



# Neighbourhood Planning Guidance

## **NPG 5 - Housing**

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## 1 Purpose

- 1.1 Neighbourhood Plans are documents that set out development guidelines outside and in addition to those detailed in the strategic policies contained in the North Norfolk Local Plan. For many neighbourhood planning groups, housing is one of the most important issues that the Neighbourhood Plan will seek to address. This document provides communities undertaking neighbourhood planning further detailed guidance on how to review evidence and develop appropriate and effective policies on housing matters such as site allocation, affordable housing provision, local occupancy and second homes. It explains in more detail why and how to approach key housing issues in neighbourhood plans so that policies remain robust, be effective and meet the required Basic Conditions tests. In doing so the guidance draws on national policy and guidance through the National Planning Policy Framework, NPPF and national Planning Practice Guidance, PPG and the experiences of local neighbourhood planning groups. It should be read in conjunction with the national planning practice guidance
- 1.2 NNDC have produced a suit of additional guidance aimed at supporting local communities in North Norfolk undertaking neighbourhood planning. These are based around specific check sheets and frequent topics that town and parish councils have sought to include in neighbourhood plans. They are designed to provide background information, and guidance on how neighbourhood planning groups can reflect local circumstances and develop policies that are justified and evidence in a positive and realistic way, which if followed will provide more certainty at examination. These guides can be found on the Council's web site:  
<https://www.north-norfolk.gov.uk/section/planning/planning-policy/neighbourhood-planning/>
- 1.3 In addition, those producing neighbourhood plans should refer to the national Planning Practice Guidance which provides the government guidance and parameters around planning.  
<https://www.gov.uk/government/collections/planning-practice-guidance>

## 2 Introduction and Overview

### What is Neighbourhood Planning?

- 2.1 **Neighbourhood planning** provides the opportunity for communities to shape the future of their local area by having a direct role in the development of local planning policies that address identified and evidenced local issues, as long as the approaches remain in general conformity with the strategic policies of the Council set out in the Local Plan.

#### Remember

A neighbourhood plan can seek to add local distinction to reflect the specific Neighbourhood Area as long as the approach is **justified and evidenced**. Neighbourhood plans should **address the evidenced issues in each neighbourhood plan area, NPA**, and should **add value or further policy considerations** to the existing and emerging local policy framework. They should not seek to replace or impose unrealistic aspirations on the strategic policies of the Local Plan, repeat or duplicate national policy or existing non-strategic policies in the Local Plan. Policies should be designed to be positive and also realistic in their expectations and deliverability. Once adopted the combined suit of policies in a Local Plan and a neighbourhood plan form the material considerations in the determination of planning applications for that NPA and collectively known as the Development Plan.

- 2.2 Local Plan policies are part of the Development Plan and will be taken into consideration in the determination of any planning application whether they are included in your neighbourhood plan or not. Neighbourhood plans can include policies that differ from non-strategic local planning policies and or introduce new policies and propose additional growth, *where this is supported by evidence to demonstrate need above that identified in the local plan or spatial development strategy<sup>1</sup>* - providing it is justified, supported by appropriate evidence and in general conformity with the strategic priorities and strategic local planning policies (current and emerging)<sup>2</sup>.

### What does National Policy Say?

- 2.3 The Government's planning practice guidance for neighbourhood plans is clear that the expectation is that neighbourhood plans allow communities to choose where they want new growth<sup>3</sup> to be and have a say on what they look like and what infrastructure should be provided..... in order to meet their communities needs and where the ambition of the neighbourhood is aligned with the strategic needs of the wider local area i.e. as set out in the Planning Practice Guidance - paragraph 001
- 2.4 Paragraph 003 goes on to say that neighbourhood planning provides the opportunity for communities to set out a positive vision on how they want their communities to develop.... In ways that meet identified local need and make sense for local people.
- 2.5 As set out in the NPPF plans should be aspirational but realistic. This means that plans need to balance evidence of need, and evidence of viability and deliverability. The expectation of

<sup>1</sup> [Planning Practice Guidance](#) Paragraph: 044 Reference ID: 41-044-20190509 revision 09.05.19

<sup>2</sup> The National Planning Policy Framework outlines in [paragraph 13](#) that a neighborhood plan should support the delivery of strategic policies set out in the Local Plan and should shape and direct development that is outside of those strategic policies.

<sup>3</sup> i.e. in addition to that set out in the Local Plan

government is that neighbourhood plans are positively prepared i.e. not restrictive or protectionist.

2.6 Neighbourhood plans should be undertaken in collaboration with the Local Planning Authority

### 3 Housing Land Supply: Presumption in Favour of Sustainable Development

#### Why is this important?

- By identifying sites, you are directing growth to the areas identified by your community.
- If the Local Planning Authority cannot demonstrate a five-year land supply of deliverable sites against the Local Plan housing target, then a neighbourhood plan may benefit from added protection from speculative development by allocating sites in a neighbourhood plan to meet its (own) identified housing target. In such cases only a three-year housing supply where housing delivery was at least 45% of that required over the previous 3 years needs to be demonstrated.
- The NPPF also states that permission should not be granted where a planning application conflicts with a neighbourhood plan

Further information PPG Paragraph: 083 Reference ID: 41-083-20190509 May 2019

- 3.1 Local Planning Authorities have to maintain and demonstrate annually a five-year housing land requirement. It does this by reviewing planning permissions and deliverable sites / land supply (allocations & permissions) that are likely to be built over the next five-year period against the housing target set in the strategic policies of the Local Plan. Sites allocated in any Neighbourhood Plan can contribute to the overall land supply. In instances where a five-year supply cannot be demonstrated, national guidance indicates that a buffer should be added to the housing requirement.
- 3.2 Buffers are not cumulative, meaning that an authority should add one of the following, depending on circumstances:
- the minimum buffer for all authorities, necessary to apply ensure choice and competition in the market, where they are not seeking to confirm a 5-year land supply (and where the delivery of housing over the previous 3 years, has not fallen below 85% of the requirement) is 5%;
  - the buffer for authorities seeking to confirm a 5-year land supply, through an annual position statement or recently adopted plan (and where delivery of housing over the previous 3 years, has not fallen below 85%) is 10%; and
  - the buffer for authorities where delivery of housing over the previous 3 years, has fallen below 85% of the requirement, is 20%
- 3.3 More details on this and the setting of the housing target can be found in the Council's 5 Year Housing Land Position Statements published on line annually.

#### Protection from Unplanned Growth in Neighbourhood Planning Areas

- 3.4 Where a Council cannot demonstrate a five-year housing land supply, plus any relevant buffer, the presumption in favor of sustainable development will apply, as set out in footnote 7 of the National Planning Policy Framework.
- 3.5 In such circumstances the government considers that the relevant housing policies of the District are considered out of date and as such sustainable development proposals outside the Development Plan i.e. Local Plan and any adopted neighbourhood plans should be approved regardless of the relevant housing policies.

3.6 In such circumstances communities that aim to set policies **to meet their identified local need** and undertake **additional housing allocations** to those strategic allocations in the Local Plan in their neighbourhood plan can **benefit from an increased level of protection from speculative development**<sup>4</sup> proposals not covered in the overarching Development Plan subject to various conditions spelt out in national guidance.

3.7 The NPPF states that, to qualify for the limited protection from the presumption penalty, neighbourhood plans must have".

- became part of the development plan 2 years or less before the date on which the decision is made;
- contains policies and allocations to meet its identified housing requirement; and
- the local planning authority has at least a 3 year supply of deliverable housing sites and housing delivery was at least 45% of that required over the previous 3 years.

Paragraph: 083 Reference ID: 41-083-20190509

3.8 **Where neighbourhood planning bodies have decided to make provision for housing in their plan, the housing requirement figure and its origin are expected to be set out in the neighbourhood plan as a basis for their housing policies and any allocations that they wish to make. In order to meet need neighbourhood plans are encouraged by the Government to plan to meet their housing requirement and where possible exceed it<sup>5</sup> and should set out in the plan additional housing allocations.**

#### Things to Consider

- Give serious consideration over whether to allocate development sites in your Plan. Ultimately site allocation provides a degree of certainty to residents, service providers and developers over what is going to be developed as well as a greater protection over speculative development.

Although empowering, it has the potential to be contentious and a complicated process, with many residents and sometimes groups holding a particular interest in choosing one site over another. Any assessment through needs to be objective and transparent. You should keep your options open and not predetermine which site you think should be developed without properly considering all the alternatives.

- Further support, including an assessment framework and site assessment analysis is available from the policy team.
- Additional support financial and technical is available through Locality for those groups undertaking more complicated neighbourhood plans.

<sup>4</sup> As set out in para 14 of the NPPF

<sup>5</sup> PPG para 103 Ref ID 41-103-20190509 09 05 2019

## 4 Setting a Neighbourhood Plan Housing Target

### Why is this important?

Where neighbourhood planning bodies have decided to make provision for housing in their plan and seek to set housing policies, the housing requirement figure and its origin are expected to be set out in the neighbourhood plan as a basis for their housing policies and any allocations that they wish to make.

National guidance advises the housing requirement should be met and where possible exceeded.

The NPPF expects that an indicative housing target is provided to neighbourhood planning bodies by the Local Planning Authority. This is either set out in the Local Plan through the spatial strategy or based on local characteristics and evidence in agreement with the neighbourhood plan body. Any housing requirement is subject to the Basic Conditions tests and needs to be in general conformity with the Local Plan and will need to be tested at examination.

