Cabinet

Monday 2 November 2015

9:00am, Colman and Cavell Rooms
South Norfolk House, Long Stratton, Norfolk, NR15 2XE

If you have any special requirements in order to attend this meeting, please let us know in advance

Large print version can be made available

Contact Claire White on 01508 533669 or democracy@s-norfolk.gov.uk
Members of the Cabinet

Mr J Fuller (Chairman)
Mr J Wilby (Vice Chairman)

Portfolio Holders

Mrs Y Bendle
Mr M Edney
Mr L Hornby
Mrs K Mason Billig

Group Meetings

Conservatives – 8:00 am, Cabinet Office
Liberal Democrats – 8.30 am, Blomefield Room

This meeting may be filmed, recorded or photographed by the public; however anyone who wishes to do so must inform the chairman and ensure it is done in a non-disruptive and public manner. Please review the Council’s guidance on filming and recording meetings available in the meeting room.
Agenda

1. To report apologies for absence;

2. Any items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B(4)(b) of the Local Government Act, 1972. Urgent business may only be taken if, "by reason of special circumstances" (which will be recorded in the minutes), the Chairman of the meeting is of the opinion that the item should be considered as a matter of urgency;

3. To Receive Declarations of Interest from Members; (please see guidance – page 6)

4. To confirm the minutes of the Cabinet meetings held on 14 September and 19 October 2015; (attached – pages 7 & 12)

5. Mulbarton Neighbourhood Plan; Consideration of the Examiner’s Report; (report attached – page 15)
6. **Greater Norwich Local Plan, Central Norfolk Strategic Housing Market Assessment and Greater Norwich Water Efficiency Advice Note Update;**  
   (report attached – page 56)  
   (Please note that Appendix A, the Strategic Housing Market Assessment is available electronically only, on-line at [http://www.south-norfolk.gov.uk/democracy/default.aspx](http://www.south-norfolk.gov.uk/democracy/default.aspx))

7. **Performance, Risks and Revenue Budget Provision Report for the Quarter 2 2015/16;**  
   (report attached – page 77)  
   (Please note that Appendix 4 to this report is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)

8. **Capital and Treasury Management Report Quarter 2 2015/16**  
   (report attached- page 118)

9. **ICT Strategy (including draft capital profile);**  
   (report attached – page 141)  
   (Please note that Appendix B to this report is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972)
10. **Environment Policy:**

The Environment Policy has been deferred to a future meeting of the Cabinet to allow time for the Action Plan to be considered by the Environment and Regulation Policy Committee.

Bob Wade  
Head of Environmental Services

11. **Cabinet Core Agenda:**

(attached – page 156)
DECLARATIONS OF INTEREST AT MEETINGS

Members are asked to declare any interests they have in the meeting. Members are required to identify the nature of the interest and the agenda item to which it relates.

- In the case of other interests, the member may speak and vote on the matter.
- If it is a pecuniary interest, the member must withdraw from the meeting when it is discussed.
- If it affects or relates to a pecuniary interest the member has, they have the right to make representations to the meeting as a member of the public but must then withdraw from the meeting.
- Members are also requested when appropriate to make any declarations under the Code of Practice on Planning and Judicial matters.
- In any case, members have the right to remove themselves from the meeting or the voting if they consider, in the circumstances, it is appropriate to do so.

Should Members have any concerns relating to interests they have, they are encouraged to contact the Monitoring Officer (or Deputy) or another member of the Democratic Services Team in advance of the meeting.
CABINET

Minutes of a meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 14 September 2015 at 9.00 am

Members Present:

Cabinet: Councilors M Wilby (Chairman for the meeting) Y Bendle, M Edney, L Hornby and K Mason Billig

Apologies: Councilor J Fuller

Non-Appointed: Councilors V Bell, B Bernard, F Ellis and C Foulger

Officers in Attendance: The Chief Executive (S Dinneen), the Director of Business Improvement (D Lorimer), the Director of Community Services (P Boyce), the Director of Growth and Localism (T Horspole), the Head of Environmental Services (B Wade), the Head of Leisure Services (S Goddard), the Project Officer (T Durrell) and the Property Consultant (S Bizley)

2391 URGENT ITEM – DEVOLUTION IN THE NEW ANGLIA AREA

The Chairman agreed that given the current status of the negotiations across Norfolk and the potential agreement of a negotiation document between the Leaders of the Norfolk authorities and key partners on 22 September 2015, that this item should be considered as a matter of urgency.

The Chief Executive explained that as recently as the middle of August, central government announced that those two tier authorities wishing to express an interest in the devolution agenda, needed to do so by 4 September 2015. Emergency meetings between the Leaders of the Norfolk local authorities and key partners were held, and an expression of interest was submitted to the Government within the deadline. She referred to a “double devolution” approach, based on district clusters, which could for
example include the Greater Norwich area. The function areas to be delivered through this approach were yet to be defined. She stressed that this process was not a reiteration of Local Government reorganisation; the Council would still exist in its own right and continue to deliver services. Devolution was an opportunity to transfer the resources and powers from central government, to a more localised level.

Members noted that a full report detailing the contents of the expression of interest, and the next steps, would be considered as an urgent item at the Council meeting on 21 September. In response to a query, the Chief Executive explained that on 22 September, all Leaders within the New Anglia LEP area would meet to discuss and sign off a more detailed negotiation document, ahead of its consideration by the Department for Communities and Local Government (DCLG).

2392 MINUTES

The minutes of the meeting held on Monday 20 July were agreed as a correct record and signed by the Chairman.

2393 REVIEW OF CORPORATE ENFORCEMENT POLICY NOW TO BE KNOWN AS: THE COMPLIANCE AND ENFORCEMENT POLICY

The Subject of the Decision

Members considered the report of the Head of Environmental Services and the Project Officer, which presented members with the draft Compliance and Enforcement Policy for approval.

The Head of Environmental Services outlined the key issues of his report to members, drawing attention to the risks, should the policy fail to be updated.

Cllr Lee Hornby commended the policy to members, explaining that an update was essential, in order to keep up to date with national guidance, codes and obligations placed on regulators. Cllr Mason Billig also expressed her support for the policy, and was pleased to see that the Council was keeping abreast of national guidance and regulations.

The Decision

RESOLVED To approve the Compliance and Enforcement Policy
The Reasons for the Decision

To ensure compliance with the Department of Business Innovation and Skills Regulators' Code

Other Options Considered

None

2394 LEISURE PASSPORT REVIEW AND PROPOSALS FOR FUTURE DELIVERY

The Subject of the Decision

Members considered the report of the Head of Leisure, which proposed changes to the Council's Passport to Leisure scheme.

The Head of Leisure Services outlined the background to his report, explaining that the proposed changes would bring the Council in line with neighbouring authorities. The Director of Business Improvement added that the proposals would align the scheme to the state pension age, and also allow the Council to focus its support to those in greatest need, in line with other Council schemes. Cabinet noted that the changes would be implemented in two phases, with the pricing changes to the scheme coming in to full effect from the date of the full re-opening of the Wymondham Leisure Centre.

The Decision

RESOLVED: To agree to implement the proposed changes to the Leisure Passport scheme, as outlined in paragraphs 4.1 to 4.4 of the report.

The Reasons for the Decision

To bring the scheme in line with those offered in neighbouring authorities, and to allow the Council to focus its support on those that need it most.

Other Options Considered

• To retain the current scheme
• Removal of the scheme.
2395 GYPSY AND TRAVELLER LOCAL PLAN DOCUMENT – PREFERRED OPTIONS

Members noted that the Gypsy and Traveller Local Plan Document – Preferred Options, was deferred to a future meeting of the Cabinet. The Director of Growth and Localism explained the reasons for the deferral, and the need to carefully consider the implications of the changes to national policy. Cllr C Foulger, the Chairman of the Gypsy and Traveller Task Group supported its deferral in order to ensure that the emerging Local Plan document had appropriate regard to the updated Policy.

2396 CABINET CORE AGENDA

Members noted the latest version of the Cabinet Core Agenda.

2397 EXCLUSION OF THE PUBLIC AND PRESS

It was

RESOLVED: that under Section 100A (4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 Schedule 12A of the Act (as amended).

2398 PROPERTY DEVELOPMENT

The Subject of the Decision

Members considered the exempt report of the Property Manager, which made a number of recommendations in relation to the developments at Rosebury Park, Poringland and Maple Park in Long Stratton, the disposal of three Council owned properties, and other proposals relating to three other Council owned holdings.

The Director of Business Improvement introduced the report, and the Property Consultant outlined the key issues and risks associated with the proposals.
Members expressed their support for the recommendations.

The Decision

**RESOLVED:** To approve the recommendations, as listed in paragraphs 16.1 to 16.7 of the report.

The Reasons for the Decision

To maximise the value of assets, maximising their contribution to service delivery, in line with the Council’s Asset Management Plan

Other Options Considered

As outlined in the report.

(The meeting concluded at 9.29 am)

________________________
Chairman
SPECIAL CABINET

Minutes of a special meeting of the Cabinet of South Norfolk District Council held at South Norfolk House, Long Stratton on Monday 19 October 2015 at 2.30 pm

Members Present:

Cabinet: Councillors J Fuller (Chairman) M Edney, L Hornby and K Mason Billig

Apologies: Councillors Y Bendle and M Wilby

Non-Appointed: Councillors V Bell, B Bernard, D Bills, M Dewsbury, F Ellis, C Foulger, D Goldson, M Gray, N Legg, J Mooney, A Palmer and B Stone

Officers in Attendance: The Chief Executive (S Dinneen), the Director of Growth of Localism (T Horspole) and the Planning Policy Manager (A Nicholls)

ADOPTION OF SOUTH NORFOLK LOCAL PLAN DOCUMENTS: SITE SPECIFIC ALLOCATIONS AND POLICIES, DEVELOPMENT MANAGEMENT POLICIES, WYMONDHAM AREA ACTION PLAN AND ASSOCIATED POLICIES MAP UPDATES

Members considered the report of the Planning Policy Manager, which presented the Site Specific Allocations and Policies Document, the Development Management Policies Document, the Wymondham Area Action Plan, and amendments to the Policies Maps, for adoption.

The Chairman outlined the background to the report, explaining that the current Local Plan document had been adopted back in 2003, and that the preparation for its review had been ongoing for over ten years. The Inspector had concluded the three
submitted documents to be legally compliant and sound, and it gave the Chairman great pleasure in recommending the documents to Council for adoption.

The Planning Policy Manager briefly summarised the Inspector’s conclusions, referring in particular to the views that the “floating 1800" distribution was justified, and the Council’s stance on limiting housing allocations in Wymondham to just over 2,200 dwellings was also appropriate and justified. Members noted that the Inspector had recommended some changes to the strategic gaps in Wymondham and Hethersett.

The Planning Policy Manager explained that there were no significant risks associated with adoption and he drew attention to the formal six week legal challenge period.

Cllr M Gray suggested that once adopted, a book of policies (as had previously been provided) for all members would be most helpful.

The Chairman paid tribute to all staff involved in the documents’ preparation over the years, and these sentiments were echoed by Cllr Gray. The Director of Growth and Localism also thanked all members for their engagement in the process.

The Decision

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<th>RESOLVED</th>
<th>TO RECOMMEND THAT COUNCIL</th>
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<td>1) Notes the Inspector’s report (Appendix A), including the recommended Schedule of Main Modifications – Text and Schedule of Main Modifications - Policies Map (Appendices 1 and 2 of the Inspector’s report respectively)</td>
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<td>2) Adopts, with effect from 26 October 2015, the South Norfolk Site Specific Allocations and Policies Document as modified by the Inspector’s report and with additional (minor) modifications (Appendix B)</td>
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<td>3) Adopts, with effect from 26 October 2015, the Development Management Policies Document as modified by the Inspector’s report and with additional (minor) modifications (Appendix C)</td>
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<td>4) Adopts, with effect from 26 October 2015, the Wymondham Area Action Plan as modified by the Inspector’s report and with additional (minor) modifications (Appendix D)</td>
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<td>5) Adopts the updates to the Policies Map, as modified by the Inspector’s report and with additional (minor) modifications (note that these maps form part of all three Local Plan documents and are not a standalone document)</td>
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<td>6) Delegate authority to the Director of Growth and Localism to undertake all necessary post-adoption legal and procedural steps</td>
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7) Delegates authority to the Director of Growth and Localism to make minor factual updates, corrections and formatting and layout changes to each Local Plan document.

The Reason for the Decision

To ensure planned and co-ordinated growth in South Norfolk.

Other Options Considered

None.

(The meeting concluded at 2.40 pm)

___________________________
Chairman
Mulbarton Neighbourhood Plan: Consideration of the Examiner’s Report

Report of the Planning Policy Manager
Cabinet Member: John Fuller, External Affairs

CONTACT
Adam Nicholls
anicholls@s-norfolk.gov.uk
1. Introduction

1.1 This report considers the content and recommendations of the Examiner’s Report into the Examination of the Mulbarton Neighbourhood Plan, which was held from July to September 2015. This Examiner’s Report concludes that that, subject to a number of recommended modifications, the Neighbourhood Plan meets the Basic Conditions tests and the Examiner recommends that the modified Neighbourhood Plan proceeds to a referendum, with the referendum area being the parish of Mulbarton.

1.2 This Cabinet report recommends that the Examiner’s recommended modifications be made, that the formal Decision Statement be published as soon as possible and that the (modified) Neighbourhood Plan then proceeds to a public referendum in December 2015. If the referendum is passed, the Neighbourhood Plan will be formally ‘made’ and then be a part of the Development Plan for South Norfolk.

1.3 Cabinet is recommended to:

a) accept the Examiner’s Report into the Mulbarton Neighbourhood Plan, and the recommended modifications contained within it necessary to pass the Basic Conditions tests; and

b) delegate authority to the Director of Growth and Localism to make the modifications (including consequent supporting text changes) and to progress the (modified) Mulbarton Neighbourhood Plan to a public referendum in late 2015/early 2016.
2. Background

2.1 Neighbourhood Development Plans are a part of the planning system introduced by the Localism Act 2011. Their purpose is to enable members of a local community to develop a planning policy document for their local area so they can better reflect the aspirations of local people in how they wish to see their community develop over the following 15 years or so, where development should go and what the nature of that development should be.

2.2 Mulbarton Parish Council is the second parish within South Norfolk to prepare a Neighbourhood Plan and have been preparing their Plan since 2014, with the support of South Norfolk Council. The primary purpose of the Mulbarton Neighbourhood Plan is to direct development to what the Plan defines as the “Heart of the Village”, consisting of the historic heart of the village around The Common, and away from the south of the village with particular concern to prevent any further increase in traffic on roads through the village other than the B1113.

2.3 In April this year, the Parish Council submitted their Neighbourhood Plan to South Norfolk Council. South Norfolk Council then undertook a publication period in which interested parties were invited to submit representations prior to the Neighbourhood Plan being passed to an independent Examiner (alongside any representations made). The Examiner’s duty is to assess whether a Neighbourhood Plan meets the Basic Conditions for neighbourhood development plans as set out in Schedule 4B, paragraph 8(2) (as varied) of the Town and Country Planning Act 1990. *(It is important to note that the Basic Conditions tests are explicitly not the same as the ‘tests of soundness’ which apply to any Local Plan Document; the ‘tests of soundness’ therefore do not apply to Neighbourhood Plans.)* A Neighbourhood Plan needs to meet these basic conditions in order for it to be lawful, namely:

- Having regard to national policies and advice contained in guidance issued by the Secretary of State, it is appropriate to make the Plan;
- The making of the Plan contributes to the achievement of sustainable development;
- The making of the Plan is in general conformity with the strategic policies contained in the development plan for the area of the authority (or any part of that area);
• The making of the Plan does not breach, and is otherwise compatible with, EU obligations; and
• The Plan must be compatible with the European Convention on Human Rights.

2.4 The Examiner conducted an examination into the Neighbourhood Plan from late July to early September 2015. The examination was carried out by written representations with no public hearing deemed necessary. The examination has now been concluded and the Examiner has published her report into whether the Neighbourhood Plan meets the basic conditions (see Appendix 1).

2.5 Production of Neighbourhood Development Plans is governed by Part 5 of the Neighbourhood Planning (General) Regulations 2012 (as amended in 2015). Regulation 18 requires that the local planning authority decides whether to accept the modifications proposed within the report or whether to decline the plan proposal, and if the Plan is to proceed to a referendum whether to extend the referendum area proposed. This report therefore considers whether to accept the Plan proposal in accordance with Regulation 18.

3 Current Position / Findings

3.1 The Examiner’s Report has now been received (see Appendix 1). In order for the Plan to pass the basic conditions tests, the Examiner recommends modifications to a number of policies proposed in the Plan. Some of these relate to concerns that were raised by South Norfolk Council and were referred to in the report to Cabinet of 16 February 2015, whilst others were concerns that were identified by the Examiner herself.

3.2 The policies that were of particular concern were ECN2 and TRA2. These policies had sought to direct development to around The Common or accessed directly off the B1113. Whilst there were no objections to the principle of this aspiration, the specific wording which sought to prevent development that resulted in any increase in traffic on roads through the village to the south of The Common and essentially prevent any economic development not in these locations, raised concerns about how the policies could be implemented and their compatibility with national and strategic policies (Norfolk County
The Examiner has largely agreed with these concerns and recommended modifications to delete policy ECN2 and re-word policy TRA2 so that it requires applications for development that may generate traffic on these roads to demonstrate that the transport impacts are satisfactory and promotes walking and cycling. These amendments satisfy the Council’s previous concerns.

3.3 The Examiner also identified a failure of Policy HOU1 to comply with the Basic Conditions. This policy identified the scale of development that might be acceptable in Mulbarton and had restricted new development to ten to twenty dwellings, aside from development already consented. The Examiner found that this is not consistent with the Joint Core Strategy which although identifying Mulbarton as a service village in which allocations of 10 to 20 dwellings would be appropriate, also identifies it as a settlement within the Norwich Policy Area in which additional development may be appropriate. Furthermore, the timeframe of the Mulbarton Neighbourhood Plan runs to 2030 which is four years beyond that the timeframe of the Joint Core Strategy. The Examiner has therefore concluded that she has no alternative but to delete this policy. However, as the Plan does not seek to alter the development boundary for Mulbarton as set out in the Site Specific Allocations and Policies document, this should not be seen as permitting the principle of additional major development to that already permitted.

3.4 A number of other modifications are recommended in the Examiner’s Report, including in relation to policy HOU4 on density on which the Council had raised concerns. It is pleasing that the Examiner has found wording which is believed to address these concerns without frustrating the overall aspirations of the Parish Council.

3.5 Subject to those modifications being made, however, the Examiner concludes that the Plan meets the basic conditions and she recommends that the modified Plan proceeds to a referendum, with the referendum area being the parish of Mulbarton.

3.6 **Since receipt of the report the Parish Council has met and has agreed to accept the report** and have prepared amended supporting text to accompany the modifications to the Policies. The wording of the supporting text will need to be agreed with the Council.

4 Proposals
4.1 Officers have assessed the Examiner’s Report and recommend to Cabinet that all the Examiner’s recommended modifications be made to the Neighbourhood Plan, thus allowing the Neighbourhood Plan to progress to the public referendum stage.

4.2 If Cabinet resolves to continue to proceed with the Plan and the modifications noted, the Council has to publish a decision statement on the Plan. This will set out South Norfolk Council’s decision on the Mulbarton Neighbourhood Plan and the reasons for making that decision. It will detail all the modifications to the text including both the modifications to the policies required by the Examiner and amendments to the supporting text. South Norfolk Council will then make the suggested modifications to the Plan and publish a final version of the Plan on South Norfolk Council’s website.

4.3 A statement about the referendum and other specified documents required by the regulations must also be published. This starts the process of the referendum. The referendum has to be at least 28 clear working days after the information statement and documents in relation to the Plan are published. The referendum must be organised, undertaken and paid for by South Norfolk Council.

4.4 Based on this, it is assumed that a referendum would most likely occur in December 2015 or January 2016 (the exact date will be finalised as soon as is practicable). The referendum will follow a similar format to an election. All those registered to vote within the neighbourhood area (the parish of Mulbarton) will be given the opportunity to be involved in the referendum. Local residents will receive a ballot paper with the question: “Do you want South Norfolk Council to use the Neighbourhood Plan for the Mulbarton area to help it decide planning applications in the neighbourhood area?” Residents will be given the opportunity to vote ‘yes’ or ‘no’. If more than 50% of those voting in the referendum vote ‘yes’ then South Norfolk Council is required to bring the plan into force. There is no minimum turnout required for the referendum.

5 Risks and Implications arising
5.1 The Neighbourhood Plan will not have any impact on disadvantaged groups, and neither will it impact on crime and
disorder.

5.2 A Strategic Environmental Assessment screening exercise was undertaken during the Neighbourhood Plan’s production,
and it was concluded that the Plan would not lead to any significant environmental effects.

5.3 As the Examination phase has been completed satisfactorily (i.e. the Examiner recommends that the Neighbourhood Plan
progresses to the referendum stage), then South Norfolk Council can now claim £20,000 from the Department of
Communities and Local Government as part of the Neighbourhood Planning funding arrangements. This money is not
contingent on the Council progressing the Plan to the referendum stage, or the referendum being passed. As noted above
in paragraph 4.3, should the Plan progress to the referendum stage, the referendum must be paid for and administered by
South Norfolk Council.

5.4 Where a Neighbourhood Development Plan is adopted, 25% of the Community Infrastructure Levy receipts from new
development in that area will go to the Parish Council to be spent on local infrastructure projects.

6 Other Options (if necessary)

6.1 Cabinet could decide not to agree with some or all of the Examiner’s recommended modifications. However, not agreeing to
make some or all of these recommended modifications would run a significant risk that the Neighbourhood Plan would not
pass the Basic Conditions tests, and so could not progress further. The Neighbourhood Plan would have to either be
returned to an earlier stage, with further work taking place on the policies prior to re-submitting and re-examining the
Neighbourhood Plan, or be abandoned completely. If Cabinet were to decide not to proceed to the referendum stage there
is also likely to be considerable frustration and disappointment by members of the parish council who have undertaken
considerable work to get to this stage. It might also give a perception that the Council’s commitment to delivering the localism agenda was limited.

7 Recommendation

7.1 Cabinet is recommended to:

a) accept the Examiner’s Report into the Mulbarton Neighbourhood Plan, and the recommended modifications contained within it necessary to pass the Basic Conditions tests; and

b) delegate to the Director of Growth and Localism the power to make the modifications (including consequent supporting text changes) and to progress the (modified) Mulbarton Neighbourhood Plan to a public referendum in late 2015/early 2016.

Appendices

1 Examiner’s Report into the Mulbarton Neighbourhood Plan
Mulbarton Parish Council

Mulbarton Neighbourhood Plan 2015 – 2030

Independent Examiner’s Report
By Ann Skippers BSc (Hons) Dip Mgmt (Open) PGC(TLHE)(Open) MRTPI FHEA FRSA AoU

11 September 2015
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Summary

I have been appointed as the independent examiner of the Mulbarton Neighbourhood Development Plan.

The Plan takes a proactive approach to Mulbarton’s location some 10km south of Norwich recognising its designation as a service village and its location within the Norwich Policy Area in the Joint Core Strategy for Broadland, Norwich and South Norfolk and the need for appropriate housing and employment growth. It does so whilst recognising that the very special characteristics of Mulbarton should be respected and conserved. In particular this rural Parish is characterised by a large Common, home to important flora and fauna, a Conservation Area and numerous listed buildings.

Further to consideration of the policies I have recommended a number of modifications to policies in the Plan that are intended to ensure that the Plan sets out a positive vision for the future of Mulbarton and provides a set of policies that plan positively to ensure that the basic conditions are met satisfactorily and that the Plan is clear and consistent to enable it to provide a practical framework for decision making.

Subject to those modifications, I have concluded that the Plan does meet the basic conditions and all the other requirements I am obliged to examine. I am therefore delighted to recommend that the Mulbarton Neighbourhood Development Plan goes forward to a referendum.

In considering whether the referendum area should be extended beyond the Neighbourhood Plan area I see no reason to alter or extend this area for the purpose of holding a referendum.

Ann Skippers
Ann Skippers Planning
10 September 2015

Ann Skippers Planning is an independent consultancy that provides professional support and training for local authorities, the private sector and community groups and specialises in troubleshooting, appeal work and neighbourhood planning.

W www.annskippers.co.uk
E ann@annskippers.co.uk
1.0 Introduction

This is the report of the independent examiner into the Mulbarton Neighbourhood Development Plan (the Plan).

The Localism Act 2011 provides a welcome opportunity for communities to shape the future of the places where they live and work and to deliver the sustainable development they need. One way of achieving this is through the production of a neighbourhood plan.

Mulbarton takes a proactive approach to its location some 10km south of Norwich recognising its designation as a service village and its location within the Norwich Policy Area in the Joint Core Strategy for Broadland, Norwich and South Norfolk and the need for appropriate housing and employment growth. It does so whilst recognising that the very special characteristics of Mulbarton should be respected and conserved. In particular this rural Parish is characterised by a large area known as The Common, home to important flora and fauna, a Conservation Area and numerous listed buildings.

2.0 Appointment of the independent examiner

I have been appointed by South Norfolk Council (SNC) with the agreement of Mulbarton Parish Council, to undertake this independent examination. I have been appointed through the Neighbourhood Plan Independent Examiners Referral Service (NPIERS).

I am independent of both the qualifying body and the local authority. I have no interest in any land that may be affected by the Plan. I am a chartered town planner with over twenty years experience in planning and have worked in the public, private and academic sectors. I therefore have the appropriate qualifications and experience to carry out this independent examination.

3.0 The role of the independent examiner

The examiner is required to check\(^1\) whether the neighbourhood plan:

- Has been prepared and submitted for examination by a qualifying body
- Has been prepared for an area that has been properly designated for such plan preparation

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\(^1\) Set out in paragraph 8 (1) of Schedule 4B of the Town and Country Planning Act 1990 (as amended)
Meets the requirements to i) specify the period to which it has effect; ii) not include provision about excluded development; and iii) not relate to more than one neighbourhood area and that

Its policies relate to the development and use of land for a designated neighbourhood area.

The examiner must assess whether a neighbourhood plan meets the basic conditions and other matters set out in paragraph 8 of Schedule 4B of the Town and Country Planning Act 1990 (as amended).

The basic conditions\(^2\) are:

- Having regard to national policies and advice contained in guidance issued by the Secretary of State, it is appropriate to make the neighbourhood plan
- The making of the neighbourhood plan contributes to the achievement of sustainable development
- The making of the neighbourhood plan is in general conformity with the strategic policies contained in the development plan for the area
- The making of the neighbourhood plan does not breach, and is otherwise compatible with, European Union (EU) obligations
- Prescribed conditions are met in relation to the neighbourhood plan and prescribed matters have been complied with in connection with the proposal for the neighbourhood plan.

Regulations 32 and 33 of the Neighbourhood Planning (General) Regulations 2012 (as amended) set out two basic conditions in addition to those set out in primary legislation and referred to in the paragraph above. These are:

- The making of the neighbourhood plan is not likely to have a significant effect on a European site\(^3\) or a European offshore marine site\(^4\) either alone or in combination with other plans or projects, and
- Having regard to all material considerations, it is appropriate that the neighbourhood development order is made where the development described in an order proposal is Environmental Impact Assessment development (this is not applicable to this examination as it refers to orders).

The examiner must then make one of the following recommendations:

- The neighbourhood plan can proceed to a referendum on the basis it meets all the necessary legal requirements
- The neighbourhood plan can proceed to a referendum subject to modifications or
- The neighbourhood plan should not proceed to a referendum on the basis it does not meet the necessary legal requirements.

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\(^2\) Set out in paragraph 8 (2) of Schedule 4B of the Town and Country Planning Act 1990 (as amended)

\(^3\) As defined in the Conservation of Habitats and Species Regulations 2012

\(^4\) As defined in the Offshore Marine Conservation (Natural Habitats, &c.) Regulations 2007
If the plan can proceed to a referendum with or without modifications, the examiner must also consider whether the referendum area should be extended beyond the neighbourhood plan area to which it relates.

If the plan goes forward to referendum and more than 50% of those voting vote in favour of the plan then it is made by the relevant local authority, in this case South Norfolk Council. The plan then becomes part of the ‘development plan’ for the area and a statutory consideration in guiding future development and in the determination of planning applications within the plan area.

4.0 Compliance with matters other than the basic conditions

I now check the various matters set out above in section 3.0 of this report.

Qualifying body

Mulbarton Parish Council is the qualifying body able to lead preparation of a neighbourhood plan. This is also confirmed in the ‘Statement of Basic Conditions’.

Plan area

The Plan area, shown on Map 1 on page 4 of the Plan, is coterminous with the Mulbarton Parish Council administrative boundary. South Norfolk Council approved the designation of the area on 8 May 2014. The ‘Statement of Basic Conditions’ confirms that the Plan relates to this area and does not relate to more than one neighbourhood area.

Plan period

The Plan covers a fifteen year period from 2015 to 2030. This is stated on the front cover and in the introductory pages of the Plan itself. It is also confirmed in the ‘Statement of Basic Conditions’.

Excluded development

The Plan does not include policies that relate to any of the categories of excluded development and therefore meets this requirement. This is also usefully confirmed in the ‘Statement of Basic Conditions’.

Development and use of land

Policies in neighbourhood plans must relate to the development and use of land. Sometimes neighbourhood plans contain aspirational policies or projects that signal the community’s priorities for the future of their local area, but are not related to the development and use of land. Where I consider a policy or proposal to fall within this
category, I have recommended it be moved to a clearly differentiated and separate section or annex of the Plan or contained in a separate document. This is because wider community aspirations than those relating to development and use of land can be included in a neighbourhood plan, but non-land use matters should be clearly identifiable. Subject to any such recommendations, this requirement can be satisfactorily met.

5.0 The examination process

It is useful to bear in mind that the examination of a neighbourhood plan is very different to the examination of a local plan.

The general rule of thumb is that the examination will take the form of written representations. However, there are two circumstances when an examiner may consider it necessary to hold a hearing. These are where the examiner considers that it is necessary to ensure adequate examination of an issue or to ensure a person has a fair chance to put a case.

After consideration of the documentation and all the representations, I decided it was not necessary to hold a hearing.

I undertook an unaccompanied site visit to Mulbarton and its environs on 23 July 2015.

During the course of the examination it was necessary to clarify a number of factual matters and ask for some further factual information. These related to the consultation undertaken, EU Obligations and the development plan. I would like to record my thanks for the exemplary support and quick responses that the officers at South Norfolk Council and the Parish Council have given me during the course of the examination.

I have also specifically referred to some representations and sometimes identified the person or organisation making that representation. However, I have not necessarily referred to each and every representation in my report. Nevertheless each one has been considered carefully and I reassure everyone that I have taken all the representations received into account during the examination.

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5 Paragraph 004 of Planning Practice Guidance
6 Schedule 4B (9) of the Town and Country Planning Act 1990
6.0 Consultation

The Parish Council has submitted a ‘Statement of Community Involvement’ which provides details of the consultation that has taken place and effectively is the Consultation Statement (CS) required.\(^7\)

Of particular note is that the consultation process from the outset had a number of key aims; to frontload consultation, to ensure that events took place at key milestones throughout the process, to employ a variety of communication techniques and to feedback results to local people and to use those results to inform the next stages of the Plan’s evolution. The inclusion of aims from the outset setting out a clear idea about both the importance and purpose of consultation is to be applauded.

It is clear that consultation has taken place over a long period of time. This began with initial consultation and an event in Autumn/Winter 2013 and culminated in the pre-submission (Regulation 14) consultation taking place between 20 December 2014 and 4 February 2015. A survey was also sent to all households in the village in June 2014.

Whilst the report contained much useful information about the pre-submission consultation stage, I requested some additional information from the qualifying body on 24 July 2015. In essence, Regulation 15\(^8\) requires a Consultation Statement which:

(a) contains details of the persons and bodies who were consulted about the proposed neighbourhood development plan;
(b) explains how they were consulted;
(c) summarises the main issues and concerns raised by the persons consulted; and
(d) describes how these issues and concerns have been considered and, where relevant, addressed in the proposed neighbourhood development plan.

The submitted report details who was consulted and how they were consulted, but only summarises the main issues and how they have been addressed from Anglian Water, Natural England, English Heritage (as they were at that time) and South Norfolk Council. Appendix A of the report usefully goes into more detail about the comments received from South Norfolk Council.

However, the report does not mention or refer to any other responses received, for example from local residents or businesses. Given that to receive only four responses at this stage would be quite unusual, I sought confirmation from the Parish Council that only these four bodies had responded or for information about other responses.

I am grateful to both the Parish Council and South Norfolk Council for their timely assistance in answering my queries. In brief only five responses were received at the Regulation 14 stage; in addition to the four aforementioned organisations, comments

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\(^7\) Regulation 15 of the Neighbourhood Planning (General) Regulations 2012
\(^8\) Ibid
were also received from Swardeston Parish Council. I have been sent copies of this response together with further details of responses from businesses and the community during earlier, informal consultation stages. I consider that it would be useful for these documents to be added to the ‘Statement of Community Involvement’ just for the sake of completeness and for the avoidance of any doubt.

Having considered the information in the ‘Statement of Community Involvement’ together with the additional information sent to me on 11 August 2015, the evidence demonstrates that the Plan has emerged as a result of seeking, and taking into account, the views of the community and other bodies.

Submission (Regulation 16) consultation was carried out between 11 May and 22 June 2015. This attracted representations from nine individuals or organisations which I have taken into account in preparing this report. A number of representations offer support for the Plan and recognise the amount of voluntary time given by residents.9

In addition it is useful to note that Natural England considers that the Plan and its policies are unlikely to have any adverse effect on the natural environment.10

7.0 The basic conditions

National policy and advice

The main document that sets out national planning policy is the National Planning Policy Framework (NPPF) published in 2012. In particular it explains that the application of the presumption in favour of sustainable development will mean that neighbourhood plans should support the strategic development needs set out in Local Plans, plan positively to support local development, shaping and directing development that is outside the strategic elements of the Local Plan and identify opportunities to use Neighbourhood Development Orders to enable developments that are consistent with the neighbourhood plan to proceed.11

The NPPF also makes it clear that neighbourhood plans should be aligned with the strategic needs and priorities of the wider local area. In other words neighbourhood plans must be in general conformity with the strategic policies of the Local Plan. They cannot promote less development than that set out in the Local Plan or undermine its strategic policies.12

On 6 March 2014, the Government published a suite of planning guidance. This is an online resource available at www.planningguidance.planningportal.gov.uk. The planning guidance contains a wealth of information relating to neighbourhood planning.

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9 Representations from Mrs. Marina Carter, Geoff Kitchen, Chris Carter, Andrew De’ath
10 Representation from Natural England
11 National Planning Policy Framework (2012) paras 14, 16
and I have had regard to this in preparing this report. This is referred to in this report as Planning Practice Guidance (PPG).

The NPPF indicates that plans should provide a practical framework within which decisions on planning applications can be made with a high degree of predictability and efficiency.13

PPG indicates that a policy should be clear and unambiguous14 to enable a decision maker to apply it consistently and with confidence when determining planning applications. The guidance advises that policies should be concise, precise and supported by appropriate evidence, reflecting and responding to both the context and the characteristics of the area.

The ‘Statement of Basic Conditions’ considers each of the more relevant subsections of the NPPF for example ‘building a strong, competitive economy’ or ‘promoting sustainable transport’ and offers a useful commentary on the Plan policies that relate to each subsection explaining the rationale behind the policies and how they fit in with the NPPF.

**Sustainable development**

A qualifying body must demonstrate how a neighbourhood plan contributes to the achievement of sustainable development. The NPPF as a whole15 constitutes the Government’s view of what sustainable development means in practice for planning. The Framework explains that there are three dimensions to sustainable development: economic, social and environmental.16

The ‘Statement of Basic Conditions’ offers an explanation of how the Plan contributes to the achievement of sustainable development.

**The development plan and emerging planning policy context**

The relevant basic condition only refers to the development plan. In this case, the development plan consists of the Joint Core Strategy for Broadland, Norwich and South Norfolk (JCS) which sets out the strategic growth for housing and employment to 2026 and was adopted in March 2011 with amendments adopted in January 2014 and the saved and not replaced policies in an earlier document, the South Norfolk Local Plan (LP) adopted in 2003.

The ‘Statement of Basic Conditions’ details each JCS policy considered to be of relevance with a short commentary on how the Plan policies ‘fit’, or generally conform,
with the JCS policies identified. It does this in an easy to read and tangible format which is to be welcomed.

However, little mention is made of the LP except for an acknowledgement of its status at the start of the Plan; it is not mentioned or addressed in the ‘Statement of Basic Conditions’. Given this, I requested further information from South Norfolk Council about the status of the LP. Their email of 17 August 2015 confirms that the JCS replaced all the strategic policies in the LP and therefore contains the strategic policies that qualifying bodies need to ensure that the neighbourhood plan policies are in general conformity with for the purposes of the basic conditions. I am therefore satisfied that the ‘Statement of Basic Conditions’ covers the salient document.

The JCS contains a comprehensive spatial vision. JCS Policy 15 identifies Mulbarton as a linked service village; a focal point for communities to have better access to quality jobs, healthcare, education and community facilities and shops.\(^{17}\) It is linked with Bracon Ash which falls outside of the neighbourhood plan area. The JCS continues that “the vitality of service villages will be enhanced and their form and character maintained by the development of sustainable, small-scale housing, economic development and other local facilities.”\(^{18}\)

JCS Policy 15 explains that in each service village land will be allocated for small-scale housing development subject to form and character considerations as well as encouragement to small-scale employment or service development appropriate to the scale and needs of the village and its immediate surroundings.\(^ {19}\)

The supporting text goes onto explain that within the period 2008 – 2026 land will be allocated for small scale housing growth in the range of 10 -20 dwellings subject to form, character and servicing constraints. Mulbarton also falls within the Norwich Policy Area which means that it may also be considered for additional development. Planning permission has been granted for 180 houses on a site off Long Lane/The Rosery, a site (MUL 1) that is proposed to be allocated in the Site Specific Allocations and Policies Document that is, at the time of writing, being examined alongside the Development Management Policies document and the Wymondham Area Action Plan.

**European Union Obligations**

A neighbourhood plan must be compatible with European Union (EU) obligations, as incorporated into United Kingdom law, in order to be legally compliant.

**Strategic Environmental Assessment**

Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment is relevant. Its purpose is to provide a high level of protection of the environment by incorporating environmental considerations into the process of

\(^{17}\) JCS page 23  
\(^{18}\) Ibid  
\(^{19}\) Ibid page 84
preparing plans and programmes. This Directive is commonly referred to as the Strategic Environment Assessment (SEA) Directive. The Directive is transposed into UK law through the Environmental Assessment of Plans and Programmes Regulations 2004.

A screening exercise has been carried out by South Norfolk Council. This screening opinion, dated 19 November 2014, concludes that the Plan is unlikely to have significant environmental effects and that an environmental assessment is not required. Confirmation was received from South Norfolk Council on 17 August 2015 in response to a query that none of the three statutory consultees required a SEA to be carried out. I am therefore satisfied that the Plan does not require a SEA to be carried out.

In addition as the Plan was submitted to South Norfolk Council on 27 April 2015, regulations20 effective from 9 February 2015 apply. Where it has been determined that the Plan is unlikely to have significant environmental effects (and therefore does not require an environmental assessment), a statement of reasons for the determination is now needed. I regard the screening opinion from South Norfolk Council as fulfilling this requirement and the Council has confirmed to me by email dated 17 August 2015 that it is their view that the screening opinion together with information in the ‘Statement of Basic Conditions’ fulfills this requirement.

**European Convention on Human Rights (ECHR)**

The ‘Statement of Basic Conditions’ contains a very short statement that the Plan has had regard to fundamental rights and freedoms guaranteed under the ECHR and complies with the Human Rights Act 1998, but contains no further information or explanation. However, there is nothing in the Plan that leads me to conclude there is any breach of the Convention or that the Plan is otherwise incompatible with it. There are also no representations that lead me to conclude otherwise.

**Habitats Regulations Assessment/other Directives**

There are no European sites within the Plan area. The nearest site is the Norfolk Valley Fens Special Area of Conservation some 2.3km away according to information in the ‘Statement of Basic Conditions’.

South Norfolk Council has confirmed that a Habitats Regulations Assessment is not required by email dated 17 August 2015.

I am not aware of any other European Directives which apply to this particular neighbourhood plan and in the absence of any substantive evidence to the contrary, I am satisfied that the Plan is compatible with EU obligations.

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20 Neighbourhood Planning (General) (Amendment) Regulations 2015
8.0 Detailed comments on the Plan and its policies

In this section I consider the Plan and its policies against the basic conditions. Where I recommend modifications in this report they appear in **bold text**. Where I have suggested specific changes to the wording of the policies they appear in **bold italics**.

The Plan starts off with a very helpful contents page.

### 1 Background

This section contains three sections which helpfully and clearly set out the background to the Plan, information about Mulbarton and its context and how the Plan evolved. A map of the Plan area is included early on in the document on page 4. It would be useful if the Plan area’s boundaries could be differentiated in a colour other than black or made bolder to avoid any confusion with the surrounding Parish boundaries which also appear on the map in the same way. This recommendation is made in the interests of clarity.

- **Differentiate the Plan area boundaries more clearly on Map 1**

The preferences set out on page 9 of the Plan provide a useful summary from engagement with the community.

