

BRECKLAND DISTRICT COUNCIL

Report of the Executive Member for Assets and Strategic Development

To: Local Plan Working Group

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Subject: Setting Localised Housing Target

Purpose:

The purpose of this report is to present the interim findings of the Technical Report "Setting a local housing target for Breckland" which has been prepared for the purposes of advancing the draft District wide Local Plan.

Recommendation(s):

It is recommended that the Local Plan Working Group consider and comment on the report and accept it for the purpose of preparing the Local Plan.

1. BACKGROUND

- 1.1 In March 2013 Members agreed a working methodology for the setting of a housing target for the Local Plan. This report seeks to update members on progress towards the setting of the 'objectively assessed needs' for housing. The National Planning Policy Framework (NPPF), requires Local Planning Authorities to meet the objectively assessed needs for housing.
- 1.2 In preparing Local Plans, authorities are required by the NPPF to objectively assess the development needs for their area and plan for these needs. Without the overarching Regional Spatial Strategy, which has now been revoked, this is the first time Districts have been wholly responsible for setting their own housing and employment targets. (A separate report on the Breckland Employment Growth Study is to be presented to members at this working Group session) It is important to note that housing and employment are inherently interrelated. The setting of these targets must be in the context of the NPPF, and demonstrate with evidence the outcomes as well as through process of having adopted a collaborative approach and effectively co-operated through the Duty to Co-operate with neighbouring authorities and appropriate bodies across the functional area.
- 1.3 In order to move towards the fully objectively assessed housing requirement and develop a robust and consistent approach to understanding the future levels of dwellings, this report presents the available information over the current local plan period 2011- 2031 to the agreed methodological approach. The report utilises information gathered by Nathaniel Lichfield & Partners (NLP) on the Breckland Demographic Projections, September 2013, as attached in appendix B. Ongoing work will incorporate a job based scenario to understand how employment growth will translate back into housing as presented in the Breckland Employment Growth Study, NLP, November 2013, to provide guidance and support in developing homes and jobs to aid the drafting of the land use allocations and development management policies in the emerging Local Plan.

- 1.4 The report addresses a wide range of national, sub-national and local data to provide an overview of population change and economic factors and is split into three stages.
- 1.5 **The first section** of this technical report is split into three parts:
- 1.6 The first part presents the latest data on the population of Breckland and the drivers of demographic change. These national figures and projections are presented from the Office of National Statistics (ONS) and the Department for Communities and Local Government and are the starting point in any assessment. The data was reviewed through the “What Homes Where” website as endorsed by the “Planning Advisory Service” (PAS) in the Ten Principles for owning your Housing Number booklet. The tool utilises 2008 base data projections on household projection as the most recent available data.
- 1.7 These population projections are essentially continuations of past trends, based on rolling forward what has occurred in the past. In their simplest form they identify what would happen in the future if the key factors such as birth and death rate, migration rates, household formation rate and the number of people not living in households continued at the same rates. They do not take into consideration changes in policy at the national and local level and reliance on them alone is not enough to objectively assess housing needs especially as given the suppressed economic conditions in the past economic cycle.
- 1.8 The second part of this section presents more locally derived data such as the latest figures on housing completions and commitments within the district.
- 1.9 The third part presents base line economic factors and a summary of the key messages from the recent Employment Growth Study by NLP (November 2013).
- 1.10 **The second stage** of the report utilises sub national modelling and presents the latest forecasts from two economic forecasting models, the East of England Forecasting Model (EEFM) and the POPGroup Forecasting Model as contained in the Breckland Demographic Projections report by NLP, September 2013. A number of different scenarios are presented reflecting demographic led, economic led and supply-side led growth. The EEFM model is primarily a forecast tool based on economic led growth and an understanding of the relationship between employment and housing, while the POPGroup model is based on demographic derived forecasts.
- 1.11 This work was undertaken by Nathaniel Lichfield & Partners (NLP). As reported in March 2013 there were risks associated with Norfolk County Council not being in a position to support this work. NLP were subsequently commissioned to undertake the demographic work.
- 1.12 A number of scenarios covering a variety of the available base data have been assessed. The scenarios presented each utilise different base data currently available. These include scenarios utilising the ONS 2010 based sub national population projections and the latest interim 2011 based projections (published September 2012), which have been partially updated to a 2011 census base.

