

North Norfolk Local Plan Examination Hearing Statement – Matter 3

Boyer

Report Control

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1. INTRODUCTION

- 1.1 This Hearing Statement has been prepared by Boyer on behalf of Richborough in response to the Inspectors' Matters, Issues and Questions in relation to Matter 3 (Delivering Sufficient Homes (Policy HOU1)) of the North Norfolk Local Plan Examination.
- 1.2 Boyer have been appointed by Richborough to act on their behalf in respect of promoting land interests at Land End of Mundesley / Land at Paston Gateway (HELAA ref: NW16/1) for residential development.
- 1.3 Boyer have previously made representations to the Regulation 19 Local Plan consultation (March 2022) and our Hearing Statement should be read in conjunction with those representations.

2. QUESTION 3.3 – LOCAL HOUSING NEED USING 2016 PROJECTIONS

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

- 2.1 Paragraph 61 of the NPPF (Sept 23) sets out that the standard method as outlined within the National Planning Practice Guidance (NPPG) should be used to assess local housing need. Whilst the projections may now be dated it is clear that they reflect the Government’s aims and objectives with regard to ensuring that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes.
- 2.2 The reasoning for the use of the standard method is outlined in paragraph 005 of the NPPG:
- “The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes”*
- 2.3 Paragraph 61 of the NPPF states that the standard method based on the 2014 projections is not mandatory if there are exceptional circumstances that justify an alternative approach.
- 2.4 The Council are suggesting that there are exceptional circumstances in the form of ageing population and declining inward migration, that lead to an approach to using the 2016 household based projections to provide a lower amount of housing.
- 2.5 We consider that the circumstances that North Norfolk are faced with are not unique, and nor are they exceptional. We have reviewed several other similar coastal authorities that also acknowledge issues with ageing population, second homes and declining inward migration for comparison of their approach to housing need:
- East Suffolk Council adopted the Suffolk Coastal Local Plan in 2020 and recognise issues around a high demographic of elderly people and the need to plan for issues that relate to a high proportion of second and holiday homes. The authority used the standard method to calculate their housing requirements.
 - Great Yarmouth Borough Council published their Regulation 18 Issues and Options in January 2023 and set out that the Council plan to use the standard method to calculate their housing need. Issues relating to an ageing population and lack of inward migration have been recognised within the Issues and Options document.

- East Devon District Council published their draft Local Plan in 2022. The Council are using the standard method with the 2014 household projections to calculate their housing requirement. Within the draft plan, it is acknowledged that there are issues similar to North Norfolk such as a high level of second and holiday homes, and increasingly elderly population.

2.6 We do not consider that North Norfolk's circumstances are exceptional or justify an alternative approach to the standard method.

3. QUESTION 3.4 – ALTERNATIVE HOUSING NEED CALCULATIONS

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

- 3.1 We consider that the Council should use the standard method with the 2014 household projections to calculate their housing need over the plan period.
- 3.2 The Council have used a 2020 affordability ratio of 9.07, however we are of the understanding that the correct ONS affordability ratio for 2020 is 9.14.
- 3.3 The NPPG states at paragraph 2a-006 that the most recent median-work place based affordability ratios should be used and that the Council should take into account of changes until the plan is submitted. As the plan was submitted in May 2023, arguably the affordability ratio published in March 2023 should have been used which is for the year 2022. This ratio is 10.64, demonstrating that the gap between the median house price to median earnings is growing.
- 3.4 The affordability ratio of Norfolk as a County is 8.66 in 2022, up from 8.19 in 2020, whereas the affordability ratio for England sites at 8.28 in 2022, up from 7.87 in 2020. This shows that nationally the gap between house prices and earnings is growing. However, the gap in North Norfolk is greater.
- 3.5 Over the previous 10 years, average house prices in North Norfolk have risen higher than the national average and remained higher than the average for Norfolk, as shown in the table below:

	2012 (£)	2022 (£)
North Norfolk	172,500	300,000
Norfolk	159,950	265,000
England	181,000	275,000