Further information PPG para Paragraph: 040 Reference ID: 41-040-20160211, Paragraph: 103 Reference ID: 41-103-20190509, Paragraph: 104 Reference ID: 41-104-20190509, May 2019

- 4.1 Strategic policies in the Local Plan set out the overall housing target for the District and distribute growth across a hierarchy of settlements. Such requirements are based on the overall housing requirement/target of the Local Plan and are based on appropriate evidence and national policy. Neighbourhood plans do not need to make specific provision to provide this overall housing target as this is done through the Local Plan.
- 4.2 In areas where there is a desire to bring forward housing related policies, address additional identified local housing requirements and or in areas where the Local planning authority has not set out any strategic housing requirements in the Local Plan, the National Planning Policy Framework expects **an indicative figure to be provided by the Local Planning Authority to neighbourhood planning bodies on request.** Where an indicative housing requirement is requested from the Council the authorities District wide housing need will be used as a starting point. Consideration in setting such a target will be given to relevant policies in the existing and or emerging spatial strategy as set out in the Local Plan alongside the characteristics of the neighbourhood plan area. **In general, the Council will be supportive of additional appropriate small scale growth in all parishes through neighbourhood planning where it is demonstrated there is a local need.** Where neighbourhood plan groups however are proposing high levels of additional growth consideration will need to be given to the spatial strategy to ensure that any growth proposed does not conflict with the strategic approaches and there may be a requirement to provide further local evidence of need. As such there may be a requirement for the neighborhood plan group to undertake a specific local housing needs assessment. The requirements of such an approach are set out in the [neighbourhood planning toolkit on housing needs assessment](#)<sup>6</sup>, HNA, produced by Locality. The Council, through its Planning Policy and Housing Strategy teams, can also advise neighbourhood plan groups on how to undertake housing needs surveys and gather appropriate evidence.
- 4.3 In utilising such a tool kit neighbourhood planning bodies will need to work proactively with the local planning authority through this process, and reach agreement on the overall

<sup>6</sup> <https://neighbourhoodplanning.org/toolkits-and-guidance/undertake-housing-needs-assessment-hna>

indicative target to be addressed through the neighbourhood plan. At the end of the day the housing need figure will need to be tested at examination of the neighbourhood plan, as neighbourhood plans must be in general conformity with strategic policies of the development plan to meet the ['Basic Conditions'](#)<sup>7</sup>. Setting a growth target in the several hundred for residential homes in a small scale and or remote parish falling under a rural designation or countryside designation for example would potentially be seen as unsustainable development and conflict with the spatial strategy and the NPPF. A more incremental approach allowing for proportionate and of appropriate scale would be considered more appropriate and in general conformity. In such cases advice should be sought from the policy team.

- 4.4 Such a housing needs assessment is just one part of the evidence base required in such a task for a neighbourhood plan and the Locality guide advises that although it is relatively complex, delivering a robust, defensible HNA requires technical work and a familiarity with the planning process. Unless such an assessment is carried out in a clear, consistent and defensible way in line with national planning guidance there is a risk that any inspector will not allow the plan to move to referendum.

#### Remember

- Not every neighbourhood plan will need to include housing policies. If, however, housing has been identified as an important local issue for the neighbourhood plan to address, then part of the evidence base for the Neighbourhood Plan will need to establish how many and what type of housing is needed. **Early engagement with the Council is strongly recommended.** In the first instance, an indicative figure will be provided to neighbourhood planning bodies by the Local Planning Authority in line with national guidance.
- The Council will be supportive of appropriate small scale growth in all parishes through neighbourhood planning.

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<sup>7</sup>Paragraph: 102 Reference ID: 41-102-20190509, Paragraph: 105 Reference ID: 41-105-20190509 Revision date: 09 05 2019

## 5 What Type of Housing is Needed?

### Why is this important?

In delivering housing, neighbourhood planning groups will not only need to consider the quantity but also assess the type and tenure that is supported by evidence and understand the existing statutory obligations and policy approaches to nomination rights.

### Affordable Housing

- 5.1 Affordable housing is the collective term used by the government to define types of housing provided to eligible households whose needs are not met by the market. Such housing is discounted below open market values and can be in the form of rented and purchased. Occupation is solely to those who are in housing need. The evidence collated by the Council shows that the overriding need in the District is for rented accommodation. This is especially true given the low wage economy and the high house prices across the District and nationally. Never the less the government through national policy also requires local authorities to provide choice and flexibility and include at least 10 % low cost home ownership products as part of the affordable housing mix. All schemes should therefore have a mix of accommodation types to be in general conformity and adhere to the Basic Conditions tests at examination. The NPPF defines these in full in Annex 2: Glossary. These are summarised below and should be clearly defined in any neighbourhood plan to ensure clarity and consistency as:
1. **Affordable housing for rent:** Such housing needs to: be at least 20% below local market rents or set in accordance with government policy, the landlord be registered to a registered provider, set in perpetuity;
  2. **Starter homes:** as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections;
  3. **Discounted market sales housing:** Housing sold at discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households;
  4. **Other affordable route to home ownership / intermediate products:** housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market e.g. shared ownership and shared equity and other low cost homes for sale at least 20% below market value and rent to buy.
- 5.2 Successive governments have also sought to change and broaden the definition to expand the range of low cost housing opportunities for those aspiring to own their new home. Any policy will have to remain suitably flexible to remain compliant and relevant should there be changes to national policy.
- 5.3 Neighbourhood plans can support the provision of market and affordable homes that **meet the identified and evidenced needs of the neighbourhood plan area** by including relevant policies and additional site allocations. For affordable housing the starting point is the consideration of the relevant strategic policies in the Local Plan, which set out the viable percentages of new housing that should be affordable as well as the approach to “exception sites”- i.e. sites that would not normally be granted permission and deliver a higher than policy compliant percentage of affordable housing based on specific parished need.
- 5.4 **It is not advisable for neighbourhood plans to seek to set any affordable housing target which differs from the Local Plan.** Such an approach would lead to conflict and could fail the

Basic Conditions test around conformity. Where communities have gone down such a route the policies have been deleted at examination prior to any referendum. Similarly, there is no need to include a policy that reaffirms the District target. Such an approach is repetitive and also runs the risk of deletion at examination in accordance with the Basic Conditions tests.

- 5.5 Neighbourhood plans may however be able to vary the types and tenure of housing (market & affordable) that will be expected, or to allocate additional sites that will provide additional affordable housing & market housing, where it can be evidenced that this will better meet the needs of the neighbourhood area. Only where there is a proven identified need and the housing target agreed with the Local planning authority should a neighbourhood plan seek to allocate further sites or attempt to influence housing type and tenure. If through the planning process a neighbourhood plan group are not able to identify a suitable site for affordable housing a policy can still be written supporting the provision of housing or an exception site in a suitable location or facilitating windfall development in the future.

## Homes for Local People

### Why is this important?

Neighbourhood planners need to know about:

- General needs affordable housing and local need affordable housing, the differences between them, the Council's nomination rights and the existing policy and statutory bases which the Council operates in.
- For those neighbourhood groups who wish new housing to go to those with a connection to the parish it should first be noted that the existing country side policy and rural exception site development, Policy HO3 effectively does this. In such cases preference is already given to those with a connection to the neighbourhood.
- It is often wrongly assumed that neighbourhood plans can set policies that determine who gets priority in occupation and which housing provider can supply the properties. These are not land use policies.

- 5.6 Key towns and villages set out in the settlement hierarchy of the Local Plan have a dual function, providing for the strategic and statutory housing needs of North Norfolk and meeting locally derived need. The strategic policies of the Local Plan set out the numbers while occupation is governed by the statutory housing requirements laid out through Housing Act 1996 as amended by Localism Act.
- 5.7 On housing schemes, the strategic affordable housing percentage is the relevant policy and in occupation priority will be given to affordable housing applicants on the Housing Register who have a local connection to the District and in accordance with reasonable preference categories set out in law i.e. those identified as in general need- More detail on the Council's nomination rights are contained in the section below.
- 5.8 The Council's housing policies also give priority to those with a local connection to a parish in all exception site developments. An exception site development is where a small housing development is given permission in an area where sites would not normally be used on the condition that the affordable housing is in perpetuity and provides homes for those with an existing connection to the local community through family or employment.
- 5.9 Settlements identified as growth towns and villages and sites allocated in the Local Plan, and any neighbourhood plans provide for the overall housing need for the District. Currently in the

adopted Core strategy above a threshold of 10 and on schemes proposed above 6 in the emerging Local Plan schemes are required to provide affordable housing in line with the strategic policies on affordable housing. Such policies include Core Strategy HOU2 and emerging policy HOU9 as well as the Council's statutory Housing allocation policy. As such general needs occupation will apply in line with statutory policies outside the control of land use planning in neighbourhood plans.

- 5.10 Countryside development for affordable housing in perpetuity in association with a specific neighbourhood connection is allowed through Core Strategy policy HOU3, HOU5 and the emerging Local Plan policy HOU3 and HOU4.
- 5.11 Housing growth and policies that addresses the supply of housing including affordable housing in neighbourhood plans have to confirm to the Council's strategic approach and should not seek to undermine the ability to deliver the identified overall need for market and affordable homes as set out in the overall housing target. This includes conformity with the Council's letting policies. Local lettings policies contained in neighbourhood plans are **not** generally seen as land use policies and are beyond the scope of neighbourhood planning, may conflict with other legislation and statutory responsibilities of the Council and equality laws and are seen as generally restrictive. It should be noted that the Council already gives priority to those with a local connection to a parish in all exception site developments.
- 5.12 Those neighbourhood plans seeking restrictive letting policies on windfall development in their NPA need to be aware of the policy restrictions in national guidance and the potential to conflict with the strategic approach of the Council which in part is reliant on a windfall allowance to achieve its housing target. This is particularly relevant to restrictive policies where no additional growth is being brought forward through the neighbourhood plan to address the identified local need or the housing target set for the plan
- 5.13 It is important that those communities undertaking neighbourhood plans understand the scope of neighbourhood planning powers and how that relates to the strategic policies. Within North Norfolk It has always been the case that where there is demonstrable local need, affordable homes in the Countryside (Rural Exceptions Housing) will be allowed if they meet the tests set out in policy HO3 of the Core Strategy and HOU3 of the emerging Local Plan.
- 5.14 In addition, the emerging Local Plan includes additional policies that support community led development including residential, small business units, renewable energy development etc without the need to develop a neighbourhood plan. Indeed, the Council through its housing strategy team actively pursues and seek to bring forward rural exception sites with community support.
- 5.15 Other relevant policies for consideration include:
- Affordable Housing in the Countryside (Policy HO3)
  - Agricultural, Forestry and Other Occupational Dwellings in the Countryside (Policy HO5)
- Emerging Local Plan policies:
- Community-Led Development (Policy SD2)
  - Affordable Housing in the Countryside (Policy HOU3)
  - Agricultural and other key worker accommodation (Policy HOU4)

## Community-Led Housing

Community-Led Housing is a term which is used to describe a range of different ways for communities to address local housing and community needs which can include:

- Working with NNDC to build homes on a Housing Exception Sites.
- Community Land Trusts
- Co-operative Housing
- Co-housing
- Self-build and custom build

- 5.16 Outside of the neighbourhood planning process communities can identify and progress affordable housing sites with the support of the Housing Enabling team through community-led housing. Community-Led Housing organisations can own and manage homes and the land they stand on. The community benefits are clearly legally defined and protected for the community now and into the future. E.g. community land trusts principals offer a way of providing genuinely affordable housing in perpetuity (forever), where the assets are held in trust for the benefit of the community
- 5.17 The council offer support groups and will work with local communities and local housing providers throughout the process. More information can be obtained from contacting planning policy and the Strategic Housing team.

