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North Norfolk District Council's response to Inspector's Matters, Issues & Questions (7.1 to 7.7) in relation to:

Matter 7: Housing Trajectory, Five Year Supply & HOU Policies 3,4,6-9

Issue: Whether the overall housing trajectory is justified, whether a five-year supply of deliverable housing sites would be provided on adoption and whether housing policies 3, 4, 6-9 are positively prepared, justified, effective and consistent with national policy.

References in square bold brackets **[xx]** refer to Examination Library document numbers, their page and/or paragraph. The Examination Library can be accessed at:

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Introduction

This document is North Norfolk District Council's response to the Matters, Issues and Questions identified for examination by Inspector David Reed of the Planning Inspectorate, as published on 3 November 2023 [EH002]. This is one of eleven separate response papers produced to address the specific matter and issue as identified on the front page.

Each response paper includes a number of references to specific evidence which has been relied upon in answering the matters, issues and questions. These reference numbers relate directly to the Examination Library website, where all evidence is published:

www.north-norfolk.gov.uk/localplanexamination

References to 'modifications' relate to such modifications requested by the Planning Authority in Schedules 4 and 5 submitted alongside the Plan [A5.11 and A5.12]. For ease of reference, where these requested modifications relate to the Councils response to each question, details have been included in this response.

Following submission of the Plan the Inspector requested responses to a number of initial questions particularly in relation to housing targets and the impacts of new nutrient neutrality requirements on the delivery trajectory included in the Submission Plan. In the Councils responses [EX003 and EX006] the Authority updated the trajectory for two alternative plan periods covering up to either 2036 or 2040.

As requested by the Inspector the following responses relate to the updated trajectories which take account of the potential impacts of nutrient neutrality requirements.

At the end of December 2023 government published updates to the National Planning Policy Framework. The revised framework made a number of changes to the process of identifying a five-year land supply including the removal of the requirement to include a 5% buffer within the five-year requirement.

In calculating a minimum housing requirement for the Plan, the Council established the likely future need based on published population and household projections, applied a standard uplift based on the affordability of dwellings and added a 5% delivery buffer. The result of this process is the 480 net new dwellings per year that the Plan sets as a minimum target.

This minimum target is set in the Plan as a performance target and represents the number of dwellings below which the authority considers needs, risk not being addressed. It would also serve as the measure used in both the five-year land supply and housing delivery calculations. The Plan itself includes policies and proposals (allocations) which are assessed as having the potential to deliver at least 10,600 -10,900 depending on plan period adopted. There is also additional capacity on the two larger strategic allocations at North Walsham and Fakenham, neither of which are held back by phasing obligations but where elements are currently assessed as being delivered beyond 2036 or 2040.

Response to Inspector's questions

Housing Trajectory

- 7.1 In the light of the site-by-site discussion, is the overall housing trajectory in the plan justified by the evidence? How has the trajectory for both large and small sites been affected by the need to secure nutrient neutrality and is this realistic?**
- 7.1.1 As outlined in our response to Matter 1 (Question 1.8) it is not possible at this stage to be definitive about the potential delays to the delivery of development as a consequence of nutrient neutrality requirements. The Authority has adjusted the trajectory of the Plan to take reasonable account of this issue.
- 7.1.2 For allocated sites, the Authority has considered the potential impacts on a site-by-site basis and has assumed, unless there is evidence to the contrary, that a further two-year delay is possible. As indicated in our previous response EX03, and 06 many sites in the plan are unaffected by nutrient neutrality requirements.
- 7.1.3 The most significant impacts, in terms of number of dwellings potentially impacted, arise in the Fakenham area and the catchment of the Wensum. Fakenham Waste Water Treatment Works is programmed for investment (understood to be complete in 2024/25) which will bring the works up to modern standards in terms of nitrate and phosphate removal. These works factor in the growth proposed in Local Plans and allow for a population increase in the Fakenham area of approximately 1,500 people between 2021 and 2035.
- 7.1.4 The Authority is in discussion with landowners in the upper reaches of the catchment with a view to securing substantial mitigation credits. We will update the hearing on progress.
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Five Year Supply