- 3.6 Although house prices have risen higher in North Norfolk than both the county and England, the median earnings have remained lower than both Norfolk and England averages over the previous 10 years:

	2012	2022
North Norfolk	£20,439	£28,759
Norfolk	£24,369	£30,609
England	£26,826	£33,208

- 3.7 These tables suggest that there is an affordability issue within North Norfolk as the house prices are significantly out growing the rate of earning growth. The earnings of North Norfolk have only grown by 40.7% whereas house prices have grown by 74.4% over the previous 10 years. In our view it is likely that this trend will continue in the future.
- 3.8 It is evident that affordability is a concern and that a supply side response is necessary to not only increase the supply of market housing but also the supply of affordable homes across the district. We consider that increasing the supply is one of the most effective approaches the Council can take to dealing with affordability issues through the Local Plan.
- 3.9 As the March 2024 figures have not been published by ONS, we consider the Council should use the most up to date affordability ratio of 10.64 in order to reflect the growing affordability problems within the district, and to ensure that there is enough market and affordable housing to provide for this need. The NPPG states at paragraph 2a-008 that the housing need calculated using standard method can be relied upon for a period of 2 years from the time the plan is submitted and as such the Council does not need to take into account changes to the 2024 inputs.

4. QUESTION 3.5 – SECTION 78 APPEAL DECISIONS

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

- 4.1 We consider that no weight should be given to the Section 78 Appeal decisions that the Council are using to support their approach.
- 4.2 With regard to the first appeal referenced in the Council's SHMA update 2019 (EXE1) (APP/Y2620/W/16/3150860), it should be noted that this decision was based on the 2012 NPPF and its supporting guidance and prior to the introduction of the standard method in 2018. The standard method that is required by the NPPF (Sept 23) sets out a different approach to setting housing needs and as such no weight should be attached to this decision.
- 4.3 With regard to the second case highlighted (APP/P0240/W/18/3206495) this relates to Central Bedfordshire where it is apparent that the situation is considerably different to that faced by the Council here. The use of the standard method in Central Bedfordshire would have resulted in a housing need of 2,423 dpa compared to Central Bed's assessment of housing need of 1,600 dpa. This is much higher than the difference between the Council's assessment of housing need in North Norfolk and that arrived at using standard method. Accordingly, we consider no weight should be attached to this appeal decision.
- 4.4 In our view, a Section 78 appeal decisions should have little bearing upon a Local Plan Examination and the conclusions in those particular cases do not provide justification for deviating away from the NPPF's approach to the use of the standard method.

5. QUESTION 3.6 – 2018 BASED HOUSING PROJECTIONS

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

- 5.1 If the Council were to demonstrate that they are experiencing exceptional circumstances in the district to justify the use of an alternative approach to the calculation of the housing requirement, then we consider that the Council should use the 2018 based household projections. These are the most recent set of projections available and were available prior to the submission of the plan.
- 5.2 However, we do not consider there to be the exceptional circumstances present to support the use of an alternative approach to assessing housing needs and that the Council should use the standard method.

6. QUESTION 3.8 – NATIONAL POLICIES AND HOUSING LAND AVAILABILITY ASSESSMENT

3.8 Are there national policies that protect areas or assets of particular importance in the district that provide a strong reason for reducing the overall provision of housing in the plan below the housing need figure (NPPF paragraph 11b)? If so, is this conclusion supported by the Housing Land Availability Assessment, and have discussions taken place with neighbouring authorities to seek to address the unmet needs?

- 6.1 Whilst North Norfolk is constrained by the AONB, we do not consider that there is a strong reason for the reduction of the overall provision of housing within the emerging Plan. There is a sufficient amount of land available outside of the AONB, as found and assessed in the Housing Land Availability Assessment 2017 (EXD14 & 15). There are also a number of sites that are located outside of the AONB that were graded as red or amber under the RAG Assessment which have the potential, if those constraints are explored further, could be found suitable.
- 6.2 An example of this is our client's site at Paston Gateway (HELAA Reference: NW16/1). The site has been graded as red in regard to the road and junction capacity, however, discussions have been had with Norfolk County Council since the time of the HELAA and an in principle agreement has been made for the provision of a new roundabout. This therefore resolves the only red constraint that has been identified and would result in the site being regarded as 'suitable' for allocation of housing under the Council's HELAA criteria if a further review of sites was to be undertaken.
- 6.3 In addition to our client's site, there are likely to be a number of other sites that have the potential to be explored further to ascertain if they are now suitable or that were perhaps unavailable previously in 2017 but that are now available. Therefore, we see no reason for the overall provision of housing to be reduced below the level of need required.

