

Local Plan Draft Policy Approaches to Housing Standards

Summary: This report considers the representations made at Regulation 18 stage of plan preparation and seeks to endorse a number of policy approaches concerning matters of sustainable development.

Recommendations: **It is recommended that Members endorse the revised Policies below, recommending to Cabinet and delegating responsibility for drafting such an approach, including that of finalising the associated policies to the Planning Manager:**

HOU8: Accessible and Adaptable Properties;
HOU9: Minimum Space Standards;
HOU10: Water Efficiency;
HOU11: Sustainable Construction, Energy Efficiency & Carbon Reduction.

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

- 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 policy approach in relation to consideration of the consultation responses and the finalisation of the supporting evidence. At the end of the process a revised Draft Local 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 such a stage the Plan will be subject to consideration by an independent inspector against a number of legal tests 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 **The purpose** of this report, is following a review of regulation 18 consultation feedback, to seek Members endorsement of a number of emerging policies that address matters concerning the wider principles of sustainable development and the response to climate change with regard to future Plan-making ahead of Regulation 19 consultation and the submission of the Plan.

2. Background and Update

- 2.1 These policies will form part of the wider suite of policies, currently within the housing section of the emerging Local Plan that are an integral response to creating sustainable places and address climate change. The intention that the policies will form part of a wider updated section covering climate change and sustainable development in the final Plan.
- 2.2 The purpose of Policy HOU8: is to ensure that new homes are built to accessible and adaptable standards and as such can 1) be easily and cost effectively adapted as people's needs change throughout their lifetime; 2) increase the overall percentage of appropriate housing across all housing types and tenures; 3) address the historical deficiency in supply.
- 2.3 The purpose of Policy HOU9: is to ensure that new homes offer a reasonable minimum level of residential amenity and quality of life, ensuring that there is sufficient internal space, privacy and storage facilities to ensure long term sustainability and usability of new homes.
- 2.4 The purpose of Policy HOU10: is to ensure that development positively plans to minimise its impact on water resources and contributes to long term water resilience.
- 2.5 The purpose of Policy HOU11: is to promote a proactive strategy to mitigate and adapt to climate change through moving towards a low carbon future in building construction.

3 Feedback from Regulation 18 consultation

- 3.1 All of the Regulation 18 consultation feedback has been published in the Schedule of Responses, previously reported to Members. For information, the feedback for this group of draft policies is summarised within Appendix 1 to this report and précised below for each draft policy:

Policy HOU8: Accessible and Adaptable Properties

- 3.2 **Individuals:** Two general comments, one response in support, and one objection were received. Although all generally supportive the objection and one general comment sought higher construction and energy efficient standards as the substantive part of the representation - which are the subject of a different policy.
- 3.3 **Parish & Town Councils:** No comments received
- 3.4 **Statutory Bodies and Organisations:** Three responses in support, two general comments, and two objections were received from developers active in the region and their national representatives.
- 3.5 Some support for the principle of the policy was evident across the development industry, but caution and objections were raised on the reliance of an aging population to justify the approach and application across all development as well as in relation to the requirement to provide evidence of

compliance at application stage. Although the age structure of the District was acknowledged the significant uplift in the housing target in order to address affordability was used to suggest that the approach should not seek higher adaptable standards across all housing outside building regulations and in particular in relation to market housing responding that policy requirement to apply to all homes the M4(2) standard was disproportionate and as such should be reduced to apply to only a proportion of properties. Norfolk Homes specifically thought the approach was "*an unwelcome approach to addressing an existing shortfall*" and *an interference with issues that sit with Building Control*. Extending the approach to all market housing would utilise extra space and unwelcomed costs and require the redesign of many of their existing house types. They suggested that the requirements would lead to fewer smaller market (*my inference*) homes being built and more expensive housing. It was inferred that further consideration of viability and unintended consequences should be looked at in the finalisation of the policy.

- 3.6 Norfolk Homes however in the response confirmed that their affordable homes already comply to M4(2) and previous developments in Cromer the M4(3) requirement which the policy is seeking to apply. Pigeon Development also confirmed that the site they were promoting in the Local Plan at Cromer could accommodate the policy approach. The Duchy of Cornwall supported the approach recognising *the importance of providing accessible and adaptable homes and the requirement to meet the necessary Building Regulations to ensure homes can be lived in by all members of the community*.
- 3.7 Other comments focused on the Council providing more clarity of the requirements and exceptions. Persimmon Homes (Anglia) sought revision to the policy seeking clarity on the need to provide documentation detailing accordance with the standards for all developments at application stage, so as not to be an onerous exercise and circumstances around exceptions. Norfolk Homes objected to this requirement stating that it was entirely at odds with the Government's intention of reducing the burden on house builders and ensuring the planning system is quicker, efficient and more responsive in delivering houses and that the *policy is an example of planning seeking to interfere with issues squarely in the remit of the Building Regulations, and for which a planning policy is entirely superfluous*