<https://www.north-norfolk.gov.uk/tasks/housing-strategy-community-support/community-led-housing>

- 5.18 **Locality have also produced a specific guide on planning for [community led housing](#)<sup>8</sup>**

**Remember, in consideration of appropriate affordable housing policies:**

- Setting occupation policies are generally outside the scope of planning. Those neighbourhood plans that have brought such policies forward have been removed at independent examination in North Norfolk;
- Rural exception site delivery is already allowed in the Local Plan for development of affordable housing with priority given to those in need in the parish and adjacent parishes first;
- Neighbourhood plans can identify additional sites for affordable housing and general housing needs as long as the need is evidenced – occupation will be in accordance with general needs;
- Exception sites, with local occupancy restrictions can be identified and brought forward by local communities and housing providers with assistance from the Council’s housing enabling team without developing a neighbourhood plan through Community Land Trusts.

## What are the Council’s Nomination Rights?

- 5.19 The Council maintains comprehensive information on local households seeking affordable housing through a choice-based lettings scheme called ‘Your Choice, Your Home’. The Council,

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<sup>8</sup> <https://neighbourhoodplanning.org/toolkits-and-guidance/planning-community-led-housing>

working in partnership with developers, housing providers and the Homes & Community Agency, advertise all home opportunities for rent or sale when they are available. Only applicants registered with the Council are able to apply to be housed. The Housing allocations policy sets out how NNDC will prioritise people who apply to the housing register, full details of which can be found at: <https://www.north-norfolk.gov.uk/tasks/housing-strategy-community-support/housing-allocation-scheme>

- 5.20 The allocations scheme has been developed in accordance with the Housing Act 1996 Part VI as amended by the Localism Act 2011. The scheme has been developed to utilise the flexibilities afforded by the Localism Act 2011 to achieve the Council's ambition that *'everyone in North Norfolk should have the opportunity to buy or rent a decent home at a price they can afford in a community where they want to live or work'*.
- 5.21 The approach is governed by the government's reasonable preference criteria as detailed below. A neighbourhood plan group seeking to add further local connection criteria outside of the policy would not only be contrary to the Council's allocations policy but also contrary to the legislation to which Local Authorities must conform to.
- 5.22 The Council recognises the aspiration of communities that affordable housing meets local housing need, and so its Housing Allocations Policy allows general needs affordable housing to be prioritised based on local connections as determined by the Local Allocations Agreement where there is no one on the Housing Register (with the most urgent housing needs for which the Council must give reasonable preference) suitable for a dwelling.
- 5.23 Preference in the case of general needs will be given to applicants on the Housing Register who have a local connection to the North Norfolk District (as defined in the Housing Act 1996, Part VI). An applicant will have a local connection if they have:
- Lived in the North Norfolk District Council area for 6 out of the last 12 months or 3 years out of the last 5 years; or,
  - If they work in the North Norfolk District Council area; or,
  - They have a family member who has lived in the North Norfolk District Council area for (at least) 5 years.

#### **Reasonable Preference Categories:**

- 5.24 By law Local Authorities must award 'reasonable preference' to certain categories of applicant:
- Applicants who are homeless within the meaning of Housing Act 1996, part 7
  - Applicants who are owed a duty by any Housing Authority under the Housing Act 1996 section 190 (2), 193 (2) or 195 (2) or the Housing Act 1985 section 65 (2) or 68 (2), or who are occupying accommodation secured by any such Authority under section 192 (3)
  - Applicants who are occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions
  - Applicants who need to move on medical, support or welfare grounds, including grounds relating to disability
  - Applicants who need to move to a particular locality in the District of the Authority where failure to meet that need would cause hardship to themselves or others.
- 5.25 In addition, households looking to buy an affordable home can make an application to 'Help to Buy East and South East' who advertise homes for sale on behalf of developers and housing providers.

5.26 **With a small number of exceptions, all of the housing associations with housing stock in the District use the Councils' allocations agreement to allocate homes to those in need.**

### What are the exceptions?

#### A - Rural exception sites

5.27 The exception to this is the Local Plan rural exceptions policy where any development must be in the first instance with the support of the specific local community – In such a case the allocations policy would be in accordance with LOCAL NEEDS and the strategic approach set out in the Local Plan. Preference in occupation given to households with a local connection based on a range of scenarios starting with band A detailed below:

- Lived in the parish or adjoining parish for at least 3 consecutive years at the point of allocation **AND** meet at least one of the following:
- Has lived for at least 5 years at any time in the parish or adjoining parishes OR
- Are employed in the parish or adjoining parish (permanent employment of at least 12 months and 16 hours per week) OR
- Have a family member who has lived for at least 5 consecutive years in the parish or adjoining parish at the point of allocation

5.28 The connections are cascaded out over a series of scenarios A – G and can be seen in Appendix 2.

5.29 If there is a qualifying local need, on the housing needs register which demonstrates a local needs connection to the parish in the first instance, and a proposal for affordable housing is made, then the Council must consider whether the site is in line with the development plan and NPPF in respects such as scale and location and whether the site is suitable overall. If it is in line with policy such a site should be approved.

5.30 The housing register is a snapshot in time and will vary with time. A decision in relation to the housing register has to be taken at the time the application is made.

**Remember:** affordable housing is allocated in accordance with the Councils nomination rights.

- Local & Neighbourhood Plan sites - in accordance with general needs and local connection to the District;
- Exception sites - Local needs according to parish, then adjacent parish;
- CLT's - in accordance with local need and local allocations policy.

#### B - Community-led housing providers

5.31 There are a small number of community based housing providers. These housing providers have specific aims and operate on a small geographical scale in some North Norfolk Communities and are run by specific trusts. Examples include Homes for Wells who prioritise key workers in Wells-on –the Sea and Blakeney Neighbourhood Housing Society who prioritise people born in Blakeney. These groups are community initiatives that provide for small scale and very local needs. For these groups North Norfolk District Council has agreed with the groups that they can apply a specific allocation policies provided that the policies comply with equalities legislation and that they are operating in the specified area.

5.32 It should be noted that these local societies can purchase land and build in the relevant communities but neighbourhood plans should not seek to write policies that favour them as

housing providers over others or prevent other providers from operating. It is often the case that housing providers require grant subsidy from the Homes and Community Agency and or the Council. In doing so there is a requirement to adhere to the statutory letting requirements. Neighbourhood plans should therefore not seek to replicate such business models or criteria in policies. It goes without saying that where any housing is provided by such a local housing society its specific nomination criteria would be applied.

**Remember**

- Only applicants that have a level of housing need that meets one of the Government's reasonable preference criteria will generally be eligible to join the Housing Register;
- The Core Strategy and emerging Local Plan policies require that all rural exception schemes are subject to parish and adjacent parishes housing need and occupation is made available solely to people in local housing need in perpetuity;
- Neighbourhood plans that seek to develop local occupancy policies run considerable risk of failing the Basic Conditions tests at examination. Further local connection criteria would not only be contrary to the Councils allocation policy but also contrary to national legislation to which Local Authorities must conform to.

## 6 Second Homes

6.1 The terms 'second home' and 'holiday home' have become interchangeable and there is scope for considerable confusion about the difference between a second home, other types of holiday accommodation, and mainstream housing.

6.2 For the purposes of this paper the following terms are used:

- **PRINCIPAL RESIDENCE** - This is the term used in the Census and widely adopted to describe a dwelling which is the sole place of residence of the occupier – Dwellings, flats, maisonettes, and mobile homes providing for the housing needs of the occupier(s) are all included within this definition.
- **HOLIDAY HOMES / LETS** - These are the types of accommodation which were originally built as holiday accommodation and were never intended to be used as a Principal Residence together with those buildings which have been converted to a holiday letting business and are subject to a planning condition which restricts their use to holiday accommodation only.
- **SECOND HOME** - A dwelling, flat, maisonette or mobile home which could be used as the **PRINCIPAL RESIDENCE** of the occupier (does not have a planning restriction) but is currently being used as a second home.

### Why is this important?

Neighbourhood planners need to:

- Understand the differences in and between statistical data sources;
- Know how to review evidence and reach objective conclusions;
- Avoid potential pitfalls and considerations;
- Understand positive and negative impacts of second homes that are unique to each neighbourhood plan area;
- Be aware of unintended consequences;
- Understand lessons from St Ives.

6.3 In some Neighbourhood Plan Areas the number of second homes can be perceived as an important local issue and neighbourhood planning groups may wish to consider policies to help to mitigate any perceived impacts. Some residents may be concerned that provision of second homes and holiday homes that are potentially occupied only part of the week or part of the year, or let out seasonally, can contribute to making housing unaffordable or less accessible for local people, due to a perceived adverse impact on the local housing market and the reduction in supply. It is often overlooked that such homes also contribute significantly to the available tourist accommodation and contribute to the local economy through tourist spend and employment opportunities and as such the issues are broader than just access to the housing market.

6.4 Often a solution championed is a restrictive policy on additional growth (brought forward through the neighbourhood plan), where occupancy is controlled to that of a principle residence i.e. where a home is the sole or main residence and presumably where the occupants spend most of their time when not working away from home. Such an approach was brought forward by the St Ives Neighbourhood Plan where the justification to better meet the needs of the local community was established through an assessment of the key evidence

around the positive and negative impacts on the sustainability of the town. Since then other neighbourhood plans both in Cornwall and outside have sought to put in place policies with a similar objective of creating new opportunities for local people to access the housing market and bring about a greater balance to the local housing market. However **some have run into trouble** at the external examination stage, as there was insufficient evidence to support the policy and or justification included in the emerging plans when presented<sup>9</sup>. Others have concluded that such a policy approach was not conducive to meeting the wider aims of ensuring new homes were made available for local people and at a price they could afford and choose other policy approaches.

6.5 It should also be noted that there are many reasons why someone would have a second home including some of the below:

- Long term investment;
- Holiday Home;
- Future retirement home;
- Previous main home;
- Temporary home (due to impending sale);
- Work reasons.

