



## **MATTER 3 HEARING STATEMENT**

### **North Norfolk Local Plan Examination**

On behalf of:  
**Holkham Estate**

Date:  
**January 2024**

Document Reference:  
**GA/DJ/03922/S0003**

## 1.0 INTRODUCTION

- 1.1 This Hearing Statement has been prepared on behalf of our client, the Holkham Estate, in response to the Matters, Issues and Questions for the North Norfolk Local Plan Examination. It is intended to assist the Inspector's consideration of the soundness of the Plan and will form the basis of our points for discussion at the examination hearing session. We have responded to questions 3.1, 3.3, 3.4, 3.5, 3.6, 3.8, 3.9, 3.10, 3.11 and 3.12 that relate to our client's representations to the regulation 19 Local Plan.

## 2.0 MATTER 3. DELIVERING SUFFICIENT HOMES (POLICY HOU1)

### Question 3.1

**Attention is drawn to the report 'The Possible Impact of Second and Holiday Homes in North Norfolk' (Document E4). Should the prevalence of second and/or holiday homes in North Norfolk have any bearing on the quantity of housing that should be provided in the district over the plan period, and if so, how? Would occupancy restrictions be justified on new market housing in some areas or some circumstances? Should a policy be included in the plan on the basis that controls on the change of use to second or holiday homes may be introduced in future?**

- 2.1 The Holkham Estate is a significant local employer in the Wells with Holkham Ward that is identified in Document E4 as one of the three wards with the highest house prices and also the highest proportion of second homes and holiday lets. Holkham is therefore keenly aware of the difficulty local people face in finding affordable accommodation in one of the most sought after locations to live and visit in the country. The estate owns, lets and manages around 300 residential properties in 12 villages along the north Norfolk coast and is investing in the creation of new homes to help support local communities. With this in mind, the estate commissioned an independent Housing Needs Assessment (HNA) in 2021 with Wells-next-the-Sea Town Council (which is available as part of the evidence base for the emerging Wells-next-the-Sea Neighbourhood Plan<sup>1</sup>) which identifies 4 key issues with the existing housing mix in Wells-next-the-Sea: (i) a diminishing private rental sector; (ii) a need for more affordable rental stock; (iii) the under-occupancy of larger dwellings; and (iv) a lack of affordable home ownership products.
- 2.2 These issues are clearly related to the popularity of the area for second homes and holiday lets

---

<sup>1</sup> <https://www.north-norfolk.gov.uk/info/planning-policy/neighbourhood-plans/wells-next-the-sea-neighbourhood-plan/>  
[Accessed 18/12/2023]

(demand for which increases property prices and the need for affordable housing and restricts the availability of privately rented accommodation), but housing affordability in the area is also significantly affected by high demand from people wishing to relocate permanently either to retire or because they are able to work remotely. We therefore consider that these issues cannot simply be resolved by introducing occupancy restrictions on new homes (i.e. restricting the occupancy of new dwellings to principle residence only in the hope that this makes dwellings more affordable to rent and buy). In this respect, we agree with the findings of Document E4 that any reduction in sales values of new dwellings as a result of occupancy restrictions is likely to be relatively marginal and would not render the properties genuinely affordable for local people. The cumulative impact on sales values for new developments would, however, limit the viable provision of affordable housing, such that it would have a negative overall effect on the affordability of local housing through reduced affordable housing delivery.

- 2.3 Wells-next-the-Sea therefore requires a solution that is more nuanced than simply introducing occupancy restrictions as this will do little to deliver much needed affordable housing in the town. To find a more appropriate solution to the housing issues facing Wells-next-the-Sea, Holkham has worked with the Town Council on their emerging Neighbourhood Plan to develop policies that will deliver the mix of dwellings needed in the town. As set out at paragraph 5.77 of the Neighbourhood Plan (see link at Footnote 1), Holkham and the Town Council has agreed a mix for Holkham's sites at W01/1 Ashburton Close and W07/01 Holkham Road that would deliver 45% affordable housing (i.e. above the emerging Local Plan requirement of 35%) in a mix comprising social rent, intermediate rent for key workers and shared ownership dwellings. Holkham also proposes to retain a proportion of the open market dwellings for private rent to local people. This mix will be more effective at resolving the key issues identified in the Housing Needs Assessment than would a mix that saw c.35% affordable housing (subject to viability) and c.65% market housing restricted to principal occupancy but still unaffordable to local people.
- 2.4 The Wells-next-the-Sea Neighbourhood Plan, which has reached examination stage, contains a policy (WNS4: Principal Residence Dwellings) that restricts the occupancy of new dwellings but that excludes dwellings on allocated sites W01/1 and W07/1 from this requirement. This policy is reflective of the balanced approach required to solve the specific housing issues affecting the local area.
- 2.5 In answer to the Inspector's question on whether occupancy restrictions would be justified on new market housing in some areas or some circumstances, we consider that such matters should be left to Neighbourhood Plans to determine the best way forward in their areas. The example of Holkham's work with Wells-next-the-Sea Town Council demonstrates that occupancy restrictions are not the most appropriate solution in all cases. There is no one-size-fits-all approach to resolving issues relating to high demand for second homes and holiday lets as each area will be affected differently and will have