Policy HOU9: Minimum Space Standards

- 3.8 **Individuals:** Where comments were received they focused on support in relation to the benefits of providing healthy spaces to improve wellbeing. One sought an exception to new build tourist accommodation so that new development could mirror historical delivery.
- 3.9 **Parish & Town Councils:** No comments received.
- 3.10 **Statutory Bodies & Other Organisations:** Feedback from development industry offered mixed views to the proposed approach. Although high quality design, functional and spacious homes were supported along with the Council's aspiration some suggested there was no evidence to suggest that adoption of the standards will improve the quality of housing or living conditions and the unintended consequences of people purchasing larger homes but with less bedrooms leading to overcrowding. The House Builders Federation, HBF, point to high levels of satisfaction in internal design of new homes as justification to

their general comment as well as raising issues around affordability and that the Council's review of size does not reflect need. They suggest that more flexibility is required in the application of the policy around deliverability and viability. Others objected to the requirement to submit a separate document setting out how proposals would comply, suggesting that the requirement was too prescriptive and placed a burden on applicants. Consideration should be given to including this requirement in the Design and Access statement as a solution. Support was also given for the ambition and some advised that the approach was reasonable and support the shift towards liveable homes.

Policy HOU10: Water Efficiency;

- 3.11 **Individuals:** Limited comments received on this policy. No substantial issues raised.
- 3.12 **Parish & Town Councils:** Support for prescriptive water efficiency targets
- 3.13 **Statutory Bodies & Other Organisations:** Anglian Water fully support and endorse the optional water efficiency standard being applied within the North Norfolk Local Plan area. Recognising the Area is one of water stress classification by The Environment Agency the response advised stage was that policy should encourage development to go to improve and go beyond this standard which has wider benefits.

Policy HOU11: Sustainable Construction, Energy Efficiency & Carbon Reduction;

- 3.14 **Individuals:** Most comments whether making a general observation, in support of the approach or objected generally supported this policy, with most concluding that the policy does not go far enough in its prescriptive nature of ambition in relation to the Council's subsequent declaration of climate change.
- 3.15 **Parish & Town Councils:** Where Town councils responded (3) there was support for more prescription in setting targets around energy efficiency and carbon reduction. One TC suggested that the policy should give careful attention to roof orientation and give priority to grey water recycling over other measures such as water storage and green roofs
- 3.16 **Statutory Bodies & Other Organisations** All respondents from statutory bodies and the development industry were supportive of the policy and the designing out of emissions followed by the use of low carbon technologies. Three of the major house builders and site promoters that are active in the region responded. One, pointed out that the approach would not assist the Council in achieving its wider ambition to improve the existing housing stock, while others, (Norfolk Homes and Persimmon) were concerned around the impacts on development viability. A number of issues were put forward for further consideration, these included: The removal of the requirement to include a separate energy statement (on all development) - instead allow developers to incorporate supportive information in the Design and Access Statement. Further consideration around the impacts on viability and density due to the impacts on site layout and potential restrictions on development materials. One organisation suggested that the policy should be more prescriptive in its use of renewable technology and a demonstration how development will achieve carbon neutrality.

4. National Policy

4.1 The NPPF through footnote 46 para 127 states that:

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.

These standards may only be introduced locally via the inclusion of policies in adopted Local Plans and any such policies may only be introduced if:

- There is evidence to support the need for them; and
- The additional costs associated with the enhanced standards have been tested in terms of their potential impacts on the viability of development.

4.2 The national [Planning Practice Guidance](#), PPG clarifies that local planning authorities have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and adaptability and water, and an optional nationally described space standard subject to appropriate evidence in order to justify the setting of appropriate policies in their Local Plans.

4.3 Since the Regulation 18 Consultation the government has gone one step further to evoking the minimum space standards nationally. In September the government introduced legislation to ensure all new homes provided through permitted development rights and those that require prior approval will comply as a minimum to the nationally described space standards (as published 2015). This will take effect from the 6.04.2021. Part of its justification was the recognition that the move would prevent a small number of developers from providing homes below an acceptable standard. The move was widely seen as step in the right direction by professional bodies.

4.4 Planning Practice guidance requires LPA to provide justification for the approach taking into account:

- Need - evidence should be provided on the size and type of dwellings currently being built in the area
- Viability: the impact of adopting the space standard should be considered as part of a plan's viability assessment and include the effect on the impacts of affordable housing
- Timing: factor in a reasonable transition period.

4.5 The NPPF, Para 149, states that Local Planning Authorities should adopt proactive strategies to mitigate and adapt to climate change, including taking account of **water supply**. Policies should support appropriate measures to ensure the future resilience of communities and infrastructure to climate change impacts. The Planning Practice Guidance states that, where there is a clear local need, local planning authorities can set out Local Plan policies requiring new dwellings to meet the tighter Building Regulations optional requirement of 110 litres/person/day.¹ The guidance goes on to advise that any

¹ Paragraph: 014 Reference ID: 56-014-20150327, Revision date: 27 03 2015

clear need should be established based on consultation with the local water companies and primary sources of evidence such as Water Stress classifications produced by the Environment Agency and River Basin Management Plans. Any policy requirement is subject to viability assessment.

- 4.6 In relation to **construction, energy efficiency and low carbon economy** the NPPF signals the governments that the planning system should be used to move to a low carbon economy. Moving to a low carbon economy is seen as fundamental part of achieving sustainable development and in doing so the NPPF is specific in that the objectives of sustainable development should be delivered through the preparation and implementation of Plans². Section 14 of the NPPF, 2019 empowers LPA's to introduce a positive strategy and policies that reduce carbon emissions from new homes and help increase the use and supply of renewable and low carbon energy.