### 2 Vision

Overall it is very helpful for the Plan to contain a vision and aims for the residents of Mulbarton village. The six bullet points are related to the development and use of land and in themselves read well.

The vision statement begins with the phrase “Mulbarton Village” and I feel it is difficult for the village (as an object) to allow residents to make real choices...it might read better if something along the lines of “This Plan for Mulbarton Village aims to allow...”. This comment is made in the interests of clarity.

- **Change the first sentence to “This Plan for Mulbarton Village aims to allow residents to make real choices about how they...” or similar**
3 Housing Policies

Policy HOU1 Scale of New Residential Development

This policy sets out the scale (or amount) of new residential development over the Plan period of between 10 and 20 dwellings in total. On the face of it this seems to chime with JCS Policy 15 which indicates that service villages will be appropriate for small-scale housing development subject to form and character considerations. The supporting text to JCS Policy 15 envisages that such allocations will be in the 10 – 20 dwelling range. However, it continues that in some cases the form, character and servicing constraints may result in smaller allocations and in others 20 dwellings may be exceeded where it would improve local service provision and sustainability and where it is compatible with the overall (JCS) strategy. This then differs from Policy HOU1 which imposes a maximum of 20 new dwellings without the flexibility that the JCS or the NPPF seeks.

However, the JCS has inbuilt flexibility over the scale of development and Mulbarton also falls within the Norwich Policy Area and so may be considered for additional development. The JCS also covers a shorter end time period (up to 2026) than the Plan. I am aware of the planning permission granted at land off Long Lane and The Rosery for 180 houses and note the policy specifically excludes any consented development, but not yet built, from the 10 – 20 dwellings total which is to be welcomed. Despite the amount of houses permitted in Mulbarton since 2011, Policy HOU1 nevertheless imposes a maximum on the total number of houses to be permitted over the Plan period. This has the effect of ‘extending’ the JCS figures for another four years (beyond 2026) and does not allow for the inherent flexibility of the JCS or the NPPF.

The NPPF is clear that neighbourhood plans must be in general conformity with the strategic policies of the Local Plan (in this case the JCS) and indeed this is one of the basic conditions. In addition the NPPF clearly states that neighbourhood plans should not promote less development than is set out in the Local Plan or undermine its strategic policies. For the reasons given above, I consider that Policy HOU1 as currently worded would potentially promote less development than the JCS. As a result it does not meet the basic conditions in that it would not take sufficient regard of national policy and advice, it would not contribute to the achievement of sustainable development (as it promotes less development) and would not be in general conformity with JCS Policy 15. In addition there is little evidence to support the total put forward in Policy HOU1 which might have pointed to this level of growth in relation to the village’s form and character and which might have indicated why such a scale of development was justified and appropriate despite the NPPF and JCS Policy 15.

As a result, and notwithstanding the importance of the amount of new housing development to the community, and given that it is not possible for me to recommend

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21 JCS page 84 and following
22 Ibid page 85
23 NPPF para 184
any amended figure or text as there is little evidence to say what that amended figure should be, I am left with little option but to recommend deletion of Policy HOU1. Some detail in the supporting text can be retained, but some consequential amendments to the Plan will be needed.

- **Delete Policy HOU1 in its entirety and undertake consequential amendments to the supporting text as necessary**

**Policy HOU2 Location of New Residential Development**

One of the key features of Mulbarton is a large triangular area known as The Common. As well as being perhaps the most notable feature of the area, the Evidence Base suggests that this area of some 19 hectares of land has been maintained as open grassland since the Middle Ages\(^{24}\) and it also boasts a number of ponds and woodland. The Background section of the Plan states that Mulbarton has historically developed around the three roads fronting The Common and that this area forms the natural centre of the village with the services and facilities to be found around it together of course with the amenity and recreational opportunities provided by it. Map 2 on page 6 illustrates this very well. In addition The Common is included within the Conservation Area which includes properties along the three roads that surround The Common as well as further afield.

The supporting text to this policy seeks to ensure that new development should “contribute towards strengthening The Common as being at the ‘Heart of the Village’ and a focal point for village life and interaction.”\(^{25}\)

Policy HOU2 therefore seeks to direct development to certain areas of the village i.e. to what is described as the “nucleated, clustered character”\(^{26}\) around The Common and away from the south of the village which has seen considerable development over recent years and more at the present time is being built out. The Evidence Base goes further by referring to the need to make a positive contribution towards the ‘Heart of the Village’ “without stretching the sprawl of the village further south” making the point that this area is the focus of social interaction and engagement and helps community cohesion.\(^{27}\)

The “Heart of the Village’ is defined on Map 6 on page 32 of the Plan. Its boundaries are the same as the Conservation Area. This is an important concept that has been developed for the Plan and features in a number of policies.

The premise of Policy HOU2 is that new development of five or more dwellings should be located where it will “rebalance the development pattern of the village”. This

\(^{24}\) Evidence Base page 14
\(^{25}\) MNP page 11
\(^{26}\) Ibid
\(^{27}\) Evidence Base pages 6 and 7
springs from three things; a concern to limit ‘village sprawl’ particularly further southwards in line with the landscape and other relevant topics discussed in the Evidence Base; the existing expansion of the village in a southerly direction and the desire to strengthen the ‘Heart of the Village’ around The Common.

Whilst it is not particularly clear why the threshold of five dwellings has been introduced, this seems to me to provide some flexibility for smaller development opportunities that might arise elsewhere in the village and also ties in with the community’s desire for small-scale development.

The ‘Heart of the Village’ is a distinctive policy tool that reflects and responds to the particular characteristics of this neighbourhood area. Its use as a concept would be strengthened by specific mention of it and Map 6 within the applicable policies.

In order to strengthen the wording of Policy HOU2 to make it clearer and unambiguous so that it provides the practical framework for decision making that national policy requires, the following modification is recommended:

- Amend Policy HOU2 so that it reads:

  “Permission will be granted for new residential development of five or more dwellings provided it is located where it will rebalance the development pattern of the village by improving the focus on The Common and adjacent facilities in the ‘Heart of the Village’ which is defined on Map 6. Proposals for five or more dwellings that result in the growth of the village further southward will not generally be acceptable. Any new development should also respect the character and appearance of the Mulbarton Conservation Area and the setting of listed buildings in the Parish.

  *This policy applies to all proposals and sites that individually or cumulatively as part of a larger, but contiguous site are for five or more dwellings.*”

**Policy HOU3 Type of Housing**

This policy seeks to ensure that the type of housing needed, identified through the evolution of the Plan, is provided. National policy seeks the delivery of a wide choice of high quality homes and encourages a mix of housing to be provided. This will help to widen housing opportunities and create sustainable and mixed communities.

Given the characteristics of Mulbarton and the housing need that is evidenced through engagement with the community, the principle of a policy that encourages specific types of housing is acceptable and in line with national policy and the achievement of sustainable development.
Whilst usually it is preferable in my view for policies not to rely on other District level policies such as JCS Policy 4 referred to in this policy, in this case I consider this adds to the scope and flexibility of the policy.

The policy therefore meets the basic conditions and no modifications are recommended.

**Policy HOU4 Density**

This policy aims to ensure that the density of new development reflects the density of the existing settlement and its hinterland. National policy supports setting out an approach to housing density to reflect local circumstances. The policy does not prescribe a minimum or maximum density, as the supporting text confirms, but prefers to rely on the context of the development site. The policy therefore in principle reflects the National Planning Policy Framework’s aim of ensuring new development functions well and adds to the overall quality of the area; responds to local character and history; and reinforces and promotes local distinctiveness. It also should reflect spatial planning objective 2 of the JCS which states that appropriate densities will make sure land is used efficiently.

However, the specific wording of the policy and in particular the use of “consistent with and not exceed existing housing densities” could prevent development at a higher density which is otherwise acceptable coming forward. The NPPF is clear that good design (of which density is one consideration) is a key aspect of sustainable development, is indivisible from good planning and should contribute positively to making places better for people. It continues that permission should not be refused for development that promotes high levels of sustainability because of “concerns about incompatibility with an existing townscape” if those concerns are mitigated by good design. In other words higher density may well be acceptable if there is a design-led approach. This is similar to a point made by a representation. Therefore in order to take account of the NPPF, the policy should be reworded more positively and flexibly.

- **Reword Policy HOU4:**

  “To conserve the open, spacious and green character of Mulbarton, new development should reflect the overall character of Mulbarton and take account of its rural setting. Densities for new housing development on any given site should be consistent and compatible with the existing and prevailing density in that local context and reflect the locally distinctive character of the locality in which the new development is proposed so that the village feel is retained.”

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28 NPPF para 56
29 Ibid para 65
30 Representation from South Norfolk Council
Policy HOUS Design

This is a simply worded policy that sets out a clear expectation that new housing development will be sited and designed in a way that reinforces local distinctiveness and the architectural traditions of the village.

A second element to the policy refers to national standards for sustainable design and construction and the need to reduce surface water run-off.

The supporting text goes into more detail about the rationale for the policy and directs applicants and the development industry to other documents such as the Mulbarton Conservation Area Appraisal and Supplementary Planning Documents for further guidance. The Plan recognises that the performance of new dwellings will be dealt with at national level reflecting the Government’s Written Statement of 25 March 2015. In line with this Statement the policy does not seek to set out any additional technical standards or requirements and given this I take the view that the policy simply seeks to reinforce any applicable national standards. However, mention is made in the supporting text of the Code for Sustainable Homes which has now been withdrawn and so any references to it should be removed.

The supporting text also refers to the provision of parking cross-referencing a later policy (Policy TRA1). Therefore this section should be re-read and re-considered in the light of any modifications recommended to Policy TRA1 later on in this report and any consequential changes made as necessary.

Both strands of the policy and its supporting text reflect national policy and will help to achieve sustainable development and reflect the spatial planning objectives in the JCS and JCS Policy 2.

This policy therefore meets the basic conditions and the only modification recommended is in relation to the supporting text.

- **Remove any references to the Code for Sustainable Homes from the supporting text and undertake any consequential amendments as necessary**

4 Economic Growth Policies

Policy ECN1 Scale of New Economic Development

This policy encourages micro and small businesses subject to acceptable impacts on residential amenity, transport and the environment and sufficient on-site parking. The supporting text to the policy indicates that micro-business is defined as being “of fewer than 10 employees”. There is a clear concern from engagement with the community about the effects of employment-related uses particularly from noise and parking.
However, this policy introduces sufficient safeguards through its criteria on residential amenity, transport, parking and other environmental impacts to enable these concerns to be addressed.

JCS Policy 15 encourages small-scale employment and service development appropriate to the scale and needs of the service villages and its immediate surroundings. The supporting text to JCS Policy 15 is clear that this service role will be improved by encouraging local employment, services and facilities development.\textsuperscript{31} The National Planning Policy Framework indicates that economic growth should be supported in rural areas and that the sustainable growth and expansion of all types of businesses and enterprise should be supported.

Policy ECN1 strikes an appropriate balance between the support for and encouragement of business and enterprise outlined in the NPPF and the JCS whilst ensuring that the concerns of the community can be satisfactorily addressed. Whilst it specifically encourages smaller-scale business and enterprise, it would not preclude support for the growth or expansion of (larger) businesses provided that was sustainable. It therefore meets the basic conditions and no modifications are recommended.

**Policy ECN2 Location of New Economic Development**

Policy ECN2 seeks to direct new economic development to locations of existing employment activity near The Common or where direct access to the B1113 is available. A second element to the policy permits home working subject to certain criteria.

With regard to the first element of the policy, it seems to restrict the location of new businesses and enterprise. This would be at odds with national policy in the National Planning Policy Framework which encourages a positive approach to sustainable new development and emphases that the planning system should do everything it can to support sustainable economic growth. Whilst the area around The Common or those sites with direct access to the B1113 may indeed be the most sustainable locations, the effect of the policy would be to preclude or at the very least discourage economic development from other locations which may well be acceptable, particularly given the criteria in Policy ECN1 and the safeguards it introduces.

The policy does this against the background of little evidence being put forward in the Plan to indicate why only sites around The Common or with direct access onto the B1113 would be the only ones suitable. Given the Parish boundaries and the nature of the Plan area, these two locations or areas would only result in a small percentage of the overall Plan area being able to meet the strict requirements of this policy.

\textsuperscript{31} JCS page 85
Without robust evidence to support the policy’s aim of directing economic development to particular locations and away from others, the policy would potentially stifle sustainable economic growth which I am sure is not the underlying intention, but nevertheless is how the policy reads.

In addition, given the rural nature of the Parish the policy would effectively prevent, or at the very least discourage, economic development or businesses uses through, for example the conversion of rural buildings or the diversification of farms and other land-based rural businesses. This would also be at odds with the stance of the NPPF and JCS Policy 5.

The first element of the policy is therefore at odds with national policy and guidance and would not help to achieve sustainable development. It therefore does not meet the basic conditions.

With regard to the second element of the policy on home working, this also introduces some stringent criteria that would usually be dealt with through normal planning applications channels if such an application were to be needed (as a representation\(^{32}\) points out not all forms of home working require the submission of a planning application). Given that home working is usually low key and that many new developments incorporate rooms for home working through studies or loft conversions and that if this part of the policy would remain it would largely duplicate Policy ECN1, it does not add anything to the Plan through its retention and is not positively worded enough to be retained.

Therefore as the policy does not meet the basic conditions, it is recommended that Policy ECN2 be deleted in its entirety.

- Delete Policy ECN2 in its entirety

### 5 Transport Policies

**Policy TRA1 Access to Services and Road Safety**

This policy requires new development to provide convenient and safe access to the existing pedestrian network. A strong sense of the ‘walkability’ of Mulbarton comes through the Plan and this is a key part of the vision of the Plan. As the supporting text acknowledges there are many benefits to the promotion of walking both as a way of encouraging healthier lifestyles and promoting a sense of community not to mention a sustainable transport mode. In principle then this type of policy reflects national policy and guidance and will help to achieve sustainable development. It also reflects spatial planning objective 7 of the JCS which seeks to ensure that the location and design of

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\(^{32}\) Representation from South Norfolk Council
new development will reduce the need to travel and promotes more use of sustainable modes of transport and the relevant parts of JCS Policy 6.

However, the details of this policy need further consideration. A threshold of five or more dwellings is introduced and it is not clear to me where this threshold has come from or why it is appropriate for Mulbarton. Norfolk County Council (as Highways Authority) makes the point that developments of up to five dwellings may well be able to provide improvements to access and road safety and this representation therefore reinforces my concern that this apparently arbitrary threshold may actually prevent some desirable improvements from being sought and achieved.

The criteria in the policy then introduce further distance-based criteria for new development to meet which effectively reduces the sites available for development and may well prevent otherwise acceptable development coming forward. Again there is little explanation of why these particular distances would be appropriate for Mulbarton or any demonstration of what impact applying such standards would have on the settlement. A criterion refers to safe walking routes to school which is not a development and use of land matter. Another criterion refers to the design of residential streets and lanes to accommodate 20 mph or lower traffic speeds where appropriate. The last criterion then requires “adequate” car parking, but there is little information on what might be considered to be an appropriate level of parking and therefore it would be difficult for any prospective applicant to know how they might meet this criteria satisfactorily.

Therefore in the interests of having a policy that does not render otherwise acceptable sustainable development unacceptable, does not impose an arbitrary threshold, relates only to development and use of land issues and offers clarity and workability, in order for it to meet the basic conditions the following modifications are recommended:

- **Reword Policy TRA1 as follows:**

  “**New development should take every opportunity available to provide safe and convenient pedestrian access and connections to the existing pedestrian network and create new networks.**

  *Mulbarton prides itself on its walkability. Development that is well located and can provide safe and convenient walking access to The Common and local services and facilities and to bus stops will be particularly encouraged.*

  *As part of this promotion of sustainable transport, developments should incorporate natural surveillance of pedestrian routes and public open spaces.*

  *New development schemes should be designed to facilitate traffic speeds of 20 mph or lower on residential streets or lanes where appropriate, and a satisfactory amount of off-site car parking must be provided in a well-designed and convenient way in accordance with the applicable car parking standards.***"
Consequential amendments to the supporting text may be needed

Policy TRA2 Traffic in a Walkable Village

Although the policy is positively worded, this policy aims to restrict development of five or more houses or new employment development if it results in “a net material increase in traffic” on roads, lanes and streets in the heart of the village. It is understandable that the community is keen to minimise traffic through the village and to reinforce the walkability of the village. However, I am also mindful that other policies in the Plan positively direct new development to this area which could potentially be seen to be an internal conflict within the Plan.

It is unlikely that new development would not, in one way or another, result in more traffic movements. In some ways it is therefore useful for the policy to apply to residential developments of more than five units. However, this seems again to be an arbitrary and unexplained threshold. Moreover the policy applies to any new economic development and such a restriction would, in my view, have the potential to severely hinder both the expansion of existing, and the introduction of new, businesses in the Parish.

Whilst the policy refers to a “net material increase” this is then defined in the supporting text as a 5% or more increase over prevailing background traffic levels on “affected streets” based on a principle from historic Chartered Institution of Highways and Transportation Guidelines. This is then regarded is to be regarded as the “severe adverse impact” referred to in the policy.

In my experience the 5% figure has tended to be used to measure a material change in traffic volume during peak hours as a general ‘rule of thumb’ rather than any exact science and through a mixture of trip generation modeling and traffic counts. The NPPF explains that development should only be prevented or refused on transport grounds where the residual cumulative impacts of development are severe33 as the ‘Statement of Basic Conditions’ recognises.34

No evidence has been put forward to demonstrate whether the figure of 5% might be an appropriate definition of “severe” for the village or what effect this would have on the village. As a result the policy and definition in the supporting text of “net material increase” is inappropriate, unjustified and do not take sufficient account of the NPPF. It does not provide the practical framework required.

The NPPF also goes further in only requiring a transport statement or transport assessment for developments that generate a significant amount of traffic.35 The threshold of five or more dwellings and all economic development, in itself unexplained,

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33 NPPF para 32
34 Statement of Basic Conditions page 5
35 NPPF para 32
would also not, in my view, necessarily chime with a definition of development that would generate a significant amount of traffic. It introduces an inflexible and arbitrary threshold.

Furthermore the Plan places the onus on the applicant or developer to conduct counts and so on as well as on the decision making authorities to make a judgment that might well be unnecessary to undertake.

There are often technical solutions that can satisfactorily overcome highway or traffic movement concerns.

For a number of reasons then the policy and its supporting text does not provide the practical framework for decision-making that the NPPF requires. A similar point is made in representations.36

So there are essentially two concerns here: the type and amount of development the policy would apply to and the Plan’s definition of “severe”. The NPPF is very clear about the circumstances in which development can be refused on transport grounds. The policy and the supporting definitions in the accompanying text are at odds with the NPPF and no evidence has been put forward to justify a different approach in this locality. For this reason the policy’s application and its reference to “net material increase” and how the Plan defines this is not acceptable and should not be retained in the policy or supporting text.

Moving on, the policy lends support for those new developments that can take direct access to or from the B1113. The Plan recognises that its policy stance may result in larger developments being directed to busier roads as an intended consequence. Once again there is no technical evidence to demonstrate what this effect might be.

Both South Norfolk Council and Norfolk County Council (as Highways Authority) have expressed concern about this policy and put forward a similar suggestion for its rewording.

I am mindful though that there is clearly concern about traffic ‘going through’ the village and the area around The Common and the potential for new development to ‘make matters worse’. In parallel with this is the fundamental and welcome desire to promote Mulbarton as a ‘walkable’ village and for people to feel that walking on existing streets and lanes is an attractive option as the ‘Statement of Basic Conditions’ outlines. As that Statement and the Plan indicate this will contribute to wider sustainability and health objectives as well as providing people with a choice about how they travel in line with the NPPF and spatial planning objective 11 in the JCS and JCS Policy 7. However, given that other policies in the Plan direct new development to the Heart of the Village the combination of all policies taken together provides a high hurdle for any new development.

36 Representations from South Norfolk Council and Norfolk County Council
Consequently, the wording of the policy should be revised to reflect the stance of the NPPF and to enhance the clarity and workability of the policy. Whilst I put forward a suggested rewording, the suggested (re)wording put forward by Norfolk County Council in their representation would, in my view, also meet the basic conditions and so this may be an alternative that the qualifying body might wish to consider. Either way consequential changes will need to be made to the supporting text.

**The following modifications are therefore recommended:**

- **Reword Policy TRA2 as follows:**

  “All residential or economic development proposals in Mulbarton that would generate a significant amount of movement in the Heart of the Village as identified on Map 6 will only be supported if they are accompanied by evidence that the transport issues relating to the development, including details of any measures to be taken to deal with the anticipated transport impacts of the scheme, are satisfactory and that any opportunities for improving the walking and cycling environment, including improving opportunities for walking and cycling connectivity, are taken.”

- **Undertake consequential amendments to the supporting text**

**Key Statement 1 Street Lighting**

The next section in the Plan refers to street lighting. The Plan rightly separates this issue from the planning policies by introducing the concept of ‘key statements’. This is a useful way of distinguishing between issues that the Plan would like to capture, but are not related to, or the subject of, development and use of land policies.

It would be useful to use a different colour block for the key statements boxes (within the different colour blocks already used for each set of topic based policies) just to ensure that they are clearly distinguished from the planning policy boxes. This recommendation applies throughout the Plan but is not repeated elsewhere.

- **Use a different colour for the key statement boxes**

This particular key statement on street lighting identifies dark skies as a key characteristic of Mulbarton and seeks to retain the ‘dark skies’ of Mulbarton. The supporting text recognises that there was not unanimous support for this approach and indeed one representation\(^\text{37}\) expresses concern about this stance. Given that the presence or otherwise of street lighting is not directly related to the development and use of land, it is appropriate for this topic to be dealt with in a ‘key statement’ box.

\(^{37}\) Representation from Susan and Fergus Stirling
However, the last sentence in the key statement box seeks to relate the issue back to the development and use of land by discouraging development that proposes street lighting; as street lighting is not a planning matter, such a statement needs to be amended or deleted.

- Delete the sentence “Therefore, new development that proposes street lighting will need to be discouraged.” from the Key Statement 1 Street Lighting box and/or replace it with “New street lighting will therefore not be encouraged.”

Key Statement 2 Transport Infrastructure and Services

This key statement encourages the relevant decision making bodies to take account of the priorities for infrastructure and service improvements, some of which fall outside the Plan area, but are nevertheless considered to affect Mulbarton and the Plan area in one way or another.

The explanation and approach to key statement 2 set out in this section (section 5.4) is appropriate as it captures the aspirations of the local community and explains the circumstances and limitations recognising deliverability and viability issues. As this does not form part of the development and use of land elements of the Plan I have no further comments.

6 Community Facilities and Services

Policy COM1 Provision of Facilities and Services

Policy COM1 has three elements. Firstly, it expects all new development to contribute to the need for additional facilities and services. Secondly, it supports new facilities and services particularly around The Common and offers specific support for enhanced GP facilities and a café/coffee shop. Thirdly, it safeguards existing facilities and services, but allows change of use in certain circumstances.

The first element supports new or enhanced facilities and services. It is positively worded, but it does not specify what sort of contribution is required (financial, in kind or actual provision for instance) and therefore there is a lack of clarity. This should be remedied with more detail and explanation being provided in the supporting text as the policy itself is worded clearly. In this respect it may be useful for the Parish and District Councils to agree a form of words that reflects the stance of emerging policy.

The second element encourages development particularly around The Common and reflects specific matters that have emerged through engagement with the community.
The third element refers to changes of use of existing facilities that might result in the loss of the facility. These will be permitted provided that the facility is replaced or there is otherwise adequate and appropriate provision and the use is no longer viable. In relation to the last criterion, a six month marketing period is required as well as demonstration that the terms offered are reasonable.

Given the NPPF’s support for a prosperous rural economy and the importance of the retention and development of local services and facilities, this policy is in line with national policy and guidance. The third element of the policy reflects JCS Policy 15 and its protection of existing local shops and services. Whilst it adds detail, given the range of local services and facilities and Mulbarton’s role as a service village, this policy will help to achieve sustainable development without being unduly onerous on the development industry.

As a result the only modification recommended is to clarify in the supporting text what “contribution” new development will be expected to make.

- Add to the supporting text further detail about how or what contribution new development will be expected to make to additional facilities and services

Policy COM2 Telecommunications

The Plan highlights the importance for residents of good communications. The NPPF offers clear support for high quality communications infrastructure recognising this can play an important role in enhancing the provision of locally based services and facilities and in supporting rural communities.

The policy supports telecommunications infrastructure where its visual impact is acceptable. A representation\(^{38}\) points out the difficulty of establishing what an appropriate “scale and design” to Mulbarton might be. I accept that this phrase may lead to concern and that largely these are matters of judgment. National policy is clear that equipment on new sites should be sympathetically designed and camouflaged where appropriate. Given the rural character and nature of Mulbarton and its surrounds, I consider this policy will encourage communications infrastructure whilst ensuring character and landscape qualities are properly considered. The supporting text also assists in detailing how proposals should be assessed.

The second element of the policy refers to Policy 6 of the JCS which encourages all new development to demonstrate how it will contribute to the achievement of fast broadband connections in the area. This element takes its lead from the JCS and it is appropriate for this policy to reflect that, particularly given the Plan will cover a different time period to the JCS. There is no need for a specific reference to the JCS policy in Policy COM2 as the JCS is likely to be replaced and in any case covers a shorter

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\(^{38}\) Representation from South Norfolk Council
time period than this Plan. I tend to consider that it is preferable for neighbourhood plan policies to ‘stand on their own two feet’. So whilst I urge the Parish Council to consider revising this to take account of the points I make above, this is not a modification required in order for the Plan to meet the basic conditions.

The supporting text which provides a useful explanation of how telecommunications will be considered contains a bullet point referring to the need for alternative locations outside of Mulbarton to be explored. This is unduly negative and should be deleted.

Therefore the policy meets the basic conditions and the only modification recommended is in relation to the supporting text.

- **Delete the phrase “…or alternative locations outside of Mulbarton…” from the first bullet point in the supporting text on page 23 of the Plan**

### 7 The Environment

Reference is made to “English Heritage” in section 7.1 on heritage assets. The organisation is now known as Historic England as the representation from Historic England points out, and so this amendment should be made in the interests of accuracy. I appreciate that this change took place at around the same time as the publication of the submission plan and so this is not a criticism in any way.

- **Update reference to refer to “Historic England” rather than “English Heritage” in section 7.1 on page 24 of the Plan**

A very helpful map, Map 3, is included on page 25 of the Plan. This shows the Conservation Area boundary, listed buildings, buildings of townscape value and important trees, tree groups and hedgerows. It could be made larger and therefore easier to read, but this is not a modification required to meet the basic conditions.

### Policy ENV1 Conservation Area and Heritage Assets

Policy ENV1 seeks to protect and enhance heritage assets. The Evidence Base explains that Mulbarton is home to 15 listed buildings and has a Conservation Area as well as giving more detail on the key features of Mulbarton’s heritage. The policy makes useful reference to Map 3. It requires a heritage statement to be submitted where development is situated in or adjacent to the Conservation Area or other heritage assets.

The policy expects new development to “…blend in with the existing historic fabric…” and to “…contribute to and enhance the Conservation Area and its setting.”. It is

39 Evidence Base page 13
difficult to know what “blend in” might look like and therefore this phrase lacks clarity in that it does not provide a practical framework for decision-making. The enhancement of the Conservation Area is also a higher hurdle than the Planning (Listed Buildings and Conservation Areas) Act 1990 which requires development in Conservation Areas to “preserve or enhance”. This policy should then be modified to bring it in line with national policy and guidance and to enhance clarity so that it provides a practical framework for decision-making.

- Modify Policy ENV1 by replacing paragraph two of the policy with a new paragraph two as follows:

  “New development in or adjacent to the Conservation Area and near important features shown on Map 3 should take account of the historic fabric of the area and should preserve or enhance the character or appearance of the Conservation Area.”

Policy ENV2 The Common

This policy seeks to conserve and enhance The Common, a large roughly triangular area of grassland which has a number of ponds. Usefully The Common is shown on a number of maps throughout the Plan, but particularly on Map 4. It is clear that this area is of great significance to the community. It is valued for its intrinsic beauty, but also for its wildlife and flora and fauna as well as its recreational and amenity value. It also forms an important part of the Conservation Area. The Evidence Base indicates that it is likely that The Common has been maintained as open grassland since the Middle Ages and goes on to detail some of the flora and fauna to be found on The Common.40

The policy specifically excludes householder applications from the need to conserve and enhance The Common and the balance between its landscape and biodiversity value and use as an amenity and public space. No explanation is given as to why householder applications should be excluded. Given the importance of this area and its multiple uses, the reference which excludes householder applications should be removed. There is nothing in national policy or guidance that indicates that such development should attain a lesser quality and the removal of this clause will ensure that the policy helps to achieve sustainable development.

- Modify Policy ENV2 by deleting the words “…with the exception of householder applications…”

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40 Ibid pages 9 and 14
This policy seeks to do three things; firstly it protects road fronting hedgerows or seeks their replacement if lost as a result of development. Hedgerows are particularly characteristic of, and make a significant contribution to, the landscape of the area. Information in the Evidence Base also points to the fact that further opening up of the landscape through the loss of woodland, hedgerows or hedgerow trees has been identified as a sensitivity and vulnerability of this area.\textsuperscript{41}

The supporting text to the policy explains that it is a policy of the Parish Council to increase the number of hedgerows. The explanatory text also takes a common sense approach recognising that in certain situations some hedgerow realignment might be necessary. It is intended that the policy would be partly implemented through the submission of a landscaping scheme accompanying planning applications. In my view this commits the local planning authority to first of all require such a landscaping scheme at the validation stage and also to assess it during the course of the planning application. This is arguably quite onerous on the local planning authority and this requirement could be satisfactorily dealt with through the imposition of planning conditions on any grant of permission.

Therefore whilst this part of the policy is clearly worded and this element of the policy itself does not need modification, the supporting text should be revised to recognise this matter could be dealt with via a planning condition too to ensure that the policy is operated flexibly and does not unnecessarily affect viability and deliverability of development.

The second part of the policy encourages the enhancement of ecological networks. This element is in line with national policy and is clearly worded. It refers to County Wildlife Sites and the supporting text includes a reference to Map 5 which clearly shows the locations of these sites.

The third part of the policy encourages the provision of new open or green space in individual development units or the development as a whole. The supporting text refers to the JCS or any successor document and does not add anything to those requirements; in fact it relies on the requirements in the JCS. I suspect that the wording of Policy ENV3 is more flexible than the applicable SNC policies. This is because Policy ENV3 limits the provision of open or green space to those developments that have an impact on The Common. This is likely to be a subjective judgment or at least a decision that is open to interpretation. I also doubt whether it is the intention of this part of the policy to restrict the provision of open/green space (only) to developments close to The Common. Given that this element of the policy does not add anything over and above the JCS/District level policies in any case and does not take sufficient account of them, it should be deleted.

\textsuperscript{41} Evidence Base page 8
- Modify the supporting text to Policy ENV3 on page 29 to acknowledge the protection and suitable replacement of road fronting hedgerows could be dealt with via the imposition of planning conditions on any grants of planning permission as well as through a landscaping scheme submitted at the same time as a planning application

- Delete the paragraph beginning “To respect the open character of The Common...” from Policy ENV3

- Consequential amendments to the supporting text on pages 29 and 30 will be needed

**Policy ENV4 Flood Risk**

Policy ENV4 requires all planning applications in areas of fluvial or surface water flooding to be accompanied by a Surface Water Assessment and Management Plan. The supporting text explains that the River Mul runs through parts of the Parish and there are small pockets of flood risk zones 2 and 3. In addition there is also a risk of flooding from surface water. Reference is also made to flood risk and water resources in the Evidence Base.\(^\text{42}\)

The NPPF states that inappropriate development in areas at risk of flooding should be avoided by directing development away from areas at highest risk.\(^\text{43}\) It advocates a sequential, risk-based approach to the location of development to avoid where possible flood risk to people and property.\(^\text{44}\) The NPPF sets out the circumstances in which a site-specific flood risk assessment will be required.\(^\text{45}\) PPG advises that the general approach and requirements for site-specific flood risk assessments should be applied to developments in areas at risk from flooding.

One of the spatial planning objectives in the JCS is to guide new development away from areas with a high probability of flooding and to ensure that flood mitigation will be required and flood protection be maintained and enhanced.\(^\text{46}\)

It would be usual for policies of this nature to align fully with the prescriptive requirements of national policy. It is clear from the Plan that flood risk is an issue the community is very concerned about. There is little doubt that consideration of flood risk will proactively help to meet one of the challenges of climate change. Therefore the following modification is recommended that brings the policy in line with national policy whilst recognising local circumstances.

\(^{42}\) Evidence Base page 12
\(^{43}\) National Planning Policy Framework (2012) para 100
\(^{44}\) Ibid
\(^{45}\) Ibid para 103
\(^{46}\) JCS page 24
Reword Policy ENV4 as follows:

“Development should not increase flood risk from fluvial flooding or any other source of flooding including surface water flooding. Planning applications for development within the Plan area must be accompanied by a site-specific assessment in line with the requirements of national policy and advice, but may also be required on a site by site basis based on locally available evidence. All proposals must demonstrate that flood risk will not be increased elsewhere and that the proposed development is appropriately flood resilient and resistant.”

Appendix

Appendix A contains Map 6 which helpfully and clearly shows the ‘Heart of the Village’; an important policy tool used throughout the Plan.

9.0 Conclusions and Recommendations

Section 8.0 has focused on the details of individual policies in the Plan. However, it is also useful to take a step back and consider how the policies work together. My concern is that given the Plan directed new residential development and new economic development to the area around The Common and the Heart of the Village, that The Common is in itself rightly protected and the Heart of the Village boundary coincides with the boundary of the Conservation Area. Therefore The Common and the Conservation Area designations in themselves provide a degree of protection. Given the development boundaries of Mulbarton, which are not discussed, identified or reviewed in the Plan, this could have resulted in very little new development of any sort in Mulbarton. Very few sites would have satisfied these policies or meet varied criteria in other policies such as the walking distance from The Common or direct access onto the B1113 for instance.

I have therefore recommended various deletions of policies including the scale of new residential development (Policy HOU1) and the location of new economic development (Policy ECN2) and amended others, in particular Policies HOU2, HOU4, TRA1 and TRA2 to instill greater flexibility whilst still addressing both the concerns and the priorities of the community. These modifications will then set out a positive vision for the future of Mulbarton and a robust and comprehensive set of policies that plan positively whilst respecting the special characteristics and local circumstances of the village.

I am therefore satisfied that the Mulbarton Neighbourhood Development Plan, subject to the modifications I have recommended, meets the basic conditions and the other statutory requirements outlined earlier in this report.
I am therefore pleased to recommend to South Norfolk Council that, subject to the modifications proposed in this report, the Mulbarton Neighbourhood Development Plan should proceed to a referendum.

Following on from that, I am required to consider whether the referendum area should be extended beyond the Mulbarton Neighbourhood Plan area.

I see no reason to alter or extend the Plan area for the purpose of holding a referendum and no representations have been made that would lead me to reach a different conclusion. I therefore consider that the Plan should proceed to a referendum based on the Mulbarton Neighbourhood Plan area as approved by South Norfolk Council on 8 May 2014.

Ann Skippers
Ann Skippers Planning
11 September 2015
Appendix List of Documents specific to this Examination


Mulbarton Neighbourhood Plan Statement of Basic Conditions dated April 2015

Mulbarton Neighbourhood Plan Statement of Community Involvement dated April 2015


Additional Information from South Norfolk Council regarding EU Obligations and the development plan in an email dated 17 August 2015 (in response to two emails from me requesting more information of 15 and 17 August 2015)

Additional information from South Norfolk Council confirming key dates dated 9 September 2015 (in response to my email requesting that information of 7 September 2015)

South Norfolk Council Screening Opinion on SEA dated 19 November 2014

Joint Core Strategy for Broadland, Norwich and South Norfolk, adopted March 2011, amendments adopted January 2014

South Norfolk Local Plan adopted 2003

Development Management Policies Document (April 2015) currently at Examination

List ends
Greater Norwich Local Plan, Central Norfolk Strategic Housing Market Assessment and Greater Norwich Water Efficiency Advice Note Update

Report of the Planning Policy Manager
Cabinet Member: John Fuller, Cabinet Member for External Affairs

CONTACT
Adam Nicholls
anicholls@s-norfolk.gov.uk
1. Introduction

1.1. The purpose of this report is to update Cabinet on a number of strategic and other planning policy issues, and seek Cabinet’s agreement on the various courses of action for future policy development:

1.2. Firstly, Cabinet agreed in March 2015 that South Norfolk Council would work jointly with all other Norfolk authorities on the preparation of a non-statutory strategic Norfolk framework to demonstrate the ongoing discharge of the Duty to Co-operate. This paper updates Cabinet on the progress of this work, and in particular seeks Cabinet’s agreement on the contents of the Strategic Housing Market Assessment (SHMA) covering five Norfolk districts.

1.3. Secondly, the Greater Norwich Growth Board (GNGB), at its meeting on 24 September 2015, resolved that the Greater Norwich authorities should work together on a new Local Plan, to include strategic planning policies and site allocations, but excluding development management policies. Cabinet’s formal agreement for this is sought.

1.4. Thirdly, as a result of some national changes to technical standards for housing, it is no longer possible for existing Joint Core Strategy policy on water efficiency and water use to continue to be used. A paper setting out the revised approach has been prepared and recommends that the existing GNGB Water Efficiency Advice Note is updated. Cabinet as is asked to agree this.

1.5. Cabinet is therefore recommended to:
i) Resolve that the Council should work jointly with the other Greater Norwich local authorities (Broadland and Norwich, working with Norfolk County Council and the Broads Authority) to review their current and emerging Local Plan documents through the preparation of a single Greater Norwich Local Plan covering strategic policies and site specific allocations, with South Norfolk Council preparing a separate Development Management Policies document;

ii) Note the progress to date on the Norfolk Strategic Framework, and agree the contents of the draft Strategic Housing Market Assessment covering Breckland, Broadland, North Norfolk, Norwich and South Norfolk, with the Director of Growth and Localism, in consultation with the Cabinet Member for External Affairs, given delegated authority to agree the final version of the SHMA (in co-operation with the other four local planning authorities), which can be then be used as evidence for planning purposes;


2. Review of the existing and emerging South Norfolk Local Plan documents

2.1. The current South Norfolk Development Plan comprises the following documents: the Joint Core Strategy (adopted in 2011, with amendments adopted in 2014); the Site Allocations and Policies Document, the Development Management Policies Document and the Wymondham Area Action Plan (all adopted in October 2015); the Cringleford Neighbourhood Plan (adopted in February 2014); and a small number of policies in the 2003 South Norfolk Local Plan.

2.2. Various other development plan documents are in preparation. The Long Stratton Area Action Plan is in its examination stage, with consultation on Proposed Main Modifications having commenced in October 2015, and it is hoped that, should it be found “sound” by the Inspector, it could be adopted in the early part of 2016. The Gypsies and Travellers Local Plan is at the Issues and Options stage, and it is hoped that the Preferred Options stage will be reached when further Government
guidance and updated legislation is in place and has been assessed. The Mulbarton Neighbourhood Plan is also on this Cabinet agenda, with a recommendation of allowing it to progress to public referendum in late 2015/early 2016.

**Norfolk Strategic Framework**

2.3. The Norfolk Duty to Co-operate Member Forum has been meeting for 18 months, with a view to ensure that all Norfolk councils are best meeting the ongoing duty to co-operate for strategic planning matters. Strategic planning portfolio holders are each council’s representative; in the case of South Norfolk, this is the Leader. Cllr Fuller is also chairing the Forum during 2015/16.

2.4. In March 2015, Cabinet agreed that, to assist the Council in discharging the ongoing Duty to Co-operate and assist in securing significant cost savings through joint working and the preparation of shared evidence base information, the Council should joint with the other eight Norfolk planning authorities to prepare a “shared non-statutory framework” (now called the Norfolk Strategic Framework). All other Norfolk authorities have formally agreed this approach, and each district council is contributing £25,000 to the process.

2.5. A part-time Project Manager and full-time Project Assistant have been appointed to help guide the Norfolk Strategic Framework process. They will be managed by Norwich City Council, but will work for all the councils, and will work flexibly location-wise. Both post-holders are now in place.

2.6. The first piece of shared evidence base work being undertaken is a Visitor Pressure Study on key environmentally sensitive sites in Norfolk (particularly the Norfolk Broads and the north Norfolk coast). The aim is to identify patterns of visits to such sites, including surveys of who visits (the proportion of locals and tourists) and why they visit (tourism, dog-walking, bird-watching etc), to help develop a better understanding of the visitor pressures on such sites. This will help feed into an understanding of whether some such sites have capacity to cope with further growth (from tourists and/or from new
local housing) and if not, how such pressure could perhaps be defrayed to other, less sensitive, sites. Further surveys during winter 2015/16 are needed, and the final report is expected to be received in June 2016.

2.7. Officers have set up four task-and-finish groups to better deliver work on the Norfolk Strategic Framework: Housing, Economic Development, Infrastructure and Delivery. Various officers from the nine Norfolk Local Authorities are on the groups, as are some external bodies (such as the Environment Agency).