7. QUESTION 3.9 – EFFECT OF UNFORSEEN CIRCUMSTANCES

3.9 Given the local housing need figure for the plan period, however assessed, what level of housing provision should be made in the plan to take account of unforeseen circumstances such as allocations or planning permissions not being implemented, of completions on allocated sites being slower than currently anticipated? On the basis of the Council's local housing need figure of 9,600 dwellings, is the provision of 10,968 dwellings for 2016-36 or 10,633 for 2020-40 appropriate? (Updated HOU1 figures in EX006)

- 7.1 There is no national planning policy or guidance in relation to sites not being implemented or for a slowdown in delivery rates.
- 7.2 If the Council retains the proposed housing requirement of 480 dpa or 9,600 homes over the plan period, then we calculate the present buffer between a plan period of 2020 – 2040 to be only 3% which offers limited robustness and room for impacts to delivery rates.
- 7.3 We suggest that it would be robust to allow for a buffer of at least 10% to take into account of unforeseen circumstances that may impede delivery. This will assist in ensuring that there is sufficient housing within the district and avoid problems that would be caused through non-implementation as well as slower than expected housing delivery.

8. QUESTION 3.10 – HOUSING PROVISION

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

- 8.1 We consider that further provision will be required in all scenarios presented by the different household projections. On the basis of the standard method for the plan period 2020 – 2040, would result in a shortfall of 38 dpa based on the revised housing trajectory. The NPPF is clear that housing needs must be met in full and that land for approximately 12,000 homes should be allocated over the plan period.

