



Home Builders Federation

Matter 4

NORTH NORFOLK LOCAL PLAN EXAMINATION

Matter 4: Delivering the Right Mix of Housing (Policy HOU2)

Issue: Whether the policies of the plan are justified, effective, positively prepared and consistent with national policy to deliver the right mix of housing.

Affordable Housing

4.1 Is the need for about 2,000 affordable homes over the plan period (paragraph 7.1.5) justified by the evidence, what types are required within this total and would the policies of the plan ensure satisfactory delivery?

The Council do not appear to have updated their evidence on affordable housing needs since the 2017 SHMA. Given that this evidence is six years old and considers needs only to 2036 it cannot be considered to be a robust evidence base on which to assess affordable housing needs.

4.2 Is the proposal for 15% of dwellings on qualifying sites to be affordable in housing zone 1 and 35% in housing zone 2 justified by the evidence, and has the effect on viability been properly assessed?

The Council have published an updated viability assessment following the regulation 19 consultation which includes those policy costs that were missing from the earlier assessment. The only consideration not undertaken in the study is the impact of the Future Homes Standard that is expected to be introduced in 2025. The Government



have recently announced a further consultation on these standards and whilst the final detail is not known some degree of sensitivity testing is necessary to ensure that development remains viable across the plan period.

The Future Homes Hub has undertaken some work to support and inform the implementation of the Future Homes Standard which is set out in Ready for Zero. This study tests a number of archetypes against a range of specifications from the current standards set out in the 2021 Building Regulations through to those that deliver zero carbon homes. This evidence indicates that in order to deliver the Future Homes Standard would be around a 5% increase in per unit costs compared to the 2021 Building Regulations.

What is notable from the conclusions of the viability assessment is impact of the policy costs on brownfield development. The table on page 40 provides a helpful summary and shows that in Zones 1 brownfield development, with the exception of village infill, cannot viably deliver all the policies required by this local plan. The table also shows that whilst greenfield sites in zone 1 and brownfield sites in zone 2 are only marginally viable. This means that any extra costs, such as those from the higher building standards being proposed by Government, could impact on their deliverability.

Therefore, whilst the HBF are supportive of the Council's decision to reduce the affordable housing provision in zone 1 from the previous plan we would question whether this is sufficient or whether there needs to be a further variation to reduce the contribution required on brownfield land to ensure that these come forward without the need for negotiation. At the very least the council should include within policy that they are willing to reduce the affordable housing requirements where this makes development unviable. At present this is mentioned in paragraph 7.2.5 but given the fact that the viability assessment indicates a number of different site typologies will be made unviable by the policies in the local plan a more robust statement in HOU2 is required.

4.3 How does this policy compare to the existing policy for the provision of affordable housing on large sites, and how are any changes justified or explained?

For Council.

4.4 Are the two housing zones, and the boundary between them, justified by viability or other evidence?

For Council.

4.5 How would the policy requirement for 'at least' 15% or 35% be interpreted and applied, and the statement in paragraph 7.2.5 that the Council will seek to deliver the highest proportion of homes that is viable. How will this be established and does this provide sufficient clarity for the policy to be effective?

The use of “at least” can lead to uncertainty amongst decision makers who may seek to require higher levels of affordable housing provision where they think there is potential to achieve more. Given that paragraph 16 of the NPPF highlights that policies should be clearly written and unambiguous we would suggest the prefix “at least” is deleted as it is unsound.

The final sentence in paragraph 7.2.5 also creates uncertainty as to the intentions of the Council. This could be read as the Council recognising that some development will not be able to deliver affordable housing and that they are open to negotiation, equally it could be seen as an intention to seek more than the policy requirement. Given the viability assessment indicates that a number of typologies will be made unviable by the policies in this plan the HBF recommend the final sentence in 7.2.5 is deleted and replaced with alternative wording such as: “The Council will expect residential development to meet the policy requirements for affordable housing in full. Where a viability assessment it can be shown that these requirements cannot be addressed the Council will consider off-site delivery, an alternate tenure mix or a reduction in provision”.

4.6 Is the required affordable housing mix for 25% of affordable housing to be first homes and the remainder rented in a mix of one, two and three bed with the majority two bed justified by the evidence of local need, consistent with national policy and has its effect on viability been properly assessed? With 15% or 35% affordable housing, is the policy consistent with national policy for 10% of the total number of homes on large sites to be for affordable home ownership (NPPF paragraph 65), and if not is any conflict justified?