The planning system should support the transition to a low carbon future in a changing climate, taking full account of flood risk and coastal change. It should help to: shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure Para 148

- 47 The Planning for Climate change section goes on to state:

Plans should take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity and landscapes, and the risk of overheating from rising temperatures⁴⁸. Policies should support appropriate measures to ensure the future resilience of communities and infrastructure to climate change impacts, such as providing space for physical protection measures, or making provision for the possible future relocation of vulnerable development and infrastructure. Para 149.

- 4.8 *New development should be planned for in ways that:*

a) avoid increased vulnerability to the range of impacts arising from climate change. When new development is brought forward in areas which are vulnerable, care should be taken to ensure that risks can be managed through suitable adaptation measures, including through the planning of green infrastructure; and

b) can help to reduce greenhouse gas emissions, such as through its location, orientation and design. Any local requirements for the sustainability of buildings should reflect the Government's policy for national technical standards. Para 150.

- 4.9 Paragraph 131, also charges planners with placing great weight on designs which promote high levels of sustainability (as appropriate to local context). Whilst para 129 specifically promotes the use of assessment frameworks and design review tools.

- 4.10 The NPPF along with the section 182 of the Planning Act 2008, the Planning and Energy Act 2008 puts a positive emphases and a legal duty on local

² NPPF 2019 Section 2 Achieving sustainable development para 8 and 9.

authorities to include policies on climate change mitigation and adaptation in Development Plan Documents. The Climate Change Act passed in 2008 committed the UK to reducing greenhouse gas emissions by at least 80% by 2050 when compared to 1990 levels.

- 4.11 The Governments' Clean Growth Strategy 2017 specifically highlights the role of Local Planning Authorities through local leadership;

Moving to a productive low carbon economy cannot be achieved by central government alone; it is a shared responsibility across the country. Local areas are best placed to drive emission reductions through their unique position of managing policy on land, buildings, water, waste and transport. They can embed low carbon measures in strategic plans across areas such as health and social care, transport, and housing. Page 118

- 4.12 Since then there have been numerous documents and reports published across Government including significant and influential publications by the Committee on Climate, set up as an independent, statutory body under the Climate change Act 2008 including: UK Housing Fit for the Future? Feb 19, Net Zero - the UK's Contribution to Stopping Global Warming and the Net Zero Technical Report, May 2019³. The UK emissions are not limited to just housing, transport remains the greatest sector contributor to CO2 emissions, and the decarbonisation of the national Grid is central strand to the Governments medium to longer term strategy. The approaches are however interrelated, with the Local Plan policies playing their part across all sectors not least directing growth to settlements with services, reducing the reliance and necessity for frequent trip seeking greater green infrastructure and connectivity and reducing the overall demand for travel. The governments Road to Zero, July 2018, RTZ strategy sets out the ambition for at least 50%, and as many as 70% of new car sales to be ULEVs by 2030, alongside up to 40% of new vans, and aligned to that is the need to ensure the charging infrastructure, both in new homes and business and public parking is developed through planning policy. The Automated and Electric Vehicles Act 2018 gives powers to ensure charge points are compatible with all vehicles and charging payments are standardised, and the Clean Air Act 2019 sets out a the approach for bringing stronger and more coherent legislation against air pollution.

- 4.13 [In 2019 The Government introduced a legally binding](#) ⁴ target to reduce greenhouse gas emissions to net zero by 2050 – making the UK the first major economy in the world to legislate a zero net emissions target. Net zero means any emissions would be balanced by schemes to offset an equivalent amount of greenhouse gases from the atmosphere, such as planting trees or using technology like carbon capture and storage.

5. **Conclusions for Policy HOU8: Accessible and Adaptable Properties.**

- 5.1 From the outset it should be noted that Local Plan policy can only focus on new developments, retrofitting the historic stock remains an ongoing but separate issue that falls under the remit of the separate housing strategy outside the Local Plan. The requirement for new dwellings to comply does though start to reduce that future burden both on authorities and statutory providers and will seek to enhance lifestyle choices and wellbeing from the outset for local

³ <https://www.theccc.org.uk/>

⁴ <https://www.gov.uk/government/news/uk-becomes-first-major-economy-to-pass-net-zero-emissions-law>

residents and help to allow more people to stay in their own homes longer complementing wider district, regional and national policy approaches around healthcare, sustainable design, communities and place shaping.