- 7.2 Does the plan provide for a five-year supply of deliverable housing sites on adoption (say April 2025 for this purpose) against the housing requirement if it is a) 480 dpa, b) 531 dpa or c) some other figure? Is an appropriate allowance made for windfall sites and the non-implementation of commitments, and if not, what should these be? Has the need to secure nutrient neutrality been sufficiently taken into account?**
- 7.2.1 If the plan were to be adopted in April 2025 the applicable five-year period would be 2025 to 2030. The revised trajectory (included in EX006) projects 3,673 new dwellings being provided over this period taking reasonable account of potential nutrient neutrality impacts. With the housing requirement set at 480 per year (inclusive of 5% delivery buffer) or 531 dpa, this equates to 7.65 and 6.91 years respectively. At both requirements a five-year land supply would be demonstrated and there would be a significant delivery margin.

Five Year Land Supply Position in April 2025 based on Housing Trajectory [Revised EX006]

Annual requirement	Five-year requirement	Deliverable supply over five years 2025-2030 in trajectory	Deliverable Years supply	Five-year land supply buffer in dwellings
480	2,400	3,673	7.65	1,273
531	2,655	3,673	6.91	1,018

- 7.2.2 Of the 3,673 dwellings assessed as deliverable over the period 2025-2030 only those at Fakenham, Briston, Hoveton and Stalham and the surrounding areas are impacted by the requirement to address nutrient neutrality. The remaining dwellings are all located in parts of the district unaffected by nutrient neutrality requirements.
- 7.2.3 Delivery expectations in the nutrient neutrality impacted areas have been delayed by two years unless evidence suggests otherwise. As outlined above there is significant headroom in the five year land supply position should there be longer delays in addressing nutrient requirements.

HOU Policies 3,4,6-9

7.3 Are these HOU policies positively prepared, justified, effective and consistent with national policy? Are any main modifications necessary, and if so, what should these be?

- 7.3.1 Yes. The Council considers that the submitted Plan, along with the proposed additional modifications, reflects the district’s strategic aims and objectives, and has been positively prepared, is justified through robust and proportionate evidence, as set out in the document library [A14], and is consistent with national policy. A self-assessment of the Plan against the legal and soundness tests has been undertaken which has followed the PAS check sheets. Further information can be seen in the examination library: PAS self-assessment check sheet; soundness / Legal & NPPF compliance [A11 and A12]. A number of policies/elements of policies have been developed to compliment wider strategic agreements through the Norfolk Strategic Framework and input from statutory bodies which is seen as testament as positively working together to deliver in this policy area.

Policy HOU3 seeks to address a proven local need for affordable housing, in line with the NPPF 2021 (paragraph 78), by supporting the delivery of rural exception sites, while Policy HOU4 directly addresses the specific housing needs of essential rural workers, reflecting paragraph 80a) of the NPPF. Policies HOU6 and HOU7 seek to manage other rural residential development, including replacement dwellings and conversions to dwellings, which also reflect the aims of paragraph 80 of the NPPF, to ensure any such development respects the character of the area.

- 7.3.2 In relation to Policies HOU8 & 9, and as detailed in question 7.7, the Council considers that both policies, along with the proposed minor additional modifications, reflects the district’s strategic aims and objectives, and has been positively prepared, is justified through robust and proportional evidence, and the requirements of the NPPF as set out in the Background Paper 7, [C7.1] and partial update [C7], and an

updated review of the 2021 census data, [EX033].

- 7.3.3 No main modifications are proposed for the HOU policies in the Plan, but some additional minor modifications are proposed as detailed in Appendix K: Schedule 4 – Schedule of Proposed Additional Minor Modifications May 2023 [A5.11].
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7.4 Should Policy HOU3 also allow for Entry Level Exception Sites and/or First Homes Exception Sites to be consistent with national policy? If any market housing is included in an exception site scheme, should occupancy be restricted to those with a local connection?

