statutory 10% is fixed the additional 10% can be reduced where this impacts on the viability of development. Given the concerns raised above with regard to the difficulties of assessing the cost of BNG and a Local Plan Viability Assessment the Council must be clear that it will reduce the 20% to the statutory minimum in order to support the delivery of new development.
35. Moving on to the consideration as to when and where offsite provision should be provided. The policy states that Where 20% is required at least 10% (the non-statutory element should be delivered onsite). Whilst this sentence seems to be unfinished, and it is not clear what the council's intentions are it would appear that the Council's intention is that the non-

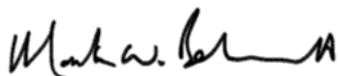
statutory element should be delivered on site. Firstly, it is not clear why the non-statutory and statutory element of BNG should be differentiated. Secondly, there is no justification for requiring a specific percentage to be delivered on site. Whilst the BNG Hierarchy requires on site to be prioritised it does not specify the specific proportion that must be delivered on site. The Council must recognise that without knowing the based level of biodiversity it is not possible to know the proportion that can be delivered on-site without fundamentally impacting on the scale of development and its viability. National policy recognises that there is a balance to be struck between delivering statutory BNG and the ability of this to be met on site and the council should ensure its policies respect this flexibility.

36. The Council refer to the mitigation hierarchy in the fourth paragraph of NAT3. However, this should instead refer to the Biodiversity Gain Hierarchy. Paragraph 74-008 of PPG outlines the difference between these two hierarchies and this needs to be reflected in the policy.

### **Future Engagement**

37. I trust that the Council will find these comments useful. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry if that would help. The HBF would like to be kept informed of the progress and adoption of the Local Plan. Please use the contact details provided below for future correspondence.

Yours faithfully



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