6.6 Many properties are also used in the intervening years as holiday accommodation and as such the frequency of use along with the proportion of second homes is a consideration when assessing potential impacts. Where there is a high concentration which are let out the occupation contributes to the local economy and overall sustainability of a community and may bring added benefit, especially in higher order towns that act as service centers where the level of shops and services are supported due to the tourism. Conversely, rarely occupied second homes could harm the fabric of a community, if there is a high proportion and limited services. Either way, the evidence will need to be established and conclusions drawn.

6.7 For those communities wishing to investigate this area and peruse such policies in a neighbourhood plan from the outset it must be understood that:

- The occupation of homes is **not** a matter for land use planning. The use of a dwelling as a second home is not defined in planning legislation as development and hence does not require planning permission. This means that there are no planning controls that can be utilised to control the use of the **existing housing stock** as a second home through planning policies.
- Any such policy would only apply to growth brought forward to that contained in the neighbourhood plan and not the strategic allocations in the Local Plan
- Existing controls and measures such as differential council tax rates, business rates and other fiscal restrictions such as increased stamp duty for those with more than one home lie outside planning controls and are not relevant to the planning process.

6.8 The St. Ives Neighbourhood Plan introduced the principle of occupancy restrictions on the proposed housing in their neighbourhood plan and they did this on the basis of demonstrating the wider impacts on the sustainability of the town rather than the populist reasons cited around the often tenuous links between house prices and supply limitations and arguments of access to the housing market by local people. This was not straightforward, and the justification will vary between location, as such neighbourhood planners should be aware of a number of potential pitfalls and considerations prior to considering and developing any justifiable approach. These are summarised below in section A- G and should be read in

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<sup>9</sup> Roseland plan - deleted not supported by evidence

conjunction with following sections which outline the required evidence and the approach established through the production of the St Ives neighbourhood Plan.

### Top Tips

- Remember to keep your options open when reviewing evidence and consider in a transparent way the alternatives in relation policy options and alignment to the plans objectives.
- Use appropriate justification rather than copy other plans policies and approaches. Remember that policies and justification should be locally distinctive.
- Policies will only apply to new housing brought forward through the neighbourhood plan and not the existing stock or strategic allocations. Consider how effective any policy be in addressing the issue especially in relation to any housing target
- Be aware there will be unintended consequences by shifting the demand to the existing second hand market?
- **New housing that is subject to principle residency does not have the price controls that affordable housing does, or any local connection requirement.**
- Up to date Council tax and business rates information on the number of second/holiday homes can be obtained by asking the policy team.

We have produced an evidence based guide covering community statistics which can be found in the document library under Economy:

[www.north-norfolk.gov.uk/documentlibrary](http://www.north-norfolk.gov.uk/documentlibrary)

## Housing Statistics

- 6.9 For communities thinking about policies in this area, from the outset it should be noted that for planning purposes it is the number of second homes (rather than the number of holiday homes and second homes combined) against the existing housing stock that are the relevant measure. Those permitted solely as holiday homes technically do not form part of the housing stock as they are subject to a planning condition which restricts their use to holiday accommodation only, though some choose to register their second homes as a business premise due to the financial benefits of business rate relief and the removal of second home council tax discount, which is a recent trend that can be noted (and does confuse the issue and the overall numbers).
- 6.10 On average across the District approximately 8% of the housing stock is used for the purposes of second home ownership and a further 3% for holiday homes. However, this is not uniform across the District. In some of the communities along the coast the proportion of second homes may exceed 40%, and in 26 Parishes the proportion exceeds 20%. As an example the percentage of second homes in Cley-next-the-Sea and Blakeney are 44% and 30% respectively<sup>10</sup>.
- 6.11 In comparing the numbers it is important to understand their makeup. For example, census data is based on a different set of circumstances and varies from census to census. Council tax data varies from year to year due to different circumstances and it may not be appropriate to compare what seems to be like for like data on the surface without understanding the base source.

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<sup>10</sup> Council tax records 2018

6.12 It should also be noted that each settlement may function differently. Consideration should be given to the settlement hierarchy e.g. those towns that are identified as principle towns and service villages function as higher order centers and address all housing needs from the wider District, including the needs of second home owners. In more remote locations it could be seen that growth is to address local housing need only and or function as part of the tourism economy. As such the policy starting position is different.

## Housing Targets

6.13 In setting the District's housing target and that of additional growth in a Neighbourhood Plan Area, uplift can be applied to account for the replacement of those permanent occupancy homes potentially lost to second home ownership (note: this does not include holiday homes). In seeking a local housing target consideration should be given to the level of growth required to make any impact on the identified issue.

6.14 In addressing second and holiday homes the approach advised through national guidance was highlighted in the examination of the Cornwell Local Plan where the inspector concluded that it was appropriate to include a 7% uplift in the overall housing target to make up for those dwellings lost from the overall new provision and immediate future dwelling stock due to occupation as a holiday let or second home and it was reasonable to conclude that the proportion of second homes and holiday homes would not decline over the plan period.

6.15 This judgement provides a practical example of the general approach expected by the government in order to meet local needs, address second homes issues and at the same time not being discriminatory in terms of equality legislation. Although the proportional size of any uplift to a local housing target will differ on location and precise circumstances it is an example of the approach that can be taken to address local needs at the same time as allowing for a proportion of development to meet the needs of second home owners and future incomers.

6.16 In line with the requirements of the NPPF the emerging Local Plan seeks to address IN FULL the need for new homes in North Norfolk. The process of establishing the Objectively Assessed Need, OAN is also prescribed through NPPF and planning practice guidance, PPG. This requires the application of a standard national housing need methodology through the use of three stages:

- Stage 1 - Household projections through the use of published bi-annual Office of National Statistics, ONS
- Stage 2 - Adjust the stage 1 demographic projections by a District wide affordability ratio published by the ONS. The affordability ration is derived from the ratio between local incomes and local house prices, currently an **increase of 35%** for North Norfolk.
- Stage 3 - Review the stage 2 figure and undertake a sense check to see if it is large enough to address likely needs or if the figure produced by the methodology is too high and would result in unacceptable impacts in North Norfolk. Such a check would consider local impacts such as second homes, the relationship of employment growth to housing growth affordable housing needs and delivery.

6.17 In setting the emerging housing target the Council has concluded that because of the large size of the uplift resulting from Stage 2 of the standard methodology (35%), further upward adjustments beyond the OAN requirement and the standard methodology are neither necessary nor supported by the evidence. The uplift applied will not only serve to help address the delivery of affordable homes for local people, but will also address other requirements. For example, an upward adjustment made to assist with dwelling affordability will also serve to address the potential needs of a growing workforce (if the workforce was expected to grow at a rate faster than trend) and also help to mitigate the impacts of second home ownership in the District.

- 6.18 On a District level there is no need or justification for making multiple further upward adjustments to the housing target beyond that already made as part of the standard national housing need methodology. In setting a local housing target for a neighbourhood plan local considerations of the level of second home ownership and recent trends can be taken into consideration and an uplift potentially applied.

#### Top Tip

- New housing that is subject to principle residency does not have the price controls that affordable housing does, or any local connection requirement.
- In seeking to impact on the level of second homes neighbourhood plan need to bring forward additional growth to meet the identified local housing target.

## Economy

- 6.19 The Districts economy and tourism business relies on and benefits greatly from the income generated through the accommodation that these uses bring to the rural District of North Norfolk. Headline figures indicate that £146 million pounds is generated in the local economy from overnight visits and £505 million is spent in the local area as a result of tourism across the board. Overall tourism accounts for 28% of all jobs in North Norfolk<sup>11</sup>. The number of day trippers is also increasing rapidly. Second homes contribute significantly to the provision of available short term lets and the tourism economy and in any analysis of the effects of second homes this need to be explored and quantified. As detailed in paragraph 6.3 along with the proportion of second homes an assessment should be made on the frequency of occupation to inform the evidence of impacts on the sustainability of a town or neighbourhood plan area.

## Equalities Legislation

- 6.20 Policies that seek to restrict the use and / or occupation of housing could be seen as discriminatory and are challengeable through the neighbourhood plan process which is subject to separate equality legislation and basic condition tests in this area.

## Effectiveness

- 6.21 Such policies could only be theoretically applied to **new housing growth brought forward through a neighbourhood plan** and most certainly cannot be applied to the existing housing stock or strategic site allocations and policies of the Local Plan. New homes only account for a low percentage of residential transactions (approx. 10% nationally). In North Norfolk new homes made up 11% of the 2,153 sales in 2018. It is clear that the second hand market tends to provide most of the available housing supply at any given time. Given this the effectiveness of any policy and the levels of growth being promoted need to be a consideration. As does the ability of those in the local community to afford any restricted housing stock and any priorities around affordable housing provision. A bigger barrier to home ownership is the lack of secure and well paid employment opportunities and these economic issues rather than purely social housing related issues should also be explored in a pro active and positive way. Consideration should also be given to the likely deflection of demand for second home accommodation onto the existing housing stock and the potential impacts on affordability, the use of which is outside the Council's and neighbourhood planning control.

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<sup>11</sup> Economic Impact of Tourism North Norfolk 2017

## Plan objectives and existing policy base

- 6.22 It should also be noted that the Council already imposes similar occupancy restrictions in relation to affordable homes which can only be used as dwellings for those in housing need and with connections to the District and in the case of exception sites local connection to the parish first as a main residence. For example, within the emerging Local Plan, limited new housing is being proposed within the coastal parishes, 35-40% of which would be subject to affordable housing occupancy conditions (subject to viability).
- 6.23 National policy is also clear in that any loss of housing stock should be recognised in any housing target. Any approach needs to remain in conformity with the Local Plan and should not have the potential to impact negatively on overall Development Plan or its overall objectives. This again is part of the basic condition tests at examination.
- 6.24 Any approach should be in line with the aims set out in the neighbourhood plan and should not introduce conflict between policies and objectives

## Interrelated and overlapping issues

- 6.25 The housing market is complex and need and demand is driven by multiple overlapping issues that affect different locations such as: demographics, income, wealth, health, employment, migration, education, personal relationships, consumer confidence, cost of borrowing. As such the evidence base required to justify any approach is complicated and needs to be set out logically and in a transparent way and presented for consultation at both pre submission stage and submission/ examination. The effects and intentions of such an approach need to be carefully analysed and weighed up in order to justify any policy intervention and are undoubtable wider than the perception of simply improving access to the housing market for local people. Detrimental effects on the wider sustainability of the Neighbourhood Plan Area, NPA need to be proven for an examiner to support any such proposed draft policy.