- 5.2 Evidence to justify the policy approach was set out in a previous report and summarised through a presentation given to this PPBHP in August 2018. The previous report can be found in the ModGov Library for August 2018 [here](#) and or by the links referenced below⁵. **Background paper no 7**, published to support the policy approach at Regulation 18 (<https://www.north-norfolk.gov.uk/media/5026/7-construction-standards.pdf>) provides detailed and comprehensive evidence and sets out the required justification and makes the compelling case for this policy in North Norfolk, especially when combined with Policy HOU9 Minimum Space standards.
- 5.3 The viability of requiring enhanced accessibility or adaptability standards over and above building regulations has been tested in the Local Plan Viability study 2018. The appraisals test the impact of requiring 100% of homes to be built to Category 2 standard for accessibility and adaptability. For the majority of housing development this is estimated to add £10sqm over National Housing Standards equivalent build cost allowance for houses and £15 sqm for apartments. This is over and above the Government's assessment of *cost of £9.31 per sqm for a 2 story 3 bed dwelling and £7.32 per sq m for a 2 bed dwelling* as derived from the accompanying cost impact study. More detail is contained in Background paper no 7 Housing Constructions Standards para 7.6, and the Council's Plan Wide Viability study. The study concludes that there is sufficient headroom across all areas and development typologies for new development to meet optional technical standards. Affordable housing is confirmed to be able to meet the costs in the regulation 18 feedback from developers and the government's own cost impact study shows that significant proportions of additional costs can be recovered through sales value increases especially when there are perceived extra values in relation to space⁶.
- 5.4 Addressing the remaining feedback, the regulation 18 version of the Plan included clear text around exceptions to the approach in the Plan text and the policy. These could be due to specific challenges due to topography, flood risk and /or the relationship to design. Where such material considerations exist it will be up to the promoters to demonstrate the M4(2) or M4(3) requirements are not feasible to be delivered and exemption will be made on a case for case basis based on clear evidence submitted as part of the planning application.
- 5.5 The amended approach is set out in Appendix 2.
6. **Conclusions for Policy HOU9: Minimum Space Standards**
- 6.1 It has long been established that the case for space and improving the quality of new homes needs to be a joint venture for house builder, architects, planners and policy makers and part of this is having the appropriate suit of policies in the Development Plan. Add in the higher than average proportion of those in employment working from home in North Norfolk (12.3% compared to regional average of 8.6%⁷) and the recent events around Covid19 and lock down and it is also being argued that the move for suitable space, not least to

⁵ The links are: <https://modgov.north-norfolk.gov.uk/documents/s2281/Agenda%20-%202020%20August%202018.pdf>

⁶ Note - No addition uplift is applied to the council's Reg 18 viability study

⁷ Census 2011

provide for home working but for quality family space both collectively and private has become even more apparent.

- 6.2 Background paper no 7, published to support the policy approach at Regulation 18 (<https://www.north-norfolk.gov.uk/media/5026/7-construction-standards.pdf>) sets out the required justification and makes the compelling case for this policy in North Norfolk, especially when combined with Policy HOU8 Accessible and Adaptable Housing, where many of the standards evoked complements the delivery of the national prescribed space standards. Recent Covid 19 experience adds weight to the need for future housing to provide liveable and workable space within homes for all the family.
- 6.3 The background paper analysis of new homes being built on housing estates across North Norfolk reveals that approximately 58% of dwellings being built do not meet one or more of the minimum national space standards. For Flats this falls to 50%. Sixty-nine percent of the development in North Norfolk meets the space standards for gross Internal space, dropping to 61% for the 1-2 & 3 bed properties i.e 39% do not meet the minimum space standard. In the larger 4+ bedroom 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 standard.
- 6.4 The provision of sufficient space in dwellings remains an important element of good design and influences the take up and delivery of new housing. A lack of space can compromise basic lifestyles needs, such as household space to play, relax, privacy, private work space, and storage of possessions. It can have significant life effects on health, family relationships, educational attainment social cohesion and individual wellbeing. The Governments own housing standards review concluded that the UK builds some of the smallest homes in Europe⁸ and there has been a downward trend in house sizes across the UK. It is widely reported that the key desirable factors when considering a new home include the provision of adequate space (living and storage) inside and outside the home, along with the proximity to services.
- 6.5 Given the population profile, the inescapable fact that the population of North Norfolk is aging at one of the fastest rates in the country, nature of existing housing stock and low levels of new development that currently meet the standards, specifically in relation to one, two and three bedroom properties where there is the greatest need, there is clear justification to require all new properties to at least meet, and or exceed, the prescribed minimum national space standards.
- 6.6 The provision of sufficient space and storage through the evocation of the Government's minimum space standards in dwellings is an important element of good design, reflects the specific circumstances of North Norfolk and helps to provide the type of homes required. The approach is included in the Plans viability assessment. The time line of local plan production is considered to be appropriate for any transition period for the introduction of such a policy requirement. By invoking these changes through the Local Plan it is considered that the national space standards will help to ensure that new homes provide a flexible and high quality environment in line with the NPPF, capable of

⁸ Evans, A and Hartwich, O.M.(2005) Unaffordable Housing: Fables and Myths, Policy Exchange: London as detailed in Housing Standard review Final Impact Assessment footnote 19

responding to occupants needs throughout their lifetime and changing circumstances and is aligned to the wider Council's ambitions.

