

## Local Plan Draft Policy HOU2 – Housing Mix, Types, and Tenures

Summary: This report considers the representations made at Regulation 18 stage of plan preparation and seeks to agree a final policy approach to the provision of the right mix of dwellings in terms of size, affordability and tenure.

- Recommendations:
- 1. That Working Party recommends the revised Policy approaches in Appendix 2 to Cabinet.**
  - 2. That the Working Party recommends to Cabinet that the Local Plan does not include a policy in relation to second home occupation.**

Cabinet Member(s)	Ward(s) affected
All Members	All Wards
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### 1. Introduction and Purpose

- 1.1 The emerging North Norfolk Local Plan has been subject to public consultation at Regulation 18 stage during May and June 2019. This report is one of a number of reports that seeks to finalise the draft Local Plan policies. At the end of the process a revised version of the Plan incorporating justified modifications will be produced for the authority in order to consult at Regulation 19 Draft Plan publication stage ahead of subsequent submission for examination. At that stage the Plan will be subject to consideration by an independent inspector against a number of legal and soundness tests to determine if it is legally compliant, justified, effective, and has been positively prepared. A binding report will be produced which will determine if the Draft Plan is sound, with or without further modifications, following which the Plan can be formally adopted by the Council.
- 1.2 This report focusses on controls over the types of new dwellings built in terms of their affordability and tenure, size, and potential occupancy controls. It considers the Reg 18 representations and recommends appropriate modifications to the Draft Plan for inclusion in the submission version.
- 1.3 These issues are addressed in Policy HOU2 of the Draft Plan which is one of a number of policies dealing with *types* of homes including SD2 which allows for a range of community led developments including the delivery of homes via Community Land Trusts, Neighbourhood Plans, and locally supported planning applications, HOU3 which deals with rural exceptions affordable housing, and HOU4 and 5 which cover agricultural worker dwellings and gypsy provision. The report does not address the overall quantity of homes which will be subject to a later report.

## 2. Background Evidence and update

- 2.1 As well as ensuring sufficient homes are built to accommodate future needs, national guidance requires that the homes built are aligned with identified needs in terms of size, affordability, tenure type, and the needs of particular groups in society such as students, the elderly, gypsies and travellers, and so on.
- 2.2 Policy HOU2 of the Draft Plan deals with the approach to the mix of homes to be provided including size, affordability, self- build and specialist accommodation for the elderly. It sets site size thresholds above which specific types of accommodation will be required including affordable homes, smaller market dwellings, self-built properties and specialist accommodation for the elderly. The overarching objective of the policy is to ensure that the types of homes built in the future more closely match what the evidence indicates is likely to be required. The Draft Policy is attached as **Appendix 2**.
- 2.3 A number of evidence documents underpin the draft approach including:
- A **Strategic Housing Market Assessment** which projects the numbers of different types of homes that are likely to be required. This in turn draws on evidence from the Census, National population and household projections, local income levels, and the Authority's housing waiting lists.
  - The Councils' **Self Build Register** which provides the opportunity for those interested in self-build to register for suitable serviced plots.
  - A **District Wide Viability Assessment** which models how all of the policies in the Draft Plan, including those relating to housing mix, are likely to impact on development viability.
  - A **Gypsy and Traveller Needs Assessment**.
  - A separate piece of work has been commissioned under the duty to cooperate to look specifically at the future accommodation needs of the elderly. This should report shortly and will inform the final policy wording included in the Plan particularly in relation to defining the precise types of 'specialist elderly/care' provision that will meet the requirements of the policy, for example, assisted living, care and nursing homes, dementia care and so on. The Policy is targeted at meeting specialist accommodation needs and compliments a set of proposed technical construction standards which in part are aimed at ensuring that 'mainstream' housing is suitable for life time occupation (Draft Policy HOU8)
- 2.4 This evidence highlights:
- A growing number, and proportion, of elderly residents.
  - A need for around 2,000 affordable dwellings.
  - A growing requirement for smaller one, two and three bedroomed homes.
  - Modest *expressed* demand for self-build.
  - Very limited demand of gypsy and traveller accommodation.
  - That development viability may be adversely impacted if affordable housing requirements are set above 15% in much of the east of the district and 35% in the west. Note that the Viability Assessment will be revisited before submission and the intention is to set affordable housing requirements at the upper end of what is viable.