different potential solutions available to them. Occupancy restrictions may be part of the solution in some areas, but they are unlikely to be the only measure required and if applied as a blanket approach they could have a negative impact on affordable housing delivery.

### Question 3.3

**Is the Council's bespoke variation to the standard method for calculating local housing need, using the 2016 based household projections and arriving at a figure of 480 dwellings per annum (dpa), 9,600 dwellings over a 20 year plan period, justified and consistent with national policy? Is it based on realistic assumptions of demographic growth? Is there robust evidence of exceptional local circumstances that might justify the alternative approach, and how unique are these to North Norfolk?**

- 2.6 NPPF paragraph 61 is clear that the standard method should be used to determine the minimum number of homes needed in setting strategic policies, *"unless exceptional circumstances justify an alternative approach"*.
- 2.7 As set out in our client's Regulation 19 representations that were prepared by Savills, the case put forward by the Council that Unattributable Population Change (UPC) represents exceptional circumstances can be easily discounted by comparing the extent to which UPC affects housing projections in North Norfolk more or less than other authorities. In this respect, there is nothing exceptional about North Norfolk. In fact, it is broadly average sitting 81<sup>st</sup> highest out of 326 authorities relative to its population. There is nothing unique in the way that UPC affects the 2014-based projections in North Norfolk and to find that this constitutes 'exceptional circumstances' under paragraph 61 would essentially set a precedent that 80 other authorities don't need to follow the standard methodology despite the clear policy requirement to do so.
- 2.8 By way of comparison, the Local Plan Inspector for the North Essex Authorities' Shared Strategic Section 1 Plan<sup>2</sup> found that UPC did constitute exceptional circumstances for Tendring District, as *"Tendring has one of the highest rates of Unattributable Population Change [UPC] in the country"* (paragraph 37). Our client's previous representations show that Tendring ranks 9<sup>th</sup> out of 326 authorities with a UPC figure that falls outside the standard deviation. It is therefore clear that the effects of UPC in Tendring are significantly greater than in North Norfolk where there is no justification for an alternative approach.
- 2.9 In conclusion, the Council's bespoke variation to the standard method for calculating local housing need, using the 2016 based household projections and arriving at a figure of 480 dwellings per annum

---

<sup>2</sup>[https://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning\\_Policy/S1\\_Correspondence/Examiners\\_Report\\_on\\_the\\_Examination\\_of\\_NEA\\_S1\\_10th\\_Dec\\_2020.pdf](https://www.tendringdc.gov.uk/sites/default/files/documents/planning/Planning_Policy/S1_Correspondence/Examiners_Report_on_the_Examination_of_NEA_S1_10th_Dec_2020.pdf) [accessed 04/01/2024]

(dpa), is neither justified by the evidence nor consistent with national policy.

**Question 3.4**

**Should the standard method based on 2014 based household projections and the affordability uplift at the publication of the submission version of the plan be used, giving 531 dpa or 10,610 dwellings over a 20 year plan period? Should a more recent affordability uplift figure be used? Should the ratio to be published in March 2024 be taken into account? What are the likely future trends in relation to house prices and average earnings locally?**

- 2.10 As set out above, there are no exceptional circumstances that justify an alternative to the standard method and the 2014 based projections should therefore be used.
- 2.11 Planning practice guidance states that Local Housing Need (LHN) calculated using the standard method should be calculated at the start of the plan period but kept under review as it may change. It states that it may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination. The Regulation 19 Proposed Submission Version Local Plan was published for consultation in January 2022 which is now almost 2 years ago, but the plan was not submitted for examination until May 2023. At the time of publication the 2020 affordability ratio was 9.14, but it has now increased to 10.64 with the 2022 affordability ratio.
- 2.12 One would normally expect a far shorter period between Regulation 19 consultation and the submission of the plan and it is therefore normally appropriate to rely on the LHN figure in the submitted plan for 2 years. However, the submitted plan’s LHN calculation dates from January 2022 and it requires updating in any event to use the correct 2014-based projections. In this context, we consider that Local Housing Need should be calculated at the date of submission:

*Table 1. Local Housing Need Calculated Using 2014 Household Projections with 2022 Affordability Ratio*

2014 based households 2023	50,709
2014 based households 2033	54,672
Increased households 2021-2031	3,963
Annual projected household increase	396
Affordability Ratio 2022	10.64
Standard methodology adjustment factor	1.415
Annual Projected Increase x conversion factor	560
Cap (Core strategy housing requirement of 400 + 40% = 560)	No cap
<b>Local Housing Need</b>	<b>560</b>

**Question 3.5**

**How much weight, if any, should be given to the reasoning behind Section 78 appeal decisions which support the Council’s approach? Which decisions are relevant?**

2.13 We consider that the Inspector should consider the evidence submitted to the Local Plan examination on its own merits and reach an independent conclusion. It is not clear what level of detail or assessment was undertaken in the referenced appeal decisions and as such we consider that they should be afforded limited weight.

**Question 3.6**

**If there are exceptional circumstances justifying use of a non-standard approach, should the 2018 based projections be used as more up to date than the 2016 based projections? What should the dpa figure be then? If the 2016 rather than 2018 based projections are to be used, what would be the justification for this?**

2.14 As set out above, we do not consider that there are exceptional circumstances that justify a non-standard approach. However, if the Inspector disagrees with this conclusion and finds that there are exceptional circumstances, then this would not justify the use of the now out-of-date 2016-based projections. If the Council are to depart from the 2014-based projections then the most up-to-date projections should be used. In this respect the 2018-based projections should be used with the 2022 affordability ratio which we calculated below as resulting in a housing need of 587 dpa.

*Table 2. Local Housing Need Calculated Using 2018 Household Projections with 2022 Affordability Ratio*

2018 based household projections 2023	50,104
2014 based household projections 2033	54,289
Increase in households 2021-2031	4,185
Annual projected household increase	419
Affordability Ratio 2022	10.64
Standard methodology adjustment factor	1.415
Annual Projected Increase x conversion factor	593
Cap at the higher of 40% above either projected household growth of 419 (+ 40% = 587) or Core strategy housing requirement of 400 (+ 40% = 560)	Yes – cap at 587
<b>Local Housing Need</b>	<b>587</b>

**Question 3.9**

**Given the local housing need figure for the plan period, however assessed, what level of housing provision should be made in the plan to take account of unforeseen circumstances such as allocations or planning permissions not being implemented, or**

**completions on allocated sites being slower than currently anticipated? On the basis of the Council's local housing need figure of 9,600 dwellings, is the provision of 10,968 dwellings for 2016-36 or 10,633 for 2020-40 appropriate? (Updated HOU1 figures in EX006)**

- 2.15 We would expect a supply buffer of approximately 20% as a way of ensuring that the housing requirement is deliverable and that a robust 5 year housing land supply can be maintained. The figures referred to in the question would represent a 14% buffer for 2016-2036 and a 11% buffer for 2020-2040. We consider that these figures are too low. This is especially true in the context of the new NPPF (December 2023) which at paragraph 76 removes the requirement for Local Authorities to demonstrate a 5 year supply of housing annually if their local plan is less than 5 years old and if it identified a 5 year supply at examination. In this respect, whilst the Local Plan is to be examined against the requirements of the previous NPPF (September 2023), the new NPPF is now a material consideration in determining planning applications. There is therefore an increased need for local plan Inspectors to ensure the deliverability of housing trajectories set out in local plans as they will not be reviewed again for 5 years. To ensure robust delivery to meet housing requirements, we consider that a 20% supply side buffer is appropriate.

**Question 3.10**

**Given the updated monitoring figures in EX006, if the local housing need is assessed as 10,610 dwellings or some other figure, what level of provision would be appropriate for 2016-36 or 2020-40?**

- 2.16 We consider the Council's Local Housing Need to be 560 dwellings per annum (using 2014-based projections and 2022 affordability ratio). This gives a 20 year requirement of 11,200 dwellings. A 20% supply side buffer on this requirement would indicate an appropriate level of provision of 13,440 dwellings.

**Question 3.12**

**How has the contribution of future windfall sites been calculated? What is the evidence for the past level of delivery from windfall sites? Should the past contribution be discounted by 50% (paragraph 7.1.7) or some other figure? Why?**

- 2.17 The only comment we have on windfall sites is that the trajectory contained in the Five Year Housing Land Supply 2023 to 2028 statement (Ref: EX007) includes significant windfall delivery and delivery from small sites with planning permission in years 2 and 3 of the supply. We would normally expect forecast windfall delivery to be removed from the first 3 years of the 5 year period to avoid double counting with existing windfall sites (i.e. small sites that already have planning permission) that are still being built out.