9. QUESTION 3.11 – NON-IMPLEMENTATION OF HOU1 PLANNING PERMISSIONS

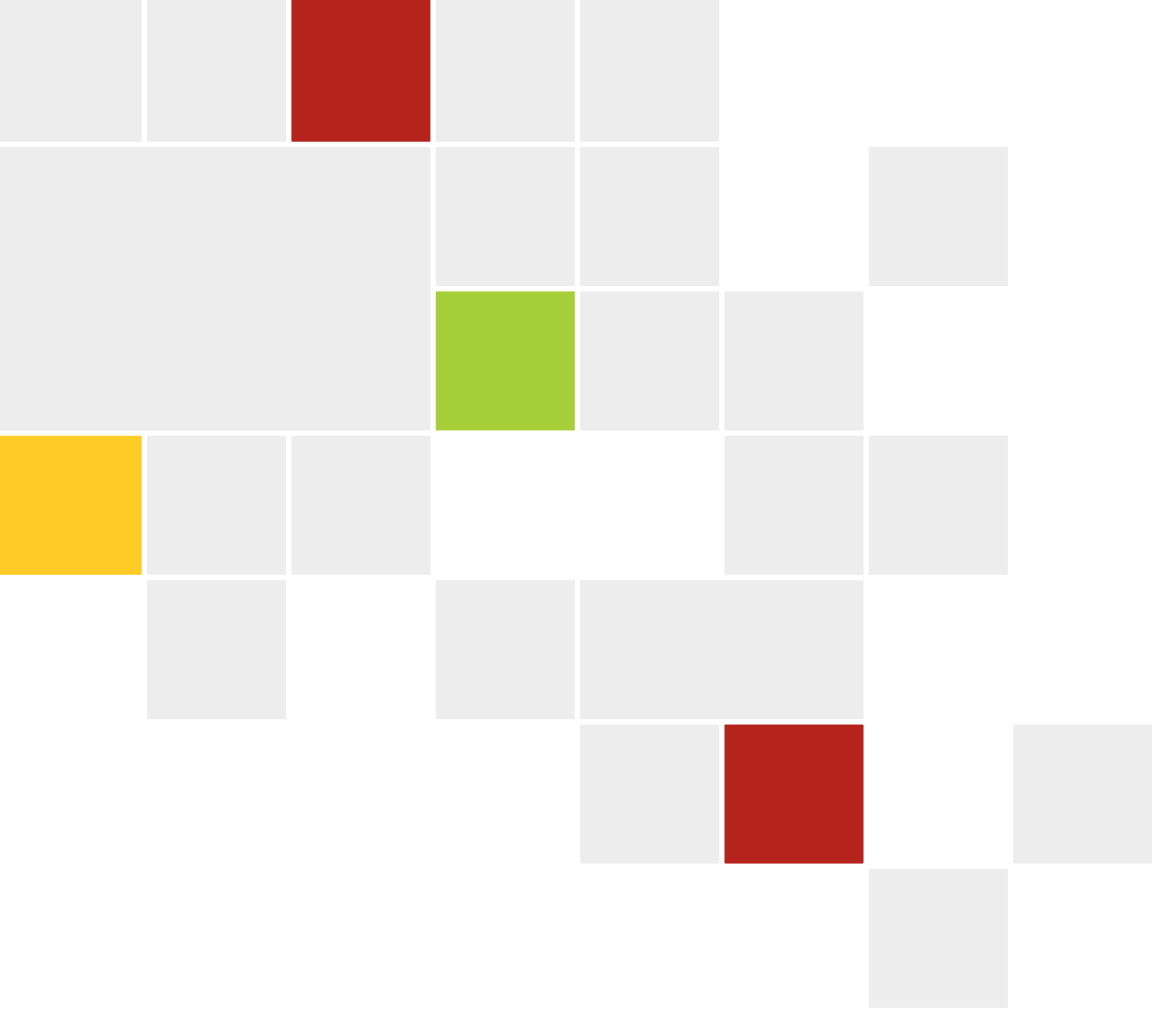
3.11 Should the number of dwellings with deliverable planning permission at 31.3.23 in Policy HOU1 be reduced to take account of potential non-implementation? If so, be how much?

- 9.1 We consider that the Council should reduce the number of deliverable dwellings within the supply by applying a lapse rate to take into consideration of the potential of non-implementation of consents.
- 9.2 We suggest a reasonable lapse rate of between 5% and 10% should be applied to appropriately allow for any non-implementation.

10. QUESTION 3.12 – CONTRIBUTION OF FUTURE WINDFALL SITES

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

- 10.1 The Council have historically had a high reliance on windfall sites, having delivered an average of 295 dpa. We consider reasons for this include there not being any new allocated sites for development as those from the previous plan have been built out. Whilst the Council are proposing to discount this figure by 50%, we question whether this is enough, given that presumably with an up-to-date plan and sufficient new allocations, speculative applications for housing brought forward outside of those allocations are likely to be resisted.
- 10.2 Furthermore, of 135 windfall dwellings proposed to be included within the supply, rural exception sites allow for 10 of the 135 dwellings. There is no evidence provided for the rationale behind the inclusion of these 10 dwellings, or previous data set out to demonstrate past delivery rates from rural exception sites within the district.
- 10.3 In addition, within the Council's most recent Brownfield Land Register (2022), 6 brownfield sites are identified with the potential to bring forward housing. These sites are all small in size and mostly consist of infill development. However, the Council has not at present proposed granting Permission in Principle (Part 2 of the Brownfield Register) for any of the identified sites included in the Brownfield Register and nor does it appear that they are proposed as allocations. The opportunity for windfall from brownfield sites within settlement boundaries therefore appears limited.
- 10.4 We are also concerned that a level of double counting may be taking place. As the Council include windfall within the trajectory from 2024/25, much of the windfall expected to come forward in the early years of the plan after adoption will already have permission and may already be accounted for in the housing trajectory. To ensure robustness we consider that the Council should not include any windfall in the trajectory until 2026/27 at the earliest, dependant on the date of adoption of the plan.



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