- 1.13 A number of these scenarios are based on interim forecasts and it should be noted that since the 2011 interim figures only cover a ten year period they are of limited value for the strategic planning purposes in relation to the local plan which is planning up to 2031. Never the less they provide a useful reference. The next full set covering 25 years is expected in September 2014.
- 1.14 **Stage 3** of the report summarises the different scenarios and presents a range of dwelling requirements to meet the objectively assessed needs. At this stage “supply side” factors, including existing policy constraints have not been taken into account to influence the “demand side” of the equation. Government guidance expects policy factors etc to be excluded when setting the objectively assessed requirement. Members may be aware that this is a matter of some controversy, including recent case law, however the methodology which Members have approved provides a basis for “supply side” considerations, including the findings from an up to date SHLAA (strategic housing land availability assessment) to be taken into account after the objectively assessed requirement has been calculated.
- 1.15 Members may also be aware that elsewhere in the country several draft Local Plans have “stalled” at the public examination stage where Planning Inspectors have not been satisfied with Plan “soundness” including the requirement to identify objectively assessed needs. This includes assessment of need in the context of the wider housing market area and the utilisation of the latest and most up to date data. Whilst in some cases the LPAs have been able to resubmit new calculations including further studies to present to Inspectors, albeit causing delay and additional resourcing requirements for the Local Plan, if there has been a manifest failure in the Duty to Cooperate this has lead to the outright rejection of the Plan.
- 1.16 The government is increasingly recognising the important economic role that housing can provide in stimulating and assisting in growth. Local Economic Partnerships (LEP’s) have also been given increasing responsibility for housing as a result of the government proposing to give them a share of the New Homes Bonus that is received for every home added to the Council Tax Register.
- 1.17 Members will be aware that the New Anglia LEP is producing a Growth Plan/ Strategic Economic Plan, which has to be submitted to the government in March 2014. It is clear that the government’s priority is growth and those LEP’s who can demonstrate alignment with planning policies and governance across local authorities’ will be in a stronger position to bid for Growth Funding. Presently it is unclear what status an LEP economic growth strategy, including job targets , would have in future plans, however once LEP’s Growth Plans are approved, they will need to be taken into account in the preparation of the draft Local Plan.
- 1.18 As reported in the Draft Breckland Employment Growth Study (November, 2013, NLP) a further scenario for the purpose of determining job growth for Breckland has been undertaken following input from stakeholder and officer involvement. However it has not yet been translated back to housing growth. This scenario needs to be fully translated through the forecasting model in order to obtain housing figures for this optimal employment scenario.

Guidance

- 1.19 At the time of agreeing the methodology at the Local Plan Working Group in March 2013 there was no national guidance available on assessing development needs in accordance with the National Planning Policy Framework requirements and therefore this report covers a broad spectrum of approaches to undertake this challenging task.
- 1.19 In the summer 2013 new draft online National Planning Practice Guidance (NPPG) was published and this states that local plan housing provision should match job growth figures to prevent “unsustainable commuting patterns”. There is a requirement to monitor the approach in light of the draft guidance.
- 1.20 The NLP job based scenario is timely to tie in with this emerging guidance. The draft NPPG states: “Where the supply of working age population is less than the projected job growth.... Plan makers will need to consider increasing their housing numbers to address these problems.”
- 1.21 The approach and forecast models will require review as guidance becomes clearer and in order to reflect new releases in job / population figures in order to be robust at later stages of the plan making process. As the local plan progresses the EEFM and the POPgroup modelling could undergo revisions as required in order to fully reflect the latest available data which has been explicitly mentioned by Inspectors at recent Examinations.

Duty to Co-operate

- 1.22 Members should note that the requirements of the Duty to Co-operate should not be underestimated in the setting of the housing and employment figures. There are numerous references to this duty in the NPPF and recent examination failures. Perhaps the most significant are paragraphs 178 and 184 where it is stated that:

“Public bodies have a duty to co operate on planning issues that cross administrative boundaries. Particularly those that relate to strategic priorities.... The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.”