- 6.7 It is important that developers are transparent at application stage and provide the necessary details to enable the LPA to determine if their proposals are in line with the Development Plan and it is considered **entirely reasonable and proportionate** that developers should specifically set out how their proposal meets the policy standards as part of any submission. The suggested inclusion of this information as part of the Design and Access Statement is appropriate and it is suggested that the text to the policy is altered to reflect this indicating that such information can be part of the Statement or a standalone document.
- 6.8 Although some developers may be happy with the take up rate of their products, if the Council is to meet and exceed its housing targets there needs to be a step change in delivery. A significant part of that is built around people's perceptions of housing. As detailed in the background paper, Research undertaken for the RIBA's Homewise report 2015⁹, revealed that more than half of the new homes being built today are not big enough to meet the needs of the people who buy them. Outside of London the average new 3 bedroom home is missing 4m² - This might not sound much but it is the space of an additional bathroom or it could be the space to set up as a home office out of the kitchen or living room. The earlier Case for Space report commissioned a poll to test perceptions and preferences around new built homes and it revealed that people believe that newly built homes fail to provide two of the top three things they are looking for when moving home: adequate space inside and outside the home.
- 60% of people who would not buy a new home said that the small size of the rooms was the most important reasons for them.
 - The top three things people look for when moving home are outside space (49%), the size of the rooms (42%), and proximity to local services (42%)
 - Overall the number of rooms was of less importance but people wanted rooms that were big enough with 42% listing size of rooms at the top of their preference list. This issue has also been demonstrated through other surveys where the perception of new builds is that they do not have enough room for the basic needs of the occupiers.

The emerging Local Plan seeks to address all three of these considerations.

- 6.9 In addition the provision of sufficient space in dwellings is an important element of good design and research by the Royal Institute of British Architects, RIBA , has demonstrated that the space in homes can affect the educational outcomes of children, have avoidable public health costs, affects individual wellbeing, interpersonal interactions and relationships¹⁰ A lack of space can compromise basic lifestyles needs, such as household space to play, relax, privacy, private work space, store possessions and can have significant life effects on health, family relationships, education attainment and social

⁹ <https://www.architecture.com/knowledge-and-resources/resources-landing-page/space-standards-for-homes#available-resources>

¹⁰ Space Standards for Homes 2017 incl Case for Space RIBA <https://www.architecture.com/knowledge-and-resources/resources-landing-page/space-standards-for-homes>

cohesion. The size and layout of new dwellings is therefore an important influence on the health and wellbeing and With the North Norfolk housing market being reliant on and driven by the sale of new homes it is important to ensure that new builds match the needs of future occupiers, most of whom are in the higher age brackets

- 6.10 As pointed out in the developer's feedback such a policy could lead to issues around site viability and may lead to reduced access for first time buyers, based on the argument that small homes can also contribute to meeting housing need. Site viability however is influenced by the price paid for land which in turn is influenced by the local policy position however **the onus is on developers to ensure that the price for land does not negatively affect the delivery of local plan objectives**, with Government advice now clearly stating that the price paid for land is not a relevant justification for failing to accord with relevant policies in a Plan. The wider objective of the Plan is also to deliver more two and three bedroomed properties and these should be functional and liveable homes; being spacious and well-proportioned will be key to longer term sustainability and community wellbeing.
- 6.11 Given the population profile, nature of existing housing stock and low levels of new development that currently meet the standards, specifically in relation to one, two and three bedroom properties where there is the greatest need, coupled with the high need for two and three bedroom properties, there is clear justification to require all new properties to at least meet, or exceed, the prescribed minimum national space standards.
- 6.12 Viability matters are also covered in Background paper and the Local Plan viability study which takes full account of the no of bed spaces and residential floor areas in the national space standards. The study demonstrates that a positive margin exists across all typologies in the District in line with the Council's emerging Local Plan strategy and it is concluded that the introduction of the standards would not have an impact on the viability of proposed developments.
- 6.13 In response to the feedback it is considered that there is scope to undertake some minor changes and clarifications to both the policy and the local plan pre-ambled text in order to strengthen the policy wording so that there is a clear purpose for consideration and to ensure any ambiguity is removed.
- 6.14 The supporting text is altered removing contextual information designed to inform at regulation 18 stage and strengthened in areas to aid interpretation and application.
- 6.15 The policy is amended for reasons of clarity as set out in appendix 2 to this report.

7. **Conclusions for Policy HOU10: Water Efficiency**

- 7.1 Overall no issues were raised. Support for this approach was received from Anglian water who provided for consideration some amended wording which would encourage developers to go beyond the national standard which has wider benefits to the District.
- 7.2 The evidence base supporting this policy is set out in section 8 [Background Paper no 7](#). The Environment Agency identify the whole region at the highest

level of serious stress and the introduction of the optional demand management is supported in the Anglian River Basin District River Basin Management Plan and the Revised Draft Water Resource Management Plan 2019. The Norfolk Authorities in conjunction with Natural England, Environment Agency and Anglian Water through the Norfolk Strategic Framework and Duty to co-operate process recognises that Local Plans should contribute to long term water resilience through a joint agreement.

7.3 The policy is amended to reflect Anglian Water advice which would encourage developers to go beyond the national standard. Clarify is added so that it is clear the principle of water efficiency applies to all development and not just residential. In line with local ambition and the drive for good water management the policy is amended to include non-residential properties.

7.4 The costs associated with BREEAM certification in relation to water efficiency are modest with payback estimated at less than two years for water and are between 0.1% and 0.2% capital costs depending on the type of development.

7.5 The updated draft policy text is set out in appendix 2 though it may be subsumed into broader sustainability policies in the final version.