### Remember

- There is little or no flexibility in planning policy on the issue of second homes
- Imposing such conditions is likely to deflect the demand for second home accommodation onto the existing housing stock, the use of which is outside the Council's and neighbourhood planning control
- New build homes will only ever be a tiny percentage
- second homes have positive impacts as well as negative
- The level of second/holiday home ownership in areas of North Norfolk is a District issue that the Council has identified and is pursuing fiscal changes which lie outside the planning process and lobbying for a change in the planning regulations on a political level. If successful it would mean that homeowners who want to use their property as a second home or as a holiday let would require planning permission. Currently there is no such requirement in national policy

## 7 Principle Residency Policies

- 7.1 **If it is thought possible to justify such an approach**, and it can be demonstrated that the approach does not undermine the delivery of the Local Plan or impact negatively on other objectives of the neighbourhood plan i.e. affordable housing and wider delivery of infrastructure, many aspects of solid and robust evidence (i.e. transparent, verifiable and justified interpretation) in addition to community perceptions needs to be collated, reviewed and an **appropriate conclusion on policy options be drawn before drafting such a policy**.
- 7.2 This includes establishing the overall number of second homes/ holiday lets from a number of data sets, establishing past and recent trends and the extent of any negative and positive effects on the economy, such as perceived restrictions on access to local employment, impacts on local jobs as well as perceived social effects around the impacts and accessibility to the housing market and the level of local need. This should also look at the effects on the value of properties, and how the price implications in relation to local income would improve access to the homes for those on low incomes and how such a move could deflect those purchasing new housing stock for second homes into the existing stock (which is outside the control of the Council and neighbourhood planners) and thus undermining the very objectives of the plan by reducing the available and usually smaller more affordable stock to those in need. For many it is the lack of secure and well paid employment opportunities that are the real barrier for home ownership, along with the cost of buying is the bigger barrier than lack of supply. Demographics and the available property type, tenure and price in each community also play a significant part in any approach and consideration should be given to whether these are also an underlying cause and included in the evidence base.
- 7.3 Further considerations include how the approach would affect overall viability of development in relation to development finance taking into account the cumulative nature of the wider Local Plan policies in relation to local income and adjusted sales values (see later section on viability).
- 7.4 In addition, there would need to be consideration of the effectiveness of the approach in dealing with underlying causes i.e. will it apply to sufficient dwellings to make any difference? Remember plans need to be effective. This of course is related to what level of **additional growth** the neighbourhood plan is prepared to bring forward and any housing target agreed with the local authority and can be justified through needs analysis.
- 7.5 In applying such a policy, the restriction will need to be imposed by the local planning authority and will have to be written in such a way that is legally enforceable and accords with housing policies and statutory housing requirements the Council is required to adhere to as the statutory Housing Body. Early engagement with officers is strongly recommended

### Key Points: St Ives

- 7.6 Notwithstanding the advice contained in above section the St. Ives Neighbourhood Plan paved the way for promoters of other neighbourhood plan groups to include restrictions on the occupation of second homes, but through the use of **correctly worded and evidenced policies where it is proven that the second and holiday market is having a detrimental impact on the sustainability of towns and villages**. The approach was challenged but, crucially, the judgement helps set out where such policies are justified and in establishing this neighbourhood plans need to take account of the full range of evidence available.

The below outlines some key points and lessons learned from the St Ives neighbourhood plan approach:

- **Establish evidence of detrimental impacts on the sustainability of towns and villages;**
  - evidence has to be balanced and look both at detrimental effects but also those that bring positive impacts
- Be clear about the policies objectives: it is not enough just to promote a policy to limit development for those who already live in the area or those wishing to obtain housing for full time residency, but crucially to establish the wider impacts on the sustainability of the town or village;
- Note, each town and village have different impacts which need to be analysed and appropriate conclusions drawn, with full audit trail published, including reasoning and alternatives considered;
- Be clear about the settlement hierarchy and the levels of growth being provided for in each plan and what need it is intending to address.
- Consider unintended effects: restrictions on housing market affect development viability which in turn can affect the level of affordable housing that can be provided. If the key evidence or plan objective indicates that affordable housing is the priority for the neighbourhood plan, then the neighbourhood plan group should think carefully about their community and their priorities and any consultation version and submitted plan must clearly outline the impacts of their proposed policies;
- Evidence should be fully transparent and presented upfront ensuring that policy approach chosen is justified and clearly evidenced. Evidence has to be balanced and look both at detrimental effects and also those that bring positive impacts. Analysis should demonstrate the scale of any impacts or harm. It is best to **take a long term view** and show passed and recent trends and how this compares to District averages and other similar towns;
- Ensure the approach is **positively worded** rather than restrictive of growth and **clear its application is on new growth brought forward through the neighbourhood plan**. There is a need to demonstrate the consideration of whether the policy should apply to the NPA as a whole or just to specific parts of the NPA;
- Consider if it is the correct approach to address the evidenced issues, including other and alternative options such as prioritising further affordable housing growth.
- Equality and human rights: it should be adequately demonstrated that the approach taken is necessary and proportionate and will make a difference. In adopting the neighbourhood plan the Council has to be satisfied from the evidence base presented and used in the formation of the neighbourhood plan demonstrates that the approach is a necessary and proportionate response to a particular local issue of some significance to those living in the Neighbourhood Plan Area;
- Demonstrate that the approach will it make a difference;
- Incorporate monitoring requirements and process;
- Be clear on plans objectives and aspirations, reducing cumulative conflict with other policies

## Evidence and justification requirements

- 7.7 From the outset for those communities reviewing this area it is recommended that second homes and holiday homes should be clearly defined early on in the process and that the differences between them for planning purposes and the evidence base are well understood.

## Sustainable Development

7.8 In exploring the impacts on the suitability of towns and neighbourhood planning areas, neighbourhood planners need to be familiar with planning definition of sustainable development. The NPPF includes the definition of sustainable development as ‘meeting the needs of the present without compromising the ability of future generations to meet their own needs’<sup>12</sup> In achieving sustainably development the planning system has three overarching and interdependent objectives:

- An economic objective, where there is sufficient land to support required growth;
- A social objective, where homes are developed to meet all needs (i.e. size type and tenure) of the present and future. Where open spaces and the design of homes foster well-being; and
- An environmental objective, where growth makes effective use of land, protects and enhances the natural and build environment, improves biodiversity, mitigates and adapts to climate change and moves towards a low carbon economy.

7.9 In developing such a policy, robust evidence must be obtained, presented and used to inform a suitable worded policy. It is **not enough** to rely on community perceptions or to justify any approach by seeking to ensure those who wish to live in the area as full time residents are able to obtain housing by reducing the competition from potential second home owners or mealy claiming high prices are because of the number of second homes. Nor is the fact that other plans have included such a policy be used as justification to support a similar approach. Any such approach must also not conflict with the wider aims of the neighbourhood plan i.e. impact with any objective of delivering affordable housing, must be demonstrated that it will be effective in dealing with the issues raised and will not impede delivery.

### Top Tip

Sustainable development in planning terms contains three elements: Social, Environmental, and Economic. Both positive and negative impacts on each need to be explored.

7.10 Policies should be positively worded to facilitate sustainable growth rather be restrictive or negative. **Conflict will arise if the intention of the neighbourhood plan is to apply the policy to any strategic allocations set out in the Local Plan** as these seek to address a wider District need and which is underpinned by wider population trends including inward and outward migration rather than solely address local issues.

7.11 It should be noted that there are many reasons why someone would have a second home including:

- Long term investment
- Holiday Home
- Future retirement home
- Previous main home
- Temporary home (due to impending sale)
- Work reasons

7.12 These can have a broad spectrum of effects on all three strains of sustainable development. Indeed, many second & holiday homes bring significant positive benefits to communities as

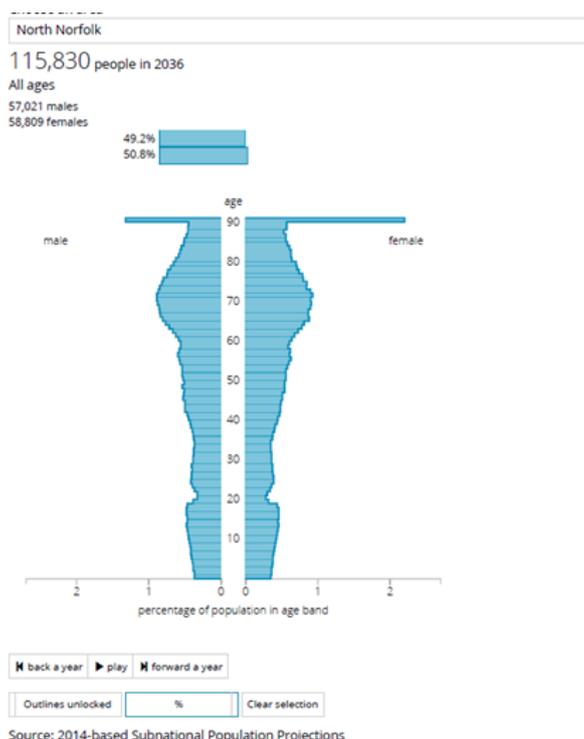
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<sup>12</sup> Resolution 42/187 of the United Nations General Assembly.

well as perceived negative impacts on the housing market. This is especially true in a rural economy such as North Norfolk where the driver is tourism as a major contributor to local wealth, income and maintaining existing business and services. Many local businesses such as pubs, restaurants and bus services rely on the income generated and would not exist if the tourism economy was weaker. As such the frequency of use along with the proportion of second homes is a consideration when assessing potential impacts. Where there is a high concentration which are let out the occupation contributes to the local economy and overall sustainability of a community and may bring added benefit. Conversely rarely occupied second homes could harm the fabric of a community. Either way, the evidence will need to be established and conclusions drawn from an assessment of the use and occupation rates, utilising statistics from many of the holiday companies. Such circumstances **differ from parish to parish** and indeed District to District, therefore the evidence or drivers of the approach used and policy approach by one neighbourhood plan may not be the same for another. Evidence such as loss of community facilities, declining school roll and the seasonal opening of facilities can be used to help substantiate impacts. However, they must also be seen in the wider context of social change, demographics and availability of well-paid employment opportunities and not be attributed to direct cause and effect. **Policies and evidence should relate to the circumstances in each neighbourhood plan specifically and the roll of the settlements in the plan area.**

- 7.13 High levels of second and holiday homes may have social consequences. If there are high proportions of second homes within a Neighbourhood Plan Area, NPA, there may well be perceived to have a negative effect on village services such as the local school. If this argument is used it needs to be explored in the context of the District and wider social change. North Norfolk has one of the highest proportion of and most rapidly aging populations in the country. The fastest growing age profile in the District is that related to the over 85s and 95s. By 2036, the over 65s will account for 40% of the Districts population. Those of working age will have fallen dramatically and the birth rate even more. Specifically, those age cohorts 0-4, 15-24 and 45 – 64 are predicted to fall. Despite this the population is growing, predominantly by those retiring to the District and it may be appropriate to conclude on a local level that second home usage has little to do with declining school roll or work force availability. In such a case wider parental choice also needs to be factored in. Population trends and their impacts would need to be evidenced in the Neighbourhood Plan Area along with whether any proposed principle residency restriction would make any difference.