Paragraph 184 goes on to say that:

“Local Planning Authorities will be expected to demonstrate evidence of having effectively co-operated to plan for issues with cross boundary impacts when their local plan is submitted....”

- 1.23 In order to comply with this requirement it will have to be formally documented that the Council has undertaken engagement on the housing and employment figures and that there is an agreed outcome with all of the neighbouring authorities demonstrating a process of iteration. The NPPF goes on to say:

“...continuous process of engagement from initial thinking through to implementation....” NPPF 181.

It is advisable that this process should also cover other relevant bodies. This is not something an Inspector can rectify if challenged or if an Inspector raises concerns that it has not been undertaken.

- 1.24 Members will note that Breckland is ahead of other local authorities in the local plan process. So far there has been limited interest from others to work together on this project and emerging practice does not support this approach. It is important that when local plans are at different stages, that agreement is sought between local authorities as to how things will be taken forward i.e. joint methodologies on housing numbers, even if the timescales for doing the work are different.

Next stages

- 1.25 Moving towards an objectively assessed needs figure:

- Will require an alignment in the processes of the housing and employment assessment.
- Further visionary work will need to be undertaken through stakeholder engagement.
- Engagement, through the Duty to Co-operate with neighbouring authorities and appropriate bodies seeking agreement on the approach and implications for growth on the local plan.
- Methodology kept under review with emerging decisions and guidance.
- Incorporate the employment growth scenario into the model forecasting
- Obtain PINS and other, independent assessment of the robustness of the Council's approach.

2. OPTIONS

The report presents a range of interim housing figures, which reflect a number of different growth scenarios that influence the housing need/demand. The comments of the working group will feed into the process of the first draft Local Plan.

There are two options available for members:

- Option 1 - Members to consider the contents of this report and appendices and accept the report and its interim findings as technical evidence to support the preparation of the Council's emerging Local Plan. Members endorse the further steps necessary as indicated above, in order to ensure a robust evidence base and to move towards the objectively assessed housing needs of the district.
- Option 2 – Members to consider the contents of this report and do not accept it for the purposes of evidence base to underpin the Local Plan.

3. REASONS FOR RECOMMENDATION

It is recommended that members endorse option 1. This paper represents an important milestone in setting the objectively assessed housing need in Breckland, which the Local Plan must seek to meet in full. Any subsequent work will be based on addressing this need in full to move forward on the work accomplished in this interim report.

4. EXPECTED BENEFITS

The report will be used to inform policies and proposals within the Districts new Local Plan and will help provide a suit of evidence to inform future policy preparation.

5. IMPLICATIONS

5.1 Legal

There are no direct legal risks resulting from the contents of this report; however Local Planning documents need to be prepared in accordance with relevant Local Planning Regulations and Acts of Parliament, having regard to relevant considerations and case law.

5.2 Risks

The additional scenario undertaken by the employment study taking into account stakeholder and officer input might reflect a higher housing figure. The employment outputs need to be translated back to the housing requirement. Failure in not doing so may result in the findings from the housing number and employment studies not being aligned. This will affect the robustness of the evidence base. Failure to make further in roads to comply with the Duty to Co operate could jeopardise the legal requirement of “effective” plan making.

5.3 Financial

NLP has undertaken the initial demographic work for the Council, It is indicated that in order to run the further scenarios a financial contribution will be required. It is expected that this will be in the region of £250 + vat.

5.4 Timescales

This will be aligned to the local plan making process.

5.5 Equality and Diversity

There are no direct equality and diversity issues raised by this report.

5.6 Stakeholders / Consultation

The setting of the objectively assessed needs will be subject to the Duty to Co-operate requirements and further stakeholder consultation, which is an integral part of the Local Plan preparation and the Statement of Community Involvement.

5.7 Contracts

5.8 Section 17, Crime & Disorder Act 1998

There are no crime and disorder implications arising from this report.

6. WARDS/COMMUNITIES AFFECTED

This report will affect all wards in Breckland due to it considering the process of developing a District Wide local plan.

Background papers:- none

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Appendices attached to this report:

Appendix A: Setting a Local Housing Target for Breckland, November 2013

Appendix B: Breckland Demographic Projections Technical Report, NLP, September 2013