- 7.4.1 In December 2023 government published an update to the NPPF. This update, which is effective immediately, removes the requirement to include policies allowing for Entry level/First homes exception sites and replaces it with provisions to support community led developments. The inclusion of Entry Level Exception policies would not be consistent with national policy (para 73 of NPPF Dec 2023). Prior to this alteration the Framework made provision for Entry Level Exception sites but the guidance stated that such schemes should not be permitted in designated rural areas where rural exception sites are the sole permissible type of exception site. (Paragraph: 025 Reference ID: 70-025-20210524). The majority of North Norfolk outside of the districts towns is designated as a rural area.
- 7.4.2 The allowance in national guidance and Policy HOU3 that some market housing can be included within exceptions developments is a mechanism to improve the viability of such developments by increasing the overall value of development and hence the ability to subsidise affordable housing delivery. The inclusion of local connection restrictions in the market elements of such schemes has the potential to reduce development value and undermine the delivery of affordable homes. For these reasons the Authority does not support such restrictions.
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7.5 Should Policy HOU6 (and others) insist on compliance with the North Norfolk Design Guide when this does not form part of the plan?

- 7.5.1 As outlined in responses elsewhere the Authority has carefully considered the wording of this policy requirement. Our currently adopted policies include the term ‘*have regard to*’ the provisions of the Design Guide’. Our experience has been that this has failed to give the Design Guide sufficient weight in the decision-making process because ‘having regard to’ does not ensure that sufficient attention is given to the Guide. The NPPF is clear that design and beauty should be at the heart of decision making and intends in the future that such documents should be given similar weight to development plans.
- 7.5.2 Para 7.6.4 of the Plan explains how the policy will be applied and confirms that applicants have the opportunity to show how any variations from the Design Guide are justified, absolute compliance is not therefore required.
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7.6 In Policy HOU7, should the NPPF term redundant or disused buildings be used? Are the criteria in the policy justified? Should the test be a substantial proportion of the structural elements and existing fabric would be retained?

7.6.1 No, the use of the NPPF term redundant and disused buildings is not needed in Policy HOU 7. The policy wording clearly describes the re-use of existing buildings in relation to being either vacant (i.e. disused), or no longer required for their former use (ie redundant), as detailed in criterion (a). The NPPF term referred to would not add any further clarity to the interpretation of the policy, particularly as it is not defined in either the NPPF or PPG. For information, paragraph 7.7.4 of the policy supporting text, refers to redundant and disused (vacant) buildings.

The criteria set out in the policy are justified, being necessary to ensure any such proposals are genuine conversion opportunities that preserve or enhance the character and appearance of a building and to ensure a proposal would have no adverse impact on protected species, in line with national policy and in particular, paragraphs 80, 130 and 178 of the NPPF.

7.6.2 The Council is concerned to ensure that the policy provides the opportunity for the re-use of existing buildings via change of use and conversion. The policy is not intended to allow for the wholesale replacement of buildings which are inherently unsuitable for conversion. Proposals which include substantial elements of rebuilding are not conversion proposals and would be tantamount to the erection of new buildings which policies elsewhere in the plan resist. To be effective the policy therefore needs to be clear in relation to what constitutes a conversion. The reference to retaining a substantial proportion of the structural elements and existing fabric is intended to provide this clarity. Using the term ‘substantial proportion’ includes an appropriate degree of flexibility.

7.7 Are Policies HOU8 and HOU9 justified in relation to the evidence and their effect on development viability? In Policy HOU8(2), do both criteria have to be met or just one? In Policy HOU9, should a sentence to address possible exemptions be included as in Policy HOU8?

7.7.1 Yes. The Council considers that the submitted Plan, along with the proposed minor additional modifications, reflects the district’s strategic aims and objectives, and has been positively prepared, is justified through robust and proportional evidence, as set out in the Background Paper 7 [C7.1] & partial update [C7], and the updated review of the 2021 census population data [EX033].

7.7.2 The purpose of these policies is to ensure new housing growth addresses the districts needs through building residential properties that can be cost effectively adapted as people’s needs change throughout their lifetime and ensure they offer a reasonable minimum level of residential amenity and quality of life, ensuring there is sufficient internal space, privacy, and storage facilities to ensure long term sustainability.

