

Sent by email to: gnlp@norfolk.gov.uk

12/03/2021

Dear Sir/ Madam

Response by the Home Builders Federation to the consultation on the Greater Norwich Local Plan

1. Thank you for consulting the Home Builders Federation (HBF) on the Greater Norwich Local Plan (GNLP). The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.
2. We would like to submit the following representations on the Local Plan, and we would welcome, in due course, participating in hearings of the Examination in Public.

Policy 1 – The sustainable growth strategy

The policy is unsound as it is not consistent with national policy.

Housing needs

3. The Council state that the application of the standard method results in a minimum housing need across the plan period 2018 to 2038 of 40,541 homes – 2,027 dwelling per annum (dpa). However, we could not find in the Council's evidence any clarity as to which years have been used in terms of household growth and the affordability ratio. It would be helpful if the Council could provide a statement on this matter on submission of the local plan and any justification for the data used.
4. It is also important to note that the application of the standard method and the resulting local housing needs assessment is the minimum level of housing needs local planning authorities are required to meet. Planning Practice Guidance states at paragraph 2a-010 that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. This paragraph goes on to outline three such situations.



5. One of the situations identified in PPG is the presence of a strategy in an area that is in place to facilitate additional growth. It is therefore important to consider the City Deal¹ agreed with Government in December 2013. This deal committed the authorities in the Greater Norwich area, in return for significant additional funding, to achieve growth above what was being planned for the area. In relation to housing the City Deal states the Councils in the Greater Norwich Area would deliver an additional 3,000 homes above the Core Strategy target of 36,820 homes by 2026. In short there was a commitment that circa 40,000 homes would have been built between 2008 and 2026 - over 2,200 dpa. Between 2008/09 and 2017/18 the Councils' monitoring reports show that 15,472 new homes were built. When this is added to the number of homes expected to be delivered between 2018/19 and 2025/26 (20,871 new homes) there is a shortfall in delivery of 3,477 against its commitment in the City Deal. This shortfall suggests that there will be a higher minimum level of housing need in this plan than results from the standard method. The HBF considers it to be essential that the Council continues to support the level of growth it committed to in the City Deal, and this must be reflected in the GNLP's housing requirement.

Housing supply

6. With regard to supply the HBF welcomes the Council's decision to include a substantial buffer between its housing requirement and housing supply. This is essential in order to ensure the plan has sufficient flexibility to meet needs in full across the plan period. However, whilst the Council has included a housing trajectory at Appendix 6 of the GNLP we could not find included in the evidence as to when each of the allocated sites is expected to contribute to this supply. This evidence is an essential part of any local plan examination as it ensures effective scrutiny of the delivery assumptions made with regard to each site and whether these assumptions are sound. In particular it is an important part of any discussion regarding the 5-year housing land supply and whether the development supporting supply in the first five years of the plan is deliverable as defined in the National Planning Policy Framework (NPPF).

Recommendation

7. We would recommend that the Council submits the more detailed evidence on supply alongside the Local Plan and as such we reserve the right to comment at the examination in public on land supply once the relevant evidence has been published.

Policy 2 – Sustainable Communities

Policy is unsound as it is not consistent with national policy.

8. Paragraph 16 of the NPPF requires policies to be clearly written and unambiguous. As such we are concerned that the third bullet point of part 9 of

¹ <https://www.gov.uk/government/publications/city-deal-greater-norwich>

policy 2 states that *“If the potential to set more demanding standards local is established by the Government the highest standard will be applied in Greater Norwich”* as this could lead the Councils seek to apply a higher optional standard should such an approach be maintained. Should an optional standard that is higher than that in this local plan be allowed by Government then it will be for the Councils to undertake partial review of the plan. If a higher standard is required through building regulations, then this will be mandatory and as such the statement highlighted above is redundant. We would therefore suggest the phrase mentioned above is deleted.

