

## **PLANNING POLICY & BUILT HERITAGE WORKING PARTY**

**Minutes of the meeting of the Planning Policy & Built Heritage Working Party held on Monday, 14 September 2020 at the remotely via Zoom at 10.00 am**

<b>Committee</b>	Mr A Brown (Chairman)	Mrs P Grove-Jones (Vice-Chairman)
	Mr D Baker	Mr N Dixon
	Mr P Fisher	Ms V Gay
	Mr P Heinrich	Dr C Stockton

**Members also attending:** Mrs A Fitch-Tillett (substitute for Mr J Punchard)

Observers:

Mr H Blathwayt  
Mrs S Bütikofer  
Mrs W Fredericks  
Mr R Kershaw  
Mr J Rest  
Miss L Shires  
Mrs L Withington

### **25 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors T Adams and J Punchard. One substitute Member attended as shown above.

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### **26 PUBLIC QUESTIONS**

None.

### **27 MINUTES**

The Minutes of a meeting of the Working Party held on 17 August 2020 were approved as a correct record.

### **28 ITEMS OF URGENT BUSINESS**

None.

### **29 DECLARATIONS OF INTEREST**

None.

### **30 UPDATE ON MATTERS FROM THE PREVIOUS MEETING (IF ANY)**

None.

## 31 LOCAL PLAN DRAFT POLICY HOU2 - HOUSING MIX, TYPES, AND TENURES

The Planning Policy Manager updated the Working Party on the current stage of draft Local Plan preparation and outlined the next stages.

The Planning Policy Manager explained that the housing mix was intended to deliver the type of housing that was required.

The Planning Policy Manager stated that it was not proposed to include a policy relating to second homes as it could only be applied to a small number of new properties and there was no legal mechanism to apply a restriction on existing dwellings. In the areas which were most affected by second home ownership, a significant proportion of new homes would be affordable dwellings which could not become second homes.

Councillor D Baker considered that one of the ways to counteract second home ownership was to build more affordable dwellings, and asked the Planning Policy Manager how he considered the changes in the planning regime would help to deliver more affordable homes. He also asked if it was possible to apply a Council Tax levy on second homes in order to maintain services during the winter months in the areas most affected.

The Planning Policy Manager explained that Council Tax lay outside the Local Plan, which was concerned only with land use matters. The Local Plan was only one of the powers the Council had at its disposal to deal with the second homes issue. Local authorities had tried to lobby the Government for many years to introduce controls over existing housing stock, such as a change of use requirement to use a dwelling as a second home. Without such controls, 95% of the housing stock remained available for second homes. Some Cornish authorities had also lobbied the Government for a higher Council Tax rate on second homes to be used exclusively for infrastructure.

Councillor Mrs S Bütikofer was not convinced that affordable housing would solve the problem of second homes along the coast, given the demographic of the area and the number of people who wanted to retire there. Affordable homes were often not delivered along the coastal area. She considered that any additional Council Tax money raised from homes which remained empty for most of the year would be given to the County Council and would not come back to this Council to fund affordable housing.

The Chairman stated that in affordable housing zone 2, house prices were 87% above the national average, which demonstrated how affordability was impacted by second homes. The Council was trying to promote local homes for local need and he considered that in responding to the White Paper, the Council should make a request for zoned planning control so that second homes that were not used for 270 days of the year would become a specific use category and purchasers would be required to seek permission to use a dwelling for that purpose. However, it would require national legislation and could be done through the Local Plan.

The Planning Policy Manager explained that the Local Plan was the wrong vehicle to try to control second homes as any policy was likely to be ineffective unless there was a change in planning policy guidance that brought 95% of dwellings under planning control.

The Head of Planning informed the Committee that change of use for affordable

homes had been considered previously and dismissed as it would be difficult to enforce. He considered that this would also be the case for second homes.

Councillor N Dixon considered that, given the number of representations that had expressed an aspiration to address the second homes problem, the recommendation should state that a second homes policy was not being included in the Local Plan as there were no effective legal measures to control them.