8. **Conclusions for Policy HOU11: Sustainable Construction, Energy Efficiency & Carbon Reduction.**

8.1 Homes both new and existing account for 20% of emissions and in order to ensure the net zero target is progressively reached the government is aiming to increase the energy efficiency requirements of all new homes through incremental changes in the regulatory requirements of Building Regulation. The government consulted on the first part of this approach in October 2019 and is committed to consult on further technical and cost detail in 2023. The Future Homes Standards and legislation are set to be introduced in 2025 and will be implemented through Building Regulation, as such will sit outside Planning. According to the [MHCLG statement](#)¹¹ 19.1.21 the standard *will set out plans to radically improve the energy performance of new homes with all homes to be **highly energy efficient, with low carbon heating and be zero carbon ready by 2025.*** “

8.2 In the response to the Future Homes Standard consultation published 19.1.21 the Government confirmed that *work on a full technical specification for the Future Homes Standard has been accelerated and they will consult on the detail in 2023. They also stressed that they also intend to introduce the necessary legislation in 2024, ahead of implementation in 2025 and that they intend to introduce an interim update to building regulation that will result in a 31% reduction in CO2 from new dwellings when compared with current standards*¹¹ sometime in 2021.

8.3 The ambition of the Government is that the legislation and standards will

- set the performance standard of the Future Homes Standard at a level which means that new homes will not be built with fossil fuel heating, such as a natural gas boiler; and
- Homes will be future-proofed with low carbon heating and high levels of energy efficiency. No further energy efficiency retrofit work will be necessary to enable them to become zero-carbon (ready) as the approach is also linked to the decarbonisation of the electricity grid.

¹¹ Target emissions Rate of the 2013 Edition of the 2010 Building Regulations Part L amended 2016

- 8.4 In order to achieve this and help prepare supply chains and the skills that are necessary the Government has indicated in its response to the Future Homes consultation that its approach is incremental. A progressive reduction in carbon emissions is envisaged moving beyond the previous 19% reduction, as set in the emerging Local Plans Regulation 18 Policy HOU11, to 31% and then 75% reduction in carbon from current standards. In order to achieve such a step change the government is encouraging early investment and upskilling across the development industry in order to transition. In doing this a draft specification of the Future Homes Standard has been published¹². While it must be noted that this is not final and subject to further technical work and consultation it is shared a) so that it shows the comparisons between new standards and the previous standards and b) so that developers can begin to transition, spread the costs of redesign and engage across the industry.
- 8.5 The Government's intention to introduce these significant step changes through legislation and short term incremental changes to part L of the Building Regulation and through planning reform could **negate the requirement for a localised planning policy in the emerging Local Plan** as it would be superseded by the proposed changes in Building Regulations and or changes to the planning system as outlined in the recent White Paper. However accepting the now legally binding commitment the Government has recently made, one may remain sceptical, especially given the past record around previous commitments on delivering carbon neutral homes, the potential for government resources to continue to be diverted due to the Covid 19 response remains and the backlash to many of the controversial proposals around Planning Reform.
- 8.6 The ability for any Local Planning Authority, LPA to set interim standards through Local Plan policies which require developers to comply to energy efficiency standards that exceed the current energy requirements of Building Regulations has helpfully been confirmed. In the Government's response to the Future Homes Standard consultation published January 2021, it was confirmed that the government believe local councils have a role in helping to meet the net zero target and tackle climate change and it was clarified that the Government will not bring in the previous amendments to the Planning and Energy Act 2008, which restricted Local Planning Authorities ability to set local standards that exceeded the energy efficiency standards set out in level 4 Code for Sustainable homes (19% reduction). This means that local authorities currently retain the powers to set local energy efficiency standards for new homes.
- 8.7 However the document also states that *"as we move to ever higher levels of energy efficiency standards for new homes with [updated building regulations] and Future Homes Standard, it is less likely that local authorities will need to set local energy efficiency standards in order to achieve our shared net zero goal"*
- 8.8 In addition members will recall that the recent Planning White Paper proposes many significant reforms to the planning system and it needs to be born in mind that it is the Government's intention that the new planning reforms will clarify

¹² The Future Homes Standard 2019 Summary of responses and Government response January 2021 Table 2 para 2.31

the longer term role of planning authorities in determining local energy efficient standards.

- 8.9 Members will recall that the in a Written Ministerial Statement (WMS) in March 2015, the Government stated that '*local planning authorities...should not set...any additional local technical standards or requirements relating to the construction, internal layout or performance of new dwellings.*' The exception was the optional M4(2), M4(3) and the optional prescribed minimum space standards and energy performance, where the WMS sought to amend the Planning and Energy Act 2008, clarifying that LPAs would continue to be able to require energy performance standards higher than Building Regulations but only up to the equivalent of Code for Sustainable Homes Level 4 '*until commencement of amendments to the Planning and Energy Act 2008*'. However these commencements have not been implemented and there has been much debate and confusion on this issue.
- 8.10 Historically the Government intended to introduce higher energy performance targets nationally in 2016 at a level equivalent to the then(outgoing) Code for Sustainable Homes Level 4, but this was scraped along with the then Zero Carbon Policy after the general election in 2015. Despite the more recent and new government commitments and drive to zero emissions by 2050 the powers of the 2008 Act remain and the ability and timing of the Government to implement the commencements has always brought a level of uncertainty to the process, as they potentially remove the ability of the Council to require energy performance standards for new homes that are higher than Building Regulations and above the 19% reduction in carbon associated with the revoked level 4 of the Code for Sustainable Homes. Such a requirement was included in the regulation 18 consultation version of the emerging Local Plan with the policy approach reflecting the maximum permissible level in order to not introduce legal and soundness risks to the Local Plan. Further information on this, the approach at Regulation 18 and the legislative background, energy performance and carbon reduction is contained in chapter 13 of **Background Paper No 7 - Housing Construction Standards** published to support the Regulation 18 consultation and in the more recent Governments response to the Future Homes Standard.
- 8.11 The renewed clarification that the government expects Local Plans to help create a greener built environment and the move towards higher carbon reduction standards through building regulation in the near future are therefore welcomed.
- 8.12 In creating that step change required in construction technics and energy efficiency of dwellings ahead of the governments legislation and in line with the wider Council ambition and the responses' at regulation 18 stage **it is considered appropriate to continue to set a localised target, aid development through transition and that the approach should be more progressive and set a higher target.** One that aligns with the Governments direction of travel, and signals that developers in North Norfolk need to invest in supply chains, upskill, update designs and incorporate mitigation and adaptation measures and technology to support the delivery of the lowest levels of carbon emissions needed to deliver homes after its 2022 adoption and ahead of the Governments proposed time line in order to start to reduce the future proportion of emissions from the building sector and **decarbonise new dwelling across North Norfolk from the start of the Local Plan.**