9. We also note that part 2 of this policy mentions that development proposals will need to make provision for electric vehicles. However, the local plan does not state the level of provision that is considered acceptable but will instead rely on supplementary guidance to set out the detail of any expectations. Firstly, it is not appropriate to set out the requirements of such a policy in a supplementary planning document. The relevant legislation defining Local Plans and SPDs and their status as policy documents is the Town and Country Planning Regulations (2012). These define an SPD in regulation 2 as *“any document of a description referred to in regulation 5 (except and adopted policies map or statement of community involvement) which is not a local plan.”* Therefore, it can be concluded, as stated above, that whilst SPDs are Local Development Documents they are not local plans. It is also important to note that regulation 2 defines the local plan as:

“any document of the description referred to in regulation 5(1)(a)(i), (ii) or (iv) or 5(2)(a) or (b), and for the purposes of section 17(7)(a) of the Act these documents are prescribed as development plan document”.

10. Regulation 5 in turn states:

*“5(1) For the purposes of section 17(7)(za)(1) of the Act the documents which are to be prepared as local development documents are—
(a) any document prepared by a local planning authority individually or in cooperation with one or more other local planning authorities, which contains statements regarding one or more of the following—
(i) the development and use of land which the local planning authority wish to encourage during any specified period;
(ii) the allocation of sites for a particular type of development or use;
(iii) any environmental, social, design and economic objectives which are relevant to the attainment of the development and use of land mentioned in paragraph (i); and
(iv) development management and site allocation policies, which are intended to guide the determination of applications for planning permission;”*

11. Taken together these regulations mean that a local plan is a document that contains statements as to the:

- development and use of land which the local planning authority wish to encourage during any specified period;
 - allocation of sites for a particular type of development or use; and
 - development management and site allocation policies, which are intended to guide the determination of applications for planning permission.
12. We would suggest that the detail as to how many electric vehicle charging points should be provided falls under regulation 5(1)(a)(iv) and are development management policies which are intended to guide the determination of applications for planning permission and should only be adopted in a local plan following the prescribed process. This issue was explored in detail in the recent High Court Judgement between William Davis Ltd, Bloor Homes Ltd, Jelson Homes Ltd, Davidson Homes Ltd & Barwood Homes Ltd and Charnwood Borough Council. In this case Justice Gilbart quashed the SPD on the grounds that it contained policies that should have been contained in the local plan because they could be considered to fall under regulation 5(1)(a)(i) and 5(1)(a)(iv).
13. This leads to our second point which is that if the Council are requiring the provision of electric vehicle charging points then this should have been considered in the Viability Appraisal. We could not find within that appraisal any consideration of, or allowance made for, this policy. The HBF supports the use of electric and hybrid vehicles and the introduction of the necessary supporting infrastructure, however, it is the industry's preference for a national approach to the provision of charging points rather than local authorities setting their own standards.
14. The Government has recognised in recent consultations the possible impact of any requirement to provide electric vehicle charging points on housing supply, where the requirements are not technically feasible. The same consultation proposed introducing exemptions for such developments. The costs of installing the cables and the charge point hardware will vary considerably based on site-specific conditions in relation to the local grid. The introduction of Electric Vehicle Charging Points (EVCP) in new buildings will impact on the electricity demand from these buildings especially for multi-dwelling buildings. A requirement for large numbers of EVCPs will require a larger connection to the development and will introduce a power supply requirement, which may otherwise not be needed. The level of upgrade needed is dependent on the capacity available in the local network resulting in additional costs in relation to charge point instalment.
15. Where such costs are high the Government are proposing that any potential negative impact on housing supply should be mitigated with an appropriate exemption from the charge point installation requirement based on the grid connection cost. The consultation proposes that the threshold for the exemption is set at £3,600. In instances where the additional costs are likely to make developments unviable, it is the Government's view that the EVCP requirements should not apply and only the minimum Energy Performance of Buildings Directive requirements should be applied.

Recommendation

16. We suggest that the requirement for EVCPs should not be included in the local plan because the Government's proposed changes to Building Regulations will provide a more effective framework for the delivery of charging points for electric vehicles.

Policy 3 - Environmental Protection and Enhancement

The policy is not consistent proposed legislation.