Central Norfolk Strategic Housing Market Assessment

Background

2.8. One of the fundamental evidence base documents for a Local Plan document dealing with housing and/or economic growth is a Strategic Housing Market Assessment (SHMA). In essence, following the requirements of the National Planning Policy Framework and the Planning Practice Guidance, a local authority must prepare a SHMA to assess the full, objectively-assessed needs for housing (both market and affordable), working with neighbouring authorities where housing market areas cross administrative boundaries.

2.9. The current SHMA for South Norfolk covers the whole of South Norfolk, Broadland and Norwich districts and work on a new SHMA was commissioned in early 2014 by the three districts from consultants ORS. Early results of the SHMA concluded that the Greater Norwich Housing Market Area extends into substantial parts of Breckland and North Norfolk districts, and as a result Breckland and North Norfolk Councils were approached to join the SHMA. Both agreed to do so. Whilst not all parts of these two districts fall within the Central Norfolk HMA (Thetford does not, for example), every location has to fall within a single HMA, and it is pragmatic for the whole of a district to be placed within the same HMA for logistical and planning purposes. (Very) small parts of Great Yarmouth, Waveney and Mid-Suffolk districts also fall within the Central Norfolk HMA. Therefore the boundary of the Greater Norwich HMA for plan-making purposes is the whole of the five
Central Norfolk districts, with the Broads Authority area need also identified (although their housing need numbers are so low it has very little overall impact).

2.10. It is important to note that SHMA findings are the objectively-assessed need (OAN) figures for market and affordable housing. These take into account elements such as demographic projections (births and deaths), projected patterns of migration (both international and, far more significantly, intra-UK migration) and jobs targets/employment growth projections. The SHMA figures cannot and must not take into account any limitations imposed by policies (such as flood risk, landscape or ecological constraints, infrastructure deficits etc) and is therefore a “policy off” figure. It is through the Local Plan production process that the impact of any policy limitations on the raw numbers are assessed, and if an authority concludes it cannot meet its full OAN for housing (i.e. its “policy on” housing requirement is lower than its OAN figure), it must discuss this, under the Duty to Co-operate, with its neighbours, to see if they can assist in meeting any unmet need.

2.11. The preparation of a SHMA involves extensive evidence base collection. It factors in elements such as jobs growth forecasting (from the East of England Forecasting Model), projected numbers of students, projected numbers of residents requiring specialist care accommodation and the potential impact of changes to the benefit and tax regimes on the affordability of accommodation, but there are many others, all of which are detailed in the SHMA itself.

**SHMA findings**

2.12. The Central Norwich SHMA (Appendix A) has reached a number of important conclusions. Firstly, it has identified three parts of the Central Norfolk HMA (see paragraphs 2.37-2.40 and Figure 9 of the SHMA):

- A “core” area, which are the settlements with the strongest connections to the Norwich urban area. This area is similar to, but slightly larger than, the current Norwich Policy Area (it includes Loddon, Acle and Aylsham, for example)
- A Greater Norwich area, which is the whole of the areas of South Norfolk, Norwich and Broadland
The full extent of the Central Norfolk HMA. Note that this is recommended to be expanded to cover the whole of Breckland and North Norfolk districts, as outlined in paragraph 2.7 above.

2.13. A key conclusion of the SHMA is that the demographic and migration projections alone are not expected to provide a sufficient number of workers to meet the projected jobs target. A significant factor in this is that the Great Norwich City Deal has a target of an additional 13,000 jobs over and above those planned for in the current Joint Core Strategy.

2.14. Figure 97 of the SHMA shows that the overall housing need for the whole of the Central Norfolk area for the period 2012-2036 is 76,549 dwellings, with the South Norfolk figure 19,928 (about 800 dwellings per year). The overall level of affordable housing across the HMA is about 26% (19,200 dwellings), with the South Norfolk figure about 18% (but see paragraph 2.17 below).

2.15. An important element in the future migration projections is that the 2008 national population projections contained a migration projection which was very high, and has now been accepted as being erroneous by the Office for National Statistics. This means that an element of the backlog of housing need against the current JCS requirements that has built up from 2008 to 2012 comprises migrants who never actually arrived in Greater Norwich, and so therefore do not need to be allowed for in the emerging SHMA.

Implications of the SHMA findings

2.16. Firstly, as noted above in paragraph 2.8 above, the SHMA figures are “policy off” figures and so cannot be directly and immediately used as new policy figures (see paragraph 2.10 above for an explanation of what is meant by “policy off”). In this way, for example, the proportion of affordable housing sought on housing sites will remain as currently in Policy 4 of the Joint Core Strategy until a new figure has been taken through the Local Plan process and adopted. Similarly, any decision about whether to retain, expand or potentially abolish the Norwich Policy Area is a policy consideration that can
only be assessed through a Local Plan process, and the authorities are therefore not bound by what the SHMA has found on this point.

2.17. Secondly, although the SHMA breaks down market housing need figures and affordable housing need figures individually to each constituent district, to some extent this is slightly misleading. The requirement is for all five districts cumulatively to meet the level of market and affordable housing need across the whole housing market area (as adjusted to council boundaries), and the five authorities will need to work together through the Duty to Co-operate/Norfolk Strategic Framework work to ensure that this need can be met. For example, it appears unlikely (as it was also for the Joint Core Strategy) that Norwich City will be able to meet its own OAN for market or affordable housing, and so will again look to its adjoining authorities in South Norfolk and Broadland for assistance, and this will be considered through the Greater Norwich Local Plan (Review) (see paragraphs 2.21-2.24 below).

2.18. Thirdly, because the SHMA housing figures run from 2012-2036, it has automatically assessed the level of housing need, including any backlog that there might have been up to 2012. The backlog that has built up from 2008-2012 has therefore been “eliminated” from the OAN figures, although as noted above (paragraph 2.13) this change cannot be introduced immediately as the SHMA figures will need to be subject to further work and consideration. Nonetheless, there is the potential for the five-year land supply position in the Norwich Policy Area to improve as a result.

SHMA – next steps

2.19. The emerging Central Norfolk SHMA is draft, as there are a small number of areas whether further work is still to be completed. Delegated authority is being sought by each of the five Central Norfolk authorities (in this case, for the Director of Growth and Localism) to complete and sign off the SHMA, and then publish it. This is hoped to be in November 2015. The SHMA will then be used as part of the evidence base for the individual Local Plan documents already in/soon to be in production across Central Norfolk.
2.20. It is important to note that the SHMA is not a “publish and forget” document. As a key Local Plan evidence base document, it will be necessary to keep its findings up to date during the Local Plan production process, to reflect new evidence, and new/updated national and local policies.

South Norfolk Local Plan Review

2.21. During the examination in to the Site Specific Allocations and Policies Document, the Development Management Policies Document and the Wymondham Area Action Plan, the Inspector made clear that an early review of the Local Plan documents was necessary for a variety of reasons, and appropriate modifications were made to the now-adopted documents. The reviewed Local Plan documents must be adopted within five years of the adoption of the current documents, i.e. by October 2020. Broadland DC has also made a commitment to an early review of its Local Plan documents.

2.22. In any case, the three Local Planning Authorities of the Greater Norwich Board were already considering a review of the Joint Core Strategy, which was originally adopted in 2011. On 24 September 2015, the Greater Norwich Growth Board agreed to recommend to each respective authority that a Greater Norwich Local Plan would be produced, consisting of strategic policies (similar to those set out in the current Joint Core Strategy) and site allocations. Development Management Policies Documents would be produced/reviewed separately by South Norfolk, Broadland and Norwich councils.

2.23. Although a detailed timetable (with formal updates to the three Local Development Schemes) and the administrative structure of the review (i.e. who will do what, when and how much it will cost) cannot yet be finalised and will be the subject of further discussions, a potential draft timetable was included in the GNGB paper agreed on 24 September 2015 to meet the 2020 adoption deadline. As part of the GNGB report, a review of the Community Infrastructure Levy rates across the three districts was agreed to be part of the Greater Norwich Local Plan.
2.24. Cabinet is asked to agree that a Greater Norwich Local Plan should be produced, with the Council considering options for a separate South Norfolk Development Management Policies Document review/update. Delegated authority is sought for the Director of Growth and Localism, in consultation with the Cabinet Member for External Affairs and the Shadow Cabinet Member for External Affairs, to agree the details of the Greater Norwich Local Plan process. When a more certain timetable is known, Cabinet will be asked to agree a formal revision to the Local Development Scheme.

Greater Norwich Growth Board – Water Efficiency Advice Note – October 2015

2.25. Policy 3 of the Joint Core Strategy sets out the Council’s policy on water use, and more detailed GNGB Water Efficiency Advice Note on the implementation of the policy was produced in 2012. In essence, the policy requires that new housing development must reach Code for Sustainable Homes level 4 for water on adoption of the JCS (i.e. by March 2011) and developments of over 500 dwellings much reach code level 6 (the maximum efficiency standard) by 2015.

2.26. However, a Ministerial Statement in March 2015 on national housing standards cancelled the Code for Sustainable Homes. New national technical standards for water efficiency in new housing has been established, and will be implemented through the Building Regulations, including an optional, more demanding, standard for water efficiency.

2.27. The ministerial statement requires that from 1 October 2015, where there is a relevant current Local Plan policy relating to water efficiency, it “should be interpreted by reference to the nearest equivalent new national technical standard”. GNGB officers have updated the Advice Note which provides information to enable the government’s revised standards to be implemented through JCS policy 3 (see Appendix B). The Note also addresses the review’s requirement that local planning authorities review their local information requirements to ensure that the necessary technical detail is requested to support adopted policies.

2.28. The nearest equivalent new technical standard is Regulation 36 2(b) of part G2 of the 2015 Building Regulations, which is the optional higher standard of 110 litres per person per day (the standard Building Regulations requirement is 125 l/p/d).
2.29 Section 3 of the Advice Note set out how the water efficiency requirements should be addressed through pre-application discussions and planning applications, with Appendix 1 of the Advice Note setting out some standard planning condition wording. Although the Building Regulations standards do not apply to non-residential development, all such applications must demonstrate, through their Design and Access Statement, how water efficiency is being maximised.

3. Risks and Implications arising

3.1. None of the proposals will have an impact on crime and disorder.

3.2. None of the proposals will have a direct impact on disadvantaged groups. However, the Strategic Housing Market Assessment considers the needs of all sections of the community in need of housing, including students, those requiring specialist care accommodation, and those requiring affordable housing. In addition, the Greater Norwich Local Plan (and any separate Local Plan document, such as a Development Management Policies Document) will have an Equalities Impact Assessment prepared to accompany it.

Financial implications

3.3. The cost of consultants ORS producing the SHMA is already allowed for in existing budgets (and is shared by the five Central Norfolk authorities). Regular refreshing/updating of the SHMA will be covered in existing budgets, although the costs of this will be reviewed on an annual basis.

3.4. The production of the Norfolk Strategic Framework and the employment of the Project Manager and Project Assistant is allowed for in existing budgets (a £25,000 contribution is made by each of the five authorities, with the County Council and Broads Authority also contributing), although there is some uncertainty as to what the total costs will be at present. The
costs of preparing the Greater Norwich Local Plan can only be estimated at present, and as a long-term (five-year) cost this will need to be refined over time through the annual budgeting process.

3.5. There are no direct financial implications to the Council in relation to the Water Efficiency changes.

Risks

3.6. Working jointly with all other eight Norfolk Local Planning Authorities (Norfolk Strategic Framework), the four other Central Norfolk authorities (the SHMA) and Broadland, Norwich and Norfolk County councils does pose, and will continue to pose, some risks (such as one or more authority withdrawing from the process and the potential for disagreement over key strategic planning issues such as the relative distribution of housing). However, there is no risk-free approach to tacking these issues and the approach is considered the most appropriate to help mitigate the risks of failing to meet the Duty to Co-operate.

3.7. In addition, with the potential to make cost savings through joint commissioning of evidence base information, and continuing a long-running co-operative relationship with the other Greater Norwich authorities, there are significant benefits, not least in connection with the ongoing devolution process, that are concluded to substantially outweigh the risks of working jointly.

4. Other Options

4.1. Cabinet could decide not to agree to publish/adopt the Central Norfolk SHMA. However, whilst there remain some uncertainties (for instance, in relation to older people’s accommodation needs) they are not significant deficiencies, they are not capable of immediate resolution and can be addressed through refreshing/updating the SHMA over time. It is considered that it is fit-for-purpose and that there are no grounds for not agreeing to adopt it.
4.2. Cabinet could choose not to agree to prepare a Greater Norwich Local Plan. However, the principle of this has already been agreed by the Greater Norwich Growth Board, and with the history of joint working with the other Greater Norwich authorities, the need to meet the duty to co-operate and the potential cost savings of working jointly.

4.3. There are no other options for the Water Efficiency matter, as the change has been introduced through a change to national policy.

5. Recommendation

5.1. Cabinet is recommended to:

i) Resolve that South Norfolk Council should work jointly with the other Greater Norwich local authorities (Broadland and Norwich, working with Norfolk County Council) to review their current and emerging Local Plan documents through the preparation of a single Greater Norwich Local Plan covering strategic policies and site specific allocations, with South Norfolk Council preparing a separate Development Management Policies document;

ii) Note the progress to date on the Norfolk Strategic Framework, and agree the contents of the draft Strategic Housing Market Assessment covering Breckland, Broadland, North Norfolk, Norwich and South Norfolk, with the Director of Growth and Localism, in consultation with the Cabinet Member for External Affairs, given delegated authority to agree the final version of the SHMA (in co-operation with the other four local planning authorities) which can be then be used as evidence for planning purposes;

Appendices

A Central Norfolk (Draft) Strategic Housing Market Assessment – October 2015 – see http://www.south-norfolk.gov.uk/democracy/default.aspx (not attached due to file size)

B Greater Norwich Water Efficiency Advice Note – October 2015
1. Purpose of the note

The purpose of this advice note is to support implementation of the water efficiency element of policy 3 of the adopted Joint Core Strategy (JCS) for Broadland, Norwich and South Norfolk.

It replaces the Greater Norwich Development Partnership Water Efficiency Advice Note produced in 2012.

This advice note takes account of the national housing standards review published in March 2015 through a ministerial statement. Advice concerning non-residential development is unchanged from the 2012 note.

The national housing standards review cancels the Code for Sustainable Homes (CfSH) which JCS policy 3 references. The review establishes new national technical standards for water efficiency in new housing to be implemented through the Building Regulations, including an optional more demanding standard for water efficiency.

The ministerial statement requires that from 1 October 2015, where there is a relevant current Local Plan policy relating to water efficiency, it “should be interpreted by reference to the nearest equivalent new national technical standard”. This advice note provides information to enable the government’s revised standards to be implemented through JCS policy 3.

This note also addresses the review’s requirement that local planning authorities review their local information requirements to ensure that the necessary technical detail is requested to support adopted policies.

2. Policy implementation

In relation to water efficiency, JCS policy 3 states:

To ensure all housing is water efficient, new housing development must reach Code for Sustainable Homes level 4 for water on adoption of this document and developments of over 500 dwellings must reach code level 6 by 2015.

All other developments must seek to maximise water efficiency.

The introduction of the national technical standard amends implementation of JCS policy 3 as follows:
1. The Code for Sustainable Homes (CfSH) level 4 policy requirement which applies to most housing development is replaced by the directly equivalent regulation 36 2(b) higher national technical standard for water efficiency, both of which are set at 110 litres per person per day (l/p/d) as opposed to the standard Building Regulations requirement of 125 l/p/d. This level of water efficiency can be easily achieved at very little extra cost through the use of water efficient fixtures and fittings.

2. The adopted JCS policy 3 requirement for developments of over 500 dwellings to be built to the former CfSH level 6 standard of 80 l/p/d by 2015, which encouraged a design led approach to water efficiency on large scale sites, can no longer be applied due to the national policy changes. The justification for this policy approach is set out in the JCS and in appendix 3.

2.1 Residential developments

The regulation 36 2(b) optional higher requirement of 110 litres/person/day water efficiency is set out in part G2 of the 2015 Building Regulations. When completing their Building Regulations assessments, the applicant for planning permission must use the water efficiency calculator in part G2 appendix A to show how the development meets the requirement. This requirement will be set out in planning permissions and planning conditions will be applied (see appendix 1).

2.2 Non-residential development

The policy also requires non-residential development to maximise water efficiency. Evidence of how this will be done should be included in a Design and Access Statement. As a result, non-housing development should be accompanied by a nationally recognised assessment of water consumption.

It is strongly recommended that the most practical way of doing this is through a BREEAM assessment. Further detail on BREEAM assessments is in appendix 2 and the BREEAM website (see section 8).

In the absence of a BREEAM assessment, developers will need to provide evidence in their Design and Access Statement of how they have maximised water efficiency, clearly setting out the alternative means of achieving water efficiency that are appropriate to their development.

In most cases where significant building work is being undertaken, it is expected that water reuse techniques will be incorporated. If this is not proposed, the reasons for not doing so should be set out in the Design and Access statement.
3. Planning applications

Since the policy requirement is tied to national standards in the Building Regulations and BREEAM, the process for providing the necessary information to support a planning application is relatively straightforward.

3.1 Pre application discussions

Water efficiency will be one of the policy requirements to be discussed by development management planners and developers from the earliest stages of the design and planning application process. Early consideration will reduce associated costs.

3.2 Submitting planning applications

**Residential development:** Reference to the requirement for the housing development to comply with the regulation 36 2(b) for water efficiency, and how this will be addressed, should be incorporated in the Design and Access Statement which supports the planning application.

**Non residential development:** The Design and Access Statement must include either:

- the **BREEAM design stage water assessment** (see appendix 2 for further detail). Commentary with the assessments should show how the development has maximised water efficiency, achieving as close to the “exemplary” standard as possible. This should be clearly set out in the Design and Access Statement. Due to economies of scale, large scale developments in particular should be able to achieve the highest standards.

- or; an assessment, covering both water consuming components and greywater or rainwater systems, showing how water efficiency has been **maximised**. Clear reasons must given in the Design and Access Statement stating why the submitted approach has been favoured.

3.3 Assessing planning applications

For residential development, the requirement to meet regulation 36 2(b) for water efficiency through the Building Regulations will be assessed.

For non residential development, the content of the Design and Access statement in relation to water efficiency (including any submitted accredited BREEAM assessment) will be assessed.
3.4 Conditions

Standard water conditions will be applied to relevant planning permissions. These are to ensure that the appropriate levels for water efficiency have been achieved and where applicable, will require that a BREEAM assessment is made on completion of development, prior to occupation. The standard conditions are in appendix 1.

3.5 Long term maintenance

It will be important that developers inform residents and other users of their developments of both the advantages of the installed water efficiency devices and systems and of any issues related to long term maintenance.
Appendix 1 Standard water conditions

1) For housing

The development hereby approved shall be designed and built to meet the regulation 36 2(b) requirement of 110 litres/person/day water efficiency set out in part G2 of the 2015 Building Regulations for water usage. No occupation of [any of] the dwelling[s] shall take place until a Building Regulations assessment confirms that the development has been constructed in accordance with regulation 36 2(b) of part G2 of the Building Regulations for water efficiency and has been submitted to and agreed in writing by the local planning authority.

REASON: To ensure the development is constructed to an appropriate standard in accordance with Policy 3 and 20 of the adopted Joint Core Strategy 2011

2) For non-residential schemes

2.1 Including a BREEAM assessment:

No occupation of [any of] the development shall take place until an accredited Post Construction stage BREEAM assessment which confirms that the development has been constructed in accordance with the BREEAM score for water usage required in the planning permission has been submitted to and agreed in writing by the local planning authority.

REASON: To ensure the development is constructed to an appropriate standard in accordance with Policy 3 and 20 of the adopted Joint Core Strategy 2011

2.2 Not including a BREEAM assessment

No development shall take place until details of water conservation measures designed to maximise water conservation have been submitted to and agreed in writing by the local planning authority. No use of the development hereby approved shall take place until the agreed measures have been installed and brought into use and such measures shall be permanently retained.

REASON: To ensure the development is constructed to an appropriate standard in accordance with Policy 3 and 20 of the adopted Joint Core Strategy 2011

3) Mixed use schemes require both
Appendix 2 BREEAM Assessments for non-domestic buildings

As part of a BREEAM assessment, a score (ranging from 1 to 5, with a higher “exemplary” score) is given for water efficiency using the BREEAM Wat 01 water consumption calculator. The water consumption (litres/person/day) for the assessed building is compared against a notional baseline performance and BREEAM credits awarded as follows:

<table>
<thead>
<tr>
<th>% improvement</th>
<th>No. of BREEAM credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.5%</td>
<td>1</td>
</tr>
<tr>
<td>25%</td>
<td>2</td>
</tr>
<tr>
<td>40%</td>
<td>3</td>
</tr>
<tr>
<td>50%</td>
<td>4</td>
</tr>
<tr>
<td>55%</td>
<td>5</td>
</tr>
<tr>
<td>65%</td>
<td>Exemplary performance</td>
</tr>
</tbody>
</table>

When submitting applications for non domestic buildings, developers using BREEAM assessments will need to supply Design Stage BREEAM assessments as part of their Design and Access Statements. These must contain the following:

1. Completed copy of the BREEAM Wat 01 calculator
2. Relevant section/ clauses of the building specification/ design drawings confirming technical details of;
   - Sanitary components
   - Rainwater and greywater collection system

OR where detailed documentary evidence is not available at this stage;

1. Completed BREEAM Wat 01 calculator
2. A letter of instruction to a contractor/supplier or a formal letter from the developer giving a specific undertaking, providing sufficient information to allow the water calculations to be completed.
Appendix 3 The need for water efficient development in the area

Since water resource and quality issues do not affect all parts of the country equally, there is no national approach to increase water efficiency in development beyond the standard building regulations requirements of new dwellings being built to use no more than 125 litres of water per person per day.

Higher standards can be required where a local plan policy is in place which has been subject to independent examination showing the need for such a policy approach.

The greater Norwich area experiences low rainfall and suffers from water stress. A detailed Water Cycle Study was undertaken as part of the evidence base for the Joint Core Strategy (JCS). This showed that the housing and economic growth needs of the area required water efficient new development. This is mainly due to the need to address water quality issues in internationally protected habitats in the Broads and the Wensum. Therefore a progressive water efficiency policy, which received broad support at examination, was introduced through the JCS. The updated approach set out in this advice note maintains an emphasis on the need for water efficiency in new development in the area, though the most demanding requirements for very large housing sites can no longer be implemented.

In addition to emphasising the need for new development to be water efficient, Anglian Water is working to increase the water efficiency of existing development. This is being done primarily through increased metering, as promoted by the Water Resources Management Plan 2014 and related water efficiency campaigns.
Performance, Risks and Revenue Budget Position Report for the Quarter 2 2015/16

Report of the Corporate Programmes - Project Manager/Scrutiny and Information Rights Officer/Accountancy Manager

Cabinet Member: Michael Edney, Finance and Resources

CONTACT
Revenue/Budget: Matthew Fernandez-Graham 01508 533919
mgraham@s-norfolk.gov.uk

Performance: Andrew Mewes 01508 533646
amewes@s-norfolk.gov.uk

Risk: Emma Goddard 01508 533747
egoddard@s-norfolk.gov.uk
1. Introduction

1.1 This report details the Council’s performance against strategic measures, risk position, and revenue budget position at the end of the second quarter (July – September 2015) for 2015/16.

2. 2015/16 Performance

2.1. In February 2015, Cabinet approved the business plan for the financial year including the strategic measures to be reported and monitored on a quarterly basis. This report and appendix 1 provides Cabinet with an overview of these key performance indicators.

3. Quarter 2 Performance

3.1. We continue to meet the Council’s Vision through our corporate priorities and deliver the best outcomes for our residents. Strategic measures within tolerance or exceeding targets equate to a 96.4% rating in quarter 2. Below is a summary of our performance levels for this quarter.

3.2. Summary of the 31 Strategic Measures at end of quarter 2, 2015/16

- ♫ 25 Measures met or exceeded target. (Green Indicator)
- 😞 02 Measures are within an acceptable tolerance of target. (Amber Indicator)
- 😞 01 Measures did not reach the stretched target. (Red Indicator)
- 🚩 02 Measures will be reported through the year to provide baseline data going forward. This will enable targets to be set in 16/17 to improve upon. These indicators are identified with the baseline icon in the Performance Appendix.
- 🤔 01 Measure could not be accurately reported on this quarter due to external factors.
3.3 The measures approved by Cabinet in our annual Business Plans are used to manage performance and to drive the business forward to continuously improve against priorities set by Cabinet. The strategic measures which are reported up to Cabinet give a broad overview of the direction of performance across the diverse services provided by the Council.

3.4 Included in appendix 1 is the detailed performance report showing the target, outturn and operational comments relating to each strategic measure.

4. Quarterly Summary

4.1. Q2 performance has been generally positive across the Strategic Measures with the majority of indicators either meeting or exceeding their profiled targets. Below is a summary of areas to note.

4.2. Areas that have shown exceptionally good performance

LI 322: Number of known targeted long term, empty homes back into use
As reported in the Q1 report, the first quarter was spent making contact with owners of all known long-term empty properties in the District. This has resulted in 36 homes coming back in to use and occupied in Q2 out of an end-year target of 28.

LI 323: Increase in the number of vulnerable people helped to maintain independence in their own homes, with support from interventions including Care and Repair, Handyperson, disabled adaptations, energy efficiency measures and financial assistance
In Q2 we have achieved the highest number of outcomes ever on this indicator (1087 out of an end-year target of 1800), focussing on promoting the Independent Living Team and the range of services we provide to residents of all ages and tenures.

LI 350: Number of Affordable homes delivered in the second year of the three year affordable homes target
As of Q2-end we have now delivered 503 homes meaning we are on target to achieve our second year target of 600 homes (and third year target of 850 homes). In addition we are glad to report that in delivering these homes work for almost 300 people was created and they have also contributed to over £28 million to the wider economy.
LI 263: Number of missed bins for all waste per 100,000 collections
We are pleased to report a Q2 figure of 18 (target 30). This reflects the continuing focus on customer service and 'getting it right first time'. This is the lowest figure since Q3’2012 and shows a continuous reduction each and every quarter since Q2’2014.

MI 1037: % of householder [Planning] applications determined within six weeks
The Q2 result is 18% with a target of 13.6%. This is an improvement from last quarter (9.5% result) demonstrating that we are seeking to determine household applications as soon as practically possible and continue to push performance forward.

MI 1038: % of major planning applications processed within agreed timescales
The Q2 result as with the Q1 result was 100% (target 75%), however in Q2 we had 21 applications which is the most received since Q1’2014. This demonstrates we are prioritising major applications and enabling key development proposals to proceed whilst at the same time seeking to achieve the best developments for our residents and businesses.

MI 1039: % of units liable for business rates occupied
This target sets a basis to monitor business unit occupancy. The Q2 result of 92.35% out of a target 91.7% is an improvement on last quarter. There are 321 more premises liable for business rates than there were in September 2013. The measure shows growth in business in the district with more units occupied and a steady supply of commercial property that meets demand.

LI 1013 Building Control fee earning income
The Q2 result is £858k which is 66% of the CNC year-end target fee earnings income of £1.3m and an increase on the same quarter last year.

MI 1044: % of Community Action Fund (CAF) and Member’s Ward Budget (MWB) spent for community initiatives by all Members
Spend for both grants is up significantly on last quarter where only 1% of CAF and 2% of the Member Ward budgets had been spent reflecting changes in Members during the election period. In Q2, Member Ward budget spend is 23% and CAF budget spend is 35%.
LI 204: Reduction in subsidy to Leisure Services (direct costs)
We are very pleased to report that for Q2 every Leisure Centre is doing better than budgeted and overall we have a positive variance of £127k more than budgeted for 2015/16. The target is £108k.

LI 759: % of our top 10 service requests made via online webforms
Q2 saw an increase to 48.8% from 37% last quarter. The target is 36.6%. This marked increase/improvement is due to Q2 being the first full quarter to include the Leisure Online Booking figures which has increased the percentage of customers self-serving with webforms.

4.3. Areas that are within an acceptable tolerance of target (Amber Indicator)

LI 302: % of householder applications determined within eight weeks or agreed timescales
The Q1 and Q2 target is 80% which was met in Q1 (result 85%) but the Q2 result is down at 73.1% however there was an overall improvement in determining more applications at six weeks. Additional resources are being sought to ensure this target is met.

BV012: Working days lost due to sickness absence
Q1 result was 2.12 against a Q1 target of 1.31 and so was amber. The accumulated Q2 result is 3.92 against a Q2 target of 3.75 and thus remains amber. The end-year target is 7.5. There is a number of staff (6) with long term illness at present, this is a similar number to the previous year, however the number of total days due to long term sickness has increased by 126 days (over 28%) compared to the same period last year which has a detrimental effect on the overall sickness measure. In previous years the end-year target for this measure was set at 8 and comparing the accumulated Q2 figure for the last two financial years, the current year is an improvement.

4.4. Area that did not reach its stretch target (Red indicator)

NI 181: Number of days taken to process Housing Benefit/Council Tax Benefit claims
The Q2 result is 15.1 and target 5.0. We are reviewing our processes and strengthening our performance management to seek to achieve the 5 days to process target. We are initiating a process review of this area as a result of this indicator which will also check/validate the current target value.
5. Risk Management

5.1. Managers have undertaken a review of all Strategic, Directorate and Operational risks as at the end of September 2015.

5.2. The current organisational capacity position is highlighted below; this demonstrates that at present all risk factors are positive, indicating the Council is proactively managing risks and capable of realising opportunities as they are identified. The table below presents a position that will assist the organisation achieve its ambitious targets for the future.

<table>
<thead>
<tr>
<th>Capacity Indicator</th>
<th>Present Position</th>
<th>Present Risk Acceptability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>The Council’s revised Medium Term Plan (July 2015) shows a balanced budget for 2016/17, and identifies the potential savings required in future years. There will be a requirement to review the Medium Term Plan once the Comprehensive Spending Review is published and the Council has more details around the future of government funding, including the recent announcement around local authorities retaining all business rates and the revenue support grant being withdrawn by 2020. Currently the Council has sufficient reserves to cushion it against any major funding reductions in the short term.</td>
<td>Positive</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>The Council continues to perform strongly against its suite of strategic performance indicators. The devolution agenda continues to progress, however it is still too early to determine how this will affect the delivery of services in future. Work is ongoing to ensure that the Council is in the best position to seize opportunities and influence outcomes. The Council has been involved in discussions with Norfolk and Suffolk authorities to establish an expression of interest on devolution to government. Over the next few months, the position on whether the expression of interest will be accepted and developed will become clearer; however any devolution deal will be implemented over a long period.</td>
<td>Positive</td>
</tr>
<tr>
<td>Capacity Indicator</td>
<td>Present Position</td>
<td>Present Risk Acceptability</td>
</tr>
<tr>
<td>--------------------</td>
<td>------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Legal / Compliance</td>
<td>No significant legal / compliance issues have been raised over the past quarter and the status remains the same.</td>
<td>Positive</td>
</tr>
<tr>
<td>Reputation</td>
<td>The Council continues to retain a good reputation both nationally and regionally. The Council’s Early Help pathfinder was recognised as one of the top 20 (out of 140) breaking new ground ‘Our Place’ areas by ‘Locality’ - a national network of ambitious and enterprising community-led organisations. The Council has also gained national recognition for its Pub of the Year Awards, which remains the only Council run scheme of its kind to assist the pub trade. The Council is also receiving recognition in terms of regional and national awards. CNC recently took the top prize in three of the thirteen categories in the regional Local Authority Building Control (LABC) awards, and were finalists in another five categories. Our Environment Team has also been shortlisted for the nationally acclaimed Local Authority Recycling Advisory Committee Awards in relation to the successful Reuse and Recycle events. Two members of staff have also individually won awards for the work they have undertaken for the Council.</td>
<td>Positive</td>
</tr>
<tr>
<td>Human Resources Capacity</td>
<td>The Strategic Leadership Team continues to be in a position to drive the Council forward and ensure that it has the right skills and resources in place to develop commercial services and deliver the level of income the Council requires to achieve a balanced budget in 2015/16 and in future years. In the event of vacant posts, the Council takes the opportunity to review each position to ensure that it continues to fulfil the needs of the organisation. The Council makes interim appointments where appropriate to ensure service continuity and delivery of key functions.</td>
<td>Positive</td>
</tr>
</tbody>
</table>

5.3 In terms of the Strategic Risks, these have been updated to reflect the current position. The Strategic Risks are attached at Appendix 2 and a summary of the current position is detailed below.
S1 - Shortage of 5-year land supply results in uncoordinated development across South Norfolk, successful planning appeals and financial penalty: The five-year land supply figure across the Norwich Policy Area (NPA) still stands at 4.89-4.98 years, however the figure for the end of 2014/15 is being finalised at present. Officers remain hopeful that the revised figures will show that there is again a five-year land supply across the NPA, which would be reflective of an improving position generally as a result of many local plans being predicted to be approved shortly and the imminent publication of the Central Norfolk Strategic Housing Market Assessment (SHMA).

S2 - Ratification of the Local Plans leads to uncoordinated housing and infrastructure development across the District: Work continues to progress well with regard to the adoption of Area Action Plans (AAPs). Of particular interest is the receipt of the Inspector’s report that found the Wymondham AAP and Development Management Policies to be ‘sound’ (subject to some modifications). The Greater Norwich Growth Board has also recently approved the Greater Norwich Growth Programme for 2016/17, which ensures greater certainty of delivery of key infrastructure, such as the Long Stratton bypass.

S3 - The Council is unable to deliver priority services as revenue funding falls short of required income: The revised Medium Term Plan projects savings of £1.0m required over the five years of the Plan, however uncertainty regarding the continuation of the New Homes Bonus could impact on this. The Plan continues to assume growth in income from commercialisation, which is monitored effectively elsewhere on the Risk Register (please see below for details regarding the leisure centre enhancement projects and the property developments).

S4 - Council assets are not managed effectively and do not support service delivery: The programme of leisure centre enhancements is progressing well and to time. Wymondham Leisure Centre is due to partially re-open on 19 October 2015, with a view to complete in spring 2016.

S5 - Property Development activities are not successful and income generation is not realised: The opening of the show home at Rosebery Park in Poringland marks the completion of the first stage of the development; with 11 houses being released, eight of which have been reserved. The Council hopes to be in a position to be letting four residential units by the end of 2015. The construction on Maple Park is due to commence in October 2015.

S6 - An incident occurs at South Norfolk House/Swan Lane resulting in the Council being unable to recover data: The outcome of the recent Disaster Recovery review has led to the agreement to use Wymondham Leisure Centre and the
Ketteringham depot to store data remotely. Ketteringham depot is to be established by the end of 2015 and Wymondham Leisure Centre should be set up by mid-2016.

5.4 With regard to Directorate and Operational risks, these have not changed significantly. Of particular note is the Council’s desire to operate as an accredited Institute of Leadership and Management (ILM) Centre, which would assist to ensure that there is sufficient employee capability/capacity to deliver organisational priorities. Currently officers are finalising governance arrangements to facilitate this. ILM is the UK’s leading body for management and leadership qualifications, setting the standard for industry-recognised, accredited leadership and management qualifications.

5.5 There are also a number of updates that assist to support the mitigation of Strategic risks. These include the risk related to the leisure enhancement programme not resulting in anticipated increase in income – all actions are currently on time and it is worth noting that the retention of members of the Leisure Centres has been higher during the period of refurbishment than was anticipated, which has had a positive impact on this current year’s budget. In addition, the results of the feasibility study undertaken in relation to Long Stratton Leisure Centre will be analysed in quarter three with a view to confirming the extent of these refurbishments soon. In terms of property investment and associated income, phase two of the residential Poringland development will commence in January 2016 and other acquisition and redevelopment opportunities are due to be investigated in the coming months.
6. Revenue Budget Position

6.1. The Quarter 2 outturn is set out in the graph below:

6.2. The total net budget to date was £219,837 and total expenditure, net of income and Housing Benefit payments, was (£894,837), producing a positive revenue position of £1,114,675 to the end of September. Budget managers have worked with the Accountancy Team to provide an initial year end forecast, which is for a positive position of £1.7 million on the General Fund, excluding any year end pension adjustments.
Pay budgets

6.3. There are vacancies in some areas across the Council, but where necessary agency staff have been employed to maintain the level of service while recruitment takes place. The pay award was implemented from 1st January 2015 and is included in the Council’s budget. The results of the 2014 Performance Reviews cost £189,688, which was within the increased budget of £190,000, reflecting the move of CNC staff onto South Norfolk Council terms and conditions and the effect of the national pay award of increasing staff pay on which the performance pay is based. The outcome of the performance reviews was that 80% of staff received an overall rating of Outstanding or Performing in their Performance Review, comparable to the previous year. The overall position at the end of quarter 2 is a greater positive variance than for the same period in 2014/15.

Non Pay Budgets

6.4. There has been lower than budgeted non-pay expenditure across the Council and the position at the end of September is a higher positive variance than at the same point in 2014/15. Particular areas of positive variance are set out below.

6.5. There is a positive variance on legal budgets of £145,000 reflecting a decrease in the use of legal advice in the first six months of the year; however this usage can vary greatly depending in particular on planning appeals.

6.6. There have been savings on commercial waste disposal costs of £35,000 compared to budget due to demand for smaller bins on the commercial waste service and advertising expenditure has been lower by £6,000 as the sales resource is focused on direct marketing.

6.7. Expenditure on Community Action Funds and Member Ward Budgets was not permitted during the purdah period before the District Elections, resulting in a combined positive variance of £39,000. New members have received training in how to manage their ward budgets; it is anticipated these will all be spent by the financial year end.

6.8. There has been some slippage on spending the Youth Advisory Board funding from Norfolk County Council, resulting in a positive variance of £39,000. This expenditure is directly influenced by the County Council.
6.9. Expenditure on community development and homelessness grants has been slower than anticipated, leading to a positive variance of £38,000, and it is expected that this expenditure will now take place in the second half of the year.

6.10. Software support to CNC is now all in-house, resulting in a saving of £13,000 to date. CNC marketing expenditure is £6,000 lower than budgeted.

6.11. A relatively high number of recruitment exercises during the first half of the year led to a negative variance of £13,000 on job advertising costs. This is offset by savings on vacant posts which recruitment takes place.

6.12. There has been lower than anticipated use of the GIS (Geographic Information System) provided under a Service Level Agreement with the County Council, resulting in a saving of £10,000. There are plans in place that are expected to increase the use of this service over time.

6.13. Trade Creditors which are all invoices approved on the finance system but not yet paid were £236,882 at 30 September 2015. The Council pays the majority of its suppliers within 30 days. 96.3% of all undisputed supplier invoices have been paid within 30 days throughout the 15/16 financial year to date. Budget Managers have also raised purchase orders and received goods/services to the value of £330,859 but have not yet received the invoice to pay for them as at 30 September 2015.

**Income Budgets**

6.14. Income budgets were increased for 2015/16 to reflect higher income received in 2014/15 therefore variances are generally lower at this point compared to previous years.

6.15. Income from planning application fees is higher than budgeted (by £78,000) as economic growth continues to feed into greater numbers of applications and more major applications. Fees for pre-application advice are currently £46,000 ahead of expectations. Pre-application fees are to be introduced for domestic applications from 1 January 2016, which again will increase income. The reduction in the number of pre-application queries prompted by the introduction of charging has facilitated a speedier and more efficient service with the right level of resourcing.
6.16. Income from recovery of Housing Benefit overpayments, due to claimants not advising the Council of changes in circumstances, was £142,000 in the first six months, which was £42,000 more than budgeted. Historically there has been an irregular pattern to the receipt of this income and therefore this area will continue to be monitored closely.

6.17. Domestic Waste income from the MRF (Materials Recycling Facility) is £50,000 lower than anticipated owing to reduced prices for recyclables on the world market and a high degree of uncertainty over realisation of income from the joint venture.

6.18. Income from Commercial Waste is £35,000 under-budget owing to the value of accounts won being lower than predicted. The growth of new customer accounts is on target however. This is more than offset by savings on pay and non-pay budgets.

6.19. Income from CNC was £9,000 more than budgeted for the first six months, as work volumes have risen.

6.20. Income from investment property was £7,000 higher than budgeted due to a reduction in the number of voids.

6.21. The loan to the Council's property company, Big Sky Developments Limited has not yet been made; therefore the Council has received £50,000 less interest than expected. This loan will be made in Quarter 3.

6.22. Income from the Council's leisure centres has held up well as membership has not dropped off while the enhancement programme has been taking place and members have been using the alternative facilities.

6.23. Recent appeals on business rates from GP surgeries have reduced the amount of income expected from NNDR (Non-Domestic Rates), which will reduce the levy to be paid to the Norfolk business rates pool to £375,000. The Local Government Association is lobbying government to offset this decrease through a section 31 grant and we will monitor this situation. The levy is more than offset by anticipated government grants for rate relief and the overall position on NNDR at the end of quarter 2 is a positive variance of £232,000, reflecting the increase in business unit occupancy noted under MI1039 in the performance section of this report.
6.24. Trade Debtors are all invoices raised by the Council and where we are awaiting payment. We have invoices totalling £934,351 waiting to be paid as at 30 September 2015, of which £663,107 has been invoiced in the last month and is not yet due. Of the 625 overdue invoices totalling £271,244, 292 (47%) are committed to be repaid by instalment plans, 69 (11%) are under investigation with the remaining 264 (42%) being subject to ongoing debt recovery activity. These invoices relate to all the Council’s Sundry Income and also include income relating to CNC building control, CIL, commercial waste, garden waste, rent assisted deposits and charges for sewage services. £241,570 has been raised in invoices in the current financial year in relation to Community Infrastructure Levy (CIL), of which £38,189 will be passed onto town and parish councils and £12,078 retained to cover administration costs. The remaining sum of £191,303 will be passed onto Norfolk County Council for pooling in the Infrastructure Investment Fund which will be used to fund the Northern Distributor Road and other strategic infrastructure projects.