- 8.13 In including such an approach, **it must be accepted that such a policy could be superseded in the short to medium term through the proposed national legislation.** Never the less it shows great intent in light of consultation feedback, the Government's response to the Future Homes Standard and the clear direction of travel on decarbonisation of the whole economy while recognising the Council's ambition in the declaration of its own Climate Change Emergency¹³ to amend the regulation 18 policy through the introduction of a higher local standards ahead of the Building Regulation changes. In doing so members need to be clear in your own minds the two separate roles of the Local Planning Authority and that of any corporate ambitions the Council may have for its own developments. The standards set in such a policy would apply to all development as a minimum and is informed by evidence. It does not inhibit any developer including development brought forward by the Council to go further in line with its own ambitions or environmental charter, as long as it is prepared to invest and is in conformity with the Local Plan as a whole.
- 8.14 **The ambition of the approach is that energy efficient, low carbon homes will become the norm in new build developments in North Norfolk. By making our new homes and other buildings more energy efficient and embracing smart and low carbon technologies, we can improve the energy efficiency of peoples' homes, potentially boost economic growth, help in the reducing carbon emissions and be more cost effective in long term management and day to day running costs in the housing sector.**
- 8.15 As detailed in the Background paper, there is not a national technical standard for carbon reduction in the same way that there are technical standards for space, water and access. The NPPF and Planning system as a whole directs us to meet the challenges of climate change, part of which is to support the transition to a low carbon future.

Plans should take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for flood risk, coastal change, water supply, biodiversity and landscapes, and the risk of overheating from rising temperatures¹⁴. Policies should support appropriate measures to ensure the future resilience of communities and infrastructure to climate change impacts, such as providing space for physical protection measures, or making provision for the possible future relocation of vulnerable development and infrastructure. Para 149 of the NPPF, 2019.

- 8.16 **As outlined in the national policy section of this report above it is not only technology that assists but energy efficient design measures should be the starting point.** These minimise internal heat generation, including building orientation, scheme layout and appropriate shading, insulation, air tightness and green roofs and walls, internal heat control through exposed thermal massing, passive ventilation, material choice followed by mechanical ventilation and then active heating and cooling systems based on the lowest carbon options, such as heat pumps, which the government expect will become the primary heating technology for new homes.
- 8.17 The policy approach is supported at consultation stage, is one that accords with the Councils ambition of stepping up to address climate change and one of designing out emissions, followed by the use of low carbon technologies and is

¹³ <https://www.north-norfolk.gov.uk/news/2019/august/north-norfolk-district-council-hosts-environment-assembly/>

¹⁴ In line with the objectives and provisions of the Climate Change Act 2008.

aligned to the direction of travel of national policy approach through the use of a progressive fabric first approach alongside the use of low carbon heating systems. The approach is encouraging developers to act now and start the transition.

- 8.18 In considering the responses at regulation 18 for those that wanted greater prescription. It is not for policy to pre determine how developers will achieve this through prescriptive measures. Each development and development site is different, technology is advancing at a fast pace, supply and costs vary and **how this will be achieved is depended on type and scale and design of a proposal.** The approach allows **flexibility** and discretion to the developers in line with the overall ambition and is not intended to be prescriptive in measures. Developers are free to vary specifications to meet the policy target through fabric improvements, design and or technology provided the overall carbon reduction is achieved or bettered.
- 8.19 The policy is intended to be bring in progressive change but in advance of the governments intended building regulation review and legislation through the Future Homes Standards.
- 8.20 In doing so members and decision makers at committee will need to be mindful that in cases there may be reluctance to change in the short term, potential supply and technological issues or insufficient skilled labour. **Where this is the case it is anticipated that rather than design measures, passive and mechanical ventilation and the low cost heating solutions envisaged that the immediate impact of such a policy will not be fabric improvements but that there will be a greater reliance on solar panels to achieve the policy target.** Although it is stepping in the right direction in the short term it may bring forward viability challenges which will have to be balanced. In doing so it is worth noting that it is the government intention that that the price paid for land is not a relevant justification for failing to accord with relevant policies in a Plan. Site viability however is influenced by the price payed for land which in turn is influenced by the local policy position however the onus is on developers to ensure that the price for land does not negatively affect the delivery of local plan objectives.
- 8.21 The costings for 19% reduction in carbon were included in the 2018 Local Plan wide viability assessment, and the assessment will need to be updated for the final iteration however no uplift was applied to future sales values at the time and a viability cushion shows that there remains some margins to absorb additional costs. Further details of this and costings can be seen in Background paper no 7 and the viability assessment. The governments Future Homes Standard approach and the Local Plan policy is based on the most cost effective ways of reducing CO2 emissions from new homes and is a balance between progression and the wider aims of the Council in its obligation to meet the wider housing need and infrastructure requirements. It is widely predicted that with the government specifying the higher performance controls and promoting low carbon technologies there will be future saving through cost effective and supply measure. The district is primarily a rural district and the approach may raise challenges for remote dwellings, where modern technologies / design measures may conflict with other policy intentions however the Local Plan directs growth to the most sustainable and appropriate locations and inappropriate development should be refused, where there is conflict the case should be made and material considerations taken into account by the decision maker.