The Chairman stated that all policies submitted for examination had to be viable and work in practice. He considered that the way forward on this issue was to lobby the Government through the Council's response to the White Paper. He asked if any changes that ensued could be brought forward as a supplementary planning document.

The Planning Policy Manager explained that once adopted, the Local Plan could be reviewed at any stage but it would take some time to change policies as they would need to be subject to consultation.

Councillor C Stockton supported Councillor Dixon's suggestion. He stated that there was an expectation that the Council should address the problem of second homes but the public needed to understand that the Council was hamstrung by a lack of legislation and not the lack of a desire to do something about it.

The Planning Policy Manager presented an amended policy HOU2 with revisions that had been added since the publication of the agenda. He explained the amendments in detail and how they linked to the representations that had been received under the Regulation 18 consultation.

The Planning Policy Manager stated that the evidence in North Norfolk demonstrated that the most helpful affordable housing models were in the rented sector, rather than low cost home ownership models. Local incomes were low in relation to house prices and low cost home ownership models were still too expensive for most people on the housing register in the District. The Government was keen to see more low cost home ownership being provided and national guidance specified that at least 25% of affordable housing should be of this type; however, this was not supported by evidence in North Norfolk and the policy had been drafted to require that no more than 25% low cost ownership should be provided.

Councillor Mrs P Grove-Jones referred to a low cost starter home development in her Ward where the dwellings were no longer low cost as no restriction had been imposed to prevent them being sold on at market value. She had read that some Government ministers were moving towards the idea of properties being built by local authorities or housing associations and rented to people who could not afford to buy. She was concerned that local people could not afford to buy properties and considered that a 15% affordable requirement in Zone 1 was too low.

The Planning Policy Manager explained that low cost would be defined having regard to local income levels rather than local house prices. Local authorities would be able to seek discounts of up to 50%; previously the maximum discount had been 30%, which was not affordable to 90% of people on the housing register. A significant discount would be sought in low income areas to enable people on the lower quartile of incomes to apply for a mortgage. Price and occupancy controls would be applied in perpetuity so those dwellings could not become market dwellings in the future. The 15% requirement had been derived from the viability

assessment. There would be additional policy requirements which added to development costs but did not necessarily increase value, which meant that the previous affordable housing target of 45% was not achievable.

Councillor P Heinrich stated that there was a high demand for affordable housing in North Walsham, particularly in the rented sector, and he had concerns that 15% affordable housing would be insufficient to meet the local need. He referred to developments in the town that had not proceeded as the developers considered that they were not profitable.

Councillor D Baker stated that the Government had recently announced an affordable homes programme in which one of the proposals was a new shared ownership model that would reduce the initial ownership stake to 10%.

The Housing Strategy and Delivery Manager stated that most affordable housing had been delivered as a result of Section 106 obligations as part of the mainstream market developments which did not attract public subsidy. The Government's new proposal for shared ownership with a 10% starting point, smaller steps to staircasing and the repair obligation passing to the landlord appeared to be a better shared ownership product. Half of the funding in the Government's affordable housing programme was being promoted towards low cost home ownership, which was favoured by the Government but was not necessarily an affordable product for people in housing need in North Norfolk. First Homes, which allowed for a 50% discount, was an emerging policy proposal from Government which could overtake shared ownership. Rented housing remained the preferred option for North Norfolk, although it was necessary to be mindful of the Government's preference and funding proposals.

Councillor Mrs W Fredericks considered that a couple on a minimum wage would be unable to afford to purchase a low cost shared ownership property and it was important to word the policy carefully in respect of social rented accommodation. She asked if there would be a caveat to prevent low cost properties being purchased as second homes.

The Planning Policy Manager explained that the policy acknowledged that low cost home ownership models were likely to be helpful to few people in North Norfolk, and the emphasis should remain on social and affordable rented products which were more likely to be helpful to people genuinely in need. However, it was necessary to concentrate on land use planning in the policy, and issues such as the split between the various affordable products would be informed by the Housing Strategy.

Councillor Mrs A Fitch-Tillett asked if any shared ownership dwellings had been taken up in North Norfolk.