6.25. The Finance, Resources, Audit and Governance Committee met on 21st October 2015 to consider a report on the VAT treatment of rents for the Council’s commercial properties. This report recommends opting to tax on all the Council’s commercial properties to assist in protecting the Council’s partial VAT exemption limits, the consequence of not taking this action is that there is a higher risk the partial exemption limits will be breached and an element of recoverable VAT which the Council currently recovers would be lost. This is forecast to be worth at least £255,000 to the Council over the next 3 years. The risk of exceeding the partial exemption limits has increased mainly as a result of the investments in the Leisure services which fall into the partial exemption calculation. Further detail is provided in Appendix 4.

6.26. The graph below shows that there are positive variances across the Council in all Directorates. A more detailed analysis of the main areas of variance by service is attached as Appendix 3. These variances are the direct costs of each service and exclude recharging between services for overheads and depreciation charges and technical financial adjustments required for statutory reporting purposes.
7. **Conclusion**

7.1. The General Fund quarter 2 outturn shows a net favourable variance and additional income generated of £1.1 million, this compares to a budget of £0.2 million.

7.2. There are positive variances across all the Council’s Directorates as described within the report. The key movements are a result of large favourable variances on pay and non-pay in particular.

8. **Recommendations**

8.1. It is proposed that Cabinet:

   a) Notes the 2015/16 performance for the second quarter and the combined efforts across the Directorates to deliver the Vision of the Council.

   b) Notes the current position with regard to risks and accepts the actions to support risk mitigation.

   c) Notes the revenue position and the reason for the variances on the General Fund.

   d) Agrees the recommendation from the Finance, Resources, Audit and Governance Committee as outlined in Appendix 4
## APPENDIX 1 - Quarter 2 performance report 2015-16: Strategic Measures

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<tr>
<td>NI 192: % Municipal waste recycled and composted</td>
<td>47%</td>
<td>Bob Wade</td>
<td>This is a provisional measure that can be completed in November. The provisional 47% figure is based on the performance to-date and projected material collection. The previous quarter's performance is now complete and can be upwardly adjusted from 45% to 47.19% recycling rate performance in Q1.</td>
</tr>
<tr>
<td>MI 1156: % of statutory homeless decisions made within 15 days, with outcomes for customer being sustainable</td>
<td>50%</td>
<td>Tony Cooke</td>
<td>As agreed last Quarter, this is a replacement of LI 336 (% Homelessness prevention cases where homelessness is successfully prevented). Over the Q2 period there has been a decline in the number of people presenting as homeless, 14 for the period compared with 32 for the Q1 period. Officers focus their efforts on working speedily with the customers to find a long term sustainable solution to their housing needs.</td>
</tr>
<tr>
<td>LI 322: Number of known targeted long term, empty homes back into use</td>
<td>36</td>
<td>Tony Cooke</td>
<td>Following a mail out to the owners of 496 long term empty homes we have been in correspondence and dialogue with the owners of 186 of the empty homes to better understand the reasons they were keeping them empty and what could be done to get them back into use. Following the discussions 68 are being actively marketed and 36 are now back in use and occupied.</td>
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<tr>
<td>LI 323: Increase in the number of vulnerable people helped to maintain independence in their own homes, with support from interventions including Care and Repair, Handyperson, disabled adaptations, energy efficiency measures and financial assistance.</td>
<td>1087</td>
<td>1,800</td>
<td>Tony Cooke</td>
<td>We have achieved the highest number of outcomes ever on this target; over the last quarter we have focussed on promoting the Independent Living Team and the range of services we provide to residents of all ages and tenures. The Independent Living Team are working collaboratively with health and social care supporting vulnerable people to live independently, reducing or delaying the need for higher level support.</td>
</tr>
<tr>
<td>LI 350: Number of Affordable homes delivered in the second year of the three year affordable homes target.</td>
<td>503</td>
<td>600</td>
<td>Tony Cooke</td>
<td>The Council has a 3-year cumulative target of 850 affordable homes by March 2017. The current cumulative total of 503 means that we are on course to achieve the 2-year milestone of 600 by March 2016. The 124 homes completed since April 2015 comprise 27 built through negotiation with developers plus 97 through the national Help to Buy (equity loan) scheme. The homes have created work for almost 300 people, and have contributed over £28 million to the wider economy.</td>
</tr>
<tr>
<td>LI 262: Cost of waste collection per household</td>
<td>£32.74</td>
<td>£37.00</td>
<td>Bob Wade</td>
<td>The cost is within target at this point for year end.</td>
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<td>LI 263: Number of missed bins for all waste per 100,000 collections</td>
<td>18</td>
<td>30</td>
<td>Bob Wade</td>
<td>The number of reported ‘missed bins’ is well within target and reflects the continuing focus on customer service and ‘getting it right first time’. A good result. Lowest figure since Q3’2012/13; Continuous reduction each and every quarter since Q2’14/15</td>
<td>🍁</td>
</tr>
<tr>
<td>MI 1037: % of householder applications determined within six weeks</td>
<td>18.00%</td>
<td>13.6%</td>
<td>Helen Mellors</td>
<td>This quarter’s figures are 18% (35 out of 93 applications). This is an improvement over the last quarter which was 9.5% and demonstrates that we are seeking to determine householder applications as soon as practicably possible and continue to push performance forward.</td>
<td>🍁</td>
</tr>
<tr>
<td>MI 1038: % of major planning applications processed within agreed timescales</td>
<td>100.00%</td>
<td>75.0%</td>
<td>Helen Mellors</td>
<td>This relates to 21 applications and is the most applications since Q1’2014. This quarter we have achieved an excellent result of determining 100% in agreed timescales. This demonstrates we are prioritising major applications and enabling key development proposals to proceed whilst at the same time seeking to achieve the best developments for our residents and businesses.</td>
<td>🍁</td>
</tr>
<tr>
<td>LI 210: % of food premises which have a rating of satisfactory and above</td>
<td>97.87%</td>
<td>95%</td>
<td>Julian Munson</td>
<td>We continue to maintain a high level of food premises which are rated as generally satisfactory or better due to the support provided to businesses by the Food Team.</td>
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<tr>
<td>LI 302: % of householder applications determined within eight weeks or agreed timescales</td>
<td>73.10%</td>
<td>80%</td>
<td>Helen Mellors</td>
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<tr>
<td></td>
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<td>This quarter’s figures are 73% which is down from the last quarter (85%) which did exceed the target of 80%. However there was an overall improvement in determining more applications at six weeks. Additional resources are being sought to ensure this target is met.</td>
</tr>
<tr>
<td>LI 354: % Completion of an adopted local plan in 2014/15</td>
<td>75%</td>
<td>100%</td>
<td>Adam Nicholls</td>
</tr>
<tr>
<td></td>
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<td>The Inspector’s report into the Site Allocations documents, the Wymondham Area Action Plan and the Development Management Policies Document was received on 28 September 2015, and they are scheduled to be adopted in October. The Long Stratton AAP is at an advanced stage in its examination, with consultation on Proposed Modifications to commence in October 2015. The Gypsies and Travellers Local Plan has been paused due to the recent publication of the updated Government document Planning Policy for Traveller Sites and the uncertainty this has engendered. It is hoped - but not certain - that the Preferred Options stage will be reached in Q3.</td>
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<tr>
<td>NI 157a: % of Major applications determined within 13 weeks</td>
<td>38.10%</td>
<td>40%</td>
<td>Helen Mellors</td>
<td>[😊]</td>
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<td></td>
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<td>This quarter’s figures are 38% and relates to 8 out 21 applications. However all of the 21 applications were determined in an agreed timescale resulting in 100%. This is the second quarter in a row this has been achieved and is particularly welcome given there was an increase of applications determined this quarter (21 applications compared with 12 applications last quarter).</td>
<td></td>
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<tr>
<td>MI 1039: % of units liable for business rates occupied</td>
<td>92.35%</td>
<td>91.7%</td>
<td>Julian Munson</td>
<td>[😊]</td>
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<td></td>
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<td></td>
<td>The figure at the end of this quarter shows a slight improvement compared to the same period last year (equivalent to 7 properties). This target sets a basis to monitor business unit occupancy. There are 321 more premises liable for business rates than there were in September 2013. The measure shows growth in business in the district with more units occupied and a steady supply of commercial property that meets demand.</td>
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<tr>
<td>LI 613: Number of new business start-ups in South Norfolk</td>
<td>No accurate figure available for Q2</td>
<td>225</td>
<td>Julian Munson</td>
<td>4 enquiries were received by NWES as part of the NALEP's Growth Hub Enterprise Programme between 15th April &amp; 15th June. This resulted in 5 business start-ups and the creation of 4 jobs. There was a gap in the programme in June, July and August due to funding. It started again on the 1st September; unfortunately no figures are available yet for this month. Since the Growth Hub began in June 2014 South Norfolk's total for the Enterprise Programmes is: 78 enquiries / 51 business start-ups and 63 jobs created. South Norfolk Council’s Economic Development team have also received 37 enquiries from start-up businesses since 1 April 2015.</td>
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<td>Enhancing our quality of life and the environment we live in</td>
<td>LI 356: The number of SMEs provided with advice and guidance in South Norfolk</td>
<td>481</td>
<td>1,240</td>
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<td>LI 758: External funding identified and brought into the local economy</td>
<td>£313,158</td>
<td>£3,000,000</td>
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<td>support and a support fund to enable individuals and small community organisations to engage with the project. WRAP funding - £7,800 SNC’s allocation The Norfolk Waste Partnership has been awarded £55k from WRAP to be spent on a communications campaign to target improved level of recycling yields/quality from ‘middle ground’ recyclers with a focus on plastics. SNC have been involved in developing the project which is due to run for a 6 month period throughout Norfolk. Bussey’s- £10,000 As a result of SNC Partnership Working, £10,000 has been secured by the Council from Bussey’s to fund the planting of trees throughout South Norfolk. £5,000 will be spent in 15/16 and £5,000 16/17. Agritech grants- £37,101 As a result of SNC intervention a SN business has been awarded an agri-tech grant amounting to £37,101. This grant will be used to grow the business by bringing a new product to the market.</td>
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<tr>
<td>LI 1013 Building Control fee earning income</td>
<td>£857,877</td>
<td>£1,300,000</td>
<td>Dave Shaw</td>
<td>The result for Q2 has been positive for CNC with 66% of the year-end target fee earning income being achieved. This is an increase of approximately 68k in direct comparison with this measure for 14/15. CNC has now filled the open positions mentioned in Q1 due to ill health and retirement and has brought on board new assistant surveyors and a new fully qualified surveyor. In addition to this Business Support has also filled its open position after a positive response to advertisement and as such the teams focus is now to further build on strength, resilience and customer services of the business through utilising and building upon the skills sets of these new employees and the existing teams.</td>
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<td><strong>Supporting communities to realise their potential</strong></td>
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<tr>
<td>MI 1044: % of Community Action Fund (CAF) and Member's Ward Budget (MWB) spent for community initiatives by all Members</td>
<td>58%</td>
<td>99%</td>
<td>Leah Mickleborough</td>
<td>Spend for both grants is up significantly – only 1% of CAF and 2% of the Member Ward had been spent in Q1. Q2 split is: Member Ward Spend of £10,676.00 (23%) and CAF spend of £52,701 (35%). Members have been spending time in their community to find out where need is; they are now starting to spend their funding based on this knowledge which enables groups to develop.</td>
</tr>
<tr>
<td>MI 1041: The number of Housing Benefit/Council Tax Support claimants moving into work</td>
<td>43</td>
<td>Not Set</td>
<td>Amanda Adams</td>
<td>Q1 figure was 19. We are continuing to collect baseline data in 2015/16. This will form a better picture over a longer period of time.</td>
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<td>MI 1043 From a sample of events and children's activities taken from across the South Norfolk's calendar respondents were satisfied or very satisfied</td>
<td>87%</td>
<td>Sophie Scott</td>
<td>Approximately 2000 people attended South Norfolk on Show. The wet weather definitely affected numbers. 48 online surveys were completed using iPads and a further 50 respondents completed paper surveys. We changed the questions/ratings for SNoS this year in order to generate more meaningful responses from visitors. 68% agreed or strongly agreed that they knew more about South Norfolk Council services after their visit to SNoS. 60% agreed or strongly agreed that they felt inspired to take part in new activities as a result of visiting SNoS. 87% agreed or strongly agreed that they would recommend South Norfolk to a friend or family member as a result of visiting SNoS.</td>
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<th>Measure Owner</th>
<th>Operational Comments</th>
<th>Traffic Light Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Driving services through being business-like, efficient and customer aware</strong></td>
<td></td>
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</tr>
<tr>
<td>BV009: % of Council Tax collected</td>
<td>56.23%</td>
<td>Amanda Adams</td>
<td>Council Tax collection rate is slightly ahead of collection performance at the same time last year.</td>
<td>😊</td>
</tr>
<tr>
<td>BV010: % of non-domestic rates collected</td>
<td>56.17</td>
<td>Amanda Adams</td>
<td>Collection performance is good, with the exception of one major ratepayer currently unable to pay towards this year’s rates. We will be on course to meet the annual target.</td>
<td>😊</td>
</tr>
<tr>
<td>LI 204: Reduction in subsidy to Leisure Services (direct costs)</td>
<td>£126,868</td>
<td>Steve Goddard</td>
<td>Current Q2 position with Wymondham LC about to re-open on 19 October (temporary #2 Wymondham gym remains open). Every leisure centre is doing better than budgeted and overall we have a positive variance of £127k more than budgeted for 2015/16. This reflects a greater retention of leisure centres’ members than anticipated while refurbishment works are in progress. We have a promotional campaign to re-dress and re-join lost and potential new leisure centre members launching in October.</td>
<td>😊</td>
</tr>
<tr>
<td>LI 759: % of our top 10 service requests made via online webforms</td>
<td>48.8%</td>
<td>Sophie Scott</td>
<td>This is a marked increase / improvement on last quarter’s figure. This is due to it being the first full quarter to include Leisure Online Bookings which has increased the percentage of webforms used by the customer to self-serve.</td>
<td>😊</td>
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</table>
## APPENDIX 1 - Quarter 2 performance report 2015-16: Strategic Measures

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<tr>
<td>NI 181: Number of days taken to process Housing Benefit/Council Tax Benefit claims</td>
<td>Result: 15.10</td>
<td>Year End Target 2015/16: 5.00</td>
<td>Amanda Adams</td>
<td>We are reviewing our processes and strengthening our performance management to seek to achieve the 5 days to process target. This has already had positive effects during August. We are initiating a process review of this area as a result of this indicator which will also check/validate the current target value. The national average is 22 days.</td>
</tr>
<tr>
<td>LI 652: % of press releases used by the media</td>
<td>100%</td>
<td>90%</td>
<td>Sophie Scott</td>
<td>We are still having a great amount of success placing our press releases in the EDP, weekly titles and Diss Express.</td>
</tr>
<tr>
<td>BV012: Working days lost due to sickness absence</td>
<td>3.92</td>
<td>7.50</td>
<td>Debbie Lorimer</td>
<td>The previous quarter was amber. This is still within the end-year target. The days lost per FTE in Q2 was 1.8 per FTE. The target this year has been set tighter than the previous two years. Currently there are 6 staff with long term sickness this is a similar number to the previous year, however the number of total days due to long term sickness has increased by 126 days (over 28%) compared to the same period last year which has a detrimental effect on the overall sickness measure.</td>
</tr>
<tr>
<td>LI 358: % rental income return from property investment</td>
<td>7.20%</td>
<td>5.00%</td>
<td>Renata Garfoot</td>
<td>Slight increase in gross yield compared to Q1 caused by increased occupancy at Loddon Business Centre. Performance is ahead of target, and improving.</td>
</tr>
</tbody>
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## APPENDIX 1 - Quarter 2 performance report 2015-16: Strategic Measures

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<tr>
<td>LI 648: % of staff/Members IT support requests responded to within 10 days or less</td>
<td>93.35%</td>
<td>90.00%</td>
<td>Michael Sage The Service Desk call resolution within agreed service levels has improved over the last quarter with newly appointed staff getting up to speed with both systems and hardware.</td>
<td></td>
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</tbody>
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## APPENDIX 1 - Quarter 2 performance report 2015-16: Strategic Measures

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</tr>
<tr>
<td>MI 1224: Requests for support made to the Early Help Hub to increase the aspirations and life opportunities of residents</td>
<td>70</td>
<td>Mike Pursehouse</td>
<td>This measure will help drive performance in the Hub and illustrate to members an implementation of the new approach in tackling the multiple issues often faced by families and young people.</td>
</tr>
<tr>
<td></td>
<td>250</td>
<td></td>
<td><strong>Target for 15/16 Baseline Data.</strong> The outcome for the final Quarter of 14/15 was 38. As expected, this figure has increased to 57 in the first quarter of 15/16. It is expected that this figure will total at least 250 by year end, but it will be reviewed regularly as new opportunities are continuing to be created. Over the past quarter, the Early Help Hub has continued to grow. Promotion of services has been helped by the new branding arrangements, and the progression of the restructure of Children’s Services at Council County has helped to identify the key officers who will be part of the Hub. The Community Connectors in Diss have been working very well with over 50 individuals having a positive outcome as a result of engaging with a Community Connector. 309 practitioners have received training and the Hub has delivered 12 training sessions.</td>
</tr>
<tr>
<td>Directorate</td>
<td>Code</td>
<td>Risk/Opportunity</td>
<td>Owner</td>
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</tr>
<tr>
<td>Growth &amp; Localism</td>
<td>S1</td>
<td>Shortage of 5-year land supply results in uncoordinated development across South Norfolk, successful planning appeals and financial penalty</td>
<td>Planning Policy Manager</td>
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</tr>
<tr>
<td>Growth &amp; Localism</td>
<td>S2</td>
<td>Ratification of the Local Plans leads to uncoordinated housing and infrastructure development across the District</td>
<td></td>
</tr>
</tbody>
</table>

[Owner] Planning Policy Manager  
[Commentary (including outcomes / benefits that may be gained)]  
The Greater Norwich City Deal facilitates a commitment to pool CIL to fund infrastructure across the Greater Norwich area. Governance arrangements will ensure equitable allocation of growth funding arising from the City Deal. Additional funding streams are also being investigated.

The City Deal presents a significant opportunity to generate economic growth throughout the Norwich Policy Area, as well as enabling greater financial freedom that could support the delivery of the required infrastructure works.

Site Allocations, Wymondham Area Action Plan (AAP) and Development Management Policies documents have completed their examinations with the receipt of the Inspector’s report finding them “sound” (subject to some modifications). Formal adoption is expected by the end of October. The Long Stratton AAP was submitted in March 2015, and the examination

[Directorate Plan Activity] D1 - Adoption of the Local Plan Documents  
• Adoption of 'sound' Local Plan Documents: Site Allocations; Wymondham Area Action Plan; Development Management Policies (Q3 2015/16) Long Stratton Area Action Plan (LSAAP), including the potential use of CPO to ensure delivery (Q4 2015/16)
• Greater Norwich Growth Programme for 2016/17 was approved by Greater Norwich Growth Board in Q2 2015/16, therefore this ensures greater certainty of delivery of key infrastructure, especially the Long Stratton bypass and Norwich Northern Distributor Road
• Hearing stage of Long Stratton Examination was in Q2 2015/16, with Inspector’s Report likely in Q4. Considerable internal resources need to be deployed if a formal CPO process is required
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<th>Required/outstanding actions to support risk mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Development</td>
<td>S3</td>
<td>The Council is unable to deliver priority services as revenue funding falls short of required income</td>
<td>Accountancy Manager</td>
<td>The Council's Medium Term Plan (July 2015) shows a balanced budget for 2016/17, with potential savings of around £1m required over the five years of the plan. The plan contains two major risks, around income. Firstly, based on the latest trajectory for house building, it projects an increase of £2.6 million in New Homes Bonus over the next 3 years. The future of the New Homes Bonus remains subject to the outcome of the autumn Spending Review. Secondly, the plan assumes growth in income from commercialisation, mainly from</td>
<td>L2 - Delivery of balanced budget for 15/16 and 16/17 to reflect Council priorities</td>
<td>• Balanced budget beyond 2016/17</td>
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<td>Q4 - Delivery of leisure enhancement programme</td>
<td>• Delivery of Wymondham Leisure Centre Enhancement Programme (Q4 2015/16)</td>
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<td></td>
<td></td>
<td>J6 - Delivery of Property development programmes</td>
<td>• Delivery of Long Stratton Leisure Centre Enhancements ((2016/17)</td>
</tr>
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<td></td>
<td>V1 - Delivery of Commercial Waste</td>
<td>• Completion of Phase 1 Poringland Development (Q3 2015/16)</td>
</tr>
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<td></td>
<td>• Completion of Phase 2 Poringland development (2016/17)</td>
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<td>• Signing up of new Building Control Hub</td>
</tr>
</tbody>
</table>

process is in progress, with the Hearing taking place from 14-16 July and consultation on Proposed Main Modifications likely to commence in October 2015. The Gypsies & Travellers Local Plan Preferred Options stage has been put on hold at present due to a significant change in Government policy. Further guidance will be produced by the Government, but it is not clear when, and in the absence of this guidance, work is paused.

• Gypsy & Traveller Local Plan document could attract local attention when the identification of sites at preferred options stage is reached. A communications strategy is in place and is being updated regularly.
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<td></td>
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<td>building control, property development and the leisure service. Should the additional income not be achieved, then the funding gap will increase.</td>
<td>enhancement programme</td>
<td>Partners (2015/16)</td>
</tr>
<tr>
<td>Business Development</td>
<td>S4</td>
<td>Council assets are not managed effectively and do not support service delivery</td>
<td>Property Manager</td>
<td>The Council's key operational assets need to be maintained adequately to support effective service delivery. These assets can assist the Council in improving services offered and increasing income generation. The repairs and maintenance of these assets is managed by the services responsible. Technical advice is provided by the Facilities and Technical Services Manager</td>
<td>J2 - Ketteringham Depot expansion and upgrade</td>
<td>• Acquisition of land for depot enhancement (2015/16)</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
<td>J2 - Leisure Centre Enhancement Programme</td>
<td>• Delivery of Wymondham Leisure Centre Enhancement Programme (2015/16)</td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Delivery of Long Stratton Leisure Centre enhancements (2016/17)</td>
</tr>
<tr>
<td>Business Development</td>
<td>S5</td>
<td>Property Development activities are not successful and income generation is not realised</td>
<td>Property Manager</td>
<td>Through the Council’s wholly owned property development company; Big Sky Developments Ltd, the Council is seeking to utilise its own land to develop a range of residential and commercial property. The commercial units will be retained within the Council to enable revenue income to be generated from rents. While the majority of</td>
<td>Maximise income generation and opportunities of surplus or underutilised land and property assets. Creation and effective management of a broad commercial property investment</td>
<td>• Maximise opportunities by seeking to gain planning consent for development</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td>Commentary (including outcomes / benefits that may be gained)</td>
<td></td>
<td>• Respond to market conditions, supply and demand (2015/18)</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Maximise income generation and opportunities of surplus or underutilised land and property assets. Creation and effective management of a broad commercial property investment</td>
<td></td>
<td>• Former Hostels disposed to Big Sky Property Management (December 2015)</td>
</tr>
<tr>
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<td></td>
<td>• Up to 20 residential units</td>
</tr>
<tr>
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</tr>
<tr>
<td>Chief Executives</td>
<td>S6</td>
<td>An incident occurs at South Norfolk House/Swan Lane resulting in the Council being unable to recover data</td>
<td>ICT Operations Manager</td>
<td>Following an audit there have been a number of issues in the provision of Disaster Recovery that have been raised. The biggest of these is the fact that our data doesn’t leave the site. Although we have mitigated this risk in part by utilising the lodge and the outhouse facility onsite, if we were to lose access to Swan Lane we would have no access to our data to recover it. It was also noted that there are several single points of failure located in South Norfolk House including power and connectivity. IT have started a review and would expect to have some recommendations ready for the council towards the end of Summer.</td>
<td>portfolio (capital investment) to support economic growth</td>
<td>The outcome of the review has led to the agreement to use Wymondham Leisure Centre and the Ketteringham depot to store data remotely as Data Recovery site. Ketteringham depot to be established year end and Wymondham Leisure Centre to be active by mid-2016.</td>
</tr>
</tbody>
</table>

The residential homes will be sold to generate profit, it is envisaged that a number will be retained in the Council’s wholly owned property rental company; Big Sky Property Management Ltd. These homes will generate a rental income and the company’s profits will be returned to the Council’s revenue income.

To enable efficient working practices
- support existing infrastructure, communications technology and systems across the business,
- Undertaking and supporting system upgrades to meet changes in legislation and working practices.
- Managing hardware, software and resources to meet the current and
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<td>future needs, to improve resilience for users, members and the public while ensuring compliance</td>
<td>• Managing implementation projects e.g. County Telephony Partnership etc. (K2)</td>
</tr>
</tbody>
</table>
## Appendix 3: Analysis of Major Variances on Service Areas

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Direct Budget</th>
<th>Direct Net Expenditure</th>
<th>Variance</th>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement and Marketing</td>
<td>237,142</td>
<td>183,260</td>
<td>53,882</td>
<td>There is a positive variance on pay owing to two vacancies in this area. Plans are being developed to recruit to these vacancies at the appropriate point.</td>
</tr>
<tr>
<td>Business Improvement Team</td>
<td>83,745</td>
<td>49,029</td>
<td>34,716</td>
<td>There is a positive variance on pay due to two vacancies in this area since the start of the year, one of which has now been filled. The other has been covered with temporary staff.</td>
</tr>
<tr>
<td>Business Solutions Team</td>
<td>157,331</td>
<td>126,245</td>
<td>31,086</td>
<td>There is a positive variance on pay due to a vacancy in this area plus lower than anticipated use of the GIS (Geographic Information System) provided under a Service Level Agreement with the County Council.</td>
</tr>
<tr>
<td>IT Services</td>
<td>637,738</td>
<td>670,088</td>
<td>(32,350)</td>
<td>There is a positive variance on pay caused by two vacancies, which is offset by a negative variance caused by additional expenditure on telephony, software and licences. The recruitment process for one of the vacancies is underway.</td>
</tr>
<tr>
<td>HR &amp; OD</td>
<td>358,053</td>
<td>325,794</td>
<td>32,259</td>
<td>There is a positive variance on pay due to a vacancy which has now been filled and on the training budget, which will be reduced by future commitments. Three further posts have recently become vacant, which will impact on future expenditure levels.</td>
</tr>
<tr>
<td>Community Action Funds and Ward Member Budgets</td>
<td>97,435</td>
<td>58,897</td>
<td>38,533</td>
<td>Expenditure on this area was not permitted during the run-up to the District Elections. New members have now received training in how to manage their ward budgets.</td>
</tr>
<tr>
<td>Service Area</td>
<td>Direct Budget</td>
<td>Direct Net Expenditure</td>
<td>Variance</td>
<td>Commentary</td>
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</tr>
<tr>
<td>Community Development and Community Capacity Team</td>
<td>122,105</td>
<td>53,112</td>
<td>68,993</td>
<td>There is a positive variance on pay due to one vacancy since the start of the year which has now been filled, slippage on payment of grants and a positive variance on income as additional unbudgeted income has been received for work in this area.</td>
</tr>
<tr>
<td>Leisure Centres</td>
<td>391,536</td>
<td>264,667</td>
<td>126,869</td>
<td>There have been savings on business rates and utility costs at Wymondham Leisure Centre while it has been closed. Income has held up better than expected at Wymondham as members have used the alternative gym facilities.</td>
</tr>
<tr>
<td>Investment Properties</td>
<td>(140,778)</td>
<td>(165,004)</td>
<td>24,226</td>
<td>Reduced voids have increased the rental income from these properties. There are savings on business rates (the Council only pays the rates on empty properties) and a reduced need for marketing.</td>
</tr>
<tr>
<td>Planning Policy and Development Management</td>
<td>183,974</td>
<td>63,018</td>
<td>120,956</td>
<td>Income from planning application fees is higher than budgeted as economic growth continues to feed into greater numbers of applications. Fees for pre-application advice are currently ahead of expectations.</td>
</tr>
<tr>
<td>Commercial Waste Collection</td>
<td>(31,117)</td>
<td>(52,475)</td>
<td>21,358</td>
<td>Income is lower than budgeted as income per customer is lower than planned. This is more than offset by consequent lower waste disposal costs as well as advertising and staffing costs.</td>
</tr>
<tr>
<td>Service Area</td>
<td>Direct Budget</td>
<td>Direct Net Expenditure</td>
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<td>Commentary</td>
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<tr>
<td>Garden Waste Collection</td>
<td>(868,040)</td>
<td>(938,175)</td>
<td>70,135</td>
<td>Recycling credit income is ahead of budget owing to higher volumes of garden waste being collected than anticipated at this point of the year. The number of customers for this service continues to increase and is above projections.</td>
</tr>
<tr>
<td>Domestic Waste Collection</td>
<td>640,074</td>
<td>746,758</td>
<td>(106,684)</td>
<td>Income from the MRF (Materials Recycling Facility) is lower than anticipated owing to a high degree of uncertainty over realisation of income from the MRF and joint venture. Disposal costs are currently higher than budgeted due to issues with higher reject of material from the MRF.</td>
</tr>
</tbody>
</table>
Cabinet
2 November 2015

AGENDA ITEM: 8

Capital and Treasury Management Report Quarter 2 2015/16

Matthew Fernandez-Graham - Accountancy Manager
Michael Edney - Portfolio Holder for Finance and Resources
Contact details for officer – mgraaham@snorfolk.gov.uk 01508 533855
1. Introduction

1.1. This report details the position on the Capital Programme for the first half of the financial year 2015/16. Expenditure for the first six months of the year was £4.773 million compared to a budget for the period of £6.398 million. The report explains the main variances between budgeted and actual expenditure.

1.2. The report reviews the treasury management activity during the first half of the financial year 2015/16 and reports on the prudential indicators as required by CIPFA’s Treasury Management Code of Practice.

1.3. Investments totalled £31.895 million as at 30 September 2015.

1.4. Interest received during the financial year is forecast to be around £266,000 which is £51,000 above the budget of £215,000. The average rate of return is forecast to be 0.93%, an increase from the 2014/15 figure of 0.88%, reflecting the slightly higher rates available on longer term cash investments.

2. Capital Budget and Expenditure

2.1. The budget for capital expenditure, as agreed by Cabinet on 15 June 2015, was £21,999,451. On 15 June 2015, Cabinet also agreed an investment of £50,000 in Build Insight Consulting Limited. As agreed by Cabinet on 20 July, £40,000 was added in respect of the Wellbeing Walk at the Norfolk and Norwich Hospital. The total revised budget is therefore £22,089,451.

2.2. Expenditure on the Capital Programme for Quarter Two of 2015/16 was £4.773 million against a profiled expenditure of £6.398 million. The forecast expenditure at the end of the year is £18.9 million, however this is dependent on continued progress on a number of complex schemes. The two graphs below show the Quarter Two variances on the 2015/16 capital programme. The main positive variances relate to the property development at Poringland, the Leisure Enhancement Programme, and the Vehicle Replacement Programme. Further details of the variances on individual capital projects are below.
Figure 1 Expenditure on Major Capital Schemes Quarter 2

- Improved Leisure Provision
- Poringland Phase 1 Commercial
- Poringland Phase 1 Residential - cashflow requirement
- Vehicle Procurement and Replacement
- Toilet Refurbishments

Legend:
- Budget Quarter 2
- Actual Quarter 2
Figure 2: Expenditure on Other Capital Schemes Quarter 2

- Budget Quarter 2
- Actual Quarter 2

Categories include:
- Disabled Facilities Grants
- New IT Projects
- Green Deal Grants
- Aids/Adaptations
- Play Area Refurbishments
- Decent Home Loan
- Wheelie Bin Purchase
- Operational Property Planned Maintenance
- Neighbourhood Projects
- Loan to Build Insight Consultancy
- Grounds Maintenance Equipment
- Wellbeing, Walk NNHU
- Maple Drive (Cygnet House) Residential
- Maple Drive (Cygnet House) Commercial
2.3. **Capital Grants for Neighbourhood Projects**

At the Cabinet meeting in February 2014, Members agreed to award grants for three projects (Earsham, Redenhall with Harleston, and Tharston and Hapton). The project at Earsham was completed in 2014/15, at a total cost of £50,000. The Redenhall with Harleston Parish Council has been reviewing its Leisure Centre Enhancement Project and has indicated that it may not need the £60,000 committed by South Norfolk Council to this project. It is proposed that the £40,000 that had been committed to the Tharston and Hapton funding agreement that is no longer proceeding be reprogrammed into 2016/17 and retained in the Capital Grants budget for expenditure on other future neighbourhood projects.

2.4. **Wellbeing Walk at Norfolk and Norwich University Hospital Site**

This project is for the creation of a footpath on the hospital site for patients and carers. It was agreed as part of the Greater Norwich Infrastructure Plan and has been funded entirely from pooled Community Infrastructure Levy (CIL). This project has now been completed at a cost of £37,852.

2.5. **Low Cost Housing**

This project is funded from the affordable element of the New Homes Bonus. Under the New Homes Bonus Scheme, the Council receives additional funding for six years for each additional affordable property. This is then recycled into supporting other affordable housing projects. The Council is seeking to support two schemes at Chedgrave and Dickleburgh which would cost around £180,000 from this budget. These schemes would not require funding in this financial year and therefore it is proposed that the entire budget for low cost housing be reprogrammed into 2016/17.
2.6. **Disabled Facilities Grants/Aids and Adaptations**

The expenditure of £359,000 for the first six months of 2015/16 was used to provide 81 grants in total, which is higher than the 52 grants provided in the same period for 2014/15.

2.7. **Decent Home Loans**

The expenditure of £52,000 relates to five loans during the year against an annual budget of £200,000. This scheme is currently being reviewed due to the low demand for loans compared to the budget available.

2.8. **Green Deal Grants**

As reported to Cabinet in February, £427,267 was transferred to South Norfolk from Broadland District Council in the third quarter to fund Green Deal energy efficiency improvements to homes in the private sector. A total of £50,108 was spent in 2014/15. As at the end of September, £299,845 had been committed in grants during 2015/16 making a total of £349,953 committed so far for this programme. The Department of Energy and Climate Change has decided to close the Green Deal scheme and officers are discussing with the department details of a new scheme to target fuel poverty which will use the uncommitted funding of £77,314.
2.9. **Vehicle Procurement and Replacement (Cleansing) and Grounds Maintenance Equipment**

Two road sweepers and three grounds maintenance vehicles were delivered during the quarter. Orders have been placed for the majority of the other vehicles in this year’s replacement programme.

2.10. **Toilet Refurbishments**

There has been expenditure on re-signing the new block at Harleston. Discussions between the Council and Parish and Town Councils on how best to proceed with the programme of refurbishments and transfer of facilities are ongoing. An investment plan is being drawn up to spend this budget, but no specific commitments have been made to date.

2.11. **Leisure Enhancement**

The works to improve the Leisure Centre at Diss took place in March and April 2015. Wymondham Leisure Centre closed to the public on 24 May 2015 so that work could begin on the site. A temporary gym facility is up and running in Wymondham. The pool and sports hall reopened on 19 October and the rest of the centre is due to reopen in spring 2016. The scheme was initially costed at £3,130,000. Due to unanticipated drainage and groundworks issues on the site, the cost of the scheme has risen by £200,000. SLT, in consultation with the portfolio holder and the leader of the Council also supported a business case for an extended gym area in the enhanced centre at a cost of £192,500. It is proposed that the additional funding for this capital expenditure be found from the revenue surplus forecast in the Performance, Risk and Revenue Report elsewhere on this agenda.

Initial work to scope out the enhancement project for Long Stratton Leisure Centre has commenced and it is requested that £50,000 be brought forward from 2016/17 programme to fund the cost of professional fees such as architects and surveyors.
2.12. **Poringland Development Phase 1 and 2**

The property development at Poringland is still proceeding. The showhome is now open and 11 houses released for sale of which 8 have been reserved. A further 4 houses are being completed and will be sold to Big Sky Property Management Ltd, the Council’s wholly owned property rental company for rent at market rates. It is anticipated that all 4 will be rented by the end of 2015. The timing of the payments to the contractor have been later than anticipated and therefore there is a positive variance against budget. Big Sky Developments Ltd is taking on the contract for this development and cashflow funding for the company is included in the 2015/16 capital programme. As per the agreed capital programme, in October the Council will loan £5.38 million to Big Sky Developments Ltd which will also issue share capital of £3.58 million, in order to purchase the land and for working capital. The tender for the residential element of Phase 2 of the development has now been awarded to John Youngs following an OJEU process.

2.13. **Cygnet House/Maple Park development**

Demolition of the Cygnet House building was completed in June 2015. Reserved Matters planning consent was received on 22nd July 2015. Security fencing has been installed along Swan Lane to secure the site while works to discharge the planning conditions continue and during the construction phase of Maple Park. A show home should be completed by Spring 2016 and the build programme will be completed in Summer 2017. The costs currently shown will be transferred to Big Sky Developments Limited.

2.14. **Other Property Development**

There has been no expenditure so far. Part of this budget has been earmarked for investing in Big Sky Property Management Ltd to allow the Council's company to purchase homes from Big Sky Developments Ltd, which it will then rent
out at market rates. It will also buy three Council hostels that are no longer needed as temporary accommodation and rent these on the private market. As per the agreed capital programme, in October the Council will loan £490,000 to Big Sky Property Management Ltd which will also issue share capital of £920,000 in order to purchase an initial four homes from Big Sky Developments Ltd and the hostels from the Council.

2.15. **IT Projects**

The wireless access has now been upgraded at South Norfolk House and at the Council’s leisure centres. The total cost of this scheme is expected to be £93,000 which will be £20,000 less than budgeted.

During the remaining financial year, the Council’s financial system, Integra, will be upgraded. The current version of Integra will not be supported beyond March 2016 and is not PSN (Public Services Network) compliant, which would mean the Council losing its PSN accreditation with government. The budget for this work is £66,000 and the Council is looking for operational efficiencies to be gained from the upgrade.

2.16. **Play Area Refurbishments**

Following the tender award, work has now started on replacing five sets of playground equipment across the District and £50,142 has been spent to date on this.
3. Economic Background and Interest Rates

3.1. UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again. However, quarter 1 of 2015 was weak at +0.4% though there was a rebound in quarter 2 to +0.7%. Growth is expected to weaken marginally to about +0.5% in quarter 3 as the economy faces headwinds for exporters from the appreciation of Sterling against the Euro and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government’s continuing austerity programme, although the pace of reductions was eased in the July Budget.

3.2. Despite these headwinds, the Bank of England is forecasting growth to remain around 2.4 – 2.8% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero over the last quarter.

3.3. There are considerable risks around whether inflation will rise in the near future as strongly as previously expected; this will make it more difficult for the central banks of both the US and the UK to raise rates as soon as had previously been expected, especially given the recent major concerns around the slowdown in Chinese growth, the knock on impact on the earnings of emerging countries from falling oil and commodity prices, and the volatility we have seen in equity and bond markets in 2015 so far, which could potentially spill over to impact the real economies rather than just financial markets.

3.4. In the Eurozone, the ECB in January 2015 unleashed a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This already appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth came in at +0.4% in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE
programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

3.5. Capita’s forecast for the first increase in Bank Rate has been pushed back from Q1 to Q2 2016; increases after that will be at a much slower pace and to much lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

4. **Investment Activity**

4.1. The CLG’s Investment Guidance requires local authorities to prioritise security and liquidity over yield. The graph below shows the position on investments as at 30 September 2015 compared to the position as at 1 July 2015.
4.2. There was an investment of £50,000 made in Build Insight Consulting Ltd during the quarter and no short or long term investments were repaid by counterparties during the quarter.

4.3. Security of capital remains the Council’s main investment objective. As economic uncertainty has decreased, the Council has begun to place investments on a longer term basis with those institutions whose credit rating is at least the same or above the Council’s minimum risk rating criteria. The maximum length of an investment is 2 years. The Council’s strategy itself is not risk free, as further comparatively high-yielding investments will mature in 2015/16 and will need to be
reinvested, and will therefore be subject to the market conditions, credit ratings and rates prevailing at that moment. It is important that the Council keeps a balanced portfolio in terms of risk, rates and liquidity.

4.4. The Council’s budgeted investment income for the year has been estimated at £215,000. The cash balances invested, representing the Council’s reserves and working balances were £31.895 million as at 30 September 2015 and interest earned is forecast to be around £266,000 which is £51,000 above budget, due to higher rates on reinvestment than expected and higher balances than originally predicted, as the capital expenditure is profiled to the second half of the financial year. This would be £51,000 less than the £317k received in 2014/15, due to the use of reserves for the capital programme. With slightly better interest rates, the average rate of return is forecast to be 0.93% which compares to a rate of return for 2014/15 of 0.88%.