## Projected District Age Structure (North Norfolk)



- 7.14 Similarly, the proportion of second homes and holiday homes and their likely occupation rates should be explored. It is often argued that large numbers of second and holiday lets are only used seasonally and as such can impact on the year round viability of services such as shops, post office pubs and bus provision. This could be true in smaller and remote hamlets and villages however depending on the length of the seasonal but in larger communities, especially those that act as service villages and growth towns the tourism economy of North Norfolk ensures very high occupancy rates of second homes as holiday lets and year round occupation. In such instances it may be hard to evidence detrimental impact on service provision, in fact they may support the overall viability of the business/service and ensure there is a wider selection than would normally be supported by the market bringing positive benefits to sustainability. In many circumstances the loss of a service could be down to other factors such as retirement and or conversion into higher value residential use.
- 7.15 Studies have shown that second and holiday homes have other wider positive benefits, while some may be empty for period, others are used frequency and also used as holiday lets for a significant part of the year. In rural areas these home owners have made a contribution to the conservation of rural housing stock, brought back into use empty homes and redundant properties, enhanced the visual qualities on an area and those that eventually retire here do so in the spirit of contributing to the communities in active ways. Such benefits should also be analysed and reported on in order to reach balanced conclusions of the effects. Much of this evidence can be established from local knowledge.
- 7.16 It should also be noted that such a policy does not prevent the owner from owning more than one home, even in the same neighbourhood plan area and it could potentially create a middle tier housing market, one that sits between affordable and open market dwellings and not address or / impact on the provision of identified need for affordable properties.

## House Prices

- 7.17 It is often maintained that high levels of second homeownership provide upward pressure on house prices in higher valued areas and that in the main second home owners are not

generally attracted to the lower more affordable end of the market and those in less desirable locations. Any evidenced approach and in order to establish any correlation to the impacts of second and holiday homes house values in relation to average house prices and the level of second/holiday homes across the District should be explored. Note the Councils plan wide viability evidence identifies two distinct areas of value.

- 7.18 In doing so it should also be noted to what extent local buyers, on local income and earnings are affected i.e. benefit from such an approach. In many cases the affordability ratio between house price and local income is such that access to the local market would not be improved by such a policy approach and this would have to be reconciled against the neighbourhood plans aims and objectives.
- 7.19 In North Norfolk the median ration of house prices to local income is 10:1. The English average is 8:1

### **Past, Current & Future Trends**

- 7.20 It is important that the evidence shows not only what the situation is, but also clearly demonstrates the scale of the impacts. Evidence should show how the neighbourhood plan compares to the North Norfolk average and show how this has changed over time.
- 7.21 There are a number of sources available such as Census information, council tax and business rates registers. Census figures provide a national methodology for comparison of regions, although; they are only collected every ten years and rely on the specific responses to questions asked which have changed over time. They are also undertaken at a point in time and with the latest 2011 Census now 8 years ago they are potentially out of date. However, when combined with the 2001 census and 1991 census they do show long term trends.
- 7.22 The most up to date way that reliable figures can be obtained is through locally derived Council Tax records where owners declare a dwellings use as a second home (note there is no longer a council tax discount for second home registration). Even this data needs to be treated with some caution as it is reliant upon the owner. If for some reason in the future council tax methods are changed then it may not be possible to monitor the percentages year on year. Discounts on Council tax are also no longer available for unoccupied furnished properties so it is therefore not possible to identify vacant properties for other reasons.
- 7.23 In some cases, it may be financially beneficial to register the second home as small business and therefore these may be included under the 'holiday home' bracket (non-domestic rates are paid for any properties let over 140 days in a single year based on the rateable value of the property). That said it needs to be noted that a proportion of such have never been part of the housing stock and as such no not act as such.
- 7.24 Collectively the council tax and business rates register still offer the best locally derived evidence; however, care needs to be taken in comparisons and trends due to the different and changing circumstances behind their collation and definitions. The most up to date figures for each parish can be supplied on request for analysis **from the planning policy team** at the Council. These can be collaborated by local knowledge through robust local survey data.

### **Calculating Proportion of Second Homes and / or Holiday Homes**

- 7.25 In any evidence it is important to make sure you define what is meant by second homes and also holiday homes and differentiate between the two in a consistent way. The two are not interchangeable and mean different things to different people. Holiday homes technically do not form part of the housing stock. The use of a residential dwelling as a

holiday let wouldn't generally need planning permission, however, if permission was granted and conditioned specifically for the use of a building as a holiday let, then permission would be required to remove the holiday restrictions. The recent trend to register some second homes as business premises due to the financial benefits of business rate relief and the removal of second home council tax discount is an anomaly that can be noted if there is an actual shift (note, in many locations the figures from last year show that there was no shift). Holiday homes by their very nature contribute substantially to the local economy as they have to be let at least 140 days of the year. Their impacts are therefore different and any evidence base needs to show that this has been understood.

- 7.26 **The Council can provide up to date annual figures for the total housing stock and percentages of second homes and holiday homes** for the majority of settlements as well as some past trends. For longer trends census information should be analysed, however as advised above care should be taken in comparing statistics due to variations in definition.
- 7.27 For those communities wishing to review this area for neighbourhood planning purposes it is recommended that the group should contact policy officers early on and discuss how best to establish an appropriate approach and where to obtain robust evidence from. Further sources of evidence are also contained at the end of this paper.

### **Viability (in relation to second homes)**

- 7.28 In Planning, viability is an important decision making question and the NPPF states that policies, including those in neighbourhood plans, should not undermine the deliverability of the Development Plan (i.e. the suite of documents that contain all the planning policies and proposals for the District, generally comprised of the adopted Local Plan, sustainability appraisals and adopted neighbourhood plans).
- 7.29 The imposition of occupancy restrictions on additional neighbourhood plan new build residential properties can lead to a lowering of house prices. It is often quoted that this reduction is the region of 20%. As such the effects of such a reduction need to be assessed on the delivery of homes. Restricting all growth put forward by the neighbourhood plan to that of principle homes may be unrealistic and it may be that a certain threshold above which is more appropriate in viability terms should be applied. Wider consideration on the delivery of affordable housing also should be taken into consideration and the cumulative costs of policies on the delivery of the plan - this includes the strategic requirements of the Local Plan such as **the required level of affordable housing**.
- 7.30 Viability assessments are technical documents and follow a specific approach in plan making. They include a number of assumptions around finished values, land values, and development costs which are agreed with the development industry and through consultation. In order to remain consistent and in conformity with the local plan it is advisable that any assessment utilises the same assumptions.
- 7.31 Evidence requirements remain **appropriate and proportionate** and depending on the collective policy approach and the level of growth being promoted officers will be able to advise if an assessment is required and how to undertake it and what it should include. It is not considered that a full blown plan wide viability study is required, nevertheless an assessment of the impacts on the viability and in particular finished values should have been undertaken and consulted on.

- 7.32 If such an assessment is incorrectly undertaken or not undertaken at all any principle residency policy may be undermined at applications stage by the production of a site specific viability assessment and prior to that, the through the examination process on conformity with the Local Plan. This would be especially true if the approach envisaged was seen to impact on overall housing delivery rather than just address additional growth brought forward through the neighbourhood plan, which although aspirational needs to have a realistic chance of delivery.

### **Consideration of Alternatives**

- 7.33 In assessing the relevance of the approach and the contribution such an approach would make to address the identified negative impacts there should be consideration of the improvements it will bring. This is linked to the level of growth the neighbourhood plan is intending to deliver and also the priorities of the community and the identified / evidence local need / demand. It should be noted that any such policy does not prevent the owner from owning more than one home even in the neighbourhood plan area and that the policy could only apply to new growth brought forward through the neighbourhood plan (not that in the Strategic growth detailed in the Local Plan).
- 7.34 There may be better policy choices that align with the evidence such as delivering genuine affordable properties and or those more suitable to local need and a price suitable to local incomes. For example, local policy approaches that seek to limit the conversion, intensification and size of redevelopment of exiting housing stock and the identification of sites for affordable homes.

### **Policy Wording and Enforcement**

- 7.35 In writing such policy approach it remains important to ensure consistency with the Local Plan i.e. taking the hooks from and building on approaches in the Local Plan and ensure that policies can be legally enforced. If they cannot then they will fail at the first application and or appeal.
- 7.36 Specifically, to principle residency policies it remains important to be clear and precise in the criteria used to define the term principle residence, whether or not those criteria are capable of being fulfilled by evidence that can be easily assessed as credible and reliable.
- 7.37 A planning condition or obligation is only valid if it is enforceable and only enforceable if a breach is capable of proof. Any approach therefor needs to detail the criteria expected to be stipulated when planning permission is issues. These need to be justified, reasonable and practical. The lack of clear definition and monitoring approach in the neighbourhood plan will inevitably make monitoring and enforcement difficult.
- 7.38 Any policy approach should therefor include monitoring requirements of the neighbourhood plan by the parish council and also the District Council.
- 7.39 In writing any policy the approach should be informed by the local evidence, and options that are appropriate to each neighbourhood plan area that could address the identified issues should be considered and documented. It is generally not considered best practice to simply copy policies from other neighbourhood plans and seek to place into a neighbourhood plan. Local evidence, strategic policies circumstances and appropriate justification all differ and are specific to each neighbourhood plan area. Each neighbourhood plan also may have different aims, priorities and objectives. As such each plan should be unique and policy approaches included those around second homes be informed by appropriate evidence review.