The Housing Strategy and Delivery Manager responded that there had been some success with shared ownership properties in the District, although there had been difficulties particularly on sites where there was a local connection requirement. Take-up was not helped by the reluctance of mortgage companies to offer mortgages on them or the uncompetitive rates for shared ownership mortgages. Shared ownership products were relatively unknown in North Norfolk and more could be done to promote them.

Councillor Mrs L Withington reiterated the importance of considering the needs of communities. Community engagement in her Ward had indicated that people wanted rented accommodation and not shared ownership. It was difficult to

generate enough rented properties given the percentages and small number of developments, and it was necessary to strengthen the policy as much as possible.

Councillor N Dixon welcomed the definition of affordability being linked to local incomes, but questioned if the Council was being creative enough in terms of policy in promoting and resourcing affordable homes, using its own resources to recycle funding and working with public, private and charitable housing trusts to influence the availability of affordable housing. He requested that the policy should be sufficiently agile to take advantage of opportunities as they arose.

The Head of Planning referred to a recent success in the delivery of 65 affordable housing across five sites through working innovatively with Broadland Housing. The scheme had been nominated for a regional award by the RTPI.

The Planning Policy Manager summarised the recommendation; to not include a second homes restriction subject to the qualification that there were no effective legislative controls; to put forward the HOU2 policy approaches as amended; and to modify the supporting text in accordance with the schedule of representations.

It was proposed by Councillor P Heinrich, seconded by Councillor Mrs P Grove-Jones and

**RECOMMENDED** unanimously

**1. That the revised Policy approaches be approved:**

Policy		HOU					2
<b>Housing Mix</b>							
Unless the proposal is for a Rural Exceptions Scheme, Gypsy and Traveller accommodation, or specialist <sup>(65)</sup> residential accommodation all new housing developments, including those for the conversion of existing buildings, shall provide for a mix of house sizes and tenures in accordance with the following:							
Size of Scheme (Dwellings)	% Affordable Homes Required		Required Market Housing Mix	Required Affordable Housing Mix <sup>(1)</sup>	Number of Serviced Self-Build Plots <sup>(2)</sup>	Specialist Elderly / Care Provision <sup>1</sup>	
	Affordable Zone 1*	Affordable Zone 2*					
0-5 dwellings or sites smaller than x hectares.	No requirement	No requirement	No requirement	No requirement	No requirement	No requirement	
6 <sup>2</sup> -25 or sites larger than x hectares	At least 15% on site provision. Option of financial contribution	At least 35% on site provision. Option of financial contribution	Not less than 50% two or three bedroom properties in a mix comprising approx X% two	Not more than 25% of the affordable homes as Low Cost Home Ownership <sup>3</sup>	No requirement	No requirement	

<sup>1</sup> Policy to include a specific definition of specialist elderly care following receipt of elderly persons study to include those types of use where significant on site care is provided but exclude retirement dwellings.

<sup>2</sup> Sites of 10-25 dwellings in areas not within a Designated Rural Area (add Map)

<sup>3</sup> Low Cost Home Ownership to be provided at a price which allows those on lower quartile household incomes to purchase. Includes Starter Homes, First Homes, Shared Ownership, Shared Equity and Rent Plus models.

	on schemes of 6-10 dwellings	on schemes of 6-10 dwellings	bed and three bed	Y% remainder Rented <sup>4</sup> .		
26-150 or sites larger than x hectares	At least 15% on site provision	At least 35% on site provision	Not less than 50% two or three bedroom properties in a mix comprising approx. X% two bed and Y% three bed	Not more than 25% of the affordable homes as Low Cost Home Ownership remainder Rented	At least one plot or 2% of total number of units, whichever is greater	No requirement
151-300 (plus each additional 150 dwellings). or sites larger than x hectares	At least 15% on site provision	At least 35% on site provision	Not less than 50% two or three bedroom properties in a mix comprising approx. X% two bed and Y% three bed	Not more than 25% of the affordable homes as Low Cost Home Ownership remainder Rented	At least one plot or 2% of total number of units, whichever is greater	Minimum 80 bed spaces and further 40 bed spaces for each additional 150 dwellings thereafter

1. Size and tenure split determined on case by case basis in accordance with local needs evidence
2. A plot of land of agreed dimensions which is serviced and made available for self-build housing on terms to be agreed with the LPA for a period of not less than two years from the date of its availability.