17. This policy requires all development to deliver a significant enhancement of at least a 10% net gain for biodiversity in accordance with the Environment Act. However, it is important to note that the legislation does not set this as a minimum and the Council should not to seek to do so either. It is the Government's opinion that 10% strikes the right balance between the ambition for development and reversing environmental decline providing certainty in achieving environmental outcomes, deliverability of development and costs for developers. As such the Council should not specify a requirement above 10%. The prefix "at least" should be deleted. This would not prevent a developer from going further but it ensures clarity to decision makers that a scheme delivering a 10% net gain is compliant with the legislation.
18. In addition, the Council have not appear to have included the impact of a 10% net gain in biodiversity on development in the Greater Norwich Area. There are significant additional costs associated with biodiversity gain. The impact assessment produced by DEFRA to support the consultation on Biodiversity Net Gain & Local Nature Recovery Strategies sets out in table 14 the costs of implementing a 10% net gain. In the East of England, it was estimated that it would cost £18,329 per hectare based on a central estimate. However, there are significant increases in costs to £62,983 per hectare for off-site delivery under Scenario C. There may also be an impact on the net developable area of site that will need to be considered in the viability assessment.
19. The Government has confirmed that more work needs to be undertaken to address viability concerns raised by the housebuilding industry in order that net gain does not prevent, delay, or reduce housing delivery. It is therefore important that the full cumulative costs on development are considered in the local plan and this must be addressed prior to submission. Without the inclusion of this additional cost the Council cannot provide the required certainty that the plan and the sites it has allocated are deliverable.

Recommendation

20. The Council should:
 - Delete the prefix "at least" to the 10% requirement for net gain; and

- Consider the impact on viability from the additional cost of delivering a 10% net gain in biodiversity.

Policy 5 – Homes

The proportion of homes required to be affordable, and the adoption of space standards are both unsound as they have not been adequately justified.

Affordable housing

21. In the GNLP it is stated in paragraph 271 that the SHMA has identified need for 11,030 affordable homes between 2015 and 2038 – 28% of housing need identified at that point. However, the Greater Norwich Authority Monitoring Report (GNAMR) last year shows that between 2015/16 and 2017/18 a total of 1,209 affordable homes were delivered in the Greater Norwich area. This would mean that over the plan period there would be a need to deliver 9,281 affordable homes – around 23% of the housing requirement and 18% of expected supply. We recognise that only major development will be required to deliver new affordable homes and as such a higher percentage is required in policy to ensure needs are met. However, we have calculated on the basis of table 6 and appendix B of the GNAMR that the Councils expect to deliver 40,531 of the homes to be built in the remaining plan period will be on sites defined as major allocations². This would mean that affordable housing needs was 23% of planned supply. If supply in 2018/19 of 724 new affordable homes is taken into account this reduces to 21%. It would appear on the basis of the evidence presented that the affordable housing policy is likely to deliver an oversupply of affordable homes in the Greater Norwich area and that the requirement in Policy 5 should be reduced accordingly.

Affordable home ownership

22. This policy states that the mix of tenure for affordable homes will include 10% for affordable home ownership. This policy is not consistent with paragraph 64 of the NPPF which expects 10% of all homes provided on major development to be made available for affordable home ownership. It is also important to note that this 10% forms part of the affordable housing provision. The only reason why this national policy should not be adopted by the Council are if its application would exceed the overall level of affordable housing required for an area or significantly prejudice the Council's ability to meet the needs of specific groups should this requirement not be applied. Unless compelling evidence is provided to the contrary the GNLP should therefore be amended to reflect national policy.

² 42,156 homes on sites with an extant permission or allocated in the local plan (Table 6 of GNLP) minus the 1,625 homes on sites of 9 units or less with an extant planning permission (Appendix B1, 2, B3 Greater Norwich AMR). <https://www.greaternorwichgrowth.org.uk/planning/monitoring/>

Space standards

23. The Councils are seeking to adopt the national described space standards across the Greater Norwich Area. Whilst the HBF share the Council desire good quality homes delivered within Watford it is essential that the Council provide the necessary justification, as required by footnote 46 of paragraph 127 of the NPPF which states:

“Policies may also make use of the nationally described space standard, where the need for an internal space standard is justified.”