### **3. Summary of Representations**

- 3.1 Comments made at regulation 18 stage tend to relate to the detailed application of specific policy requirements rather than raise fundamental objections to the general approach.
- 3.2 Comments from the development industry tend to argue for more flexibility and less prescription so that local circumstances, need, and viability can be considered at planning application stage .In contrast, Individuals and Town and Parish Councils generally seek greater control over future house types particularly in relation to affordability and local lettings, controls over second home ownership, and a desire generally to see housing policies giving more priority towards addressing local needs first.
- 3.3 All representations made during the Regulation 18 consultation are attached as **Appendix 1** which includes officer comments and recommendations for modification to the Plan.

### **4. Second Home Ownership**

- 4.1 The Draft Plan did not include a specific policy in relation to second homes. It indicated that in principle it would be lawful to impose restrictive occupancy conditions on new homes to ensure they were used solely as the main residence of the occupier, indicated that the Council was not minded to impose such restrictions, and invited comments. Very few direct representations were made about this issue, notwithstanding that it is often raised in discussions with Parish Councils, particularly among coastal communities in the west of the District. Only Blakeney, Wells and Sheringham submitted comments indicating their wish to see second home controls in the Plan and a number of individuals also registered their support for such an approach.
- 4.2 The draft Plan explained that second home controls could only be applied to new dwellings and that the number of new dwellings in those parts of the district with high proportions of second homes would be very small in relation to the existing housing stock. Furthermore, a high proportion of new homes built in these areas would be affordable homes and hence would not be available for second home occupation.
- 4.3 Officers remain of the opinion that the imposition of principle residence restrictions on new properties would be an ineffective measure, as it is likely to simply move the demand for second homes from the new to the existing housing stock where no planning controls are possible, thus defeating the objective of such a policy. Neither is there any evidence that restricting the occupation of a small percentage of properties in this way is likely to have any appreciable impact on local property prices which is often cited as a reason for imposing such restrictions.

### **5. Recommendations:**

- 1. That the Working Party recommends the revised Policy approaches in Appendix 2 to Cabinet.**
- 2. That the Working Party recommends to Cabinet that the Local Plan does not include a policy in relation to second home occupation.**

## **6. Legal Implications and Risks**

- 6.1 The Council must produce a Local Plan which complies with various regulatory and legal requirements and in determining its policy approaches must be justified and underpinned by evidence, the application of a consistent methodology and take account of public feedback.
- 6.2 The statutory process requires records of consultation feedback and demonstration of how this has/will have informed plan making with further commentary demonstrating how the representation at regulation 18 have been taken into account in line with Regulation 22.
- 6.3 By applying a consistent methodology base around service provision, irrespective of critical constraints, there is a risk that settlement boundaries in all of the settlements may not be identified and that growth may not come forward. This is mitigated by the proposed approach which identifies settlements based on services but then does not rely on a requirement coming forward in the settlements where in the main, environmental constraints could significantly restrict growth - as detailed in table 1.
- 6.4 The approach delivers on SD3 commitments but allows a degree of flexibility and competition, although less certainty than allocations it still allows for exception site development and growth for local homes in respect of identified local need. The policy wording, is designed to be more specific over the location of sites in relation to a settlement boundary than that used in the rural exception policy and the approach no longer seeks to limit settlement size through exception growth but link such growth to that of community need.

## **7 Financial Implications and Risks**

- 7.1 Failure to undertake plan preparation in accordance with the regulations and NPPF is likely to render the plan 'unsound' at examination and result in the need to return to earlier stages. Substantial additional costs would be incurred.

## **Appendix**

- Appendix 1 – Schedule of Representations and Recommendations
- Appendix 2 – Regulation 18 consultation draft of Policy HOU2