5. Changes in Credit Ratings

5.1. The main rating agencies (Fitch, Moody’s and Standard & Poor’s) have, through much of the financial crisis, provided some institutions with a ratings “uplift” due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these “uplifts” with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have “netted” each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody’s) Financial Strength rating withdrawn by the agency.

5.2. In keeping with the agencies’ new methodologies, the credit element of our Treasury Management Advisors’ (Capita’s) credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used by Standard & Poor’s, this has been a change to the use of Fitch and Moody’s ratings. It is important to stress that the other key elements to Capita’s process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.
5.3. The evolving regulatory environment, in tandem with the rating agencies’ new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AAA for countries other than the UK. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

5.4. It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution, merely a reassessment of their methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the “support” phase of the financial crisis.

5.5. There are no proposed amendments to our counterparty list as a result of these changes.

6. Compliance with Prudential Indicators

6.1. The Council approved a set of Prudential Indicators for 2015/16, in February 2015, as part of the Council’s Treasury Management Strategy.

6.2. Under the Council’s Constitution, the Full Council approves the Treasury Management Strategy and therefore any deviation or breach must be reported to Full Council. In practice, all breaches are also reported to Cabinet prior to Full Council. The prudential indicators can be found in Appendix A. There were temporary breaches of the upper limit of £25 million for
exposure to variable interest rate investments, from 16 July 2015 to 21 July 2015, 17 to 18 August and 16 to 20 September. In each case this was due to the time lag between receiving Council Tax and Business Rate income and paying precepts over to the County Council and the Police. It would not have been prudent to invest this temporary cash in fixed rate investments for such short periods of time. Instead short term investments were made in money market funds.

6.3. As the Council receives most of its Council Tax income over 10 months but pays over its precepts over 12 months, these breaches are expected to recur until January. The maximum amount invested in variable rates was £29.45 million in July. It is therefore proposed that Cabinet recommend to Full Council that the upper limit for this prudential indicator be increased to £30 million.

7. Return on Investment Properties

7.1. The Council has a portfolio of Investment Properties worth over £5.7 million. The majority of these properties are rented out, so the return obtained on these properties is as important as if the Council had invested the same amount in the Treasury Strategy. However, under CIPFA’s code they are recognised as Capital Assets in the Balance Sheet.

7.2. The average rate of return for the total investment portfolio was projected to be 7.2% gross, calculated on the property value as at 1/4/15. This is a significantly better rate of return than if the same value had been invested with the Council’s counterparties. The net rate of return including all expenditure on vacant properties was 6.8%, which still compares favourably to the returns from cash investments.

Insurance Arrangements

8. Background

8.1. The Council’s five year insurance agreement with Zurich Insurance expired on 30th September 2015. The Council conducted a joint tender exercise for insurance services with North Norfolk and Great Yarmouth Councils. At its meeting on 20th July 2015, Cabinet agreed that the decision to award the contract be delegated to the Director of Business
Development in consultation with the portfolio holder for Finance and Resources, to ensure that insurance continued to be in place from 1st October.

8.2. The invitation to tender was drawn up with the assistance of a jointly appointed insurance consultant who visited South Norfolk Council to ensure that our specific requirements were met in the tender document. South Norfolk Council has been on the project steering group and was represented on the evaluation team. Each Council will have separate contracts to reflect their own insurance requirements.

9. **Proposal and Reasons**

9.1. It was agreed to split the insurance cover in broad lots across five different insurers. This is a common practice for Councils, but officers sought further assurances by speaking to another Council that already does this. All the insurers have experience in insuring District Councils and offered comparable quality and service standards. For most of the covers, the agreement will be for 3 years plus possible 2 year extension, which encouraged more competitive quotes.

9.2. This approach requires the Council to appoint a broker and it was agreed to appoint Arthur J Gallagher as broker for a period of 3 years. Even accounting for broker fees, the savings in premium in Year One represent a reduction of 17% on the Council’s existing premiums, with no reduction in cover. The Council also saved around £8,000 on procurement costs through its joint working with the other Councils.

9.3. The details of the successful bidders are shown in the table below.
<table>
<thead>
<tr>
<th>Lot</th>
<th>Insurer</th>
<th>Covers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2, and 3</td>
<td>Travelers Insurance</td>
<td>Material Damage, Business Interruption, Money, Specified “All Risks”, Theft, Property Owners and Works in Progress</td>
</tr>
<tr>
<td>4</td>
<td>Travelers Insurance</td>
<td>Employer’s Liability, Public &amp; Products Liability, Officials Indemnity, Libel &amp; Slander, Land Charges, Professional Negligence, Public Health Act and Hirers Liability</td>
</tr>
<tr>
<td>5</td>
<td>Travelers Insurance</td>
<td>Fidelity Guarantee</td>
</tr>
<tr>
<td>6</td>
<td>ACE European Group</td>
<td>Personal Accident &amp; Business Travel</td>
</tr>
<tr>
<td>7</td>
<td>HSB Haughton Engineering via RMP</td>
<td>Computer</td>
</tr>
<tr>
<td>8</td>
<td>Zurich Municipal Insurance</td>
<td>Engineering Inspection &amp; Insurance and Business Interruption</td>
</tr>
<tr>
<td>9</td>
<td>Amlin via Mavern</td>
<td>Motor Fleet – General and Lease</td>
</tr>
</tbody>
</table>
10. Conclusion

10.1. Capital expenditure for the first half of the year was £4.773 million compared to a budget for the period of £6.398 million. The forecast expenditure for the year is £18.9 million, which depends on the continued progress of some complex schemes.

10.2. Cash Balances have reduced from £34.435 million at 1 July 2015 to £31.895 million at 30 September 2015. They are expected to reduce still further as the capital programme progresses in the second half of the year.

10.3. Interest earned on cash investments is forecast to be £266,000 for the year, which is £51,000 above the budget of £215,000, but would be £51,000 less than the £317,000 received in 2014/15.

11. Recommendations

11.1. Cabinet is recommended to:

   a) Approve the request to re-programme £40,000 of the budget for capital grants for neighbourhood projects into 2016/17 as outlined in section 2.3.
   b) Approve the request to re-programme the entire £302,624 budget for low cost housing into 2016/17 as outlined in section 2.5.
   c) Approve the request to bring forward £50,000 from the 2016/17 programme for the Long Stratton Leisure Centre project as outlined in section 2.11.

11.2. Cabinet is recommended to request that Council:

   a) Approve the 2015/16 prudential indicators for the quarter and note the breaches of one indicator.

   b) Increase the prudential indicator for the upper limit on exposure to variable rate investments to £30 million.

   c) Note the treasury activity in quarter two and that it complies with the agreed strategy.
11.3. Cabinet is recommended to note the decision to award contracts for insurance services as outlined in Section 8 and 9.
Appendix A

Prudential Indicators

Capital Financing Requirement
Estimates of the Council’s cumulative maximum borrowing requirement for 2014/15 to 2016/17 are shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2015 Estimate £000s</th>
<th>31/03/2015 Actual £000s</th>
<th>31/03/2016 Estimate £000s</th>
<th>31/03/2017 Estimate £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Financing Requirement</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Profile of Borrowing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Long Term Liabilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Cumulative Maximum</strong></td>
<td><strong>Borrowing Requirement</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

In the Prudential Code (November 2009), it states¹ ‘Where there is a significant difference between the net and gross borrowing position the risks and benefits associated with this strategy should be clearly stated in the annual strategy.’

¹ Prudential Code, November 2009, page 4, paragraph E19
Balances and Reserves
Estimates of the Council’s level of Balances and Reserves for 2015/16 and future years are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31/03/2015 Actual £000s</th>
<th>31/03/2016 Estimate £000s</th>
<th>31/03/2017 Estimate £000s</th>
<th>31/03/2018 Estimate £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances and Usable Reserves</td>
<td>26,688</td>
<td>12,362</td>
<td>11,908</td>
<td>11,681</td>
</tr>
</tbody>
</table>

These have risen from the estimates in the Treasury Management Strategy due to the revenue surplus for 2014/15.

Prudential Indicator Compliance

(a) Authorised Limit and Operational Boundary for External Debt

- The Local Government Act 2003 requires the Council to set an Affordable Borrowing Limit, irrespective of their indebted status. This is a statutory limit which should not be breached.
- The Council’s Affordable Borrowing Limit is set at £2,000,000 for 2015/16.
- The Operational Boundary is based on the same estimates as the Authorised Limit but reflects the most likely, prudent but not worst case scenario without the additional headroom included within the Authorised Limit.
- The Operational Boundary for borrowing for 2015/16 is set at £1,000,000.
(b) Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

<table>
<thead>
<tr>
<th></th>
<th>Current Limits for 2015/16 £000s</th>
<th>Proposed New Limits for 2015/16 £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upper Limit for Fixed Rate Exposure</strong></td>
<td>48,000</td>
<td>48,000</td>
</tr>
<tr>
<td>Compliance with Limits:</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Upper Limit for Variable Rate Exposure</strong></td>
<td>25,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Compliance with Limits:</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(c) Maturity Structure of Fixed Rate Borrowing

- This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

<table>
<thead>
<tr>
<th>Maturity Structure of Fixed Rate Borrowing</th>
<th>Upper Limit %</th>
<th>Lower Limit %</th>
<th>Actual Fixed Rate Borrowing as at 30/09/15</th>
<th>% Fixed Rate Borrowing as at 30/09/15</th>
<th>Compliance with Set Limits?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 12 months</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>12 months and within 24 months</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>24 months and within 5 years</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>5 years and above</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Yes</td>
</tr>
</tbody>
</table>
(d) Total principal sums invested for periods longer than 364 days

- This indicator allows the Council to manage the risk inherent in investments longer than 364 days.
- The limit for 2015/16 is set at £10 million.
ICT Strategy (including draft capital profile)

Report of the ICT Operations Manager
Cabinet Member: Michael Edney – ICT Portfolio holder

Michael Sage
01508 533876
msage@s-norfolk.gov.uk
1. Exempt Reports

1.1. Appendix B of this report, the draft capital spend for ICT is not for publication by virtue of paragraph 3 of Part 1 of schedule 12A of the local government act 1972 as it contains commercially sensitive information.

2. Introduction

2.1. The Strategic Plan is an approach that allows us to make measurable advances towards a more effective and efficient IT service. This enables the team to deliver value to the Council, its members and customers.

2.2. The strategy outlines the ICT core principles, these are new elements to the strategy to drive behaviours in the team and the wider community, in order to better serve the Council and its members.

3. Background

3.1. The current ICT strategy is now 5 years old and has come to the end of its mandate, a new strategy is required to take into account the government digital by default programme as well as a moving IT to best value commodity and shared services where appropriate within the public sector.

4.1. The current position of IT is one of a reactive service, although the quality of the service on the whole is good there are areas requiring improvement. We need to work to simplify complexity within the environment and deliver added value to non-commodity services. An internal IT team offers very little value to commodity IT (this includes things such as email, file sharing, printing, etc.)

4.2. ICT within the Council are working to become the supplier of choice for internal customers. The proposed strategy will help to reinforce this through a number of new principles.

4.3. The financial year 15/16 (FY) is focussing on “steadying the ship”, refocusing IT to the needs of the business and becoming more proactive in the delivery of IT services to the Council and its associated bodies, including CNC, Build Insight and Big Sky.

5. Proposals

5.1. The proposed new strategy is attached at Appendix A.

5.2. The strategy contains the following new principles:
• It’s never just about how good the technology is
  IT will work to use the best technology to fit business needs, this will include open source and off the shelf packages where applicable. We will strive to work closer with the Council and its associated businesses to innovate and deliver on the Council’s strategic view

• Keep it simple
  IT will work to drive complexity out of the systems in order to deliver value for money, stability and control. IT will work with the business to ensure that cultural changes are implemented, where appropriate, rather than customising software or hardware solutions.

• Good information security
  The IT team will continue to practice information security best practices in order to protect the Council and its residents’ data. We will work closely with the wider Council where solutions need to be implemented to ensure data protection whilst still offering the data the Council needs.

• Testing and change control
  IT will work hard to become a driver and deliverer of change throughout the Council, change will be controlled to deliver stability throughout the Council. We will work with the business to deliver robust change control and testing measure. Staff will be developed to allow us to offer first class services and support to the Council and its members

• Relationships rule
  Managing relationships is a key part of everyone in ITs role. We will work hard to deliver strong relationships with customers internally and externally, work hard with SLT and suppliers to deliver quality and honest discussions. We will also work with other local authorities to deliver savings where we can.
5.3 IT Strategic Themes

The IT Technical Strategy pulls together the main business drivers/themes for South Norfolk Council over the coming years. Not all technology solutions have been listed in the strategy, however the key themes in IT will be the utilisation of third parties, cloud and other public bodies first. These solutions will be designed to enable key projects to realise important business benefits as well as maintain any compliance and security needs of the Council (including PSN compliance).

The proposed main themes are:

- Collaboration/sharing information (with partners). As a Council IT department with a responsibility to our tax payers, we should strive to work with other local authorities IT departments to reduce cost and complexity for all partners involved.
- Remote/independent access (non SNC equipment)/mobile working. A major theme for 2015 is to move our members to electronic working utilising BYOD.
- Connectivity – good speed & performance. Keeping a watching brief on our connectivity to our other partners and the internet. Making sure that the move to managed services is delivered successfully by ensuring remote sites have fast broadband to connect to these shared services.
- Security/PSN compliance. Maintaining our best of breed IT security and PSN compliance in order to deliver our statutory obligations to our members and the electorate.
- Reduction of SNC IT infrastructure/data centre – more 3rd party service provision (cloud). Reduce commodity IT in our own infrastructure and where appropriate move to managed services, allowing IT to deliver more innovate solutions to the council and its members.
5.4 Delivery

5.4.1 Infrastructure Team

This will be a major period of change for our internally hosted infrastructure including the procurement of a new storage system, improved disaster recovery and a move to commodity cloud services. We will also move to improve internal services including a refresh of our managed wifi and a move to managed print service. We will support the Council in its commercial endeavours including setting up commercial systems and supporting leisure in their refresh programmes. We will not engage in revolutionary behaviour simply evolution of the existing systems.

5.4.2 Service Desk

Our service desk will get more involved in the delivery of projects, especially ones that impact on them directly including BYOD, wifi and print. We will also be overhauling our support system in order to deliver more self-service, track assets correctly and capture more information in order to deliver a comprehensive knowledge base.

5.4.3 Other Strategic projects

IT will move internal services to commodity cloud where practical to offer this service. We will work with new and emerging technologies to deliver evolutionary services to the council. We will work hard to rationalise and simplify systems and increase the use of open source technologies within the public sector.

5.5 The proposed spend required to achieve the aspirations in the strategy are attached at Appendix B for information.
6 Risks and Implications arising

6.1 Financial Risks and Benefits

6.1.1 We have outlined our draft capital requirements for the next 3-5 years. We expect our revenue cost to increase over the next 3-5 years as we move from capital replacements to “as a service” delivery. For example our Microsoft Enterprise agreement will move to a revenue cost model following the move to Office 365. We expect to produce more detail on this when we gain some clarity on costs. We will look at capitalising some of the costs if the Council require us too. The IT industry as a whole is moving to a more revenue / subscription delivered model and we will need to adjust our budgets as a consequence. We don’t see the overall IT budget needing to increase, although there will be additional investment in consultants for some of the major projects.

6.1.2 Each major ICT project will have a business case and project plan worked up with the project managers within the Council.

6.1.3 We will need to reskill members of the IT team in order to deliver some of the projects.

6.1.4 IT should not be seen as a driver of business change, rather than enabler of change

6.1.5 We will need to keep watching brief on central government and shared service agendas to make sure we are getting best value for money.

6.1.6 We will need the support of the Council and the SLT in order to deliver this strategy.
7 Recommendation

7.1 To approve the revised ICT Strategy as outlined in Appendix A of the report

7.2 To note the draft capital spend as detailed in Appendix B.
ICT Strategy

Author: Michael Sage, ICT Operations, Manager
Date: 23/07/15
Version: v0.6

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<td>24/02/2015</td>
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<td>V0.3 Included updates from AQ</td>
<td>11/03/2015</td>
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<td>V0.5 Refresh of projects</td>
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<td>V0.6 Added IT principles</td>
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<td>IT Book of Work</td>
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<td>ICT statement on a page, with options</td>
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<td>MFD Tender Paper</td>
<td>Tender paper for SLT for MFD</td>
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These supporting documents are available from ICT.
Executive Overview

The Strategic Plan is an approach that allows us to make measurable advances towards a more effective and efficient IT service. This enables the team to deliver value to the council, its members and customers. Key themes running through this strategy are collaborative working, consolidation, security and shared delivery in line with councils current focus.
IT Principles

1. It’s never just about how good the technology is
   - IT will strive to use the best technology to fit the business need
   - Open source and cloud technology will be considered where it is the best fit
   - IT will align decisions based on the council’s strategic plan
   - Innovate with the business
   - Avoid the Gartner hype curves, be clear and focused with suppliers
   - Ensure compatibility and integration with existing systems

2. Keep it simple
   - IT will not get led by the technology but will instead choose best of breed, offering stability and control
   - IT will work with the business to make sure that processes are updated to fit the solution (where applicable), rather than customising an off the shelf package
   - Use off the shelf software where appropriate

3. Good information security
   - Protect the council’s data
   - Protect our customers data
   - Be pragmatic about openness

4. Testing and change control
   - IT should be a driver and deliverer of change throughout the council
   - Change should be controlled to allow us to deliver stability throughout the infrastructure
   - Support the council be implementing robust change control and testing measures
   - Staff will be developed to allow us to offer first class services and support to the council and its members

5. Relationships rule
   - Managing the relationships with our customers is a key part of everyone’s role
   - Manage the relationship with suppliers to ensure the best result for the council
   - Manage the relationship with SLT to ensure IT are on message and delivering to the council’s needs
   - Provide technology leadership and support the council
   - Collaboration with other relevant organisations including neighbouring authorities
IT Strategic Goals

The IT Technical Strategy pulls together the main business drivers/themes for South Norfolk Council over the coming years; we haven’t listed all the technology solutions in this strategy. However the key themes in IT will be the utilisation of third parties, cloud and other public bodies first. These solutions will be designed to enable key projects to realise important business benefits as well as maintain any compliance and security needs of the council (including PSN compliance).

The main themes are:

- **Collaboration/sharing information (with partners).** As a council IT department with a responsibility to our tax payers, we should strive to work with other local authorities IT departments to reduce cost and complexity for all partners involved.
- **Remote/independent access (non SNC equipment)/mobile working.** A major theme for 2015 is to move our members to electronic working utilising BYOD.
- **Connectivity – good speed & performance.** Keeping a watching brief on our connectivity to our other partners and the internet. Making sure that the move to managed services is delivered successfully by ensuring remote sites have fast broadband to connect to these shared services.
- **Security/PSN compliance.** Maintaining our best of breed IT security and PSN compliance in order to deliver our statutory obligations to our members and the electorate.
- **Reduction of SNC IT infrastructure/data centre – more 3rd party service provision (cloud).** Reduce commodity IT in our own infrastructure and where appropriate move to managed services, allowing IT to deliver more innovate solutions to the council and its members.

The financial year 15/16 (FY) will focus on “steadying the ship”, refocusing IT to the needs of the business and becoming more proactive in the delivery of IT services to the council and its associated bodies, including CNC, ERBC and Big Sky.

**Infrastructure**

Our infrastructure team intend to deploy the following key systems over the next FY (2015/2016)

- **Collaboration suite –** Allowing us to communicate more effectively internally and with the wider public sector. We will probably be utilising Microsoft Lync for this.
- **Disaster Recovery –** A full DR review and implementation is planned following South Oxfordshire’s incident to make sure ICT is able to support the council should we lose access to the Long Stratton site.
- **Wifi –** A full refresh of public and private wifi to all council sites.
• Printing and Multifunction devices (MFDs) – A replacement of the current devices, this will happen in consultation with other councils in the area.

• Support ERBC expansion – Working closely with CNC, BIT and SLT to ensure the successful delivery of this cooperative program.

• Leisure Centre upgrades including wifi and telephony. Support the council in its delivery of the leisure centre upgrades and improvements.

Business as usual (BAU) should not be forgotten in this list of projects, major BAU tasks for this FY include:

• Retiring and replacing all Windows 2003 servers. This is due to Microsoft stopping support for this operating system in July, leaving us non-compliant from a security and operational support perspective.

• Retiring AS400 legacy system. This is currently running passport to leisure and contains old documents (including council tax bills and planning decisions) these are currently being migrated from the system.

• Building of a Test lab. IT has a need for a test lab in order to test and provision new services to the council as well as a sandpit environment to learn and develop their skills. This platform will be available for the rest of the council to try new services and software before moving to a production environment.

• Data Storage (SAN) Upgrades. The current storage platform is running low on storage resources as well as coming to the end of its serviceable life.

• Members mobile working. IT have been supporting democratic services in the move to electronic working, this will be delivered with a new Good service for the May election.

• Support business improvement, change and projects teams in their key deliveries. IT will continue to support the delivery of new services to the council as well as become a trusted partner for new technologies coming into the business.

• Monthly Patching. Operating systems and applications will continue to be patched according to third party best practice to ensure support and security of all council systems.

• Maintain PSN compliance. In order to deliver our statutory requirements as a council, IT will continue to maintain our PSN compliance with support from the Chief Exec and her office.
Service Desk

Over this FY our service desk intend to become more customer focused, deliver a better service and engage more with the council

Major deliverables from the service desk this FY

- IT Roadshow / update to all remote sites on a monthly basis. IT are working hard to engage with our end users to make sure that we are delivering the services that the council require, and commission and decommission services as required.
- Deliver the MFD Project. IT will roll out the new printing services with improved follow-me print, forced mono printing and a new lease printing service to enable the council to control and understand its printing costs.
- Overhaul support systems and SLAs with support from third parties. The current setup of the service desk software is not delivering for end users or IT. We are working hard with the current supplier to deliver an improved service including more self-service and knowledge base capabilities. We are also working on being able to deliver a better impression of our BAU service desk load.
- Deliver more self-service. In order to deliver a better first touch / first fix service we are going to deliver a new suite of self service tools over the coming years, including password reset, file server permissions and equipment request in order to deliver a more efficient service.
- Capture more call information from “drive by” customers. As part of the service desk overhaul we are hoping to create a quick call option, which will allow support staff to collect and log information regarding queries that come in visit to the service desk.
- Recruit another member to support the team. This is underway, we are appointing a new apprentice as well as permanently recruiting a support analyst, this will enable IT to put more people on the front line and deal with projects and BAU in a more controlled fashion.
- Deliver new ways to communicate with the service desk. With the introduction of Lync into the organisation we will allow members and staff to communicate with the service desk by using instant messaging and desktop sharing allowing support to resolve calls in a timelier manor.
- Deliver a knowledge base to allow users to help themselves. As part of our drive to help users help themselves we will be populating a knowledge base with our most frequently asked questions and where possible provide an automatic resolution. Allowing staff to deal with more complex issues.
- Deliver project on boarding documentation to allow successful delivery of projects.
- Automate repetitive calls. With a drive towards a more efficient IT service we are proposing to automate a number of repetitive processes including password reset and file permissions.
Other strategic projects

- Investigate the use of cloud services. In order to deliver better value for the council and its members IT intend to investigate a number of managed solutions, including the movement of core commodity IT to the cloud. At this point in time the cloud solutions IT are investigating are:
  - Office 365
  - Online backups
- Investigate new and emerging technologies. As part of our continuous service improvement program, we are keeping a watching brief of new and emerging technologies to deliver a better, more efficient and collaborative IT service. We are in contact with industry partners and other public sector bodies to see what is and isn’t working in the wider marketplace.
- Reduce the number of systems in use. IT are becoming more proactive in decommissioning old systems, in order to reduce the amount of data we store in line with data protection best practices.
- Keep a watching brief on BYOD and the public sector network (PSN). Currently BYOD is totally unsupported on the PSN, this is due to the inherent insecurity of not controlling the device. We are working with other organisation in order to be able to adopt a true BYOD policy for staff and members. At the moment we can only offer the Good for Enterprise solution to members and staff wishing to use their own device.
- Keep a watching brief on open source in public sector. There has been a massive push for public sector organisations to use open source software rather than proprietary software. Again IT are working with other organisations to make sure that any new service we commission is fit for purpose and that a competitive procurement process has been followed.
- Help the council deliver other new services. The council has desires to deliver some new core services to staff, members and the wider public. These include
  - Customer relationship management (CRM), a product is yet to be procured or a decision made. IT has asked to be engaged early in order to deliver a fit for purpose system, which can be delivered on time and on budget.
  - Enterprise Resource Planning (ERP). This project has yet to be started. Again IT has asked to be engaged early in order to ensure the success of this project.

A full list of projects is held by IT and updated on a regular basis. This list is attached as an appendix to this document.
## CABINET CORE AGENDA 2015

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Key decisions are those which result in income, expenditure or savings with a gross full year effect of £100,000 or 10% of the Council’s net portfolio budget whichever is the greater which has not been included in the relevant portfolio budget, or are significant (e.g. in environmental, physical, social or economic) in terms of its effect on the communities living or working in an area comprising two or more electoral divisions in the area of the local authority.
Central Norfolk

Strategic Housing Market Assessment 2015

Executive Summary

Draft 11th September 2015
Executive Summary

1. Opinion Research Services (ORS) have undertaken a Strategic Housing Market Assessment (SHMA) to establish the Objectively Assessed Need (OAN) for housing for the local authorities of Norwich City, Broadland, Breckland, North Norfolk and South Norfolk, plus the Broads Authority, reporting in September 2015.

2. The findings are compliant with the requirements of both the National Planning Policy Framework (NPPF)¹ and Planning Policy Guidance (PPG)². In addition, the study is mindful of Planning Inspector Decisions and High Court Judgements, as well as emerging good practice regarding study methodologies.

Housing Market Area

3. The identification of Housing Market Areas (HMAs) is the key building block in the evidence base for identifying the Objectively Assessed Need (OAN) for housing.

4. This study has considered the latest available evidence in order to define the HMA. In addition, it has also considered the evidence, methodology and findings of previous studies to properly contextualise findings. Detailed assessment of evidence is set out in Chapter 2 of this study.

5. We have concluded that the HMA thus identified is robust and forms the relevant basis for the identification of OAN at the various levels of sub-geography required from the study.

6. The evidence shows that the functional Central Norfolk HMA is not the same as the local authority boundaries, but is constituted from all of Norwich, Broadland, and South Norfolk authorities, together with substantial parts of North Norfolk, Breckland and the Broads Authority, together with a more marginal interaction with other parts of Norfolk and Suffolk.

7. Figure 1 shows the Central Norfolk HMA; the Core area of settlements with the strongest connections to the Norwich Urban Area, which is similar, but not identical, to the Norwich Policy Area, and; the Greater Norwich Growth Board area of Broadland, Norwich and South Norfolk councils.

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Objectively Assessed Need

8. The primary objective of this study is to establish the Objectively Assessed Need (OAN) for housing. The OAN identifies the future quantity of housing that is likely to be needed (both market and affordable) in the Housing Market Area over future plan periods.

The Objectively Assessed Need Process

9. The process for establishing OAN begins with a demographic process to derive housing need from a consideration of population and household projections. To this, external market and macro-economic constraints are applied (‘market signals’) in order to embed the need in the real world.
Central Norfolk Objectively Assessed Need

10. The NPPF (2012) requires Local Planning Authorities to:

   “ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area”

   and

   “identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change” (paragraphs 47 and 159).

11. PPG (2015) identifies that

   “household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need ... The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth” (paragraphs 15-16).

Household Growth

12. The “starting point” estimates for OAN are the latest household projections published by the Department for Communities and Local Government (CLG) for the period 2012-37. These projections suggest that household numbers across Central Norfolk will increase by 2,509 households each year (2,655 dwellings) and provides the most appropriate demographic projection on which to base the Objectively Assessed Need for housing.

13. Following establishing the starting point, the household numbers are then considered in terms of what the wider housing market may be telling us by way of ‘market signals’.

Market Signals

14. NPPF sets out that “Plans should take account of market signals...” (paragraph 17) and PPG identifies that “the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”.

15. The market signals considered for this study are house prices, rents and affordability, rate of development, and overcrowding. Further, we have considered wider macro-economic climate (as supported by PAS OAN technical advice note, July 2015) and, in addition, we have also looked at wider market trends and drivers.

16. The market signals are also compared to other areas which have similar demographic and economic characteristics to Central Norfolk. These comparators, identified via analysis of secondary data, are Greater Ipswich (Ipswich, Babergh, Mid Suffolk and Suffolk Coastal), Greater Lincoln (Lincoln, North Kesteven and West Lindsey) and Greater Exeter (Exeter, East Devon, Mid Devon, Teignbridge and West Devon).
17. There is no single formula or methodology that can be used to consolidate the implications of market signals. Further, market signals will have been predominantly influenced by relatively recent housing market trends which, arguably, have had a degree of volatility. Nevertheless, on the basis of this data we can conclude:

» **House Prices:** lower quartile prices are higher than the national average, with a lower quartile price of £131,600, compared to England’s £126,250 (based on 2012-13 values). The current price in the HMA is higher than Greater Lincoln but lower than Greater Ipswich and Greater Exeter. Over the last 5 years, prices have varied by comparator area, with only modest change (-3%) in Greater Exeter with slightly more in Greater Lincoln (-7%). Central Norfolk has also seen prices drop by 7%.

» **Rents:** for average private sector rents in 2013-14, the study area is below the national average. While rents in Greater Exeter are higher than in the study area, Greater Ipswich and Greater Lincoln are significantly lower. Average rents have increased at a relatively similar pace in all areas although lower in Greater Ipswich in the past five years.

» **Affordability** is measured here in terms of the ratio between lower quartile house prices and lower quartile earnings and is currently ‘worse’ in the study area than across England as a whole (7.4 times compared to 6.5 times). The rate in Greater Exeter is also ‘worse’ than England (that is they have a higher ratio of lower quartile house prices to lower quartile earnings), although other comparators in Greater Ipswich and Greater Lincoln are ‘better’ than England (that is they have a lower ratio of lower quartile house prices to lower quartile earnings). However, national and comparator area affordability ratios have improved since 2008 at a slower rate than Central Norfolk.

» **Overcrowding** (in terms of Census occupancy rates) shows that 4.1% of households in the study area are overcrowded based on an objective measure, which is less than half the rate in England (8.7%). Nevertheless, the proportion of overcrowded households has increased over the last 10 years by 19%, but this is less than the national average at 23%. However, Greater Lincoln and Greater Exeter have seen lower rates of growth in overcrowding.

» **Rate of development** (in terms of increase in dwelling stock over the last ten years) shows that development has increased the stock size by +10.0%, which is higher than England (8.3%). This rate for Central Norfolk is higher than Greater Exeter, but lower than Greater Ipswich and Greater Lincoln. Of course, these figures will inevitably be influenced by local constraints as well as individual policies.

18. Overcrowding was considered in detail when establishing the need for affordable housing, and based on the bedroom standard and data from the English Housing Survey (EHS) and Census 2011 we estimated that 3,553 households were overcrowded in Central Norfolk including 1,023 owner occupiers, 1,138 households renting privately and 1,479 households in the social rented sector.
Market Signals Conclusion

19. The market signals suggest it is appropriate to increase housing delivery for the Central Norfolk HMA for concealed households and overcrowding. It is appropriate to introduce a market signals uplift for concealed families which increases the average housing need for Central Norfolk by 882 dwellings for the study period, or 37 dwellings each year.

Employment Trends

20. While demographic projections form the starting point for OAN calculations it is necessary to ensure a balance between future jobs and workers. The evidence about future jobs is inconsistent with the evidence about likely future workers and that there is a clear need for a response to ensure that workers and jobs balance.

21. To increase the number of workers resident in the area would require a higher level of net inward migration. We have placed two separate uplifts on the dwelling numbers for Central Norfolk, one which is spread between the five authorities to achieve balance with the East of England Forecasting Model (EEFM) target and a second uplift linked to the City Deal for Greater Norwich. Across Greater Norwich the City Deal results in an additional 8,382 dwellings over the 24 year period 2012-2036. This is considerably higher than the 3,000 additional homes planned as part of the City Deal.

Conclusions on Objectively Assessed Need

22. While demographic projections form the starting point for Objectively Assessed Need calculations, it is necessary to assess market signals to determine whether a higher rate of housing delivery is required in the housing market area to address housing market problems.

23. On the basis of the market signals and the need to balance workers and jobs, we can conclude that the Objectively Assessed Need for the HMA should be increased. Therefore the SHMA identifies an Objectively Assessed Need for 70,483 dwellings over the 24-year period 2012-36, an annual average of 2,937. This represents a 20% increase above the demographic trends for the area which is largely due to the impact of the additional jobs planned as part of the City Deal for Greater Norwich. The additional dwellings will also provide more affordable housing. If the full OAN for affordable housing is to be met then 26.0% of all housing must be affordable.

24. Figure 3 shows the total and annual OAN by local authority and other geographies.
Private Rented Sector

25. The Private Rented Sector (PRS) has grown between the last two Censuses, mainly via tenure change within existing stock as opposed to new supply. While all HMA authorities have seen an increase in PRS stock, Norwich has seen particular growth in the number of Houses in Multiple Occupation (HMO).

26. The Government sees the growth in the PRS as positive; it offers a flexible form of tenure and meets a wide range of housing needs. Further, ‘it contributes to greater labour market mobility and is increasingly the tenure of choice for young people’³. Continued national policy support for expansion of the sector is likely.

27. Overall, other trends in the housing market (for example, rates of new housing supply, Pension Reform, Welfare Reform, the decline in First Time Buyers and the increase in Buy to Let

mortgages etc) indicate the PRS will continue to offer a housing option for an increasing proportion of local households.

People wishing to build their own homes

28. The self-build sector makes an important contribution to housing supply with about 1 in every 10 homes being built or commissioned by individuals. Self-build enjoys Government support (for example, via the Custom Build fund) and is backing industry-led efforts to double supply by 2020.

29. The SHMA identifies demand for self-build using information from the Self Build Portal’s ‘Need-a-Plot’ database – this indicates a relatively low number of purchasers looking for a site in Central Norfolk (November 2014). However, PPG does say:

   ‘However, such data [Need-a-Plot] is unlikely on its own to provide reliable local information on the local demand for people wishing to build their own homes’.  
   Plan makers should, therefore, consider surveying local residents, possibly as part of any wider surveys, to assess local housing need for this type of housing, and compile a local list or register of people who want to build their own homes.  

   NPPG Paragraph 021

30. In “Laying the Foundations – a Housing Strategy for England” (2011), the Government redefines self-build as ‘Custom Build’ and aims to double the size of this market, creating up to 100,000 additional homes over the next decade.

31. Therefore, given relatively high demand for homes in Central Norfolk, one initiative the local authorities could consider is a survey to assess need for this type of housing and/or consider a list/register of those wishing to build their own homes.

Housing for Older People

32. Central Norfolk has a current supply of 6,053 specialist housing units and a projected gross need for 21,850 specialist homes by 2036. This indicates a provisional net need for 15,797 specialist housing units, of various types and tenures.

33. However, there are a number of reasons and variables which mean that this net need should be treated with caution:

   » Demographics: the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current supply.

   » New supply: development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme.

   » Existing supply: while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life. Therefore, future need may be understated.
Other agencies: any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly Norfolk County Council and the Health Service.

National strategy and its implications for Older People: national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

34. It is important to note that older people needing specialist non-self-contained “Class C2” dwellings such as residential care are considered as part of the communal establishment population and therefore any people living in this type of accommodation are not be included in the household projections and OAN.

Households with Specific Needs

35. Specific needs are constrained by PPG to households who are disabled so as to need adaptations either now or in the future. HMA evidence shows how the number of claimants for Attendance Allowance is on an upward trend, with an increase of 7,500 claimants (80%) between 1996-2014, while application levels for Aids and Adaptations have been relatively consistent at c.500 per annum. This represents mixed evidence as to the need for adapted and/or wheelchair accessible homes.

36. Overall, therefore, we have not proposed a target for the HMA authorities and are proposing to leave this to local policy discretion.

Student Housing

37. The student housing market is essentially a Norwich phenomenon. It is well established and has expanded to meet increased demand in recent years. Increased supply of accommodation occupied by students in the HMO sector is also noticeable.

38. However, higher education providers in Norwich plan for modest growth in student numbers in coming years, mainly in part time and international students.

39. Looking forward, demand and supply change is likely to be relatively modest and the market unlikely to change significantly. However, for strategy purposes, forward patterns of expansion should be monitored.

Welfare Reform

40. Since June 2010, the Government has introduced far reaching changes to the system of welfare benefits available to those on low incomes and/or with specific needs. However, most changes have only been gradually rolled out and further announcements made in the Summer Budget 2015.

41. Evidence of the impact of reform is therefore relatively scarce. However, from the available sources, there are several general themes which are clear:
» Overall, in both public and private sectors, there is a fall in relative number of HB claimants. This could be due to Welfare Reform.

» Figures show c.80 households in Central Norfolk are affected by the Benefit Cap.

» Discretionary Housing Payments awards (paid to households in hardship) mainly relate to payments for hardship following removal of the Spare Room Subsidy for social housing tenants, although there are also awards for Local Housing Allowance reform (for private renters).

» Housing Benefit claimant numbers in the PRS began to plateau and then decline from 2013. However, the decline in PRS HB claimant numbers is relatively lower in Central Norfolk than in other authorities in the East region.

» Fieldwork indicates that private landlords are becoming more reluctant to let to HB recipient households.

» Housing associations report an increased demand for smaller properties from their tenants.

Service Families

42. The numbers of Service personnel living in Central Norfolk are relatively low compared to the overall HMA population. There are c.1,500 people living in a household and c.270 people in barracks. Current national policy is to reduce the number of Service personnel.

43. We do not expect significant demand for housing in the HMA from Service personnel. However, there may be an increase in obligation towards housing armed forces personnel as a result of the changes to allocations and purchase options.

Conclusion

44. Central Norfolk has a positive housing offer which continues to attract people to the area for a mix of reasons, not least the quality of life. All Stakeholders have described the area as an attractive place to live, being largely rural, but with Norwich and a number of market towns offering an urban lifestyle. However, although there are areas of relative affluence, there are also pockets of deprivation.

45. There are significant challenges that the housing market faces, both now and in the future: fundamental tenure adjustment as the Private Rented Sector grows relative to other tenures, the challenge of new housing delivery, Welfare Reform and, not least, a changing and growing population.

46. Overall, therefore, the need for a continued co-ordinated approach by the local authorities in Central Norfolk, towards the varied housing challenges faced, is key to future success.
Central Norfolk
Strategic Housing Market Assessment 2015
Report of Findings
Draft 11th September 2015
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Executive Summary

1. Opinion Research Services (ORS) have undertaken a Strategic Housing Market Assessment (SHMA) to establish the Objectively Assessed Need (OAN) for housing for the local authorities of Norwich City, Broadland, Breckland, North Norfolk and South Norfolk, plus the Broads Authority, reporting in September 2015.

2. The findings are compliant with the requirements of both the National Planning Policy Framework (NPPF)¹ and Planning Policy Guidance (PPG)². In addition, the study is mindful of Planning Inspector Decisions and High Court Judgements, as well as emerging good practice regarding study methodologies.

Housing Market Area

3. The identification of Housing Market Areas (HMAs) is the key building block in the evidence base for identifying the Objectively Assessed Need (OAN) for housing.

4. This study has considered the latest available evidence in order to define the HMA. In addition, it has also considered the evidence, methodology and findings of previous studies to properly contextualise findings. Detailed assessment of evidence is set out in Chapter 2 of this study.

5. We have concluded that the HMA thus identified is robust and forms the relevant basis for the identification of OAN at the various levels of sub-geography required from the study.

6. The evidence shows that the functional Central Norfolk HMA is not the same as the local authority boundaries, but is constituted from all of Norwich, Broadland, and South Norfolk authorities, together with substantial parts of North Norfolk, Breckland and the Broads Authority, together with a more marginal interaction with other parts of Norfolk and Suffolk.

7. Figure 1 shows the Central Norfolk HMA; the Core area of settlements with the strongest connections to the Norwich Urban Area, which is similar, but not identical, to the Norwich Policy Area, and; the Greater Norwich Growth Board area of Broadland, Norwich and South Norfolk councils.

Objectively Assessed Need

8. The primary objective of this study is to establish the Objectively Assessed Need (OAN) for housing. The OAN identifies the future quantity of housing that is likely to be needed (both market and affordable) in the Housing Market Area over future plan periods.

The Objectively Assessed Need Process

9. The process for establishing OAN begins with a demographic process to derive housing need from a consideration of population and household projections. To this, external market and macro-economic constraints are applied (‘market signals’) in order to embed the need in the real world.
Central Norfolk Objectively Assessed Need

10. The NPPF (2012) requires Local Planning Authorities to;

   “ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area”

   and

   “identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change” (paragraphs 47 and 159).

11. PPG (2015) identifies that

   “household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need … The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth” (paragraphs 15-16).

Household Growth

12. The “starting point” estimates for OAN are the latest household projections published by the Department for Communities and Local Government (CLG) for the period 2012-37. These projections suggest that household numbers across Central Norfolk will increase by 2,509 households each year (2,655 dwellings) and provides the most appropriate demographic projection on which to base the Objectively Assessed Need for housing.

13. Following establishing the starting point, the household numbers are then considered in terms of what the wider housing market may be telling us by way of ‘market signals’.