- 8.22 The costs benefits on consumer on energy bills, reduction in fuel poverty, and lower future demand for fuels and the wider positive impacts resources and climate change are also a consideration. The government predict significant cost saving to the user due to reduced demand through good levels of energy efficiency. Under the interim Part L 2021 standard expected i.e the 31% carbon reduction, *they anticipate that householders will pay around £168 per year on their regulated fuel costs in a home with a gas boiler and a solar panel or around £369 per year on their energy bills in a home with a heat pump (the energy costs associated with a home with a heat pump are subject to the consultation question in The Future Buildings Standard consultation on the level of the Fabric Energy Efficiency Standard).*¹⁵
- 8.23 In response to regulation 18 feedback, the policy requirement that all proposals should be accompanied by a separate compliance statement covering energy efficiency and carbon reduction is not seen as onerous, indeed some applications do so already, though it is accepted that this could be part of the Design and Access Statement (where required), or a separate energy statement. Text is amended so that it is clear that a Compliance Statement is required and what it should include.
- 8.24 In line with national and local drive for progressive energy efficiency the policy ambition is to drive sustainability standards across all types of development and as such, in line the promotion of assessment framework and design review tools promoted through para 129 of the NPPF the policy approach is to utilise BREEAM very good standard for non-residential development The cost uplift of achieving New Construction 2018¹⁶ for 'Very Good' scenarios, the BREEAM related capital cost uplifts over the baseline building's overall construction costs are less than 0.25%.

Conclusions

- 8.25 The policy and reasoned justification text is amended, updating the basis for a local approach and to clearly state that the target carbon reduction is a minimum but part of the progressive direction of travel signalled by the Government and the drive for development to be carbon ready in the short term. The target reduction itself is amended in line with the latest evidence and emerging government expectations from the Future Homes Consultation response and sets an interim position in advance of building regulation changes of 31% carbon reduction. Developers are encouraged to go further when possible. For non-residential development the minimum standard is raised from "good" to "very good" in in order to align with the progressive expectations of performance. By evoking the requirement for appropriate non-residential development over 500sq meters to comply to the BREEAM" very good" energy efficiency standard or equivalent successor the policy approach is seen as setting a progressive target that is reasonable, viable and deliverable and accords with the direction of national travel and Council ambition. A threshold is used to avoid additional burdens / costs on smaller scale employers and community initiatives. The approach its self does not

¹⁵Future Homes Standard, summary of responses and Government response Jan2021 Para 3.64

¹⁶ Source: BREEAM Delivering Sustainable Buildings: Savings and Payback Office Case Study for BREEAM UK New Construction 2018. https://files.bregroup.com/breeam/briefingpapers/Delivering-Sustainable-Buildings-Savings-and-Payback-Office-Case-Study-BREEAM-NC-2018_BREEAM BRE_115359_BriefingPaper.pdf

require a reduction in carbon but does evoke the requirement for low carbon design.

8.26 Clarity is added around the requirement for a compliance statement with the aim of ensuring development in North Norfolk **starts the transition to carbon zero ready, is energy efficient, and that low carbon homes will become the norm in new build developments from the adoption of the Local Plan.**

8.27 The amended approach is set out in Appendix 2.

9 Recommendations

9.1 It is recommended that Members endorse the revised Policies below, recommending to Cabinet and delegating responsibility for drafting such an approach, including that of finalising the associated policies to the Planning Manager:

HOU8: Accessible and Adaptable Properties;

HOU9: Minimum Space Standards;

HOU10: Water Efficiency;

HOU11: Sustainable Construction, Energy Efficiency & Carbon Reduction.

10. Legal Implications and Risks

10.1 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 up to date and proportionate evidence, the application of a consistent methodology and take account of public feedback and national policy and guidance.

10.2 The statutory process requires records of consultation feedback and a demonstration of how this has informed plan making with further commentary demonstrating how the representation at regulation 18 have been taken into account in line with Regulation 22.

11. Financial Implications and Risks

11.1 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.

Appendices

Appendix 1 – Schedule of Representations

Appendix 2 – Revised Draft Policy Approaches