7.7.3 The policies will increase the number of homes that are suitable for an aging population, increase the supply of decent homes that meet a wider range of needs and help in creating long term adaptability and sustainable communities across

North Norfolk, addressing the unique set of circumstances. The approach brings additional positive benefits on health and wellbeing and complements the overall approach to adult care provision, bringing economic cost savings at district level and individual level and helps provide choice and flexibility in the marketplace.

7.7.4 The justification for these policies is set out in the background papers and reports listed above which look at emerging trends and the evidence regarding changing demographic profile and dwelling stock across the district. Justification should be considered against the backdrop of the NPPF where the onus is on LPAs to ensure that sufficient mix of housing is delivered that meets local housing needs. LPA should:

- plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes).
- identify the size, type, tenure, and range of housing that is required in particular locations, reflecting local demand.
- where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities.
- create places that are safe, inclusive, and accessible and which promote health and well-being, with a high standard of amenity for existing and future users.
- Planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing, where this would address an identified need for such properties. Policies may also make use of the nationally described space standard, where the need for an internal space standard can be justified.
- The creation of high quality, beautiful and sustainable buildings and places is fundamental to what the planning and development process should achieve.

7.7.5 North Norfolk has a significant aging population. Sub-national population projections show that North Norfolk has one of the highest over 65 population as a proportion of its total population and that this age cohort is growing rapidly. Overall, the 2014, sub national population forecasts project that the percentage of people aged over 65 will increase from 31.2% in 2014 to 39.4% by the end of the plan period, 2036 and remain the fastest growing age cohort. Conversely those of working age 20 – 65 are projected to significantly decrease by 2036, falling from 52,100, 50.6% of total population to 50,799, 44% of total population between 2014 and 2036.

7.7.6 The 2018 based projections show that there will be a significant increase in both numbers and proportion of the population aged over 65. By 2036, the end of the Local Plan period there will be over 48,942 people aged over 65 in North Norfolk, an increase of 12,800. Overall, the percentage of people aged over 65 increases from 35% to 43% of the district's population by 2036 (2018 ONS). This is over 20%

greater than that for the East and when compared nationally significantly above the 20% average for England.

- 7.7.7 Data from the 2021 census also collaborates this trend and shows that 33.4% of the district's population is over 65, well above the England average figure of 18.4% and demonstrates that the ageing demographics are increasing. The 2021 census information shows that North Norfolk's population has the highest average age in England and Wales.
- 7.7.8 The old age dependency ratio (OADR) of North Norfolk i.e., the proportion of people of State Pension age (SPA) relative to the working age population, expressed as the proportion of dependents per 1,000 working age population stands at 633.2 and projected to rise to 639.9 by mid-2026 (ONS 2016). This compares to the projected East of England figure of 335 and for England 303. North Norfolk has a significantly enhanced old age dependency ratio.
- 7.7.9 The net need for accessible and adaptable homes can only increase as not only the population get older but the proportion of elderly increases.
- 7.7.10 As detailed In the Sustainability Appraisal [A3] para 4.58-4.62, North Norfolk has high levels of deprivation in relation to barriers to housing and services index which measures the physical and financial accessibility of housing and local services. The trend is also worsening in relation to these indices. North Norfolk also ranks low on the 'living environment' domain, which measures the quality of the local environment. The domain considers two sub-domains: 'indoors' which measures poor housing conditions and 'outdoors' which measures aspects such as air quality and number of road traffic accidents. The 'education, skills and training' domain, which measures the lack of attainment and skills in the local population is also identified as low. The Index of Multiple Deprivation, IMD 2019 for England, ranks North Norfolk District 127th (in terms of rank of average score, out of 317 local authority areas, with 1 as the most deprived area). The IMDs at the Lower Super Output Area, LSOA, level, which are small areas of about 200 dwellings, help to identify pockets of deprivation in communities. A total of 62 LSOAs are in North Norfolk and approx. 69% are areas considered to be within the highest 50% of most deprived in England. These are generally spread fairly evenly across the district rather than concentrated in smaller pockets.
- 7.7.11 A review of existing housing stock as detailed in Background Paper 7 [C7.1] Chapter 3, broadly demonstrates through Table 5 that there are a significant number of households that require adaptation in order to meet all four visitability features. The review utilised the English Housing Survey reports, EHS, and census data around dwelling stock and provides a useful but broad indication of the current accessibility and adaptability of the existing housing stock across North Norfolk. The analysis identifies that there are a significant number of properties that require adaptation in order to meet all four visitability features in order to be considered fully visitable using this broad comparison.
- 7.7.12 The 2011 Census identified 53,224 dwellings in North Norfolk, applying the national EHS percentage of homes not fully visitable of 93% to the number of dwellings it can be approximated that 49,498 dwellings across North Norfolk potentially require further work in order to be fully visitable. An estimated current supply of accessible housing in the district remains at **3,726 dwellings**.