Market Signals

14. NPPF sets out that “Plans should take account of market signals...” (paragraph 17) and PPG identifies that “the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”.

15. The market signals considered for this study are house prices, rents and affordability, rate of development, and overcrowding. Further, we have considered wider macro-economic climate (as supported by PAS OAN technical advice note, July 2015) and, in addition, we have also looked at wider market trends and drivers.

16. The market signals are also compared to other areas which have similar demographic and economic characteristics to Central Norfolk. These comparators, identified via analysis of secondary data, are Greater Ipswich (Ipswich, Babergh, Mid Suffolk and Suffolk Coastal), Greater Lincoln (Lincoln, North Kesteven and West Lindsey) and Greater Exeter (Exeter, East Devon, Mid Devon, Teignbridge and West Devon).

17. There is no single formula or methodology that can be used to consolidate the implications of market signals. Further, market signals will have been predominantly influenced by relatively recent housing
market trends which, arguably, have had a degree of volatility. Nevertheless, on the basis of this data we can conclude:

» **House Prices:** lower quartile prices are higher than the national average, with a lower quartile price of £131,600, compared to England’s £126,250 (based on 2012-13 values). The current price in the HMA is higher than Greater Lincoln but lower than Greater Ipswich and Greater Exeter. Over the last 5 years, prices have varied by comparator area, with only modest change (-3%) in Greater Exeter with slightly more in Greater Lincoln (-7%). Central Norfolk has also seen prices drop by 7%.

» **Rents:** for average private sector rents in 2013-14, the study area is below the national average. While rents in Greater Exeter are higher than in the study area, Greater Ipswich and Greater Lincoln are significantly lower. Average rents have increased at a relatively similar pace in all areas although lower in Greater Ipswich in the past five years.

» **Affordability** is measured here in terms of the ratio between lower quartile house prices and lower quartile earnings and is currently ‘worse’ in the study area than across England as a whole (7.4 times compared to 6.5 times). The rate in Greater Exeter is also ‘worse’ than England (that is they have a higher ratio of lower quartile house prices to lower quartile earnings), although other comparators in Greater Ipswich and Greater Lincoln are ‘better’ than England (that is they have a lower ratio of lower quartile house prices to lower quartile earnings). However, national and comparator area affordability ratios have improved since 2008 at a slower rate than Central Norfolk.

» **Overcrowding** (in terms of Census occupancy rates) shows that 4.1% of households in the study area are overcrowded based on an objective measure, which is less than half the rate in England (8.7%). Nevertheless, the proportion of overcrowded households has increased over the last 10 years by 19%, but this is less than the national average at 23%. However, Greater Lincoln and Greater Exeter have seen lower rates of growth in overcrowding.

» **Rate of development** (in terms of increase in dwelling stock over the last ten years) shows that development has increased the stock size by +10.0%, which is higher than England (8.3%). This rate for Central Norfolk is higher than Greater Exeter, but lower than Greater Ipswich and Greater Lincoln. Of course, these figures will inevitably be influenced by local constraints as well as individual policies.

18. **Overcrowding** was considered in detail when establishing the need for affordable housing, and based on the bedroom standard and data from the English Housing Survey (EHS) and Census 2011 we estimated that 3,553 households were overcrowded in Central Norfolk Figure 68 including 1,023 owner occupiers, 1,138 households renting privately and 1,479 households in the social rented sector.

**Market Signals Conclusion**

19. The market signals suggest it is appropriate to increase housing delivery for the Central Norfolk HMA for concealed households and overcrowding. It is appropriate to introduce a market signals uplift for concealed families which increases the average housing need for Central Norfolk by 882 dwellings for the study period, or 37 dwellings each year.
Employment Trends

20. While demographic projections form the starting point for OAN calculations it is necessary to ensure a balance between future jobs and workers. The evidence about future jobs is inconsistent with the evidence about likely future workers and that there is a clear need for a response to ensure that workers and jobs balance.

21. To increase the number of workers resident in the area would require a higher level of net inward migration. We have placed two separate uplifts on the dwelling numbers for Central Norfolk, one which is spread between the five authorities to achieve balance with the East of England Forecasting Model (EEFM) target and a second uplift linked to the City Deal for Greater Norwich. Across Greater Norwich the City Deal results in an additional 8,382 dwellings over the 24 year period 2012-2036. This is considerably higher than the 3,000 additional homes planned as part of the City Deal.

Conclusions on Objectively Assessed Need

22. While demographic projections form the starting point for Objectively Assessed Need calculations, it is necessary to assess market signals to determine whether a higher rate of housing delivery is required in the housing market area to address housing market problems.

23. On the basis of the market signals and the need to balance workers and jobs, we can conclude that the Objectively Assessed Need for the HMA should be increased. Therefore the SHMA identifies an Objectively Assessed Need for 70,483 dwellings over the 24-year period 2012-36, an annual average of 2,937. This represents a 20% increase above the demographic trends for the area which is largely due to the impact of the additional jobs planned as part of the City Deal for Greater Norwich. The additional dwellings will also provide more affordable housing. If the full OAN for affordable housing is to be met then 26% of all housing must be affordable.

24. Figure 3 shows the total and annual OAN by local authority and other geographies.
### Private Rented Sector

25. The Private Rented Sector (PRS) has grown between the last two Censuses, mainly via tenure change within existing stock as opposed to new supply. While all HMA authorities have seen an increase in PRS stock, Norwich has seen particular growth in the number of Houses in Multiple Occupation (HMO).

26. The Government sees the growth in the PRS as positive; it offers a flexible form of tenure and meets a wide range of housing needs. Further, ‘it contributes to greater labour market mobility and is increasingly the tenure of choice for young people’³. Continued national policy support for expansion of the sector is likely.

27. Overall, other trends in the housing market (for example, rates of new housing supply, Pension Reform, Welfare Reform, the decline in First Time Buyers and the increase in Buy to Let mortgages etc) indicate the PRS will continue to offer a housing option for an increasing proportion of local households.

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People wishing to build their own homes

28. The self-build sector makes an important contribution to housing supply with about 1 in every 10 homes being built or commissioned by individuals. Self-build enjoys Government support (for example, via the Custom Build fund) and is backing industry-led efforts to double supply by 2020.

29. The SHMA identifies demand for self-build using information from the Self Build Portal’s ‘Need-a-Plot’ database – this indicates a relatively low number of purchasers looking for a site in Central Norfolk (November 2014). However, PPG does say:

   ‘However, such data [Need-a-Plot] is unlikely on its own to provide reliable local information on the local demand for people wishing to build their own homes’.

   Plan makers should, therefore, consider surveying local residents, possibly as part of any wider surveys, to assess local housing need for this type of housing, and compile a local list or register of people who want to build their own homes.

   NPPG Paragraph 021

30. In “Laying the Foundations – a Housing Strategy for England” (2011), the Government redefines self-build as ‘Custom Build’ and aims to double the size of this market, creating up to 100,000 additional homes over the next decade.

31. Therefore, given relatively high demand for homes in Central Norfolk, one initiative the local authorities could consider is a survey to assess need for this type of housing and/or consider a list/register of those wishing to build their own homes.

Housing for Older People

32. Central Norfolk has a current supply of 6,053 specialist housing units and a projected gross need for 21,850 specialist homes by 2036. This indicates a provisional net need for 15,797 specialist housing units, of various types and tenures.

33. However, there are a number of reasons and variables which mean that this net need should be treated with caution:

   » Demographics: the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current supply.

   » New supply: development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme.

   » Existing supply: while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life. Therefore, future need may be understated.

   » Other agencies: any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly Norfolk County Council and the Health Service.
National strategy and its implications for Older People: national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

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36. Overall, therefore, we have not proposed a target for the HMA authorities and are proposing to leave this to local policy discretion.

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   » Overall, in both public and private sectors, there is a fall in relative number of HB claimants. This could be due to Welfare Reform.

   » Figures show c.80 households in Central Norfolk are affected by the Benefit Cap.

   » Discretionary Housing Payments awards (paid to households in hardship) mainly relate to payments for hardship following removal of the Spare Room Subsidy for social housing tenants, although there are also awards for Local Housing Allowance reform (for private renters).
Housing Benefit claimant numbers in the PRS began to plateau and then decline from 2013. However, the decline in PRS HB claimant numbers is relatively lower in Central Norfolk than in other authorities in the East region.

Fieldwork indicates that private landlords are becoming more reluctant to let to HB recipient households.

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Conclusion

44. Central Norfolk has a positive housing offer which continues to attract people to the area for a mix of reasons, not least the quality of life. All Stakeholders have described the area as an attractive place to live, being largely rural, but with Norwich and a number of market towns offering an urban lifestyle. However, although there are areas of relative affluence, there are also pockets of deprivation.

45. There are significant challenges that the housing market faces, both now and in the future: fundamental tenure adjustment as the Private Rented Sector grows relative to other tenures, the challenge of new housing delivery, Welfare Reform and, not least, a changing and growing population.

46. Overall, therefore, the need for a continued co-ordinated approach by the local authorities in Central Norfolk, towards the varied housing challenges faced, is key to future success.
1. Introducing the Study
Background to the project and wider policy context

1.1 Opinion Research Services (ORS) was jointly commissioned by the Central Norfolk local authorities (Norwich City, Broadland, Breckland, North Norfolk and South Norfolk, together with the Broads Authority) to identify the functional Housing Market Areas (HMAs) covered by the five local authorities, in particular to establish the extent of the Central Norfolk HMA. Subsequently, ORS prepared a Strategic Housing Market Assessment (SHMA) to establish the Objectively Assessed Need (OAN) for housing across the Central Norfolk area. Norfolk County Council are also a non-commissioning Partner.

1.2 The study adheres to the requirements of the National Planning Policy Framework published in 2012 and Planning Practice Guidance (March 2014). The methodology was also mindful of emerging good practice and outcomes from Examinations, as well as the Technical Advice Note about Objectively Assessed Need and Housing Targets that was published by the Planning Advisory Service (PAS) in June 2014.

1.3 The purpose of the study is to support the local authorities in objectively assessing and evidencing the need for housing (both market and affordable) and to provide other evidence to inform local policies, plans and decision making. This assessment follows the methodology in the Overview of the SHMA below, which sets out the overall approach beginning with defining the Housing Market Area.

Profiles of Central Norfolk Authorities

1.4 This section contains short profiles of each of the five local councils in central Norfolk along with the Broads Authority. These provide a summary context to the SHMA figures.

Breckland Council

1.5 The district of Breckland is one of the largest rural districts in England, spanning over 500 square miles over the south, west and central parts of Norfolk. The district is centred round the five market towns of Attleborough, Dereham, Swaffham, Thetford and Watton.

1.6 Breckland’s population is set to grow from around 133,000 residents to 141,000 by 2021. 59% of the population are aged between 16 and 64, compared to 62% across the East of England and 64% across Great Britain. Half of the current residents live in one of the five market towns with the remainder living in village homes. This means that the district has a low population density. The area’s rural nature is characterised by its 112 parishes, numerous villages and low crime rate which make Breckland one of the most attractive and safe places to live in the UK.

1.7 Breckland’s local economy continues to grow. The main business sectors are agriculture, advanced engineering and manufacturing, logistics and forestry, with professional, scientific and technical and food

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4 Sources: local authority websites and Nomis profiles http://www.nomisweb.co.uk/reports/lmp/la/contents.aspx
Major infrastructure improvements and improved transport links such as the completion of the A11 dual carriageway are attracting new businesses as well as enabling existing ones to flourish. Adjacent to the A11, Thetford and Attleborough are key areas for future housing and business growth which is expected to deliver economic benefits for the whole district. Further improvements are planned for the A47 trunk road which is another vital transport link for the area. Strong commercial development is predicted to feed through to growth in housing and increases in local employment opportunities over the next decade. The major rail links are Norwich/Cambridge and Norwich/Ipswich.

**Broadland District Council**

Broadland is a largely rural district including the northern suburbs of Norwich and the rural areas to the north and east of the city. There are three market towns; Acle, Aylsham and Reepham, and numerous villages. The Broadland Area covers 55,215 hectares (around 213 square miles) and has a population of about 120,000. 59% of the population are aged between 16 and 64, compared to 62% across the East of England and 64% across Great Britain.

Broadland along with Norwich and South Norfolk is part of the Greater Norwich growth area which is expected to deliver 27,000 new jobs by 2026.

Broadland has over 4,000 businesses based in the villages and market towns. Major services and products include the large modern Business Parks in Thorpe St Andrew where AVIVA, Home Serve and others employ over 5,000 staff, to Aylsham, Acle, Reepham, Rackheath and Wroxham where specialist refrigeration, precision engineering and boat building businesses thrive. In many of the smaller communities' local food, tourism, village stores and voluntary sector businesses are prevalent. 80% of the working age population are in employment compared to 76% across the East of England and 72% across Great Britain.

The east-west A47 is the predominant transport route, with locally important routes of the A1067 and A140 to the north of Norfolk. The major rail links are Norwich/Cambridge and Norwich/Ipswich, with Norwich/Great Yarmouth and Norwich/Sheringham also locally important.

**North Norfolk District Council**

North Norfolk is a rural authority whose boundaries encompass 373 square miles along the East Coast of England, stretching for 43 miles alongside the North Sea.

The District has a population of just over 100,000 people living in 200 distinct communities. There is no main urban centre, with the majority of the population living in the seven market and resort towns of Cromer, Fakenham, Holt, North Walsham, Sheringham, Stalham and Wells-next-the-Sea. 55% of the population are aged between 16 and 64, compared to 62% across the East of England and 64% across Great Britain.

The main business sectors are services, wholesale and retail, manufacturing and financial and other business services. 73% of the working age population are in employment compared to 76% across the East of England and 72% across Great Britain.
1.16 The main local important transport routes are the A148 and A149 east-west and to the south from Cromer, and the A1065 and A1067 to the south. The major rail links are Norwich/Cambridge and Norwich/Ipswich, with Norwich/Sheringham also locally important.

Norwich City Council

1.17 Greater Norwich (the area covered by Norwich City, Broadland and South Norfolk councils) is a growth area which is expected to deliver 27,000 new jobs by 2026. The Greater Norwich Growth Board (GNGB), made up of representatives from the local councils - Norwich City, Broadland, South Norfolk and Norfolk County – and the Broads Authority, is driving this ambitious growth programme. The Economic Strategy for Greater Norwich provides the foundation for growth.

1.18 The City has a population of 134,300 (2012) and 68% of the population are aged between 16 and 64, compared to 62% across the East of England and 64% across Great Britain.

1.19 Norwich is one of the UK's fastest-growing urban areas. The city is a major regional centre surrounded by rural Norfolk countryside, coast and the Broads. There is a diverse business base. The knowledge economy and other business and financial services is a major sector, along with the services sector and wholesale and retail. Norwich has a strong record of attracting private and public investment. Its prestigious university and teaching hospital, world-class research park, international airport, skilled workforce and one of the highest graduate retention rates in the country add to the many opportunities for all types of business to develop and thrive. 69% of the working age population are in employment compared to 76% across the East of England and 72% across Great Britain. It is important to note that 30% of those classed as economically inactive are students.

South Norfolk District Council

1.20 Major transport routes to the west and south are the A47 and A11, the A140 and A146 to the south, and with locally important routes to the north. The major rail links are Norwich/Cambridge and Norwich/Ipswich, with Norwich/Great Yarmouth/Lowestoft and Norwich/Sheringham also locally important.

1.21 South Norfolk District covers an area of 350 square miles and has a population of approximately 126,000 with 59% of the population being aged between 16 and 64, compared to 62% across the East of England and 64% across Great Britain.

1.22 The district's land use is still devoted mainly to agriculture, although this sector now employs no more than 6% of the workforce. The general picture is one of significant activity on the southern fringes of Norwich, vibrant and expanding market towns and a great diversity of economic activity taking place in and around villages across much of the district.

1.23 There are more than 4,000 employers in the district with over 75% employing five or less people. The public sector is a predominant industry sector and includes the Norfolk and Norwich University Hospital, Norfolk Constabulary Headquarters and the District Council. There are also a number of significant employers in the private sector, particularly in manufacturing. The major business sectors are in services, financial and other business services, wholesale and retail, and manufacturing which includes automotive, electronic components, transformers and glass to metal seals. The food processing sector benefits from advanced research at the Norwich Research Park at Colney. 73% of the working age population are in employment compared to 76% across the East of England and 72% across Great Britain.
1.24 South Norfolk along with Norwich and Broadland is part of the Greater Norwich growth area which is expected to deliver 27,000 new jobs by 2026.

1.25 Major transport routes are the A140 and A146 running north/south through the district, the A47 running east/west on the border with Norwich and the A11 running south west to Breckland. The major rail links are Norwich/Cambridge, Norwich/Ipswich and Stowmarket/Cambridge.

The Broads Authority

1.26 The Broads is a landscape of lakes and rivers covering 303 square kilometres (117 square miles) across Norfolk and Suffolk. It comprises only 0.1% of the UK National Park area, but hosts more than a quarter of its rarest wildlife. There are also historically important mills and other landmarks. The population is estimated to be 6,300 and the economic impact of tourism is estimated to be around £568m

1.27 The Broads Authority has responsibility for looking after the Broads and the interests of the people who live, work and visit the National Park. The Broads Authority has two purposes identical to the other national park family members relating to conservation and promoting people’s understanding and enjoyment of the special qualities of the area. It also has a third purpose to look after the waterways for navigation. In addition, it is a planning authority and has a duty to foster the economic and social well-being of its communities. The Broads Executive Area extends into North Norfolk, Broadland, Norwich, Great Yarmouth, Waveney and South Norfolk and therefore is largely included within the Central Norfolk Housing Market Area. The Broads Authority is the Local Planning Authority for the Broads Executive Area.

Reporting

1.28 Within this report, reporting levels are primarily at the HMA level. Where Central Norfolk is referenced it refers to that level of reporting. Where local authorities are referenced, reporting is at the local authority area even where this may be outside the defined Housing Market Area; this is due to the level of spatial geography at which various data sets are available.

Government Policy

1.29 The National Planning Policy Framework (NPPF) contains a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. Given that Regional Spatial Strategies are now revoked, the responsibility for establishing the level of future housing provision required rests with the local planning authority.

At the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking.

Local planning authorities should positively seek opportunities to meet the development needs of their area.

Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

National Planning Policy Framework (NPPF), paragraph 14
To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.

National Planning Policy Framework (NPPF), paragraph 47

Given this context, Strategic Housing Market Assessments (SHMAs) primarily inform the production of the Local Plan (which sets out the spatial policy for a local area). Their key objective is to provide the robust and strategic evidence base required to establish the Objectively Assessed Need (OAN) for housing in the Housing Market Area (HMA) and provide information on the appropriate mix of housing and range of tenures needed.

Local planning authorities should have a clear understanding of housing needs in their area. They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- meets household and population projections, taking account of migration and demographic change;
- addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
- caters for housing demand and the scale of housing supply necessary to meet this demand;

National Planning Policy Framework (NPPF), paragraph 159

Modelling future housing need requires a consideration of the housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered.

Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014. Previous SHMA Guidance (2007) and related documents were rescinded at that time, so the approach taken in preparation of this report is focussed on meeting the requirements of PPG. In addition, it reflects emerging good practice and the PAS OAN technical advice note.

Overview of the SHMA

The objective of this SHMA was to identify the functional HMA(s) and establish the OAN for housing (both market and affordable) in the Central Norfolk area, ensuring that this was fully compliant with the requirements of the NPPF and PPG and mindful of good practice.

The methodology was based on secondary data, and sought to:

- Define the housing market area(s);
- Provide evidence of the need and demand for housing based on demographic projections;
- Consider market signals about the balance between demand for and supply of dwellings;
Establish the Objectively Assessed Need for housing;

» Identify the appropriate balance between market and affordable housing; and

» Address the needs for all types of housing, including the private rented sector, people wishing to build their own home, family housing, housing for older people and households with specific needs.

It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

**Duty to Co-operate**

The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.

The NPPF sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as “the homes and jobs needed in the area”.

**Public bodies have a duty to cooperate on planning issues that cross administrative boundaries, particularly those which relate to the strategic priorities set out in paragraph 156. The Government expects joint working on areas of common interest to be diligently undertaken for the mutual benefit of neighbouring authorities.**

Local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Joint working should enable local planning authorities to work together to meet development requirements which cannot wholly be met within their own areas – for instance, because of a lack of physical capacity or because to do so would cause significant harm to the principles and policies of this Framework. As part of this process, they should consider producing joint planning policies on strategic matters and informal strategies such as joint infrastructure and investment plans.

**National Planning Policy Framework (NPPF), paragraphs 178-179**

This co-operation will need to be demonstrated as sound when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability). The NPPF sets out that co-operation should be “a continuous process of engagement” from “thinking through to implementation”.

**Local planning authorities will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This could be by way of plans or policies prepared as part of a joint committee, a memorandum of understanding or a jointly prepared strategy which is presented as evidence of an agreed position. Cooperation should be a continuous process of engagement from initial thinking through to implementation, resulting in a final position where plans are in place to provide the land and infrastructure necessary to support current and projected future levels of development.**

**National Planning Policy Framework (NPPF), paragraph 181**
1.39 As previously noted, the SHMA was jointly commissioned by the five Central Norfolk local authorities to provide a consistent evidence base for housing across the Central Norfolk area. The emerging SHMA outputs have also been discussed with officers and members at neighbouring local authorities under the Duty to Co-operate as well as a housing market reference group, and their feedback has been taken into account.

Updating Findings

1.40 All SHMAs are subject to periodic review as a result of external issues that impact upon the Report’s findings. This can be, for example, when demographic data is revised, or if Policy or guidance is reviewed. The Central Norfolk Authorities will need to take a judgement regarding the need for review should any relevant change occur.
2. Defining the Housing Market Area
An evidence base to identify functional housing markets

2.1 The NPPF refers to Local Plans meeting the “full objectively assessed needs for market and affordable housing in the housing market area” (paragraph 47, emphasis added). The identification of the Housing Market Area (HMA) is therefore the first relevant building block in the evidence for identifying OAN for the study.

Functional Housing Market Areas

2.2 The definition of a functional housing market area is well-established as being “...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay” (Maclennan et al, 1998). 5

Planning Practice Guidance

2.3 Planning Practice Guidance (PPG) 6 on the Assessment of housing and economic development needs (March 2014) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

“A housing market area is 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.”

“The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.”

2.4 Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:

» House prices and rates of change in house prices
» Household migration and search patterns
» Contextual data (e.g. travel to work area boundaries, retail and school catchment areas)

2.5 These sources are consistent with those identified in the CLG advice note ‘Identifying sub-regional housing market areas’ published in 2004. 7

Geography of Housing Market Areas (NHPAU/CURDS)

2.6 CLG also published a report on the ‘Geography of Housing Market Areas’ in 2005 8 which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by

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5 Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes
7 Identifying sub-regional housing market areas (CLG, March 2007); paragraph 1.6
the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. The report also proposed three overlapping tiers of geography for housing markets:

» Tier 1: framework housing market areas defined by long distance commuting flows and the long-term spatial framework with which housing markets operate;

» Tier 2: local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage;

» Tier 3: sub-markets defined in terms of neighbourhoods or house type price premiums.

2.7 The report recognised that migration patterns and commuting flows were the most relevant information sources for identifying the upper tier housing market areas, with house prices only becoming relevant at a more local level and when establishing housing sub-markets. The report also outlined that no one single approach (nor one single data source) will provide a definitive solution to identify local housing markets; but by using a range of available data, judgements on appropriate geography can be made.

2.8 Advice recently published in the Planning Advisory Service (PAS) Objectively Assessed Needs and Housing targets – Technical Advice Note (2014) also suggests that the main indicators will be migration and commuting (paragraph 4.4).

“The PPG [Planning Practice Guidance] provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. With regard to migration, it explains that areas that form an HMA will be reasonably self-contained, so that a high proportion of house moves (typically 70%) occur within the areas. In practice, the main indicators used are migration and commuting.”

2.9 The PAS OAN technical advice note also suggests that analysis reported in the CLG report “Geography of Housing Market Areas” (CLG, November 2010) should provide a starting point for drawing HMAs (Figure 4). On this approach, the Norwich functional housing market area covers the larger part of the County, extending into all or part of Breckland, Broadland, North Norfolk, South Norfolk and King’s Lynn and West Norfolk. Two HMAs cover the remainder of Norfolk: Great Yarmouth to the East and King’s Lynn to the West.

2.10 Nevertheless, it is important to note that whilst the ‘starting point’ CLG study (2010) was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University, the analysis of migration and commuting was based on data from the 2001 Census. Given this context, the PAS OAN technical advice note recognises that “more recent data should always ‘trump’ this geography” (paragraph 4.9). The ORS methodology, therefore, develops the starting point further in the following pages.

2.11 In considering the HMA, we have, therefore, developed the earlier study and considered lower levels of geography. These are referred to as:

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8 Geography of Housing Market Areas (CLG, November 2010); paragraph 1.6
Core – settlements with the strongest connections to the Norwich Urban Area. This has a strong similarity to the Norwich Policy Area (except the settlements of Acle, Aylsham and Loddon);

Greater Norwich – A restriction on the Central Norfolk Housing Market Area confining the area to within the boundaries of the Greater Norwich Growth Board area of Broadland, Norwich and South Norfolk councils;

Central Norfolk – The full extent of the Central Norfolk Housing Market Area extending to Swaffham, Dereham, Cromer, North Walsham and Attleborough, but not tied to local authority boundaries at this stage. However, we would note that later analysis does use the best fit approach which ties the HMA to local authority boundaries.

Figure 4: NHPAU Study - PAS OAN technical advice note : the 'Starting Point' (NOTE: This has been subject to further analysis as part of the development of the defined HMA for Central Norfolk)
Commuting Flow Analysis Based on 2011 Census Data

2.12 When defining housing market areas, it is important that functional housing markets are not constrained to local authority boundaries. Further, there is a need to use evidence to build up the housing market area from a lower level of geography; essentially, to use smaller geographic areas as the basic “building block”.

2.13 Housing market areas reflect “the key functional linkages between places where people live and work” and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns. PPG (Paragraph 11) states:

“Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).”

2.14 Whilst we would normally focus initially on migration patterns, migration data from the 2011 Census is currently only published and accessible for this analysis at local authority level, and the most recent data at a sufficiently fine-grained geography is still the 2001 Census. Lower level migration data from the 2011 Census has now been published as “safeguarded” data, but which we have been unable to access for this analysis. However, commuting flow data from the 2011 Census has recently been published for smaller areas, namely Middle-layer Super Output Areas (MSOAs) and has been used where possible in the analysis. Given this context, it is appropriate to start our analysis using commuting flow data.
Commuting flow data at MSOA level enables us to understand the relationship between people who live and work in the area. PPG highlights:

‘A housing market area is 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.’

Given that our analysis initially focuses on commuting flows, the areas established will be travel to work areas rather than housing market areas. Nevertheless, as previously outlined, commuting patterns form an important element of the overall analysis required to establish functional housing market areas.

The key stages in this initial analysis are:

» **Step 1:** Each Middle Layer Super Output Area (MSOA) within the geographic area was identified where all of the constituent Census Output Areas have been classified as being “urban” under the 2011 Rural Urban Classification (DEFRA, September 2011). The 2011 Rural Urban Classification is used to distinguish between rural and urban areas, an area is classified as rural if it falls outside of a settlement with more than 10,000 residents.

» **Step 2:** We grouped together any contiguous urban MSOAs and each formed a single seed point.

» **Step 3:** MSOAs within the geographic area were identified where the commuting ratio that was less than 1.0; i.e. those MSOAs where the workplace population is larger than the resident population.

» **Step 4:** These MSOAs with concentrations of employment are associated with the existing seed point with which they have the strongest relationship. Where these MSOAs are not contiguous with an urban area and have only weak relationships with the existing seed points, employment MSOAs form a new independent seed point.

» **Step 5:** For every MSOA in the geographic area, we associate it with the seed point (or seed point cluster) that has the largest number of workers resident in that MSOA.

» **Step 6:** Based on the MSOAs associated with each seed point (or seed point cluster) at Step 5, we calculate the proportion of the resident population that work in the area and the proportion of the workplace population that live in the area to establish a self-containment ratio.

» **Step 7:** If all seed points (or seed point clusters) had an acceptable self-containment ratio, the process stops; otherwise for the seed point with the lowest self-containment ratio, the seed point with which it has the strongest relationship (based on the commuting flows and distance between the two seed points) is identified and the two seed points are clustered together. Where the seed point with the lowest self-containment ratio is already formed of a cluster of seed points, the cluster is separated and the strongest relationship identified for each of the original seed points before new clusters are formed.

The process from Step Five to Step Seven is then repeated to achieve increasing levels of self-containment across all seed points (or seed point clusters).

The final distribution of areas depends on the level at which the self-containment ratio is considered to be acceptable. The higher that the self-containment ratio is required to be, the larger (and more

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9 Department for Environment, Food and Rural Affairs, Rural Urban Classification; [www.gov.uk](http://www.gov.uk), 2014; paragraph 3.3
strategic) the identified areas will become – as smaller areas will tend to have lower levels of self-containment. The ONS have a 75% target for Travel to Work areas, but it is worth noting that their threshold is 66.7% (for areas that have a working population in excess of 25,000 workers) and this provides a useful framework.

### Functional Relationships between Settlements

2.20 The functional area for the SHMA has been undertaken by considering the HMA on the basis of the most recent evidence.

2.21 In considering functional relationships, ORS considers the local authority level migration data alongside more detailed migration data about moves between individual Census Output Areas. Whilst this data has only been released from the 2011 Census as “safeguarded” data which it has not been possible to access for the current analysis, the ONS NHS Central Register (NHSCR) trend-based migration data about moves between local authority areas suggest that the geographic relationships that exist have remained stable over the period since 2001.

2.22 It is important to recognise that ‘The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries’ (National Planning Practice Guidance, Paragraph 010); therefore in establishing housing market areas, it is clearly important to consider relationships that are wider than local planning authority administrative boundaries. Given that no other accessible data source can provide information for small areas, the origin-destination data from the 2001 Census remains relevant and provides the only appropriate basis for the analysis at a detailed geographic level.

2.23 ORS methodology for the HMA analysis for Central Norfolk and surrounding areas is based on PPG and Chapter 4 of CLG’s ‘Geography of Housing Market Areas’ (CLG 2010) where migration and travel to work are combined to provide local housing market areas based upon areas which display high levels of self-containment.

2.24 The analysis is further refined to examine the number of residents who both live and work in urban centres. The colour code represents this as a proportion of all workers living in an area to indicate areas of self-containment, using the following bands:

- Green = 65% or more of employees living in the area also work in the area;
- Amber = more than 55% but less than 65% of employees living in the area also work in the area; and
- Red = less than 55% of employees living in the area also work in the area.

2.25 The size of the urban centres (the coloured circle) is proportional to the number of workers who live within the area. The more workers, the larger the circle; hence Norwich is the largest circle.

2.26 The links that exist between the urban centres are also illustrated by the joining lines, with stronger links having heavier lines. The thickness of the line does not simply represent the number of workers, but it is based on a ‘score’ that is based on the strength of the connection when taking into account the number and the proportion of the resident and workplace populations in both areas.
Figure 6: Identifying the Links between Urban Centres in the Study Area (Source: UK Census of Population 2001 combined with DEFRA Classifications)

Key:
- Green = 65% or more of employees living in the area also work in the area
- Amber = more than 55% but less than 65% of employees living in the area also work in the area
- Red = less than 55% of employees living in the area also work in the area
Figure 7: Number of Workers in the Resident Population and Workplace Population for Urban Centres in the Study Area, and percentages that live and work in each area (Source: 2011 Census of Population combined with DEFRA Classifications)

<table>
<thead>
<tr>
<th>Urban Centres</th>
<th>Number of Workers</th>
<th>% work in area</th>
<th>% work in Norwich</th>
<th>% work elsewhere</th>
<th>Number of Workers</th>
<th>% live in area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acle</td>
<td>1,046</td>
<td>32%</td>
<td>31%</td>
<td>41%</td>
<td>800</td>
<td>36%</td>
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<td>15%</td>
<td>52%</td>
<td>2,600</td>
<td>48%</td>
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<tr>
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<td>26%</td>
<td>36%</td>
<td>1,700</td>
<td>52%</td>
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<tr>
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<td>25%</td>
<td>2%</td>
<td>35%</td>
<td>1,600</td>
<td>29%</td>
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<tr>
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<td>7%</td>
<td>44%</td>
<td>5,200</td>
<td>53%</td>
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</tr>
<tr>
<td>Necton</td>
<td>686</td>
<td>29%</td>
<td>10%</td>
<td>66%</td>
<td>200</td>
<td>72%</td>
</tr>
<tr>
<td>North Walsham</td>
<td>5,297</td>
<td>47%</td>
<td>16%</td>
<td>34%</td>
<td>4,900</td>
<td>53%</td>
</tr>
<tr>
<td>Norwich</td>
<td>102,748</td>
<td>74%</td>
<td>81%</td>
<td>19%</td>
<td>117,000</td>
<td>63%</td>
</tr>
<tr>
<td>Poringland</td>
<td>1,593</td>
<td>22%</td>
<td>52%</td>
<td>29%</td>
<td>400</td>
<td>65%</td>
</tr>
<tr>
<td>Reepham</td>
<td>1,311</td>
<td>34%</td>
<td>33%</td>
<td>39%</td>
<td>600</td>
<td>61%</td>
</tr>
<tr>
<td>Saxmundham</td>
<td>1,581</td>
<td>38%</td>
<td>0%</td>
<td>65%</td>
<td>1,100</td>
<td>35%</td>
</tr>
<tr>
<td>Sheringham</td>
<td>2,936</td>
<td>53%</td>
<td>9%</td>
<td>40%</td>
<td>2,300</td>
<td>63%</td>
</tr>
<tr>
<td>Spixworth</td>
<td>1,909</td>
<td>20%</td>
<td>63%</td>
<td>21%</td>
<td>400</td>
<td>75%</td>
</tr>
<tr>
<td>Stalham</td>
<td>1,115</td>
<td>34%</td>
<td>18%</td>
<td>49%</td>
<td>900</td>
<td>44%</td>
</tr>
<tr>
<td>Stowmarket</td>
<td>9,352</td>
<td>42%</td>
<td>1%</td>
<td>55%</td>
<td>6,700</td>
<td>48%</td>
</tr>
</tbody>
</table>
Typically, local housing market areas are considered to exist in an area with at least 65% self-containment. As many identified settlements have relatively low levels of self-containment, these are then combined to form larger local housing market areas.

Whilst there is no definitive answer to the final groupings, it can be seen that the Central Norfolk housing market aligns existing boundaries with some exceptions:

» Some links to Breckland District at the Central Norfolk settlements of Dereham and Attleborough
» Some links to North Norfolk District at North Walsham and Stalham
» Some connectivity between southern parts of South Norfolk District to northern parts of Mid Suffolk and settlements in the Waveney Valley

The functional relationships above can then be summarised as below.
Testing Outputs with Other Sources

2.30 The outputs derived can be checked against two other market area definitions to test the degree of alignment. The two we have used are:

- Broad Rental Market Areas (Valuation Office)
- Centre for Urban and Regional Development Studies (CURDs)

Comparison with Broad Rental Market Areas

2.31 The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance rate (LHA), the allowance paid to Housing Benefit applicants living in the private rented sector. The BRMA area is based on an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping.

2.32 When determining BRMAs the Rent Officer takes account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area.

2.33 The BRMA areas for Norfolk are shown in green lines in Figure 9, the developing HMA in red. This shows a relatively high degree of alignment between the HMA identified in Figure 8 and the VOA BRMA area.

Figure 9: Comparison of VOA BRMA and ORS HMA analysis
Comparison with CURDS (Centre for Urban and Regional Development Studies)

2.34 The geography of housing market areas has undergone various iterations culminating in the ‘Geography of Housing Market Areas’ (CLG; 2010) which was based on analysis undertaken by the Centre for Urban and Regional Development Studies (CURDS).

2.35 The CURDS study provides a useful comparison with emerging evidence regarding the Central Norfolk HMA.

2.36 Figure 10 shows the outcome of the HMA analysis (in RED) and compares these with the CURDS study (in BLUE) to consider their alignment. NOTE: The basis for the CURDS/CLG HMA (in BLUE) is based on a different commuting/migration ratio than that at Figure 1 of this report (the NHPAU ‘starting point’) in order to more closely align with the methodology followed in this section (following on from the ‘starting point’). While there is some difference (e.g. Cromer/Sheringham/Holt, Harleston/Diss/Eye, Watton) there is correlation between the HMA analysis and the CURDS study.

Figure 10: Comparison of Geography of Housing Market Areas in England (NHPAU/Centre for Urban and Regional Development Studies; 2010) and ORS HMA analysis
Establishing the HMA Boundaries

2.37 Having considered the evidence and compared the outcomes of this with other relevant studies, the HMA boundaries are, at this stage, considered to be those identified by the analysis of relevant data (see Map below – the same map as Figure 8). However, this is primarily from 2001 Census and there is a need to consider this further against more up to date evidence.

Figure 11: Housing Market Area in and around Greater Norwich (Source: UK Census of Population 2001 combined with DEFRA Classifications)

2.38 Given the links in Figure 6 it is possible to consider the Housing Market Area identified in three stages (Figure 12) considering the relative strength of connectivity with the area around the City of Norwich itself.

2.39 As part of this process, we have had to consider further those areas highlighted in Figure 10 (Cromer/Sheringham/Holt, Harleston/Diss/Eye, Watton). Given the relative lack of self-contained settlements in these areas, arguably stronger links to Norwich than elsewhere and the correlation with the BRMA and CURDS analysis, we have included these within the Central Norfolk HMA.

2.40 From the combination of the HMA analysis, we can show a three stage Central Norfolk HMA:

- **Core** – settlements with the strongest connections to the Norwich Urban Area. This has a strong similarity to the Norwich Policy Area (except the settlements of Acle, Aylsham and Loddon. The Norwich Policy Area is shown in Figure 13)

- **Greater Norwich** – A restriction on the Central Norfolk Housing Market Area confining the area to within the original commissioning Local Authorities’ boundaries (Broadland, Norwich and South Norfolk) plus parts of Breckland
Central Norfolk – The full extent of the Central Norfolk Housing Market Area

Figure 12: Housing Market Area in and around Greater Norwich (Source: UK Census of Population 2001 combined with DEFRA Classifications)
Testing the Identified HMAs

Migration within the UK to and from the HMA

The definition for a Housing Market Area sets out that it is the area ‘where most of those changing house without changing employment choose to stay’. Unfortunately, no data is available that relates migration with changes in employment circumstances; but given that most working people will live relatively close to their job, it is reasonable to assume that those migrants moving longer distances are also more likely to change their place of work.
To show this we have analysed moves overall, and of up to 40km and 80km and have taken these to indicate where people are more likely to have moved home, but stayed in the same job.

Figure 14 uses the most up to date data available – Census 2011. This shows that a total of between 20,200 (for the Norwich Core HMA) and 35,700 (for Central Norfolk) residents currently living in the respective HMA had moved there from another address within the HMA in the 12 months prior to the Census. Within all three HMA models we can see that even in moves up to 80km, over 80% of them are moves within the HMA.

Figure 15 looks at the moves for the three HMA models and identifies the current residence of those who previously lived in each of the three HMA model areas and moved in the 12 months prior to the Census. This analysis also shows that within all three HMA models even in moves up to 80km, over 80% of them are moves within the HMA.

It is, therefore, reasonable to assert that all three geographic levels (Norwich Core, Greater Norwich, Central Norfolk) meet the self-containment criteria for defining a Housing Market Area in relation to migration.

---

**Table 14:** Previous Area of Residence (12 months prior to Census) by Current Area of Residence for the Core HMA, Greater Norwich HMA and Central Norfolk HMA (Source: 2001 Census of Population)

<table>
<thead>
<tr>
<th>Distance moved</th>
<th>Live in Norwich Core HMA</th>
<th>Live in Greater Norwich HMA</th>
<th>Live in Central Norfolk HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Moved within Norwich Core HMA</td>
<td>Previously lived Elsewhere</td>
<td>Moved within Greater Norwich HMA</td>
</tr>
<tr>
<td>All Moves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>20,200</td>
<td>11,000</td>
<td>24,100</td>
</tr>
<tr>
<td>% of moves</td>
<td>64.8%</td>
<td>35.2%</td>
<td>66.1%</td>
</tr>
<tr>
<td>Moves of up to 80km</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>20,200</td>
<td>4,700</td>
<td>24,100</td>
</tr>
<tr>
<td>% of moves</td>
<td>81.1%</td>
<td>18.9%</td>
<td>83.2%</td>
</tr>
<tr>
<td>Moves of up to 40km</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>20,200</td>
<td>3,700</td>
<td>24,100</td>
</tr>
<tr>
<td>% of moves</td>
<td>84.6%</td>
<td>15.4%</td>
<td>87.1%</td>
</tr>
</tbody>
</table>

**Table 15:** Current Area of Residence by Previous Area of Residence (12 months prior to Census) for the Core HMA, Greater Norwich HMA and Central Norfolk HMA (Source: 2001 Census of Population)

<table>
<thead>
<tr>
<th>Distance moved</th>
<th>Previously lived in Norwich Core HMA</th>
<th>Previously lived in Greater Norwich HMA</th>
<th>Previously lived in Central Norfolk HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Moved within Norwich Core HMA</td>
<td>Now live Elsewhere</td>
<td>Moved within Greater Norwich HMA</td>
</tr>
<tr>
<td>All Moves</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>20,200</td>
<td>10,200</td>
<td>24,100</td>
</tr>
<tr>
<td>% of moves</td>
<td>66.5%</td>
<td>33.5%</td>
<td>68.1%</td>
</tr>
<tr>
<td>Moves of up to 80km</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>20,200</td>
<td>4,100</td>
<td>24,100</td>
</tr>
<tr>
<td>% of moves</td>
<td>83.1%</td>
<td>16.9%</td>
<td>85.1%</td>
</tr>
<tr>
<td>Moves of up to 40km</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>20,200</td>
<td>3,500</td>
<td>24,100</td>
</tr>
<tr>
<td>% of moves</td>
<td>85.3%</td>
<td>14.7%</td>
<td>87.9%</td>
</tr>
</tbody>
</table>
Travel to Work Patterns

2.46 Whilst housing market areas are defined predominantly in terms of the areas ‘where most of those changing house without changing employment choose to stay’, it is also relevant to consider them in the context of ‘...the geographical area in which a substantial majority of the employed population both live and work’. It is therefore important to consider the extent to which the resident population work in the area and the workplace population live in the area.

