

BRECKLAND DISTRICT COUNCIL

Report of: Cllr Gordon Bambridge – Executive Member for Growth

To: Overview and Scrutiny Commission – 6th July 2017

Author: Sarah Robertson, Senior Planning Policy Officer (Capita)

Subject: Central Norfolk Strategic Housing Market Assessment 2017

Purpose: The purpose of this report is to update Members on the findings of the Central Norfolk Strategic Housing Market Assessment

Recommendation(s):

- 1) That Members consider the Central Norfolk Strategic Housing Market Assessment and publish as part of the evidence base to inform the Local Plan.

1.0 BACKGROUND

- 1.1 The Central Norfolk Strategic Housing Market Assessment (CNSHMA) forms the key element of housing evidence, which is required to support the Local Plan. The CNSHMA is attached at Appendix A of this report. The CNSHMA discussed within this report represents a full update to the Part 1 of the CNSHMA presented to Cabinet in November 2015. The 2017 CNSHMA was again prepared by Opinion Research Services (ORS) and was jointly commissioned by all of the Central Norfolk partner authorities.
- 1.2 The study has been prepared based on the same methodology as the previous iteration, updating inputs to the study where new evidence is available and reflecting any changes in case-law and Planning Inspectors decisions as necessary.

Scope of CNSHMA

- 1.3 The NPPF at paragraph 159 requires Local Planning Authorities to *'prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.'*
- 1.4 A housing market area is defined within the National Planning Practice Guidance (NPPG) as a *'geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.'* (NPPG Paragraph: 010 Reference ID: 2a-010-20140306) Members will be aware from the previous SHMA, that Breckland's housing market area, does not follow the Authorities boundary. Instead evidence showed that large parts of the District were indelibly linked with Norwich in the way in which people lived and worked. As such it has been necessary to work with a wider range of Norfolk authorities to review the housing needs for the area. As such the Central Norfolk Strategic Housing Market Assessment covers the five authorities of Breckland, North Norfolk, Broadland, South Norfolk, Norwich City and the Broads Authority.
- 1.5 Whilst not all of Breckland has the closest association in terms of its travel to work patterns or operation of its housing market with Norwich than any other location, the Housing Market Area (HMA) represents a best fit, ensuring, as required by government methodology, that

no areas fall outside of a HMA. In this regard it is important to note that the findings of the CNSHMA refer to the whole of Breckland district.

- 1.6 As noted above the key outcome of a SHMA as defined by the NPPG is to *'identify the future quantity of housing needed, including a breakdown by type, tenure and size'*. (NPPG Paragraph: 002 Reference ID: 2a-002-20140306).

Key Outcomes of the CNSHMA

- 1.7 The key output from the SHMA is the identification of an Objectively Assessed housing Need (OAN) which the Council needs to plan for. This local target replaces previous targets in Regional Plans that are now revoked. Whilst there is not a single source of information which defines OAN, the NPPG sets out the starting point for the calculation of OAN, stating *'household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.'* (NPPG Paragraph: 015 Reference ID: 2a-015-20140306). Household projections are produced by applying projected household representative rates to the population projections which are published by the Office for National Statistics.
- 1.8 Since the last CNSHMA was produced there has been a revised set of household projections released by DCLG. The most recent projections are referred to as the 2014 household projections and cover the period 2015-2036. Across Central Norfolk over this period the 2014 projections show that household numbers will grow by 2,462 dwellings per annum. Alongside the 2014 household projections, the CNSHMA has also had regard to:
- Migration adjustments, based on 10 year 2005-2015 longer-term migration trends;
 - Market signals, including an uplift for concealed families
 - Converting from household growth to a requirement for dwellings, taking account of vacancies and second homes.
 - Employment trends and the relationship between jobs forecast and projected numbers of workers – i.e. are there sufficient workers to meet our employment targets?
- 1.9 The outcome in relation to OAN for Breckland is set out within section 5 Housing Requirements specifically paragraphs 5.3 to 5.4, of the CNSHMA. The study shows that the Full OAN for Breckland for the Local Plan Period of 2011-2036 is **15,298 dwellings**. Over the course of the plan period this equates to **612** dwellings needing to be delivered per annum.
- 1.10 The CNSHMA identifies a substantial need for additional affordable housing across Central Norfolk. This is accounted for within the overall OAN, however the study does note that it will be important to maximise the amount of affordable housing that can be delivered through market housing led developments. A breakdown of housing mix for both affordable and market dwellings are included within chapter 4 of the CNSHMA, specifically within figure 83. This shows that for market housing the greatest requirements are for 3 bedroom houses, whilst for affordable houses the requirements are predominantly for smaller 2 and 3 bedroom properties.
- 1.11 Based on an analysis of findings of the English Housing Survey (EHS) 2015-16, the CNSHMA concludes that 35% of gross income is a reasonable upper limit at which households on lower incomes could afford rent without falling into housing need. Across Central Norfolk as a whole, the majority of households in need of affordable housing would require rented properties of the appropriate size. Based on the EHS based assumption in Breckland 70% of households in need would require rented housing.