- 7.7.13 Based on the EHS visitability indicators there is a lack of accessible and adaptable homes across all existing tenures, however the greatest requirement remains in the private sector which accounts for the largest existing percentage of dwellings and the majority of dwellings being delivered through the Local Plan. It is reasonable to expect that those owner occupiers identified as requiring minor or moderate work in order to meet the full visitability criteria could carry out the necessary work. The remaining 42% of identified households can be estimated to require significant work in order to live in properties that are fully visitable. This is equal to **17,849** across all tenures.
- 7.7.14 In North Norfolk the census (2011), recorded 18,892 households across all tenures where one person was over 65. This equates to 41% of all households in the district. It is reasonable to assume that in order to cater for the long term needs of the current over 65's that where a household consists of a person over the age of 65 the property should be fully accessible and adaptable. Taking a broad and cautious assumption and applying the EHS estimate of 7% of homes being fully visitable and the number of households who contain at least one person over 65 years old, **a current potential household need for fully accessible and adaptable properties can be identified as 15,669 households.**
- 7.7.15 Multiplying the over 65 household need by the dwelling: household ratio 1.16, as set out in para 3.18 of the study results in a current identified gross dwelling need of 18,176 before any future need is considered. This is broadly equivalent of the analysis of the EHS data above and equates to approximately **165 % of the Local Plan housing requirement if set at 550 per year (11,000).**
- 7.7.16 It is accepted that in reality, not everyone aged 65+ will need such housing in their lifetime but on the other hand, a diverse range of other social groups under the age of 65 may do, and the approach is also justified through evidence in relation to health and wellbeing as detailed in chapters 4 and 5 of the study. Therefore overall, this assumption is considered to provide a reasonable if not broad basis to inform an approximation of need for dwellings for M4(2) Accessible and Adaptable standards before any future need is considered.
- 7.7.17 A summary of the key evidence is set out in Background Paper 7 [**C7.1**] which concludes that based on the evidence there is a compelling need to increase the supply of accessible and adaptable properties across the district. Although the evidence base is broad it clearly shows a requirement significantly over and above the Plans housing target. Addressing this increase is arguably one of the greatest challenges facing the housing market both locally and nationally.

National Space Standards

- 7.7.18 The nationally described space standard deals with internal space within new dwellings across all tenures. The standard sets out the minimum requirements for the gross internal floor area of new dwellings at a defined level of occupancy as well as floor area and dimensions for key parts of the home, e.g., bedrooms, storage, and floor-to-ceiling height. The national space standards are intended to ensure that new homes, conversions, and dwellings provide a flexible and high-quality environment in line with the NPPF, capable of responding to occupants changing needs and circumstances. The national space standard is optional but where there is an identified need, Plans are expected to make the use of the

optional technical housing standards (both accessible & adaptable housing and internal space standards) to help bring forward an adequate supply of accessible housing. As detailed in NPPF footnote 49. Brought in together, both approaches complement each other.