2.47 The following tables demonstrate the levels of self-containment in the HMA, i.e. those who live and work in the HMA area using more up to date data - Census 2011 data. Figure 16 shows those who live and work within the HMA or live in the HMA but work elsewhere; analysed at three spatial levels (the Norwich ‘core’, the three authorities of the original commissioning local authorities (Broadland, Norwich and South Norfolk), and the ‘full’ HMA). Figure 17 shows where those who work and live in the HMA or work in the HMA and live elsewhere, again analysed at three levels.

2.48 Overall, this shows that in the Central Norfolk Housing Market Area, 88% people who live in the HMA also work there. Looked at from the other perspective, 91% of those who work in the HMA also live there. This means that the ‘core’ HMA has significant levels of self-containment with even higher proportions observed when the ‘full’ HMA is considered.

Figure 16: Workplace Location by Area of Residence for the Core HMA, Greater Norwich HMA and Central Norfolk HMA
(Source: 2011 Census of Population)

<table>
<thead>
<tr>
<th>Live in Local Authority</th>
<th>Work in Norwich Core HMA</th>
<th>Work in Greater Norwich HMA</th>
<th>Work in Central Norfolk HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Live in Norwich Core HMA</td>
<td>Live in Greater Norwich HMA</td>
<td>Live in Central Norfolk HMA</td>
</tr>
<tr>
<td></td>
<td>Work in Greater Norwich HMA</td>
<td>Work in Central Norfolk HMA</td>
<td>Work in Greater Norwich HMA</td>
</tr>
<tr>
<td></td>
<td>Live in Norwich Core HMA</td>
<td>Work in Greater Norwich HMA</td>
<td>Work in Central Norfolk HMA</td>
</tr>
<tr>
<td>Norwicht</td>
<td>54,500</td>
<td>8,200</td>
<td>56,000</td>
</tr>
<tr>
<td>Broadland</td>
<td>43,100</td>
<td>8,400</td>
<td>53,500</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>27,800</td>
<td>6,300</td>
<td>48,100</td>
</tr>
<tr>
<td>Breckland</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mid Suffolk</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Great Yarmouth</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Waveney</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>HMA TOTAL</td>
<td>125,400</td>
<td>22,900</td>
<td>157,500</td>
</tr>
</tbody>
</table>

Proportion of HMA workers
84.5% 15.5% 85.8% 14.2% 88.2% 14.8%

Figure 17: Residence Location by Area of Workplace for the Core HMA, Greater Norwich HMA and Central Norfolk HMA
(Source: 2011 Census of Population)

<table>
<thead>
<tr>
<th>Live in Local Authority</th>
<th>Work in Norwich Core HMA</th>
<th>Work in Greater Norwich HMA</th>
<th>Work in Central Norfolk HMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Live in Norwich Core HMA</td>
<td>Live in Greater Norwich HMA</td>
<td>Live in Central Norfolk HMA</td>
</tr>
<tr>
<td></td>
<td>Live in Greater Norwich HMA</td>
<td>Live in Central Norfolk HMA</td>
<td>Live in Greater Norwich HMA</td>
</tr>
<tr>
<td>Norwicht</td>
<td>54,500</td>
<td>0</td>
<td>56,000</td>
</tr>
<tr>
<td>Broadland</td>
<td>43,100</td>
<td>5,300</td>
<td>53,500</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>27,800</td>
<td>6,300</td>
<td>48,100</td>
</tr>
<tr>
<td>Breckland</td>
<td>-</td>
<td>9,300</td>
<td>-</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>-</td>
<td>6,200</td>
<td>-</td>
</tr>
<tr>
<td>Mid Suffolk</td>
<td>-</td>
<td>600</td>
<td>-</td>
</tr>
<tr>
<td>Great Yarmouth</td>
<td>-</td>
<td>3,400</td>
<td>-</td>
</tr>
</tbody>
</table>
Administrative Boundaries and Housing Market Areas

2.49 The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect functional linkages between places where people live and work. The previous 2007 CLG advice note also established that functional housing market areas should not be constrained by administrative boundaries, nevertheless it suggested the need for a “best fit” approximation to local authority areas for developing evidence and policy (paragraph 9):

“The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas.”

2.50 This “best fit” approximation has also been suggested by the recent PAS OAN technical advice note, which suggests (paragraph 4.11):

“It is best if HMA boundaries do not cut across local authority areas. Dealing with areas smaller than local authorities causes major difficulties in analysing evidence and drafting policy. For such small areas data availability is poor and analysis is complex.”

2.51 This means there is a need for balance in methodological approach:

» On the one hand, it is important that the process of analysis and identification of the functional housing market areas should not be constrained by local authority boundaries. This allows the full extent of each functional housing market to be properly understood and ensures that all of the constituent local planning authorities can work together under the duty to cooperate, as set out in Guidance (PPG, paragraph 10).

» On the other hand, and as suggested by the recent PAS OAN technical advice note (and the previous CLG advice note), it is also necessary to identify a “best fit” for each functional housing market area that is based on local planning authority boundaries. This “best fit” area provides an appropriate basis for analysing evidence and drafting policy, and would normally represent the group of authorities that would take responsibility for undertaking a Strategic Housing Market Assessment (SHMA).

2.52 In summary, therefore, the approach to defining housing market areas needs to balance robust analysis with pragmatic administrative requirements. Therefore, whilst we have established the functional housing markets for Central Norfolk, it is now necessary to consider the most appropriate working arrangements for establishing the evidence base that the NPPF requires.
Comparisons with Previous Approaches to Identifying the HMA

2.53 The emerging SHMA takes a different approach to the definition of housing market areas than has been used previously. Historically housing market areas have been more narrowly defined than is current practice. For instance, the 2006 housing market area assessment for the GNDP authorities (Broadland, Norwich and South Norfolk) defined the Norwich functional housing market (referred to as Norwich HMA) as the area in which the substantial majority of people in Greater Norwich both live and work, and where those moving house without changing employment choose to stay. Under this approach it was recognised that the Norwich functional housing market area only extended into parts of Broadland and South Norfolk Districts. The areas of Aylsham, Beccles/Bungay, The Broads, Diss, Harleston, Long Stratton, Reepham, Wroxham and Wymondham were all defined as separate functional local housing markets.

2.54 Government now requires a different methodology to be used to define housing market areas. There is a far greater emphasis on self-containment. If an area does not have a certain degree of self-containment it cannot be considered to be a housing market area. Many of the areas surrounding Norwich do not have the necessary self-containment to be considered as housing market areas. Typically, self-containment will include a larger settlement which is a local centre for services. In Norfolk and Suffolk, Kings Lynn, Gt Yarmouth, Lowestoft, Ipswich and Bury St Edmunds are recognised as housing market areas.

2.55 Government methodology does not allow any area to be considered to be outside a HMA, therefore areas lacking the self-containment to be their own HMAs must be included within an area centred on the self-contained area with which they have the strongest links and which meet the test of “best fit” suggested by the PAS OAN technical advice note (and the previous CLG advice note) by being within LPAs in the Central Norfolk HMA. This means that the Central Norfolk HMA extends over a large and diverse rural area which includes areas that lack any strong functional connection to the city of Norwich, but which are affected by decisions in LPAs individually and through the duty to co-operate. There are particular examples to the west of Norwich including Watton and Swaffham. Only 5% of working residents of Swaffham and 7% of working residents of Watton work in Norwich. However, these settlements are within the Breckland LPA and are included in the Norwich HMA in the NHPUA/Centre for Urban and Regional Development Studies 2010 analysis.

2.56 In common with other HMAs, functional links between different and widely separated rural areas within the HMA are weak. For example, there is little evidence of functional connection between Cromer and Diss, or Swaffham and villages in the Broads, and housing market conditions vary greatly over the area. This can include areas within a single LPA.

2.57 Each LPA must understand the needs of its own area and this SHMA includes figures for each LPA which are entirely consistent with those for the Central Norfolk area and its components.

Conclusions

2.58 It is clear that all of the evidence considered suggests that there is a three stage Central Norfolk Housing Market Area:

» Core – settlements with the strongest connections to the Norwich Urban Area. This has a strong similarity to the Norwich Policy Area (except the settlements of Acle, Aylsham and Loddon). When
analysing the Objectively Assessed Needs later in this report we have used the Norwich Policy Area as an established planning area alongside the Core HMA.

» **Greater Norwich** – A restriction on the Central Norfolk Housing Market Area confining the area to within the original commissioning local authorities’ boundaries (Broadland, Norwich and South Norfolk) plus, in addition, parts of Breckland

» **Central Norfolk** – The full extent of the Central Norfolk Housing Market Area not constrained to local or planning authority boundaries.

2.59 In considering the Norwich Core HMA identified by the SHMA, we have established that, of those residents moving house without changing employment (i.e. moves of up to 40km):

» 85% of movers currently living in the HMA moved from another address inside the HMA; and

» 85% of movers that previously lived in the HMA stayed in the HMA;

» 85% of people that work in the HMA also live in the HMA; and

» 77% of workers that live in the HMA also work in the HMA.

2.60 On this basis, it is possible to conclude that the Norwich Core HMA can itself be considered a self-contained functional housing market area. Nevertheless, none of the other settlements in the surrounding area are sufficiently self-contained to establish separate functional housing market areas; they each have well-established links with the Norwich Core HMA (in terms of both migration and travel to work). Therefore, given the available evidence, we would conclude that the actual HMA is a geographically larger area.

2.61 When considering the Central Norfolk HMA identified by the SHMA, we have established that, of those residents moving house without changing employment (i.e. moves of up to 40km):

» 93% of movers currently living in the HMA moved from another address inside the HMA; and

» 94% of movers that previously lived in the HMA stayed in the HMA;

» 88% of people that work in the HMA also live in the HMA; and

» 91% of workers that live in the HMA also work in the HMA.

2.62 Although the evidence shows that a HMA based on the three Greater Norwich Partnership member authorities would satisfy the requirements of the definition for a functional housing market area, our analysis has concluded that the ‘Central Norfolk’ HMA also includes significant parts of both Breckland and North Norfolk districts. This conclusion is supported by the relative alignment between the HMA analysis and with other, external studies (CURDS and BRMA).

2.63 We consider, therefore, the expanded Central Norfolk Housing Market Area to be supported by the evidence and able to withstand external scrutiny. For subsequent analysis we have taken the Central Norfolk HMA and aligned the results with the best fit for local authority boundaries. Therefore, all results for Breckland, North Norfolk and the Broads refer to the boundaries of the local or planning authority and not the areas contained within the unconstrained map in Figure 12.

2.64 Whilst we believe that the proposed groupings for Central Norfolk HMA provides the overall “best fit” for joint working arrangements on the basis of the available evidence, it will still be important for the local authorities in Central Norfolk to maintain dialogue with the other East of England local
authorities when planning future housing. Furthermore, all five authorities will need to maintain
dialogue with each other and their other neighbouring authorities.

2.65 It is taken as read that joint working arrangements will include the Broads Authority.
3. Demographic Projections
The starting point for Objectively Assessed Need

Process for Establishing Objectively Assessed Need

3.1 The Objective Assessment of Need identifies the total amount of housing needed including by type, tenure, and size. This evidence assists with the production of the Local Plan (which sets out the spatial policy for a local area).

3.2 The OAN is based on a wide range of information collated from many sources, including:

» Secondary data and official statistics from a wide range of local, regional and national sources;

» Existing policy documents and supporting information published by the local authority and their partners; and

» Stakeholder views gathered from various representative agencies.

3.3 The process for developing OAN is now a demographic process to derive housing need from a consideration of population and household projections. To this, external market and macro-economic constraints are applied (‘Market Signals’) in order to embed the need in the real world.

Figure 18: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)

Demographic issues
Are there any known problems with local data? Do we need to take account of any anomalies? What period should be used for population trends? Has housing delivery suppressed formation rates?

Implications of the household projections
Will there be enough workers for planned jobs? Do Market Signals show worsening trends?

Planning and policy considerations
What are the planning constraints? Can overall housing needs be met within the HMA? Can the affordable housing needed be delivered?

Duty to Cooperate discussions
Will other LPAs help address any unmet needs? Are there any unmet needs from other HMAs?
Official Population and Household Projections

3.4 Planning Practice Guidance published in March 2014 places emphasis on the role of CLG Household Projections as the appropriate starting point in determining objectively assessed need. However, the Guidance does allow for the use of sensitivity testing of CLG Household projection to ‘test’ whether these are appropriate, allowing for alternative assumptions to be used.

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics.

Planning Practice Guidance 2014, section 3

Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates.

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.

Planning Practice Guidance 2014, section 3

3.5 Given this context, Figure 19 sets out the range of household projections that CLG has produced for the study area over the last three rounds of projections. Each set of household projections will be influenced by a wide range of underlying data and trend-based assumptions, and it is important to consider the range of projected growth and not simply defer to the most recent data.

3.6 It is clear that the projections have varied over time, with the most recent set of projections showing the lowest projected rates of growth. Latest CLG household projections take full account of the 2011 Census and project forward over the normal 25-year period. These household projections are based on the ONS 2012-based Sub-National Population Projections (SNPP).

Figure 19: CLG Household Projections for Central Norfolk (Source: CLG Household Projections)

<table>
<thead>
<tr>
<th>Annual Average</th>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
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<td></td>
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<td>10 years: 2011-21</td>
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<td>460</td>
<td>470</td>
<td>590</td>
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<td>1,030</td>
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</table>
3.7 Figure 20 shows the outputs from the latest (2012-based) ONS Sub National Population Projections together with the previous projections that have informed the various CLG household projections (though note that CLG did not produce household projections based on the 2010-based SNPP).

3.8 It is evident that the 2012-based projections follow a similar trajectory to the 2010-based and 2011 based projections, but project lower growth than the 2008 based projections. Differences in the projected increase in population between the different projections are largely associated with the assumed migration rates, which are based on recent trends using five-year averages – so short-term changes in migration patterns can significantly affect the projected population growth.

3.9 On balance, we consider that:

» Five-year trend migration scenarios are unlikely to be robust: they have the potential to roll-forward short-term trends that are unduly high or low and therefore are unlikely to provide a robust basis for long-term planning.

» Ten-year trend migration scenarios are more likely to capture both highs and lows and are not as dependent on trends that may be unlikely to be repeated. Therefore, we favour using 10 year migration trends as the basis for our analysis.

3.10 The SHMA has, therefore, produced additional projections using a range of scenarios derived as part of this analysis. It is important to recognise that no one scenario will provide a definitive assessment of the future population; but taken collectively the different scenarios can help determine the most likely range of projections.
3.11 Figure 21 shows the current and historic mid-year population estimates and Census estimates for Breckland over the period since 1981. The data shows that the local authority’s population has seen steady growth over time. The population in 2011 was estimated to be 130,500 and the Council believe that this figure is accurate.

Figure 21: Breckland official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

Figure 22: Breckland annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

3.12 Changes in the population can be broadly classified into two categories:

» natural change in the population (in terms of births and deaths) and,
changes due to migration, both in terms of international migration and also moves within the UK.

3.13 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often "Unattributable Population Change". This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.14 Figure 23 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 23: Breckland components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: "Other Changes" includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

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<td>6,205</td>
<td>5,429</td>
<td>746</td>
<td>399</td>
<td>-122</td>
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</table>

Average 1,335, 1,419, -84, 6,205, 5,429, 746, 399, -122, 1,001, 917.
3.15 It is evident from Figure 24 that natural change remained relatively consistent and close to zero throughout the whole time period. Migration and other changes vary much more – ranging from a net loss of 400 persons recorded for 1994-95 up to a net gain of 2,600 persons recorded for 1998-99 due to migration on ONS Mid-Year Population Estimates.

Establishing Population Projections for Breckland

3.16 Whilst it is relatively straightforward to measure natural population change, it is much more difficult to measure migration. Furthermore, the number of migrants can vary substantially from year to year; and relatively small changes in gross flows can have a significant impact on overall net migration. In establishing future population projections, it is important to recognise the importance of migration and other changes.

3.17 Whilst migration estimates can vary from year-to-year, these differences may be partly due to changes in the underlying trends but can also be associated with uncertainties in measuring the flows. It is recognised that the impact of international migration is particularly difficult to measure; and although current estimates have been improved, data can still be unreliable at a local level.

3.18 For this reason, when preparing population projections we consider migration trends averaged over longer periods of time. The appropriate period will vary depending on the purpose of the projection – but longer-term projections typically benefit from longer-term trends. The SHMA has therefore developed population projections using migration trends based on the 10-year intercensal period (2001-2011) which normally relies on Census data instead of mid-year estimates.

3.19 Figure 25 compares the 2012-based sub national population projections (based on short-term migration trends) with the projections based on longer-term 10-year migration trends over the period 2012-36. The projections produce very similar outcomes with the population projection to rise to 153,100 by 2036.
Figure 25: Breckland population projection based on migration trends

Figure 26: Breckland population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

| Age     | 2012 | | 2036 |
|---------|------|--------------------------|
|         | M    | F    | Total     | M          | F          | Total     | M          | F          | Total     |
| Aged 0-4 | 3,878 | 3,714 | 7,592 | 3,739 | 3,520 | 7,258 | 3,725 | 3,495 | 7,220 |
| Aged 5-9 | 3,572 | 3,224 | 6,796 | 3,930 | 3,625 | 7,554 | 3,932 | 3,605 | 7,537 |
| Aged 10-14 | 3,662 | 3,448 | 7,110 | 4,154 | 3,731 | 7,884 | 4,171 | 3,720 | 7,891 |
| Aged 25-29 | 3,925 | 3,626 | 7,551 | 4,217 | 3,565 | 7,782 | 4,240 | 3,534 | 7,774 |
| Aged 35-39 | 3,520 | 3,637 | 7,157 | 3,986 | 3,650 | 7,637 | 4,016 | 3,626 | 7,642 |
| Aged 40-44 | 4,353 | 4,454 | 8,807 | 4,245 | 4,016 | 8,261 | 4,286 | 4,005 | 8,291 |
| Aged 45-49 | 4,833 | 4,738 | 9,571 | 4,473 | 4,322 | 8,794 | 4,505 | 4,313 | 8,818 |
| Aged 50-54 | 4,327 | 4,287 | 8,614 | 4,292 | 4,344 | 8,637 | 4,327 | 4,331 | 8,658 |
| Aged 55-59 | 3,872 | 4,200 | 8,072 | 4,171 | 4,291 | 8,462 | 4,199 | 4,273 | 8,472 |
| Aged 60-64 | 4,312 | 4,748 | 9,060 | 4,521 | 4,803 | 9,324 | 4,539 | 4,777 | 9,316 |
| Aged 65-69 | 4,566 | 4,579 | 9,145 | 5,317 | 5,578 | 10,895 | 5,336 | 5,548 | 10,884 |
| Aged 70-74 | 3,312 | 3,452 | 6,764 | 5,429 | 5,569 | 10,998 | 5,446 | 5,544 | 10,990 |
| Aged 75-79 | 2,713 | 2,916 | 5,629 | 4,372 | 4,517 | 8,890 | 4,384 | 4,503 | 8,887 |
| Aged 80-84 | 1,830 | 2,329 | 4,159 | 3,328 | 3,754 | 7,082 | 3,339 | 3,744 | 7,083 |
| Aged 85+  | 1,353 | 2,672 | 4,025 | 4,780 | 6,696 | 11,476 | 4,789 | 6,652 | 11,441 |
| Total    | 65,392 | 66,465 | 131,857 | 76,896 | 76,150 | 153,046 | 77,272 | 75,805 | 153,077 |
Population Trends and Projections for Broadland

Figure 27 shows the current and historic mid-year population estimates and Census estimates for Broadland over the period since 1981. The data suggests that the local authority’s population increased steadily over time since the 1980s. ONS Mid-Year Estimates for the period since 2001 originally assumed that this growth had continued at a slightly lower rate (Figure 27), but the 2011 Census suggested that there were 1,000 more people living in the local authority than had previously been estimated. The ONS therefore revised upwards the previous estimates to reflect the Census data, with higher levels of growth assumed for the period from 2006 onwards in particular.

Figure 27: Broadland official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

Figure 28: Broadland annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)
Components of Population Change

3.21 Changes in the population can be broadly classified into two categories:

» natural change in the population (in terms of births and deaths) and,

» changes due to migration, both in terms of international migration and also moves within the UK.

3.22 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often “Unattributable Population Change”. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.23 Figure 29 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 29: Broadland components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

<table>
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<th>Deaths</th>
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<th>International Migration</th>
<th>Other Changes</th>
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<td>In</td>
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<td>-165</td>
<td>6,342</td>
<td>5,809</td>
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<td>5,559</td>
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50
It is evident from Figure 30 that natural change remained relatively consistent over the period 1991-2013, averaging a reduction of 185 persons each year. Migration and other changes vary much more — ranging from a gain of 100 persons recorded for 1991-92 up to a net gain of around 2,200 persons recorded for 1994-1995 (based on ONS Mid-Year Population Estimates).

Establishing Population Projections for Broadland

Following from the analysis for Breckland, Figure 31 compares the 2012-based sub national population projections (based on short-term migration trends) with the projections based on longer-term migration trends over the period 2012-36. Both show a rise to 140,300 (24-year increases of 15,100 persons).
Figure 31: Broadland population projection based on migration trends

Figure 32: Broadland population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

<table>
<thead>
<tr>
<th>Age</th>
<th>2012</th>
<th></th>
<th></th>
<th>2012-based SNPP</th>
<th></th>
<th></th>
<th>10-year migration trend</th>
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<td>M</td>
<td>F</td>
<td>Total</td>
<td>M</td>
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<td>Total</td>
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<td>F</td>
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<td>3,283</td>
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<td>3,368</td>
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<td>2,543</td>
<td>5,409</td>
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<td>5,463</td>
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<td>2,932</td>
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<td>3,034</td>
<td>6,021</td>
<td>2,988</td>
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<td>10,008</td>
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<td>8,298</td>
<td>3,992</td>
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<td>10,593</td>
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<td>6,108</td>
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<td>69,221</td>
<td>71,078</td>
<td>140,299</td>
<td>69,248</td>
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</table>
Population Trends and Projections for North Norfolk

3.26 Figure 33 shows the current and historic mid-year population estimates and Census estimates for North Norfolk over the period since 1981. ONS Mid-Year Estimates for the period since 2001 overestimated the rate of growth for the period to 2011 (Figure 33). The 2011 Census suggested that there were slightly fewer people living in the local authority than had previously been estimated. The ONS therefore revised the estimate downward to reflect the Census data.

Figure 33: North Norfolk official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

![Graph showing population trends](image)

Figure 34: North Norfolk annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

![Graph showing net population change](image)
Components of Population Change

3.27 Changes in the population can be broadly classified into two categories:

» natural change in the population (in terms of births and deaths) and,

» changes due to migration, both in terms of international migration and also moves within the UK.

3.28 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often “Unattributable Population Change”. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.29 Figure 35 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 35: North Norfolk components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

<table>
<thead>
<tr>
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<th>Deaths</th>
<th>Natural Change</th>
<th>UK Migration</th>
<th>International Migration</th>
<th>Other Changes</th>
<th>Migration and Other Changes</th>
<th>Total Change</th>
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<td>In</td>
<td>Out</td>
<td>In</td>
<td>Out</td>
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<td></td>
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<td>-</td>
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<tr>
<td>1993-94</td>
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<td>3,949</td>
<td>351</td>
<td>151</td>
<td>-183</td>
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</table>
3.30 It is evident from Figure 36 that natural change has remained relatively consistent, averaging around a loss of around 500 persons each year. Migration and other changes vary much more – ranging from a net gain of 200 persons recorded for 2008-09 up to a net gain of more than 1,000 persons due to migration and other changes recorded in a number of years during the mid to late 1990s (based on ONS Mid-Year Population Estimates).

Establishing Population Projections for North Norfolk

3.31 Figure 37 compares the 2012-based sub national population projections (based on short-term migration trends) with the projections based on longer-term migration trends over the period 2012-36. The SNPP projections suggest that the population will increase to 115,000 by 2036, whilst the 10-year trend projects 112,400 persons (24-year increases of 13,200 persons and 10,600 persons respectively).
Figure 37: North Norfolk population projection based on migration trends

Figure 38: North Norfolk population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

<table>
<thead>
<tr>
<th>Age</th>
<th>2012</th>
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<th>10-year migration trend</th>
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</thead>
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<td></td>
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<td>5,915</td>
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<td>3,761</td>
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<td>4,439</td>
<td>8,532</td>
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</table>
Population Trends and Projections for Norwich

Figure 39 shows the current and historic mid-year population estimates and Census estimates for Norwich over the period since 1981. The data shows that the local authority’s population saw a period of decline during the 1980s and 1990s but has grown strongly since 2001. For both the 1981 and 1991 Censuses, the ONS recognised that there were problems that led to under-enumeration and the estimate was subsequently revised. The ONS mid-2001 population estimate identified the population to be 122,400 in June 2001, and subsequent Mid-Year Estimates (MYE) suggested substantial growth year-on-year – however this data was revised downwards following the 2011 Census, which identified around 13,600 fewer people than previously estimated. The population in 2011 was estimated to be 132,200 and we believe that this figure is accurate.

Figure 39: Norwich official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

Figure 40: Norwich annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)
Components of Population Change

3.33 Changes in the population can be broadly classified into two categories:

- natural change in the population (in terms of births and deaths) and,
- changes due to migration, both in terms of international migration and also moves within the UK.

3.34 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often “Unattributable Population Change”. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.35 Figure 41 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 41: Norwich components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

<table>
<thead>
<tr>
<th>P</th>
<th>Births</th>
<th>Deaths</th>
<th>Natural Change</th>
<th>UK Migration</th>
<th>International Migration</th>
<th>Other Changes</th>
<th>Migration and Other Changes</th>
<th>Total Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>Out</td>
<td>In</td>
<td>Out</td>
<td>In</td>
<td>Out</td>
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<tr>
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<td>-</td>
<td>-</td>
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<td>200</td>
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<td>-</td>
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<td>-1000</td>
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Figure 42: Norwich components of population change (Source: ONS Mid-Year Population Estimates, revised)

It is evident from Figure 24 that natural change remained relatively consistent throughout the 1990s, but there has been a stable and sustained growth year-on-year over the period since 2001. Migration and other changes vary much more – ranging from a net loss of 1,300 persons recorded for 1994-95 up to a net gain of more than 1,800 persons recorded for 2004-05 due to migration based on ONS Mid-Year Population Estimates.

Establishing Population Projections for Norwich

Figure 25 compares the 2012-based sub national population projections (based on short-term migration trends) with the projections based on longer-term 10-year migration trends over the period 2012-36. The SNPP projections suggest that the population will increase to 157,500 by 2036, whilst the 10-year trend projects 162,800 persons (24-year increases of 23,200 persons and 28,500 persons respectively).
Figure 43: Norwich population projection based on migration trends

Figure 44: Norwich population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

<table>
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<th>2012 F</th>
<th>Total</th>
<th>2012-based SNPP M</th>
<th>2012-based SNPP F</th>
<th>Total</th>
<th>10-year migration trend M</th>
<th>10-year migration trend F</th>
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<td>7,952</td>
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Population Trends and Projections for South Norfolk

Figure 21 shows the current and historic mid-year population estimates and Census estimates for South Norfolk over the period since 1981. The data shows that the local authority’s population has seen a steady rise. The population in 2011 was estimated to be 124,000 and we believe that this figure is accurate.

Figure 45: South Norfolk official population estimates for the period 1981-2012 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)

Figure 46: South Norfolk annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)
Components of Population Change

3.39 Changes in the population can be broadly classified into two categories:

» natural change in the population (in terms of births and deaths) and,

» changes due to migration, both in terms of international migration and also moves within the UK.

3.40 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often “Unattributable Population Change”. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.41 Figure 47 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 47: South Norfolk components of population change, revised in the light of the 2011 Census (Source: ONS Mid-Year Population Estimates, revised. Note: “Other Changes” includes adjustments for prisoners, armed forces and other unattributable changes. Figures for 2001-02 onward presented unrounded for transparency, but should only be treated as accurate to the nearest 100. Figures for earlier years rounded to the nearest 100)

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<th>International Migration</th>
<th>Other Changes</th>
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<td>1,156</td>
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<td>6,989</td>
<td>5,692</td>
<td>271</td>
<td>202</td>
<td>71</td>
</tr>
</tbody>
</table>
3.42 It is evident from Figure 48 that natural change remained relatively consistent and close to zero throughout the whole time period. Migration and other changes vary much more – ranging from a net loss of 600 persons recorded for 1992-93 up to a net gain of more than 1,500 persons recorded for 2007 onwards due to migration.

Establishing Population Projections for South Norfolk

3.43 Figure 49 compares the 2012-based sub national population projections (based on short-term migration trends) with the projections based on longer-term 10-year migration trends over the period 2012-36. The SNPP projections suggest that the population will increase to 157,400 by 2036, whilst the 10-year trend projects 155,100 persons (24-year increases of 34,100 persons and 29,100 persons respectively).
Figure 49: South Norfolk population projection based on migration trends

Figure 50: South Norfolk population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)
Establishing Population Projections for Central Norfolk

3.44 Considering the projections for the five local authorities collectively suggests that the 2012-based SNPP (based on short-term migration trends) is marginally lower than the projection based on longer-term 10-year migration trends: the SNPP projections suggest that the population will increase from 619,100 to 723,200 over the 24-year period 2012-36, whilst the 10-year migration trend scenario projects that the population will be 723,700 by the end of the same period (24-year increases of 104,100 persons and 104,600 persons respectively).

3.45 As previously noted when deriving the projections for each area, longer-term projections typically benefit from longer-term trends – so the 10-year migration trend provides the principal projection for the further SHMA analysis.

Figure 51: Central Norfolk population projection based on migration trends

Figure 52: Central Norfolk population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

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<tr>
<td>Breckland</td>
<td>65,392</td>
<td>66,465</td>
<td>131,857</td>
</tr>
<tr>
<td>Broadland</td>
<td>61,143</td>
<td>64,072</td>
<td>125,215</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>49,293</td>
<td>52,497</td>
<td>101,790</td>
</tr>
<tr>
<td>Norwich</td>
<td>66,320</td>
<td>67,944</td>
<td>134,264</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>61,494</td>
<td>64,484</td>
<td>125,978</td>
</tr>
<tr>
<td>Total</td>
<td>303,642</td>
<td>315,462</td>
<td>619,104</td>
</tr>
</tbody>
</table>
Economic Activity

Forecasting future economic activity rates is a challenge: the analysis is inherently complex and dependent on a range of demographic, socio-economic and structural changes in the labour market. However, the performance of the labour market in future years (and especially the impact of changing employment patterns) is an important factor which affects demand for housing.

The Labour Force Survey (LFS) is a continuous survey of the employment circumstances of the nation’s population: it provides the official measures of employment and unemployment. Figure 53 shows economic activity rates (EAR) by age and gender for the UK since 1991, based on LFS data. It is evident that EAR rates are unlikely to remain constant in future as illustrated by past trends.
There are a number of notable trends evident:

- Economic activity rates for people aged under 25 have steadily declined, primarily as a consequence of the increased numbers remaining in full-time education;
- Economic activity rates for women in all groups aged 25+ have tended to increase, in particular those aged 50-64 where the rate has increased by almost a third (from 49% to 65%); and
- Economic activity rates for men and women aged 50+ have tended to increase, in particular over the period since 2001.

These changes in participation identified by the Labour Force Survey have been confirmed by Census data, which also shows that national trends are typically reflected at a local level.

The most recent economic activity rate projections produced by ONS were published in January 2006 and covered the period to 2020; however these figures suggested substantially lower changes in activity rates than actually experienced over the last decade. However, the performance of the labour market is important for national government, particularly in terms of forecasting the long term sustainability of tax revenues. As part of their scrutiny of Government finances, the Office for Budget Responsibility (OBR) provide an independent and authoritative analysis of the UK’s public finances for Government, which includes detailed analysis of past and future labour market trends.

Labour Market Participation Projections

The labour market participation projections produced by the OBR are based on historic profiles of different cohorts of the overall population – subsets that are grouped by year of birth and gender. Their analysis is not based on simplistic trends but is designed to capture dynamics that are specific to particular ages and those that cut across generations:

“We project each cohort into the future using age-specific labour market entry and exit rates as they age across time. These exit and entry rates are generally held constant, although we adjust entry rates for younger cohorts (discussed further below), and exit rates for people approaching the State Pension age (SPA), since the SPA rises over our projection period.”

Their analysis concludes:

- Older people; economic activity rates of older people will increase in future years, mainly from a combination of factors including changes to the State Pension age, less generous final salary pensions and increasing healthy longevity;
- Female participation; in addition to changes to state pension age, economic activity rates for women will also increase due to cohort change: more women born in the 1980s will work compared to those born in the 1970s across all comparable ages, and the rates for women born in the 1970s will be higher than for those born in the 1960s and so on; and
- Young people; economic activity rates of younger people will stop declining, although young people will continue to stay longer in education and the lower participation rates recently observed are not assumed to increase in future.

Projections of the UK labour force, 2006 to 2020 by Vassilis Madouros; published in ONS Labour Market Trends, January 2006
Older People

Recent increases in State Pension age (SPA) are expected to prompt a labour market response as people retiring at an older age will exit the labour market later. Recent research from the Institute for Fiscal Studies (IFS) and University College London\(^13\) concluded that:

"Future increases in the state pension age will lead to a substantial increase in employment".

However, the issue is complex: most people do not retire at the SPA precisely, and other factors influence retirement decisions:

- **Health**: longer, healthier lives mean people spend longer in employment;
- **Education**: higher levels of education are associated with working for longer and service sector expansion (including new technology and self-employment) give new options for some people to work for longer;
- **Family circumstances**: evidence suggests couples make joint retirement decisions, choosing to retire at similar points in time;
- **Financial considerations**: expectations of post-retirement incomes are changing as people (especially women) have to wait longer before receiving their State Pension and defined benefit pensions continue to decline; and
- **Compulsory retirement age**: the default retirement age (formerly 65) has been phased out – most people can now work for as long as they want to. Retirement age, therefore, is when an employee chooses to retire. Most businesses don’t set a compulsory retirement age for their employees\(^14\).

Nevertheless, financial drivers are particularly important in the decision of when to retire, and changes to the State Pension age coupled with reduced membership of private schemes (Figure 54) will inevitably lead to higher economic activity rates amongst the older population.

Figure 54: Membership of private sector defined benefit and defined contribution schemes (Source: NAO)

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\(^{13}\) [http://www.ifs.org.uk/pr/spa_pr_0313.pdf](http://www.ifs.org.uk/pr/spa_pr_0313.pdf)

\(^{14}\) [https://www.gov.uk/retirement-age](https://www.gov.uk/retirement-age)
3.55 Figure 55 shows the long-term trends in employment rates for men and women aged 60-74 together with the OBR short-term and longer-term projections.

Figure 55: Employment rates for 60-74 years olds (Source: ONS, OBR. Note: Prior to 1983, the Labour Force Survey does not contain an annual series for these indicators, so only available years are shown. The OBR medium-term forecast to 2018 is produced top-down, not bottom-up, so the dotted lines for that period are a simple linear interpolation)

3.56 In summary, for those:

» **Aged 60-64**: employment rates for women are projected to continue increasing rapidly over the short-term as the SPA is equalised. Rates for both men and women are then projected to increase more marginally over the longer-term, although the projected rates for men remain notably lower than those actually observed in the late 1970s;

» **Aged 65-69**: the gap between rates for men and women is projected to reduce over the short-term, with rates for both expected to increase progressively over the longer-term; and

» **Aged 70-74**: the rates for these older men and women are projected to converge, although only marginal increases in the rates are otherwise expected – fewer than 1-in-8 people in this age group are expected to be working until at least the 2030s.

**Female Participation**

3.57 Women’s participation in the labour force has increased, particularly since the 1970s, for a complex range of societal and economic reasons:

» **Childbirth**: decisions regarding children are changing. For example, more women do not have children or delay decisions to have children until they are in their 30s or 40s. Decisions on whether to return to the workforce post childbirth are also influenced by a variety of factors (e.g. childcare arrangements, tax implications for second incomes, family circumstances);

» **Lone parents**: employment rates for lone parents lag behind mothers with partners, but this gap has been closing;
» **Support services for women in work**: an increase in available options to support women in work (e.g. childcare services, flexible working arrangements);

» **Equal pay**: the gender wage differential has been narrowing (although still exists) giving women higher rewards for work; and

» **Education**: higher levels of education have opened new career opportunities outside historically traditional female sectors.

3.58 National policy still aspires to encourage more women into work. The Government is seeking to “incentivise as many women as possible to remain in the labour market”\(^\text{15}\) and the Autumn Statement in 2014 included plans for more support for childcare (for example, Tax Free Childcare; Childcare Business Grant) and an ambition to match countries with even higher employment rates for women.

3.59 Historic data clearly shows that women born in the 1950s (who are now approaching retirement) have been less likely to be economically active than those born more recently, based on the comparison of data for individual ages. Participation rates for women have progressively increased over time: women born in the 1960s had higher rates than those born in the 1950s, women born in the 1970s had higher rates again, and women born in the 1980s have had the highest rates. The OBR projections take account of these historic differences between cohorts, but they do not assume that female cohorts yet to enter the labour market have even higher participation rates.

3.60 Figure 56 shows the trends in female economic participation rates by year of birth together with the OBR projections, which show how this cohort effect is likely to contribute towards higher economic activity rates in future.

**Figure 56: Female participation rates by Cohort (Source: ONS, OBR; Note: dashed lines show projections)**

Young People

3.61 The key issue for young people is at what age they enter the labour market. There has been a pronounced fall in economic participation rates for 16 and 17 year olds over time, but this fall in economic activity complements an increase in academic activity as young people stay longer in education. There have been similar (though less pronounced) declining trends for 18-20 year olds.

3.62 National policy is also changing. The school leaving age rises to 18 in 2015 and the Government has removed the cap on student numbers attending higher education.

3.63 The policy changes indicate it is unlikely that economic participation rates will increase for these younger age groups. However, it should be noted that OBR projections expect these lower participation rates to stabilise at the current level rather than continue to decline. Further, the projections assume that this increased academic activity will not reduce economic activity rates as individuals get older. For example, entry rates into the labour market for people in their twenties are assumed to be higher than previously observed to take account of those who have deferred economic activity due to academic study.

Projecting Future Economic Activity for Central Norfolk

3.64 Figure 57 shows the estimated economic activity rates for 2012 and the projected rates for 2036 based on Census data for the five local authorities in Central Norfolk, and the OBR labour market participation projections.

Figure 57: Economic activity rates in 2012 and 2036 by age and gender based on OBR Labour Market Participation Projections

3.65 Participation rates for men under 60 are not projected to change, except for a very small decline in activity for those aged 16-19. There is increased participation projected for men aged 60 and over, but these changes are only relatively marginal.

3.66 Participation rates for women are projected to change due to the cohort effects previously discussed. The rates for those aged under 35 are relatively stable (as there is no increased participation assumed

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http://www.hefce.ac.uk/pubs/year/2015/201503/
http://www.bbc.co.uk/news/education-25236341
for women born after the 1980s), but there are increased participation rates projected for all older age groups.

3.67 Figure 58 shows the estimated economically active population for Central Norfolk in 2012 and the projected economically active population in 2036 based on the population projections previously produced based on 10-year migration trends.