## Conclusion

- 7.40 At the end of the day there is little or no flexibility in planning policy on the issue of second homes through restricting market homes for the use of local people. It is considered that restrictive policies should be avoided, instead, neighbourhood plans should aim to meet the housing needs of local people and the wider market needs as evidenced. Consideration should also be given to the roll and function of a settlement as defined by the hierarchy of settlements in the strategic policies of the Local Plan.
- 7.41 In line with national guidance any neighbourhood plan should allocate **additional sites** for residential growth based on its locally derived evidence and housing target provided by the Council. Included in that housing target there could be an allowance made (uplift) taking in to account second home ownership levels in the Neighbourhood Plan Area, NPA, to allow for local people and or new incomers if evidence supports they are required by local circumstances.
- 7.42 As to whether a principle residence restriction is an appropriate response to the issues created by second and holiday homes in a village or neighbourhood plan area the evidence needs to be first explored and the issues detailed along with clearly presented justification along with the options considered on a case by case basis. **Any review needs to demonstrate the impacts as well as the benefits in relation to overall sustainable development i.e. the supporting evidence must demonstrate the approach is justified and consistent with all three strands of sustainable development.** The approach should also not conflict with strategic policies in the Local Plan or impact on the delivery of them. Proportionate and robust evidence should support the choices made, options considered and the approach taken, all of which need to be reported and consulted on in a transparent way.
- 7.43 Permanent occupancy conditions are considered unlikely to be an effective mechanism for controlling the overall proportion of second homes in the area and will make little impact unless a neighbourhood plan proposes significant additional growth relative to the existing town or village.

## 8 Site Allocation

- 8.1 Site allocation is a process through which land within a neighbourhood plan area can be assessed and identified as being suitable for development in order to meet identified needs. In allocating sites, a neighbourhood plan is setting out its site preferences to accommodate future growth for local needs. In allocating land, more certainty is given as to where development could and could not happen. Site allocations policies can also specify what type of development, e.g. residential commercial, industrial, mixed use should be permitted on each site as well as setting out more site specific detail.

### **Why is this important?**

Where neighbourhood planning bodies have decided to make provision for housing national guidance expects housing need to be met and exceeded. In allocating sites, a comprehensive review needs to be undertaken of all potential sites.

- 8.2 Allocations should only be undertaken if there is a suitable scale of growth to provide for and the community wishes more control over what and where growth should happen. The scale is directly related to the housing target and evidence base.
- 8.3 The process involves an iterative assessment and includes not just the identification of land (call for sites), a community believes would be best for development, but also needs to demonstrate and justify why sites have been chosen and others not. The evidence base of any site allocation needs to demonstrate it complies with a set clear and robust methodology. Site allocations are one of the most contested and challenged policies in most plans.
- 8.4 The start of the process is to review all potential sites, often through a call for sites. Then, through assessment, to narrow down those sites which are not available and those that are identified as unsuitable based on constraints including local impacts such as access, landscape impacts and environmental considerations. Development costs may play a part in identification of sites that may be more difficult to bring to market.
- 8.5 In assessing sites North Norfolk District Council has an assessment framework used in undertaking its site assessment for the emerging Local Plan and also a sustainability site assessment framework. It is advisable to undertake a sustainability assessment of all site options as this will help identify the suitability of varying sites against sustainability criteria.
- 8.6 For those neighbourhood plan groups proposing to allocate sites it is recommended that early engagement is taken with the policy team where the approach and methodology can be discussed in detail and information on sites can be shared.
- 8.7 Locality, the government backed support network for neighbourhood planning also offer those communities undertaking site allocation additional technical support through a specialist advisor. This is in addition to any grant support obtained. More information can be obtained from their website. <https://neighbourhoodplanning.org/about/technical-support>
- 8.8 Locality have also produced a detailed toolkit on [how to assess and allocate sites for development](#)<sup>13</sup>

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<sup>13</sup> <https://neighbourhoodplanning.org/toolkits-and-guidance/assess-allocate-sites-development/>

## 9 Site Size

- 9.1 In allocating any development sites neighbourhood planners need to be aware of and consider the implications of site size and overall numbers. With the strategic policies setting a threshold for the requirement of affordable homes, setting site proposals below such thresholds may be contrary to national policy and or the aims and vision of the neighbourhood plan as such allocation would not increase the supply of homes to meet local needs across all sections of the housing market nor meet the identified local need for affordable housing.
- 9.2 Similarly, not allocating in a neighbourhood plan where there is a high level of local need raises concerns that the plan is not adhering to national policy and seeking to address the perceived need nor is being positively prepared.
- 9.3 Those neighbourhood plans seeking blanket policies on windfall, infill and other developments around the provision of affordable housing (including occupancy) in their NPA need to be aware of the policy restriction in national guidance. National guidance explicitly states that:
- 'Affordable housing contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home'<sup>14</sup>.*
- 9.4 In addition, replacement and subdivision of existing residential dwellings or the re use of existing redundant or disused dwellings are likely to be small scale and potentially high cost and it is not considered to be reasonable to be affordable housing led.

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<sup>14</sup> Planning Practice Guidance, Planning obligations Paragraph: 023 Reference ID: 23b-023-20190315 Revision date: 15 03 2019

## 10 Affordable Housing Thresholds

### **Why is this important?**

In delivering affordable housing national and local policy set out the development thresholds above which affordable housing can be sought.

10.1 Local authorities have a statutory duty to provide households in local housing need and to prevent homelessness. An underlining principle of the NPPF is that plans (Local Plans and neighbourhood plans) should significantly boost the supply of homes. This includes both affordable and market homes.

10.2 In 2014 the government changed the approach to affordable housing thresholds and advised that:

*'Due to the disproportionate burden of developer contributions on small-scale developers, for sites of 10-units or less, and which have a maximum combined gross floor space of 1,000 square meters, affordable housing and tariff style contributions should not be sought. This will also apply to all residential annexes and extensions.'*

*For designated rural areas under Section 157 of the Housing Act 1985, which includes national parks and areas of outstanding natural beauty, authorities may choose to implement a lower threshold of 5-units or less, beneath which affordable housing and tariff style contributions should not be sought. This will also apply to all residential annexes and extensions. Within these designated areas, if the 5-unit threshold is implemented then payment of affordable housing and tariff style contributions on developments of between six to ten units should also be sought as a cash payment only and be commuted until after completion of units within the development.*

*These changes in national planning policy will not apply to rural exception sites which, subject to the local area demonstrating sufficient need, remain available to support the delivery of affordable homes for local people. However, affordable housing and tariff style contributions should not be sought in relation to residential annexes and extensions'.*

10.3 Changes were subsequently brought in through the NPPF<sup>15</sup> and planning obligation sections contained in national planning practice guidance<sup>16</sup>. The adopted Core Strategy does not to implement the lower thresholds and the policy approach remains that affordable housing on site provision is sought on proposals of over 10 dwellings (i.e. 11 and above). That said the emerging Local Plan proposed policy HOU2 does seek financial contributions for affordable housing on schemes of between 6 and 10. As stated above the position does not apply to exception site development.

10.4 If you wish to lower the threshold in line with the emerging policy, subject to the establishment of affordable housing need, the allocation of sites and viability we would be generally supportive.

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<sup>15</sup> NPPF Para 63

<sup>16</sup> PPG Planning Obligations - Paragraph: 023 Reference ID: 23b-023-20190315

## 11 Dwelling Mix

- 11.1 Where homes, including affordable homes are delivered on a site a balanced and appropriate mix in terms of dwelling style, type and size should be achieved that seeks to closely match the variety of identified need in relation to different household types. The Strategic Housing Market Assessment, SHMA, is the starting point in identifying the needs in terms of type, tenure and affordability, including the requirements for specialist housing for the elderly. A separate Caravans needs assessment has been undertaken by the Council to identify the level of need for appropriate housing for the Gypsy community.
- 11.2 The SHMA identifies high level of need for two and three bedroomed properties in both market and affordable housing and the strategic policies of the Council in the emerging Local plan set out a requirement for at least 50% of all dwellings on sites over 6 to provide two and three beds.
- 11.3 Neighbourhood plans can develop further specific mix policies, (to be applied to growth outside the strategic growth) as long as they remain in general conformity with this approach and any such policy is based on robust local evidence, such as a housing needs survey. Such policies can also include a review of the Council's housing waiting list, though it should be noted that this is a reflection of demand rather than need, and is available to all those without a local connection to any neighbourhood plan area. In most cases the housing waiting list shows a higher demand for apartments and in many rural locations seeking to address such a limited type may not accord with sustainable development / community or the aims and vision of the neighbourhood plan. Any policy approach should reflect local need and existing housing stock and also include scope for flexibility. It is advisable not be too prescriptive.
- 11.4 Policies requiring an unbalanced approach requiring high proportions of one type and or not supported by up to date and robust evidence will generally not be supported.
- 11.5 As a general guide the following principles guide officers:
- Rented: due to the high levels of need the Council would normally seek a high proportion of rented affordable products including 1 and 2 bed properties suitable for 2 and 4 persons to address smaller households
  - Smaller proportions of Intermediate products such as shared equity and shared ownership will also be supported
  - There is a requirement also in national policy to provide at least 10% low cost home ownership products in any mix and such a requirement needs to be considered in any policy ask
  - 40% 1 and 2 bed properties in line with the core strategy should sought

## 12 Density

- 12.1 The NPPF requires developers to use the effective use of land. In establishing an appropriate density a range of considerations should be taken into account including:
- Travel times to key facilities, including public transport stops or hubs. Generally speaking, higher densities should be provided the closer to transport hubs and urban environments.
  - Existing urban characteristics, including urban form, building types, prevailing sunlight and open space requirements.
  - Environmental and infrastructure considerations including capacity and the ability to address/ improve localised issues.
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## 13 Design and Space Standards

- 13.1 National policy restricts local policy to only evoking the government's technical standards and minimum space standards, based on robust evidence. No other development standards can be required through planning policy if the approach is to remain in conformity and meet the Basic Conditions test.
- 13.2 These standards are prescribed and controlled through building regulations and cover adaptability and accessibility standards - M4(2) and wheelchair accessibility M4(3). The Council in its emerging Local Plan Policy HOU8 is proposing 100% compliance of new dwellings to M4(2) and 5% of dwellings on sites of 20 or more in compliance with M4(3). Policy HOU9 also requires all new dwellings to adhere to the nationally prescribed minimum space standards.
- 13.3 Supporting evidence and more details can be seen in the Local Plan background paper No7 available in the Council's web based document library.
- 13.4 Given this it is not recommended that NPs seek to replicate or dilute the strategic approach. More information can be obtained on these through the specific section in the planning practice guidance. <https://www.gov.uk/guidance/housing-optional-technical-standards>
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## 14 Viability

### **Why is this important?**

Viability is an important consideration in plan making and in the determination of proposals. If policies impact on development viability to the extent of making development unviable or restrict land coming forward the impact are two fold:

- 1) no development will come forward and any policy will be ineffective in addressing the identified issue
- 2) such an approach will not conform to the basic tests at examination.