- 7.7.19 Justification for the approach is detailed in Background Paper 7 [C7.1], Chapter 9 and the updated space standards review published in the partial update [C7].
- 7.7.20 With the population of North Norfolk ageing at one of the fastest rates in the country evoking the optional minimum national space standard through the Local Plan is considered justified in relation to meeting identified needs, long term adaptability, and in creating sustainable communities. Larger floor areas provide the opportunity for easier adaptability due to changing circumstances such as impaired mobility and the requirement for liveable/ workspace and is a key criterion in relation to how accessible a dwelling is. There is some overlap between the Space Standards and the Accessible and Adaptable standards, but the introduction of the national space standard complements and does not negate the requirement for M4(2) and M4(3) compliance.
- 7.7.21 In order to establish if new development was being built to match the required needs of the district a review of existing larger scale planning permissions was undertaken and compared to the prescribed standards. The sample sites were geographically distributed across the district in relation to the settlement hierarchy and reflected all the major house builders operating in the district. From the 2019 analysis, reported in Background Paper 7 [C7.1], 69% of the development in North Norfolk met the space standards for gross internal space, (dropping to 61% for the 1-2 & 3 bed properties). In the larger 4+ bed dwellings the figure is much higher at 95.3% meeting the standard. The internal configuration of some dwellings with smaller bedrooms, is leading to developments with dwellings that are below the specific requirements of the national standards for internal area.
- 7.7.22 The exercise was repeated in March 2023, and contained in the updated Background Paper 7 [C7], and covered major applications permitted between 2016 and 2023, which concluded a worsening situation. 64% of dwellings assessed met or exceeded the national space standards for total area. However, for the largest proportion of dwellings, the 1, 2 & 3 bed dwellings, the percentage that were compliant dropped to 57%.
- 7.7.23 Considering all the specifications for space, it was found that **61% did not meet one or more of the standards(s)**. A more detailed breakdown of each standard and compliance level is contained in the background papers.
- 7.7.24 Given the high need for two and three bedroomed properties and in light of the levels of new development that do not meet the national space standards generally and specifically in relation to the one, two and three bedroomed properties where there is the greatest identified need, it is considered that there is clear justification and need in the district to require all new properties to meet or exceed the national space standard.
- 7.7.25 There are no identified local circumstances in North Norfolk which would justify why the national space standards should/could not be delivered on developments in the district. Given the population profile, existing housing stock, the level of new development anticipated within North Norfolk over the Plan period, and the

pressures on each of these schemes to deliver sustainable long-term developments, it is considered there is ample justification to evoke the national space standards in order to help meet the needs of the population.

Viability

- 7.7.26 The policy impacts have been included in the Plan wide viability assessments. The potential additional viability considerations of the optional standards are discussed in Background Paper 7 [C7.1]. At a national level the cost impact study of the national standards commissioned by the government identified that many of the costs are recoverable in terms of increased sales values. The EC Harris study, as detailed in Background Paper 7, estimated that the cost for the optional standard M4(2) and space standards. Assuming an internal floor area of 93sqm for a 2 story 3bed dwelling & 79sqm for a 2-bed dwelling in line with the minimum national described Space Standards this equates to an additional cost of £9.31 per sqm for a 2 story 3 bed dwelling and £7.32 per sq m for a 2-bed dwelling. This cost increase is seen as minimal and represents a relatively small proportion of overall costs, around 0.2 – 0.1% on a £300k house.
- 7.7.27 Costs and residential unit sizes have been factored into the viability appraisals which support the Plan on viability grounds and reflect the impact of both policies. The appraisals test the impact of requiring 100% of homes to be built to Category 2 standard for accessibility and utilises the prescribed floor areas. For the majority of housing development, the study adds £11sqm over National Housing Standards equivalent build cost allowance for houses and £16 sqm for apartments.
- 7.7.28 Exemptions to the requirements of Policy HOU8(2) are based on both criteria being demonstrated.
- 7.7.29 The intention of policy HOU9 is to ensure a level base line and a minimum standard going forward across the district. It is not considered desirable or necessary for the policy to include exemptions. This is consistent with the direction of travel nationally as demonstrated through the [national design guide](#) page 39 and indicator HI, which states in para 124-127 that *'Good design promotes quality of life for the occupants and users of buildings. This includes function – buildings should be easy to use....' 'and include amenity, privacy, accessibility and adaptability.....'* *'provide a good standard and quality of internal space. This includes room sizes, floor-to-ceiling heights, internal and external storage, sunlight, daylight and ventilation....'* *'Where a need is identified, Local Plans may adopt the Nationally Described Space Standards and those for accessibility.'*