Implications for the Local Plan

- 1.12 The findings of the updated CNSHMA have shown an increase in the OAN for Breckland from the 2015 document. The latest SHMA uses the most up to date population projections to forecast OAN, and therefore should be included within the Local Plan to derive the housing requirement.
- 1.13 The marginally higher housing requirement for Breckland does not have a negative implication on the Local Plan preparation. In the current 5 year period of the Local Plan only a further 70 dwellings would need to be confirmed above that from the previous SHMA. Higher levels of committed development in recent years mean that the housing trajectory which is required to be prepared alongside the Local Plan shows that no new sites would be required. The Local Plan, plans to meet the whole OAN for the District through commitments, completions, new housing allocations and sites which have the decision to grant subject to s106. The total provision is 648 above OAN however this only provides a small buffer against which the Inspector will assess delivery. As part of the Duty to Co-Operate, the other Central Norfolk authorities have also confirmed that they are able to meet their own OAN in full or have existing mechanisms in place to consider how these are best delivered.

2.0 OPTIONS

- 2.1 Option A: Members consider the Central Norfolk Strategic Housing Market Assessment and publish it for use as evidence base to inform the Local Plan.
- 2.2 Option B: Members consider the Central Norfolk Strategic Housing Market Assessment and do not publish it for use as evidence base to inform the Local Plan.

3.0 REASONS FOR RECOMMENDATION(S)

- 3.1 It is recommended that Members endorse Option A as set out above. The study uses the most up to date evidence as required by the National Planning Practice Guidance. If Members do not endorse the evidence base, there may be wider implications in relation to the Duty to Co-Operate. This would result in a delay to the Council's Local Plan process whilst amendments to the document were considered and could affect the soundness of the plan if evidence differed between the authorities in the same housing market area.

4.0 EXPECTED BENEFITS

- 4.1 This study forms a key part of the evidence base for the Local Plan. It also helps to demonstrate the Duty to Co-Operate was required by the Localism Act 2011.

5.0 IMPLICATIONS

5.1 Carbon Footprint / Environmental Issues

- 5.1.1 It is the opinion of the Report Author that there are no implications.

5.2 Constitution & Legal

5.2.1 It is the opinion of the Report Author that there are no implications.

5.3 **Contracts**

5.3.1 It is the opinion of the Report Author that there are no implications

5.4 **Corporate Priorities**

5.4.1 The CNSHMA forms a key element of the evidence base for the Local Plan. The Local Plan aligns with corporate priority: Supporting Breckland to develop and thrive; providing the right services at the right time and in the right way; developing the local economy to be vibrant with continued growth and enabling stronger, more independent communities. The production also aligns with the priority of enabling effective planning and delivery of housing solutions to meet local needs.

5.5 **Crime and Disorder**

5.5.1 It is the opinion of the Report Author that there are no implications.

5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the Report Author that there are no implications

5.7 **Financial**

5.7.1 It is the opinion of the Report Author that there are no implications)

5.8 **Health & Wellbeing**

5.8.1 It is the opinion of the Report Author that there are no implications.)

5.9 **Risk Management**

5.9.1 Central Government have set out within the Housing White paper the intention to introduce a standardised approach to assessing housing requirements. The timescale for this has not currently been set out, however it may have implications on the OAN for Breckland.

5.10 **Safeguarding**

5.10.1 It is the opinion of the Report Author that there are no implications

5.11 **Staffing**

5.11.1 It is the opinion of the Report Author that there are no implications.

5.12 **Stakeholders / Consultation / Timescales**

5.12.1 The CNSHMA forms a key part of the evidence base for the Local Plan. The findings in relation to District wide OAN will be part of the six week Regulation 19 Local Plan publication.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All wards in Breckland are covered by the Central Norfolk Strategic Housing Market

Assessment

7.0 **ACRONYMS**

- 7.1 CNSHMA: Central Norfolk Strategic Housing Market Assessment
- 7.2 DCLG: Department for Communities and Local Government
- 7.3 NPPF: National Planning Policy Framework
- 7.4 NPPG: National Planning Practice Guidance
- 7.5 OAN: Objectively Assessed Need
- 7.6 ORS: Opinion Research Services (Consultants)

Background papers:- [See The Committee Report Guide](#)

Lead Contact Officer

Name and Post: Alex Chrusiack, Director of Planning and Building Control
(Capita)
Telephone Number: 01362 656 805
Email: Alex.chrusiack@capita.co.uk

Key Decision: Yes

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report:

Appendix A Central Norfolk Strategic Housing Market Assessment (2017)