- 14.1 Viability is an important consideration in plan making and in the determination of proposals. The planning practice guidance is clear that viability must be considered when preparing

neighbourhood plans policy requirements and the policy ask should not undermine deliverability of the development set out in the Plan and the strategic policies set out in the Local Plan.

- 14.2 In setting housing policies especially those that can affect the value and costs of development of a scheme the effects on development viability should be reviewed. The Local Plan is informed by a Local Plan viability assessment, where the cumulative effects of the policy ask are reviewed against development costs. The assessment is part of the evidence that establishes deliverability of the plan and the policies it contains. Policies in a neighbourhood plan cumulatively with those of the Local Plan should not undermine the deliverability of the overall development plan and prevent growth from coming forward as outlined in the strategic policies.
- 14.3 Not all housing policies will affect viability and delivery and evidence requirements in plan making remain appropriate and proportionate. Depending on the collective policy approach and the level of growth being promoted officers will be able to advise if an assessment is required and how to undertake it and what it should include.
- 14.4 Viability assessments are technical documents and follow a specific approach in plan making. They include a number of assumptions around finished values, land values, and development costs which are agreed with the development industry through consultation and also feed into site specific appraisals at time of application. Where it is considered advisable to undertake further broad testing in order to provide evidence around delivery and conformity with the Local Plan it is advisable that any assessment utilises the same assumptions. Where appropriate research may be required to be carried out to inform any assessment, it is anticipated that this would be around finished values and development costs.
- 14.5 It should be noted that national policy allows for cross subsidy of affordable housing on rural exceptions site by market housing. The Council's position is that such subsidy should be limited to the minimum required to enable development i.e. should enable the maximum affordable housing provision possible.
- 14.6 Localities have produced further guidance on [viability for neighbourhood plans](#)
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## 15 Section 106 (S106)

### **Why is this important?**

Often communities wish to be signatories of such agreements and mistakenly write policies into neighbourhood plans

- 15.1 These are legal agreements entered into to mitigate the impacts of a development proposal. Only signatories of the Local Planning Authority and those with an interest in the land can be party to such agreements under law.
- 15.2 Planning obligations may only constitute a reason for granting planning permission if they meet the tests that they are necessary to make the development acceptable in planning terms. They must be:

- Necessary to make the development acceptable in planning terms;
- Directly related to the development, (in the main site specific); and
- Fairly and reasonably related in scale and kind to the development.

15.3 These tests are set out as statutory tests in [Regulation 122](#) (as amended by the 2011 and 2019 Regulations) and as policy tests in the National Planning Policy Framework. The regulation applies at determination stage.

15.4 National guidance states that Planning obligations, in the form of section 106 agreements and [section 278 agreements](#), (in relation to highways works) *should only be used where it is not possible to address unacceptable impacts through a planning condition. Conditions should be kept to a minimum and only imposed where they are necessary, relevant, enforceable, precise and reasonable*<sup>17</sup>. Any such obligations should be informed by evidence and a proportionate assessment of viability.

15.5 Obligations will be negotiated on a site-by-site basis where necessary and the priority given to the differing types of obligation will be at the discretion of the Local Planning Authority. However, as a general rule the provision of affordable housing, education, highways, and open space requirements followed by legitimate site-specific obligations identified through Neighbourhood Plans will be given priority over other obligations.

15.6 Key issues to be considered are as follows:

- Adopted Development Plan Documents;
- Adopted Neighbourhood Plans;
- Financial viability of the proposed scheme;
- Individual site characteristics.

15.7 This approach will ensure that Paragraph 34 of the NPPF and Regulation 122 of the CIL Regulations are applied consistently and that obligations are related to the site from which they are sought.

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<sup>17</sup> PPG <https://www.gov.uk/guidance/planning-obligations> Paragraph: 003 Reference ID: 23b-003-20190901 revision date 01.09.2019

## Appendix 1

### Sources of Evidence

- **North Norfolk District Council** - up to date housing stock, levels of second homes/ holiday homes derived by council tax and business rates and associated percentages – contact Planning Policy Team at NNDC
- **Office of National Statistics (ONS)** - some information on those with second homes/ holiday homes derived by census data are obtainable from government statistics.  
<https://www.ons.gov.uk>
- Settlement profiles:
  - The **Settlement Profiles Topic Paper** brings together economic and demographic information for many settlements across North Norfolk. These profiles are derived from the interrogation of census data and represent robust evidence that can be used and compared.
  - The **Village Assessment & Settlement Profiles Topic Paper** can be found in section ‘Evidence Base – Economy, Tourism and Leisure’ of the Document Library, available at [www.north-norfolk.gov.uk/documentlibrary](http://www.north-norfolk.gov.uk/documentlibrary)
- The Council have also published economic profiles under the heading “Find out about the Economy of North Norfolk” on our website, <https://www.north-norfolk.gov.uk/tasks/economic-growth/find-out-about-the-economy-of-north-norfolk>
  - The page is also linked to Norfolk Insight data portal
- **Norfolk Insight** is a free online service provided by Norfolk County Council, which gives public access to detailed local information. The site allows you to select an area of Norfolk which generates a profile of your chosen area with all the latest data.  
<https://www.norfolkinsight.org.uk>
- **Nomis** is a service provided by the Office for National Statistics, ONS, to give free access to the most detailed and up-to-date UK labour market statistics from official sources. You can interrogate various other sources of information if what you need is not in our profile.  
<https://www.nomisweb.co.uk>
- **Economic Impact of Tourism in North Norfolk** – this report can be found in section ‘Evidence Base – Economy, Tourism and Leisure’ of the Document Library, available at [www.north-norfolk.gov.uk/documentlibrary](http://www.north-norfolk.gov.uk/documentlibrary)

Further information on North Norfolk District Council’s policy base and approach to housing

- **Local Plan consultation documents:**
  - **emerging local plan,**
  - **background** papers including settlement distribution, site allocation assessment, construction standards including technical standards and evidence demonstrating demographic change can all be found in the document library. <https://www.north-norfolk.gov.uk/tasks/planning-policy/document-library/> click on the the arrow First Draft Plan (part 1) consultation documents. It will show you a drop down box, click on the relevant plan document and or background paper.
  - **sustainability appraisal and SA scoping report** - provide detailed information on demographics and identified sustainability issues along with assessment against sustainability criteria. documents can be found in the above link
- **Current adopted Core strategy:**
- <https://www.north-norfolk.gov.uk/tasks/planning-policy/document-library/> click on the the arrow adopted development plan documents and guidance

- **Housing information** including information on affordable housing , waiting lists and local lettings policy <https://www.north-norfolk.gov.uk/section/housing/>

**Locality guidance** this is the main source of guidance produced to support communities. Locality have produced detailed guidance on getting started, conformity, parameters of neighbourhood planning, project planning how to guides on specific subject matters such as housing, site assessment affordable housing, allocating sites, low carbon economy, green space and how to gather evidence and commission specialist consultants to provide evidence.

- <https://locality.org.uk/services-tools/neighbourhood-planning/>
- <https://neighbourhoodplanning.org/> Tools How to undertake housing needs assessment see click on resources then tools and guide

Locality also administer the grant aid and technical support.

### **Government**

- National planning policy framework, NPPF  
<https://www.gov.uk/government/publications/national-planning-policy-framework--2>
- National planning practice guidance, PPG
  - Neighbourhood planning
  - Planning obligations
  - Plan making
  - Rural Housing

<https://www.gov.uk/government/collections/planning-practice-guidance>

### **Contact Planning Policy**

[planningpolicy@north-norfolk.gov.uk](mailto:planningpolicy@north-norfolk.gov.uk)

## Appendix 2

### Local Allocations Agreement 2019

<b>A</b>	<ul style="list-style-type: none"> <li>• Lived in the parish or adjoining parish for at least 3 consecutive years at the point of allocation <b>AND</b> meet at least one of the following:</li> <li>• Has lived for at least 5 years at anytime in the parish or adjoining parishes OR</li> <li>• Are employed in the parish or adjoining parish (permanent employment of at least 12 months and 16 hours per week) OR</li> <li>• Have a family member who has lived for at least 5 consecutive years in the parish or adjoining parish at the point of allocation</li> </ul>
<b>B</b>	<ul style="list-style-type: none"> <li>• Lived in the parish or adjoining parish for at least 3 consecutive years at the point of allocation <b>AND</b> meet at least one of the following</li> <li>• Are employed in the parish or adjoining parish (permanent employment of less than 12 months and 16 hours per week) OR</li> <li>• Have a family member who has lived for at least 3 consecutive years in the parish or adjoining parish at the point of allocation</li> </ul>
<b>C</b>	<ul style="list-style-type: none"> <li>• Lived in the parish or adjoining parish for at least 3 consecutive years at the point of allocation <b>AND</b> meet at least one of the following</li> <li>• Are employed in the parish or adjoining parish (permanent employment of less than 12 months and 16 hours per week) OR</li> <li>• Have a family member who has lived for at least 3 consecutive years in the parish or adjoining parish at the point of allocation</li> </ul>
<b>D</b>	<ul style="list-style-type: none"> <li>• Has lived for at least 3 years at any time in the parish or adjoining parishes OR</li> <li>• Are employed in the parish or adjoining parish (permanent employment of less than 12 months and 16 hours per week) OR</li> <li>• Have a family member who has lived for at least 3 consecutive years in the parish or adjoining parish at the point of allocation</li> </ul>
<b>E</b>	<ul style="list-style-type: none"> <li>• Has lived for at least 3 years at any time in the parish or adjoining parishes OR</li> <li>• Are employed in the parish or adjoining parish (permanent employment of less than 12 months and 16 hours per week) OR</li> <li>• Have a family member who has lived for at least 3 consecutive years in the parish or adjoining parish at the point of allocation</li> </ul>
<b>F</b>	<ul style="list-style-type: none"> <li>• Wants to live in the parish and has a connection to North Norfolk</li> </ul>
<b>G</b>	<ul style="list-style-type: none"> <li>• Wants to live in the parish and does not have a connection to North Norfolk</li> </ul>