First homes should be treated as market housing with regard to returns given that it is the developer will market and sell these units. This means that the costs and profit margins relating to market homes should be used in relation to first homes. It would appear from the viability assessment that these have been treated the same as affordable housing that is provided by an RSL with a 6% return included and no marketing fees being applied to the affordable housing element.

The policy does not reference the requirement of national policy for 10% of all homes on major development to be delivered as affordable home ownership. Whilst 25% of the affordable housing provision is required to be First Homes this will mean that even sites delivering their full affordable housing requirement will not deliver 10% of their homes as affordable home ownership. The tenure mix in policy HOU2 requires all housing other than first homes to be rented accommodation and should be amended to support the requirement for affordable home ownership in paragraph 65 of the NPPF.

4.7 Would it be clearer to have a separate line in the policy for sites of 6-10 in the designated rural area? Is the policy overall sufficiency clear?

Yes. It is not at first apparent that this will be the case. In order to be consistent with need for policies to be written clearly a separate line specifying the requirement in designated rural areas is necessary.

4.8 How would the alternative to on-site provision of a financial contribution on sites of 6-10 dwellings be assessed?

For council.

Market Housing Mix

4.9 Is the required market housing mix on sites of 6 or more dwellings – not less than 50% two or three-bedroom properties in a mix comprising approx. 20% two-bed and 80% three-bed – justified by evidence of local need and has its effect on viability been properly assessed? Does this allow sufficient flexibility to meet locally specific needs?

No comment

Custom & Self Build Housing

4.10 Is the requirement on sites of 26 dwellings/4 ha or more for at least one serviced self-build plot or 2% of the number of units (whichever is the greater) justified by the evidence, including the number of applicants on the Council's self-build register? How would the requirement operate in practice to be sensitive to demand in any particular settlement over time and if the sites are not taken up?

The only evidence we could find in relation to the need for self-build and custom housebuilding is that set out at paragraph 7.2.13 which states that there are 14 people on the self-build register. No further information appears to have been submitted with the local plan to justify the proposed requirement in HOU2. In order to justify the approach taken by the Council they should have a clear idea as to the demand for self-build housing, the type and location of sites that self-builders are looking to acquire. Alongside the assessment of needs we would also have expected some consideration as to the number of plots that the Council expect to be delivered through the policy and how this relates to the demand for self-build plots. The Council should also have examined other mechanism, as suggested in PPG, aside from the proposed policy as to how the demand for self-build plots could have been met. Examples in PPG include consideration of the Council's own land and identification of opportunities through the Council's housing strategy. On the basis of the limited evidence provided the proposed policy is unjustified and the requirements should be removed from HOU2.

The operation of the policy as proposed would also have a disproportionate effect on smaller developers. A developer bringing forward a site of 26 homes would have to provide at least 1 of those for self-build which is 6% of the market housing coming forward on that site. A scheme of 100 units would be required to provide 2 plots for self-build housing which is just under 3% of the market housing provide on that site. The impact of providing plots is also likely to be greater with self-builder more likely to be operating alongside main contractors and the attendant difficulties from such a situation. Therefore, whilst the HBF does not consider the policy to be justified if it were to remain the threshold at which self-build plots are required should be raised.

Finally the policy is ineffective as there is no mechanism as to when plots would return to the developer should these not be sold. This could leave plots vacant for a

considerable period of time to the detriment of the homeowners on the rest of the site. Therefore, if the policy is maintained then the policy should state that after a marketing period of 6 months the plots would return to the developer to be built out.

Specialist Elderly/Care Provision

4.11 Is the requirement on sites of 151 dwellings or more for a minimum of 60 specialist elderly/care units and 40 units for each additional 250 dwellings thereafter justified by evidence of local need and has its effect on viability been properly assessed? Are these sized schemes appropriate, does this allow sufficient flexibility to meet locally specific needs and would the sites be appropriately located in all cases? Has this policy been carried through consistently in the proposed allocations in the plan? How would Class 2 residential care homes be assessed in terms of units?

No comment

4.12 What contribution would the site allocations make towards addressing the need for specialist elderly/care units in North Norfolk? What is the overall level of need for the different types of provision and how would the remainder be delivered? Should the requirement on large housing sites, perhaps greenfield in nature and peripheral to a settlement, be supplemented by a supportive policy for such development on more centrally located, brownfield sites? Would this assist provision in settlements without large housing sites?

No comment

Mark Behrendt MRTPI

Planning Manager – Local Plans SE and E