\* See Figure 6 'Affordable Housing Zones'.

2. That the Local Plan does not include a policy in relation to second home occupation because there are no effective legislative controls to support such a policy.
3. That modifications to the supporting text be made in accordance with the schedule of representations.

## 32 PLANNING REFORMS GOVERNMENT CONSULTATION

The Planning Policy Manager reported that the Government's White Paper consultation on planning reforms had set out its desire to deliver 300,000 – 330,000 new dwellings per year, which would increase the number of dwellings to be delivered in North Norfolk to 730 per year. The Government had also indicated that there would be a further review to consider possible mitigation for constrained authorities, such as North Norfolk, but as this had not been published alongside the White Paper there was no indication as to whether or not the target would be reduced. The draft Local Plan could possibly deliver 550-560 dwellings per year, but it was 3000 dwellings short of the Government's new target. The Planning Policy Manager considered that the higher number would not be deliverable without seriously risking the environment, with developments that were not supported by appropriate infrastructure.

The Government had accepted that those authorities with plans that were sufficiently advanced could rely on the existing methodology for a period of time. If the draft Plan could be submitted for examination within a year, it was possible that the transitional arrangements would apply. However, the Plan would be subject to review once it was through the examination process. Failure to submit within the timescale would oblige the Council to deliver the higher number which would mean starting the plan again and considering a different distribution strategy.

<sup>4</sup> Rented includes Social Rent, Affordable rent and Intermediate Rented products subject to affordability criteria

Councillor D Baker stated that there was a great deal of concern at the uplift in shire counties. He considered that the metric that had been used was incorrect and would take back the concerns in his capacity as MP. He considered that the overall aims and objectives were right, but considered that the majority of building should take place in metropolitan areas where a higher density could be achieved.

Councillor Mrs S Bütikofer stated that she was reassured by Councillor Baker's position. There was a great deal of concern over the White Paper, and although there was agreement that planning needed to change and improve, it was important that districts such as North Norfolk should not be disadvantaged.

The Chairman expressed concern at the effect of the new methodology and was not convinced that the new build targets were justified as there was no information as to how the figure had been calculated and why it had not been broken down into a regional basis. He asked if the new methodology would be mandatory or could be challenged.

The Planning Policy Manager stated that the Government would like to move towards a mandatory target and ensure that homes were delivered, but even if it became mandated in legislation there was scope for legal challenge on the basis of lack of evidence to support it. He supported the view that there was a need to address housing delivery, but there had to be a sensible balance. He considered that it was unlikely that there would be the capacity or market demand to deliver 730 dwellings per year in North Norfolk.

The Head of Planning stated that there was a great deal more to the White Paper than housing numbers. He outlined some of the changes that were proposed to the planning system. He stated that the last major revision was in 1990. There was a need for change and there were some good ideas in the White Paper. A Member workshop would be held later in the month which would allow more in depth consideration of the White Paper's proposals and recommended responses to it.

Councillor N Dixon considered that focus should be on deliverability. He considered that there was insufficient capacity or skills to build at the required rate. If infrastructure was not in place it would not be possible to meet the required specifications, and there was a lack of matching employment opportunities alongside the new development. For those reasons, he considered that the White Paper was not the way forward for North Norfolk and that this authority should state its case clearly. He was concerned that developers would build where it was profitable to do so and not in the strategic locations where housing was required.

The Chairman considered that a national policy would not deliver a viable plan in North Norfolk. He considered that there was a need to resist several of the proposals in the White Paper that would have a perverse outcome for the District and needed careful debate and response.

Councillor S Bütikofer stated that she was most concerned that there was good Member engagement in the response, and requested that it should take place in a timely manner.

The meeting ended at 12.10 pm.

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Chairman