24. It is important the space standards are justified as space standards can, in some instances, have a negative impact upon affordability issues and reduce customer choice. In terms of choice, for example, some developers will provide entry level two, three and four-bedroom properties which may not meet the optional nationally described space standards, but which would allow on lower incomes can afford a property which has their required number of bedrooms.
25. Given the poor affordability of property across the Greater Norwich area it is important that the Council can provide, in line with PPG, robust evidence that there is a need to introduce the optional space standards – that these standards are a must have rather than a nice to have policy. However, we could not find any evidence prepared by the Councils to suggest that development below space standards is an endemic concern within the Greater Norwich area. As such we would suggest that the requirement to meet NDSS is deleted from the plan. This would give the Council greater flexibility to maximise the number of sites that are developable as well as extending consumer choice to more households.

Self-Build/ Custom Housebuilding

26. Whilst the HBF support the encouragement of self-build housing through local plans, we do not consider the requirement for all development of 40 or more dwellings to set aside 5% of homes on site to be delivered through serviced plots for self-build and custom housebuilding to be justified or consistent with national policy.
27. As the Council will be aware the proposed policy must be based on robust evidence of both the demand for self-build plots and a consideration as to the impact on viability of this policy. With regard to the evidence on needs the states that there are currently 113 applicants on the self-build register across Greater Norwich.
28. Firstly, this does not suggest that there is a high level of demand for self-build plots that requires five percent of all market homes on sites of over 40 units to be offered as plots to self-builders. The Council will therefore need to consider how many homes their policy is likely to provide and whether it is proportionate to the evidence. It is also necessary for the Council to indicate how many self-build

homes have been granted permission since the requirement to maintain a self-build register was introduced. This will give a clearer indication as to how many plots are provided as windfall and will need to be taken into account in assessing how demand for self-build plots can be met.

29. Secondly, the Council will also need to consider the robustness of their self-build register as an evidence base indicating demand for self-build plots. This is vital as the data on self-build registers is often flawed in that it does not consider whether individuals on such registers are on other registers in neighbouring areas and whether those on the list are still seeking a self-build plot. If the register has not been reviewed in this manner, we would suggest this is undertaken prior to the submission of the local plan.
30. Thirdly, it is important to recognise that paragraphs 57-024 and 57-025 of the PPG sets out a variety of approaches that need to be considered – including the use of the Council's own land. This is reiterated in para 57-014 of the PPG which sets out the need for Council's to consider how they can support the delivery of self-build plots through their housing strategy, land disposal and regeneration functions. We would suggest that in the first instance rather than place additional burdens on house builders for the provision of self-build plots it should utilise its own land or seek to engage with landowners to identify suitable sites on which to deliver serviced self-build plots. Therefore, on the basis of the evidence presented we would suggest that there is, at present, insufficient justification for that 5% of plots on developments of 40 units or more should be provided for self-build or custom housebuilding.

Recommendation

31. The Council should:
 - Reduce the affordable housing requirement to reflect the evidence on the need for such homes;
 - Without the required evidence the requirement for development to meet national described space standards must be deleted; and
 - The requirement for 5% of homes on sites of 40 or more dwellings to be allocated to self-build or custom housebuilding should be deleted.

Conclusion

32. At present we do not consider the plan to be sound, as measured against the tests of soundness set out in paragraph 35 of the NPPF, for the following reasons:
 - The affordable housing requirement placed on major development sites is unjustified when considered against needs;
 - Failure to include all costs within the viability assessment;
 - The requirement to provide electric vehicle charging points has not been justified and the proposal to set the required level of provision in an SPD is not supported by legislation;

- The adoption of nationally described space standards has not been justified;
- The proposed number plots development of more than 40 units are required to deliver as self-build or custom housebuilding has not been justified.

33. We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully

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