Figure 58: Projected economically active population 2012-36 (Note: All figures presented unrounded for transparency)

<table>
<thead>
<tr>
<th>Age</th>
<th>2012</th>
<th>2036</th>
<th>Net change 2012-36</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>Total</td>
</tr>
<tr>
<td>Aged 16-19</td>
<td>8,127</td>
<td>8,005</td>
<td>16,132</td>
</tr>
<tr>
<td>Aged 20-24</td>
<td>15,857</td>
<td>13,775</td>
<td>29,632</td>
</tr>
<tr>
<td>Aged 25-29</td>
<td>16,524</td>
<td>13,687</td>
<td>30,211</td>
</tr>
<tr>
<td>Aged 30-34</td>
<td>16,696</td>
<td>13,624</td>
<td>30,320</td>
</tr>
<tr>
<td>Aged 35-39</td>
<td>16,172</td>
<td>13,957</td>
<td>30,130</td>
</tr>
<tr>
<td>Aged 40-44</td>
<td>19,467</td>
<td>17,338</td>
<td>36,805</td>
</tr>
<tr>
<td>Aged 45-49</td>
<td>19,969</td>
<td>18,466</td>
<td>38,435</td>
</tr>
<tr>
<td>Aged 50-54</td>
<td>18,138</td>
<td>16,594</td>
<td>34,732</td>
</tr>
<tr>
<td>Aged 55-59</td>
<td>15,485</td>
<td>13,938</td>
<td>29,423</td>
</tr>
<tr>
<td>Aged 60-64</td>
<td>11,823</td>
<td>7,613</td>
<td>19,436</td>
</tr>
<tr>
<td>Aged 65-69</td>
<td>5,317</td>
<td>3,180</td>
<td>8,497</td>
</tr>
<tr>
<td>Aged 70-74</td>
<td>1,576</td>
<td>764</td>
<td>2,341</td>
</tr>
<tr>
<td>Aged 75+</td>
<td>446</td>
<td>367</td>
<td>813</td>
</tr>
<tr>
<td>Total</td>
<td>165,597</td>
<td>141,309</td>
<td>306,906</td>
</tr>
</tbody>
</table>

3.68 The economically active population is projected to increase by around 36,200 people over the 24-year period 2012-36, equivalent to an average increase of 1,500 additional workers each year.

Establishing Household Projections for Central Norfolk

Household Population and Communal Establishment Population

3.69 Prior to considering household projections, it is necessary to identify the household population and separate out the population assumed to be living in Communal Establishments.18

3.70 The 2011 Census identified 13,601 persons living in Communal Establishments in Central Norfolk (2,859 in Breckland, 1,715 in Broadland, 2,476 in North Norfolk, 4,758 in Norwich and 1,793 in South Norfolk). This is broadly consistent with the 13,747 persons identified by the CLG 2012-based household projections. Consistent with the CLG approach, the projections assume that the number of people aged under 75 living in Communal Establishments will remain constant over the projection period; however, it is the proportion of people aged 75 or over that is held constant by gender for each relationship status.

3.71 Figure 59 shows the breakdown between the household population and the population living in Communal Establishments.

18 The census 2011 defines a communal establishment as 'an establishment providing managed residential accommodation. 'Managed' in this context means full-time or part-time supervision of the accommodation'.
Class C2 usage

It is important to recognise the growth of population aged 75 or over living in communal establishments when considering the OAN for housing. Planning Practice Guidance for Housing and Economic Land Availability Assessment Paragraph: 037 states the following in relation to calculating land supply:

**How should local planning authorities deal with housing for older people?**

*Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.***

Planning Practice Guidance for Housing and Economic Land Availability Assessment 2014, paragraph 37
3.73 People needing non-self-contained Class C2 dwellings would be considered as part of the communal establishment population and therefore any people living in this type of accommodation would not be included in the household projections. Given that the projections identify a growth of 4,551 persons aged over 75 years living in communal housing over the 24-year period 2012-36 (based on 10-year migration trends), this represents an increased need for Class C2 usage dwellings as each person would require a bedspace.

3.74 On this basis, if the Councils intend to count the supply of additional C2 bedspaces towards their overall housing delivery, it is also necessary to count this increase in communal establishment population aged 75 or over as an additional component within the assessed OAN. This would have the effect of increasing the OAN. However, if only self-contained C2 units are counted as part of the supply, then OAN would not include this growth.

**Household Representative Rates**

3.75 Household Representative Rates (HRRs) are a demographic tool used to convert population into households and are based on those members of the population who can be classed as “household representatives” or “heads of household”. The HRRs used are key to the establishment of the number of households and, further, the number of households is key to the number of homes needed in future.

3.76 The proportion of people in any age cohort who will be household representatives vary between people of different ages, and the rates also vary over time. The 2012 based HRRs are published as part of the household projections produced by CLG. The most recent set of HRRs released by CLG were contained in the 2012 based household projections and released in February 2015. The HRRs contained in the 2012 based household projections effectively superseded previous HRRs contained in earlier household projections.

3.77 The 2011 Census identified that the CLG 2008-based household projections had significantly overestimated the number of households. Nevertheless, this had been anticipated and the methodology report published to accompany the 2008-based projections acknowledged (page 10):

> “Labour Force Survey (LFS) data suggests that there have been some steep falls in household representative rates for some age groups since the 2001 Census … this can only be truly assessed once the 2011 Census results are available.”

3.78 The CLG 2012 based household projections technical document confirmed the findings (page 24):

> “At the present time the results from the Census 2011 show that the 2008-based projections were overestimating the rate of household formation and support the evidence from the Labour Force Survey that household representative rates for some (particularly younger) age groups have fallen markedly since the 2001 Census.”

3.79 Prior to the publication of CLG 2012 based household projections, the PAS OAN technical advice note commended the approach set out by the South Worcestershire Local Plan Inspector which states (paragraph 5.25 onwards):

> “Up to 2021 … plan-makers should use the interim 2011-based assumptions. Thereafter they should assume that rates of change in HRRs (‘headship rates’) should return to the earlier trends, as projected in CLG 2008.”
Further to this a senior inspector, Keith Holland, also suggested:

“It would be sensible to work on the basis that the household formation rate will gradually return to higher levels as the economy recovers. I therefore consider that a “blended” rate that assumes the 2011 rate until 2020 and the higher 2008 rate thereafter is appropriate.”

Whilst Inspectors have been keen to avoid perpetuating any possible “recessionary impact” associated with the lower formation rates suggested by the interim 2011-based data, the CLG household projections are based on much longer-term trends. Ludi Simpson (Professor of Population Studies at the University of Manchester and the originator and designer of the PopGroup demographic modelling software) recently considered the CLG households projections in an article published in Town and Country Planning (December 2014):

“Although it is sometimes claimed that the current household projections are based on the experience of changes between 2001 and 2011, this is true only of the allocation of households to household types in the second stage of the projections. The total numbers of households in England and in each local authority are projected on the basis of 40 years of trends in household formation, from 1971 to 2011.”

Nevertheless, the interim 2011-based household projections were prepared before the necessary Census data was available and it has become evident that some of the historic household representative rates were estimated inaccurately. The 2012-based household projections incorporate far more data from the 2011 Census and provide data for the 25-year period 2012-37 based on long-term demographic trends. The household representative projections use a combination of two fitted trends through the available Census points (1971, 1981, 1991, 2001 and 2011).

It is possible to understand the impact of the new household representative rates through applying the 2012-based rates and the 2008-based and interim 2011-based rates to the same population. Using the household population data in the 2012-based projections for the 10-year period 2011-2021 (the only years where household representative rates are available from all three projections), the 2012-based rates show an annual average growth of 218,600 households across England. This compares to 241,600 households using the 2008-based rates and 204,600 households using the interim 2011-based rates. Therefore, the 2012-based rates yield household growth that is 7% higher than the interim 2011-based rates and only 10% lower than the 2008-based rates. At a local level, a third of local authorities have 2012-based rates that are closer to 2008-based rates than the interim 2011-based rates.

The 2012-based projections therefore supersede both the 2008-based household projections and the interim 2011-based household projections. The changes since 2008 were anticipated and these reflect real demographic trends, and therefore we should not adjust these further; although the extent to which housing supply may have affected the historic rate is one of the reasons that we also consider market signals when determining the OAN for housing.

**Household Projections**

Using the CLG 2012-based household representative rates, we can establish the projected number of additional households. The projected increase in households across Central Norfolk is summarised in Figure 60. Further explanation of the use of the CLG Household Projections is given below at CLG Household Projections.
3.86 Figure 60 also provides an estimate of dwelling numbers, which takes account of vacancies and second homes based on the proportion of dwellings without a usually resident household identified by the 2011 Census. This identified a rate of 5.1% for Breckland, 2.8% for Broadland, 13.5% for North Norfolk, 5.1% for Norwich and 3.3% for South Norfolk. The rate was 5.5% across Central Norfolk as a whole.

Figure 60: Projected households and dwellings over the 24-year period 2012-36 (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Scenario</th>
<th>2012</th>
<th>2036</th>
<th>Net change 2012-36</th>
<th>Average annual change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOUSEHOLDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breckland</td>
<td>55,273</td>
<td>67,903</td>
<td>+12,631</td>
<td>+526</td>
</tr>
<tr>
<td>Broadland</td>
<td>53,837</td>
<td>63,348</td>
<td>+9,510</td>
<td>+396</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>46,357</td>
<td>54,128</td>
<td>+7,771</td>
<td>+324</td>
</tr>
<tr>
<td>Norwich</td>
<td>60,791</td>
<td>76,084</td>
<td>+15,293</td>
<td>+637</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>53,742</td>
<td>68,778</td>
<td>+15,036</td>
<td>+626</td>
</tr>
<tr>
<td>Central Norfolk</td>
<td>270,000</td>
<td>330,241</td>
<td>+60,241</td>
<td>2,509</td>
</tr>
<tr>
<td><strong>DWELLINGS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breckland</td>
<td>58,232</td>
<td>71,539</td>
<td>+13,307</td>
<td>+554</td>
</tr>
<tr>
<td>Broadland</td>
<td>55,401</td>
<td>65,187</td>
<td>+9,787</td>
<td>+408</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>53,603</td>
<td>62,588</td>
<td>+8,985</td>
<td>+374</td>
</tr>
<tr>
<td>Norwich</td>
<td>64,035</td>
<td>80,144</td>
<td>+16,109</td>
<td>+671</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>55,585</td>
<td>71,137</td>
<td>+15,552</td>
<td>+648</td>
</tr>
<tr>
<td>Central Norfolk</td>
<td>286,856</td>
<td>350,595</td>
<td>+63,740</td>
<td>2,655</td>
</tr>
</tbody>
</table>

Conclusions

3.87 PPG identifies that the starting point for estimating housing need is the CLG 2012-based household projections. For the 24-year period 2012-36, these projections suggest an average increase of 2,500 households each year across the Central Norfolk: an average annual growth of 520 households in Breckland, 390 households in Broadland, 370 households in North Norfolk, 540 households in Norwich and 660 households in South Norfolk.

3.88 The data above shows that the principal population projection (based on 10-year migration trends) identifies a similar increase of 2,510 households per annum across the HMA; however this comprises an average growth of 526 households each year in Breckland, 396 households in Broadland and (similar to the CLG 2012-based projections), a growth of 637 households in Norwich (higher than the CLG 2012-based projection), 324 household in north Norfolk and 626 households in South Norfolk (both lower than the CLG 2012-based projection) each year. These differences are due to the underlying population projections – long-term migration trends show higher migration to Norwich than recent years, whilst such trends suggest lower net migration rates for North Norfolk and South Norfolk.

3.89 The long-term migration trends based on the intercensal period provide the most robust and reliable basis for projecting the future population, and therefore the projected household growth of 2,509 households each year (2,655 dwellings) provides the most appropriate demographic projection on which to base the Objectively Assessed Need for housing.
4. Affordable Housing Need
Identifying households who cannot afford market housing

4.1 Demographic projections provide the basis for identifying the Objectively Assessed Need for all types of housing, including both market housing and affordable housing.

4.2 PPG notes that affordable housing need is based on households “who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market” (paragraph 22) and identifies a number of different types of household which may be included:

**What types of households are considered in housing need?**

The types of households to be considered in housing need are:

- **Homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income)**
- **Households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households)**
- **Households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ**
- **Households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation**
- **Households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move**

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014) Paragraph 023

4.3 PPG also suggests a number of data sources for assessing past trends and recording current estimates for establishing the need for affordable housing (paragraph 24):

- Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding.
- The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey.
- Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.

4.4 The following section considers each of these sources in turn, alongside other relevant statistics and information that is available.
Past Trends and Current Estimates of the Need for Affordable Housing

Local authority data: Homeless Households and Temporary Accommodation

4.5 In Central Norfolk, the quarterly number of households accepted as being homeless and in priority need has seen a downward trend over the period 2001 to 2011. There were 379 such households in 2001 which reduced to 133 households in 2011, a net reduction of 246 households (Figure 61). The current rate represents 0.2 presentations per 1,000 households, less than half the equivalent rate for England (0.5 per 1,000).

4.6 There has also been a downward trend in households living in temporary accommodation. There were 448 such households in 2001, including 86 in bed and breakfast accommodation and a further 42 in hostels; however this had reduced to 103 in 2011, a net reduction of 345 households.

Figure 61: Households accepted as homeless and in priority need (Source: CLG P1E returns March 2001 and March 2011)

<table>
<thead>
<tr>
<th>CENTRAL NORFOLK</th>
<th>Central Norfolk</th>
<th>England 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number accepted homeless and in priority need during quarter</td>
<td>379</td>
<td>133</td>
</tr>
<tr>
<td>Rate per 1,000 households</td>
<td>1.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Households in temporary accommodation</th>
<th>Bed and breakfast</th>
<th>Hostels</th>
<th>Local Authority or RSL stock</th>
<th>Private sector leased (by LA or RSL)</th>
<th>Other (including private landlord)</th>
<th>TOTAL</th>
<th>Rate per 1,000 households</th>
</tr>
</thead>
<tbody>
<tr>
<td>86</td>
<td>28</td>
<td>-58</td>
<td>6</td>
<td>2</td>
<td>-4</td>
<td>15</td>
<td>33</td>
</tr>
</tbody>
</table>

| Households accepted as homeless but without temporary accommodation provided | 159 | 70 | -89 |

4.7 It is evident that homelessness has not become significantly worse in Central Norfolk over the period since 2001, but this does not necessarily mean that fewer households risk becoming homeless. Housing advice services provided by the council may prevent homelessness, thereby limiting the number of homeless presentations and housing allocation policies might avoid the need for temporary housing if permanent housing is available sooner. Further, many homeless households are now offered homes in the private rented sector.

4.8 Homeless acceptances are governed by national and local policy, but which needs to be accounted for in assessing OAN. Changes to the law in 2010 mean that statutorily homeless households can now be offered accommodation in the private rented sector and this cannot be refused, provided it is a reasonable offer (Note: if it is refused, applicants lose their priority need status). Prior to this change, Local Authorities could offer private sector housing to homeless households (where they have accepted a housing duty under Part Seven of the Housing Act 1996) but the applicant was entitled to refuse it. The Localism Act 2010 means refusal results in the loss of priority need status, provided the offer is suitable.
4.9 While the stated aim of the change is to reduce the pressures on the social housing stock, an indirect result is that there are further demands on the private rented sector as councils increasingly seek to house homeless households outside the social rented sector.

Census data: Concealed Households and Overcrowding

4.10 The Census provides detailed information about households and housing in the local area. This includes information about concealed families (i.e. couples or lone parents) and sharing households. These households lack the sole use of basic facilities (e.g. a bathroom or kitchen) and have to share these with their “host” household (in the case of concealed families) or with other households (for those sharing).

Concealed Families

4.11 The number of concealed families living with households in Central Norfolk increased from 1,080 to 2,060 over the 10-year period 2001-11 (Figure 62), an increase of 978 families (90%).

Figure 62: Concealed families in Central Norfolk by age of family representative (Source: Census 2001 and 2011. Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2001</th>
<th>2011</th>
<th>Net change 2001-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged under 25</td>
<td>169</td>
<td>560</td>
<td>+391</td>
</tr>
<tr>
<td>Aged 25 to 34</td>
<td>372</td>
<td>624</td>
<td>+252</td>
</tr>
<tr>
<td>Aged 35 to 44</td>
<td>145</td>
<td>177</td>
<td>+33</td>
</tr>
<tr>
<td>Aged 45 to 54</td>
<td>62</td>
<td>165</td>
<td>+103</td>
</tr>
<tr>
<td>Sub-total aged under 55</td>
<td>748</td>
<td>1,527</td>
<td>+778</td>
</tr>
<tr>
<td>Aged 55 to 64</td>
<td>91</td>
<td>149</td>
<td>+59</td>
</tr>
<tr>
<td>Aged 65 to 74</td>
<td>151</td>
<td>207</td>
<td>+56</td>
</tr>
<tr>
<td>Aged 75 or over</td>
<td>92</td>
<td>177</td>
<td>+85</td>
</tr>
<tr>
<td>Sub-total aged 55 or over</td>
<td>334</td>
<td>533</td>
<td>+200</td>
</tr>
<tr>
<td>All Concealed Families</td>
<td>1,082</td>
<td>2,060</td>
<td>+978</td>
</tr>
</tbody>
</table>

4.12 Many concealed families do not want separate housing for reasons such as having chosen to live together as extended families. Other concealed families are forced to live together due to affordability difficulties or other constraints and wish to move, but will not be counted as part of the CLG household projections. Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 978 families over the period 2001-11, almost eight-in-ten (80%) have family representatives aged under 55, with substantial growth amongst those aged under 35 in particular (in line with national trends).

Sharing Households

4.13 The number of sharing households fell from 289 to 287 over the 10-year period 2001-11 (Figure 63).

Figure 63: Shared Dwellings and Sharing Households in Central Norfolk (Source: Census 2001 and 2011)
4.14 Figure 64 shows that the number of multi-adult households living in the area increased from 18,025 to 24,390 households over the same period, an increase of 6,365 (35%). The people in these households also have to share basic facilities, but are considered to be a single household as they also share a living room, sitting room or dining area. This includes Houses in Multiple Occupation (HMOs) with shared facilities, as well as single people living together as a group and individuals with lodgers.

<table>
<thead>
<tr>
<th>Table 4.14</th>
<th>2001</th>
<th>2011</th>
<th>Net change 2001-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned</td>
<td>9,130</td>
<td>9,462</td>
<td>+332</td>
</tr>
<tr>
<td>Private rented</td>
<td>7,635</td>
<td>13,097</td>
<td>+5,462</td>
</tr>
<tr>
<td>Social rented</td>
<td>1,260</td>
<td>1,831</td>
<td>+571</td>
</tr>
<tr>
<td>All Households</td>
<td>18,025</td>
<td>24,390</td>
<td>+6,365</td>
</tr>
</tbody>
</table>

4.15 The growth in multi-adult households was focussed particularly in the private rented sector, with an increase in single persons choosing to live with friends together with others living in HMOs. This growth accounts for 5,462 households (an increase from 7,635 to 13,097 households over the period) and this represents over four-fifths (86%) of the total increase in multi-adult households living in the area.

4.16 Nevertheless, shared facilities is a characteristic of HMOs and many people living in this type of housing will only be able to afford shared accommodation (either with or without housing benefit support). Extending the Local Housing Allowance (LHA) Shared Accommodation Rate (SAR) allowance to cover all single persons up to 35 years of age has meant that many more young people will only be able to afford shared housing, and this has further increased demand for housing such as HMOs.

4.17 There is therefore likely to be a continued (and possibly growing) role for HMOs, with more of the existing housing stock possibly being converted. Given this context, it would not be appropriate to consider households to need affordable housing only on the basis of them currently sharing facilities (although there may be other reasons why they would be considered as being in affordable housing need such as their personal circumstances placing them as a priority need).

**Overcrowding**

4.18 The Census also provides detailed information about occupancy which provides a measure of whether a household’s accommodation is overcrowded or under occupied:

There are two measures of occupancy rating, one based on the number of rooms in a household’s accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1
implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.

4.19 When considering the number of rooms required, the ONS use the following approach to calculate the room requirement:

» A one person household is assumed to require three rooms (two common rooms and a bedroom); and

» Where there are two or more residents it is assumed that they require a minimum of two common rooms plus one bedroom for:
  - each couple (as determined by the relationship question)
  - each lone parent
  - any other person aged 16 or over
  - each pair aged 10 to 15 of the same sex
  - each pair formed from any other person aged 10 to 15 with a child aged under 10 of the same sex
  - each pair of children aged under 10 remaining
  - each remaining person (either aged 10 to 15 or under 10).

4.20 Figure 65 shows the information about overcrowding available from Census data.

Figure 65: Proportion of overcrowded households 2011 and change 2001-11 by tenure (Note: Overcrowded households are considered to have an occupancy rating of -1 or less. Source: UK Census of Population 2001 and 2011)

<table>
<thead>
<tr>
<th></th>
<th>Occupancy rating (rooms)</th>
<th>Occupancy rating (bedrooms)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Breckland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned</td>
<td>680</td>
<td>1.8%</td>
</tr>
<tr>
<td>Private rented</td>
<td>378</td>
<td>6.0%</td>
</tr>
<tr>
<td>Social rented</td>
<td>621</td>
<td>8.5%</td>
</tr>
<tr>
<td>All Households</td>
<td>1,679</td>
<td>3.3%</td>
</tr>
<tr>
<td>Broadland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned</td>
<td>472</td>
<td>1.1%</td>
</tr>
<tr>
<td>Private rented</td>
<td>216</td>
<td>5.0%</td>
</tr>
<tr>
<td>Social rented</td>
<td>233</td>
<td>5.6%</td>
</tr>
<tr>
<td>All Households</td>
<td>921</td>
<td>1.8%</td>
</tr>
<tr>
<td>North Norfolk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned</td>
<td>446</td>
<td>1.4%</td>
</tr>
<tr>
<td>Private rented</td>
<td>372</td>
<td>5.8%</td>
</tr>
<tr>
<td>Social rented</td>
<td>402</td>
<td>6.7%</td>
</tr>
<tr>
<td>All Households</td>
<td>1,220</td>
<td>2.8%</td>
</tr>
<tr>
<td>Norwich</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned</td>
<td>609</td>
<td>2.3%</td>
</tr>
<tr>
<td>Private rented</td>
<td>1,241</td>
<td>15.3%</td>
</tr>
</tbody>
</table>
For Central Norfolk, overcrowding increased from 8,396 to 10,893 households (an increase of 2,497) over the 10-year period 2001-11 (Figure 65). This represents a growth of 19%, which is lower than the national increase for England (23%) and Greater Ipswich, but higher than the comparator areas of Greater Lincoln and Greater Exeter.

When considered by tenure, overcrowding has reduced by 193 households in the owner occupied sector, increased by 856 households in the social rented sector with the largest growth in the private rented sector where the number of overcrowded households has increased from 2,480 to 4,314, a growth of 1,834 households over the 10-year period. Nevertheless, the percentage of overcrowded households in the social rented sector has had the biggest increase from 7.6% to 9.4% (a growth of 23%).

When considering individual authorities in the study area, however, growth in rates vary:

- Breckland has seen the most significant increase (+31%), particularly in private rent (+65%) although with substantial increase in social rent (+33%);
- Broadland has seen a more modest increase (+6%) including a reduction in owned (-24%), but with a sharp increase in social rent (+35%);
- North Norfolk has seen an increase (+19%) including a reduction in owned (-5%), but with a sharp increase in social rent (+35%) and private rent (26%);
- Norwich has seen an increase (+18%) including a reduction in private rent (-1%), but with an increase in social rent (+12%); and
- South Norfolk has also seen an increase of 13% with a reduction in owned (-16%) but with increases in private rent (+10%) and social rent (+41%).
English Housing Survey data

Housing Condition and Disrepair

4.24 The English Housing Survey (EHS) does not provide information about individual local authorities, but it does provide a useful context about these indicators in terms of national trends between Census years. The EHS provides useful information about housing disrepair. The EHS headline report for 2013-14 identifies that private rented sector dwellings had the highest rate of disrepair: 7% compared with 4% of owner occupied dwellings and 3% of social sector dwellings.

4.25 The Decent Homes Standard provides a broad measure of housing condition. It was intended to be a minimum standard that all housing should meet and that to do so should be easy and affordable. It was determined that in order to meet the standard a dwelling must achieve all of the following:

» It meets the current statutory minimum standard for housing (Dwellings which fail to meet this criterion are those containing one or more hazards assessed as serious ('Category 1') under the Housing Health and Safety Rating System, HHSRS); and

» Be in a reasonable state of repair; and

» Have reasonably modern facilities (such as kitchens and bathrooms) and services; and

» Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).

4.26 If a dwelling fails any one of these criteria, it is considered to be “non-decent”. A detailed definition of the criteria and their sub-categories are described in the ODPM guidance: “A Decent Home – The definition and guidance for implementation” June 2006.

4.27 Figure 66 shows the national trends in non-decent homes by tenure. It is evident that conditions have improved year-on-year (in particular due to energy efficiency initiatives), however whilst social rented properties are more likely to comply with the standard, almost a third of the private rented sector (33.1%) remains currently non-decent. This is a trend that tends to be evident at a local level in most areas where there are concentrations of private rented housing, and there remains a need to improve the quality of housing provided for households living in the private rented sector.

Figure 66: Trend in non-decent homes by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)
Overcrowding

4.28 The measure of overcrowding used by the EHS provides a consistent measure over time however the definition differs from both occupancy ratings provided by the Census. The English Housing Survey (EHS) approach\(^9\) is based on a “bedroom standard” which assumes that adolescents aged 10-20 of the same sex will share a bedroom, and only those aged 21 or over are assumed to require a separate bedroom (whereas the approach used by the ONS for the Census assumes a separate room for those aged 16 or over):

The ‘bedroom standard’ is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the national needed.

4.29 Nationally, overcrowding rates have increased for households in both social and private rented housing, with a slight decline for owner occupiers. As this data is based on three-year moving averages, the most up-to-date figures are based on the period 2010-11 to 2012-13. Given that the midpoint of this estimate is September 2011, this covers only a very short period after the Census (March 2011).

Figure 67: Trend in overcrowding rates by tenure (Note: Based on three-year moving average, up to and including the labelled date. Source: Survey of English Housing 1995-96 to 2007-08; English Housing Survey 2008-09 onwards)

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4.30 Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement closer reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance\(^2\) that was issued by CLG in 2012 to which authorities must have regard when exercising their functions under Part 6 of the 1996 Housing Act (as amended).

4.31 This Guidance, “Allocation of accommodation: Guidance for local housing authorities in England”, recommends that authorities should use the bedroom standard when assessing whether or not households are overcrowded for the purposes of assessing housing need:

4.8 The Secretary of State takes the view that the bedroom standard is an appropriate measure of overcrowding for allocation purposes, and recommends that all housing authorities should adopt this as a minimum. The bedroom standard allocates a separate bedroom to each:

– married or cohabiting couple
– adult aged 21 years or more
– pair of adolescents aged 10-20 years of the same sex
– pair of children aged under 10 years regardless of sex

4.32 The bedroom standard therefore provides the most appropriate basis for assessing overcrowding.

4.33 By considering the Census and EHS data for England, together with the Census data for Breckland, Broadland, North Norfolk, Norwich and South Norfolk, we can estimate the number of households that are overcrowded based on the bedroom standard. Figure 68 sets out this calculation based on the Census occupancy rating for both rooms and bedrooms, with a final estimate based on an average of these two figures. Based on the bedroom standard, it is estimated that there were 3,553 overcrowded households in Central Norfolk in 2011.

Figure 68: Estimate of the number of overcrowded households in Central Norfolk 2011 by tenure based on the bedroom standard (Source: EHS 2010-11 to 2011-12; UK Census of Population 2011)

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>Private Rented</th>
<th>Social Rented</th>
<th>All Households</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EHS bedroom standard</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>England</td>
<td>1.4%</td>
<td>5.6%</td>
<td>6.4%</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Census occupancy rating (bedrooms)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>England</td>
<td>2.3%</td>
<td>8.8%</td>
<td>8.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td></td>
<td>59%</td>
<td>64%</td>
<td>72%</td>
<td>64%</td>
</tr>
<tr>
<td>Central Norfolk</td>
<td>1,706</td>
<td>1,669</td>
<td>1,942</td>
<td>5,317</td>
</tr>
<tr>
<td>Estimate of overcrowded households based on the bedroom standard</td>
<td>1,007</td>
<td>1,068</td>
<td>1,398</td>
<td>3,403</td>
</tr>
<tr>
<td><strong>Census occupancy rating (rooms)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>England</td>
<td>3.3%</td>
<td>20.2%</td>
<td>16.9%</td>
<td>8.7%</td>
</tr>
<tr>
<td></td>
<td>42%</td>
<td>28%</td>
<td>38%</td>
<td>34%</td>
</tr>
<tr>
<td>Central Norfolk</td>
<td>2,476</td>
<td>4,314</td>
<td>4,103</td>
<td>10,893</td>
</tr>
<tr>
<td>Estimate of overcrowded households based on the bedroom standard</td>
<td>1,040</td>
<td>1,208</td>
<td>1,559</td>
<td>3,704</td>
</tr>
</tbody>
</table>

Overcrowding based on the bedroom standard (average estimate) | 1,023 | 1,138 | 1,479 | 3,553

Housing Register data

4.34 The local authority housing register and transfer lists are managed through various local schemes. Households apply for a home from various sources, including homeless households, housing register and transfer applicants.

4.35 Figure 69 shows the trend in household applicants over the period since 2001. The overall number of households has been very variable. Overall, the trends show that the number of households registering for affordable housing has fallen by 22% in Central Norfolk over the last decade, mainly because of changes in eligibility criteria in Norwich and South Norfolk, while the numbers in Broadland have continued to rise.

Figure 69: Number of households on the local authority housing register 2001-14 (Note: Solid line shows total number of households; dotted line shows number of households in a reasonable preference category. Source: LAHS and HSSA returns to CLG)

4.36 Figure 69 also shows the number recorded in a reasonable preference category since 2007. Reasonable preference categories are defined in the Housing Act 1996, which requires “reasonable preference” for housing to be given to people who are:

» Legally homeless;
» Living in unsatisfactory housing (as defined by the Housing Act 2004);
» Need to move on medical/welfare grounds; or
» Need to move to a particular area to avoid hardship.

Figure 70 provides further detailed information for 2012. The number of households in reasonable preference categories has also been subject to variation from year-to-year, although these have not always followed the trends in the overall number of households on the register. Currently there are 3,600 households with a reasonable preference, compared to 7,400 in 2008.

<table>
<thead>
<tr>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
<th>Central Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total households on the housing waiting list</td>
<td>4,769</td>
<td>2,860</td>
<td>3,803</td>
<td>6,410</td>
<td>3,360</td>
</tr>
<tr>
<td>Total households in a reasonable preference category</td>
<td>3,212</td>
<td>688</td>
<td>362</td>
<td>1,734</td>
<td>1,012</td>
</tr>
<tr>
<td>People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)</td>
<td>-</td>
<td>22</td>
<td>12</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Other people who are homeless within the meaning given in Part VII of the Housing Act (1996), regardless of whether there is a statutory duty to house them</td>
<td>69</td>
<td>44</td>
<td>24</td>
<td>52</td>
<td>80</td>
</tr>
<tr>
<td>People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions</td>
<td>1,209</td>
<td>282</td>
<td>153</td>
<td>449*</td>
<td>200</td>
</tr>
<tr>
<td>People who need to move on medical or welfare grounds, including grounds relating to a disability</td>
<td>1,529</td>
<td>275</td>
<td>64</td>
<td>316*</td>
<td>80</td>
</tr>
<tr>
<td>People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)</td>
<td>405</td>
<td>69</td>
<td>-</td>
<td>44*</td>
<td>-</td>
</tr>
</tbody>
</table>

The number of people recorded by the housing register as homeless or owed a duty under the Housing Act appears to be higher than is shown with the local authority data about homelessness.

Nevertheless, we previously estimated that there were around 3,553 overcrowded households in Central Norfolk, based on the bedroom standard (Figure 68) – but only 2,293 people were recorded by the housing registers in 2012 as currently “occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions”. Therefore, there are likely to be many households who have not registered for affordable housing despite being overcrowded. This will partly reflect their affordability (for example, most owner occupiers would not qualify for rented affordable housing due to the equity in their current home) whilst others may only be temporarily overcrowded and will have sufficient space available once a concealed family is able to leave and establish an independent household.

When considering the types of household to be considered in housing need, the PPG also identified “households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ” and “households
containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move”. It is only through the housing register that we are able to establish current estimates of need for these types of household, and not all would necessarily be counted within a reasonable preference category. Nevertheless, there were 2,264 people registered “who need to move on medical or welfare grounds, including grounds relating to a disability” and a further 518 “who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)”.

4.41 Although the PPG recognises that local authority housing registers can provide useful information, it clearly isn’t possible to rely on this data to establish the need for affordable housing given the variability in numbers from year-to-year. Indeed, earlier practice guidance such as the 2001 DETR publication “Local Housing Needs Assessment: A Guide to Good Practice” recognised that such data cannot usually be considered robust due to a wide range of problems:

“Housing registers should preferably be open to all, but even then it is likely that not all need, and possibly only a minority of need, will be registered; estimates based only on housing registers are likely to be an underestimate for this reason, but this may be offset by the inclusion of ‘deadwood’ and ‘insurance’ registrations”

“Many people potentially in housing need fail to apply [to the housing register] – in some cases because they judge that there is little chance of their being offered a suitable property”

“The reliability of [housing registers] … would depend, of course, on landlords’ approaches to reviewing their registers.”

4.42 On the basis of our own analysis of many housing registers, including a study for the National Assembly for Wales specifically concerned with waiting list applicants, we have found that often:

» Households who are not currently in need (who are registered “just in case”) are often included;

» Households can be double counted, as registers overlap between landlords and newly forming households often registered more than once (as two or more individuals register independently but plan to live together);

» Households who can afford local housing may be included – as many registers are open and do not necessarily restrict application based on financial circumstances;

» There are significant amounts of “deadwood” (where households have moved and/or no longer require social housing), especially where registers are not actively maintained; and

» Households seeking intermediate housing are often excluded, as they do not apply to the Council or other landlords for housing.

4.43 Whilst housing registers can provide invaluable information on current need, in particular in relation to specific localities, they do not normally provide a good basis for strategic analysis.
Households unable to afford their housing costs

4.44 The PPG emphasises in a number of paragraphs that affordable housing need should only include those households that are unable to afford their housing costs:

Plan makers ... will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market (paragraph 022, emphasis added)

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of ... those that cannot afford their own homes. Care should be taken to avoid double-counting ... and to include only those households who cannot afford to access suitable housing in the market (paragraph 024, emphasis added)

Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area (paragraph 025, emphasis added)

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)

4.45 Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more detailed information has been available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

Housing benefit claimants in Central Norfolk

4.46 Figure 71 shows the trend in the number of housing benefit claimants in Central Norfolk.

Figure 71: Number of claimants in receipt of housing benefit in Central Norfolk by tenure (Source: DWP)

4.47 The number of housing benefit claimants in Central Norfolk increased from 29,811 to 34,100 over the period 2001-02 to 2006-07, equivalent to an average annual growth of around 900 families. The
number of claimants reached 44,121 in 2012-13, therefore a much faster growth of around 1,700 families each year over the period from 2006-07. The largest growth was experienced between 2008-09 and 2009-10 when the number of claimants increased by about 3,300 families.

4.48 Considering the information on tenure, it is evident that the number of claimants in social rented housing increased from 28,647 to 32,279 over the period 2008-09 to 2012-13 – an increase of about 3,600 families (13%); however over the same period the number of claimants in private rented housing increased from 9,008 to 11,842 families – an increase of about 2,800 families (31%).

4.49 It is likely that many households applying for housing benefit would have also registered their interest in affordable housing. Nevertheless, many of them will have secured appropriate housing in the private rented sector which housing benefit enabled them to afford; so not all will necessarily need affordable housing, though many may prefer this type of housing if it were available.

4.50 The information published by DWP provides the detailed information needed for understanding the number of households unable to afford their housing costs. Of course, there will be other households occupying affordable housing who do not need housing benefit to pay discounted social or affordable rents but who would not be able to afford market rents. Similarly there will be others who are not claiming housing benefit support as they have stayed living with parents or other family or friends and not formed independent households. However, providing that appropriate adjustments, such as including households who are homeless or concealed and those who have a reasonable preference on the housing register, are made to take account of these exceptions, the DWP data provides the most reliable basis for establishing the number of households unable to afford their housing costs and estimating affordable housing need.

Establishing affordable housing need

4.51 In establishing the Objectively Assessed Need for affordable housing, it is necessary to draw together the full range of information that has already been considered in this report.

4.52 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

**How should affordable housing need be calculated?**

*This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.*

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014) Paragraph 022

**Current unmet need for affordable housing**

4.53 In terms of establishing the current unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

**How should the current unmet gross need for affordable housing be calculated?**
Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

» the number of homeless households;
» the number of those in priority need who are currently housed in temporary accommodation;
» the number of households in overcrowded housing;
» the number of concealed households;
» the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);
» the number of households from other tenures in need and those that cannot afford their own homes.

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014) Paragraph 024

4.54 Earlier sections of this chapter set out the past trends and current estimates for relevant households based on the data sources identified by PPG. Although this evidence does not provide the basis upon which to establish whether or not households can afford to access suitable housing, we believe that it is reasonable to assume that certain households will be unable to afford housing, otherwise they would have found a more suitable home.

Establishing the current unmet need for affordable housing

4.55 Households assumed to be unable to afford housing include:

» All households that are currently homeless;
» All those currently housed in temporary accommodation; and
» People in a reasonable preference category on the housing register, where their needs have not already been counted.

4.56 Given this context, our analysis counts the needs of all of these households when establishing the Objectively Assessed Need for affordable housing.

4.57 Only around a 60% of households currently living in overcrowded housing (based on the bedroom standard) are registered in a reasonable preference category, which will partly reflect their affordability. It is likely that most owner occupiers would not qualify for rented affordable housing (due to the equity in their current home); but it is reasonable to assume that households living in overcrowded rented housing are unlikely to be able to afford housing, otherwise they would have found a more suitable home.

4.58 Our analysis, therefore, counts the needs of all households living in overcrowded rented housing when establishing the OAN for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting).
4.59 When considering concealed families, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).

4.60 Given this context, our analysis considers the additional growth of concealed families with family representatives aged under 55 between 2001 and 2011 and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home). If their needs were to be met it would return the number of concealed households with representatives aged under 55 years back to the 2001 level. The needs of these households are counted when establishing the OAN for affordable housing and they also add to the OAN for overall housing, as concealed families are not counted by the CLG household projections.

4.61 Figure 72 sets out the assessment of current affordable housing need for Central Norfolk.

Figure 72: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

<table>
<thead>
<tr>
<th>Homeless households in priority need (see Figure 61)</th>
<th>Affordable Housing</th>
<th>Increase in Overall Housing Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeless households in priority need (see Figure 61)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currently in temporary accommodation in communal establishments (Note: this is the sum of Bed and breakfast and Hostels)</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Currently in temporary accommodation in market housing (Note: this is the sum of Private sector leased and Other, including Private landlord)</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>Households accepted as homeless but without temporary accommodation provided</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>Concealed households (see Figure 62)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth in concealed families from 2001-11 with family representatives aged under 55</td>
<td>778</td>
<td>778</td>
</tr>
<tr>
<td>Overcrowding based on the bedroom standard (see Figure 68)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households living in overcrowded private rented housing</td>
<td>1,138</td>
<td></td>
</tr>
<tr>
<td>Households living in overcrowded social rented housing</td>
<td>1,479</td>
<td>1,479</td>
</tr>
<tr>
<td>Other households living in unsuitable housing that cannot afford their own home (see Figure 70)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People who need to move on medical or welfare grounds, including grounds relating to a disability</td>
<td>2,264</td>
<td>245</td>
</tr>
<tr>
<td>People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)</td>
<td>518</td>
<td>57</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,350</td>
<td>1,805</td>
</tr>
</tbody>
</table>

4.62 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that there are 6,350 households currently in affordable housing need in Central Norfolk who are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).
Of these households, 1,805 currently occupy affordable housing that does not meet the households’ current needs, mainly due to overcrowding. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 4,545 households (6,350 less 1,805 = 4,545) who currently need affordable housing and do not currently occupy affordable housing in Central Norfolk** (although a higher number of new homes may be needed to resolve all of the identified overcrowding).

This number includes 882 households that would not be counted by the household projections. **There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households.** As for the household projections, we have **also added an additional allowance for vacancies and second homes** (once again based on the proportion of dwellings with no usually resident household); **this increases the need for overall housing provision by 941 dwellings.**

Providing the net additional affordable housing needed will **release back into the market (mainly in the private rented sector) the dwellings occupied by a total of 3,663 households (4,545 less 882) that are currently in affordable housing need who are unable to afford their own housing.**

Projected future affordable housing need

In terms of establishing **future** projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

**How should the number of newly arising households likely to be in housing need be calculated?**

Projections of affordable housing need will need to take into account **new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need.** This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess **what proportion of newly-forming households will be unable to access market housing.**

**Planning Practice Guidance: Assessment of housing and economic development needs (March 2014) Paragraph 025**

The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Objectively Assessed Need. The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

The Model uses a wide range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population. A range of assumptions can be varied to enable effective sensitivity testing to be undertaken. In particular, the Model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.
The Housing Mix Model considers the future number and type of households based on the household projections alongside the existing dwelling stock. Whilst the Model considers the current unmet need for affordable housing (including the needs of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or that cannot afford their own homes), it also provides a robust framework for projecting the future need for affordable housing.

Households unable to afford their housing costs

PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (paragraph 25); however, the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ between age cohorts. Therefore, the appropriate proportion is determined separately for each household type and age group.

The affordability percentages in Figure 73 are calculated using data published by DWP about housing benefit claimants alongside detailed information from the 2011 Census. There are several assumptions underpinning the Model:

» Where households are claiming housing benefit, it is assumed that they cannot afford market housing; and the Model also assumes that households occupying affordable housing will continue to do so;

» Households occupying owner occupied housing and those renting privately who aren’t eligible for housing benefit are assumed to be able to afford market housing; so the Model only allocates affordable housing to those established households that the Government deems eligible for housing support through the welfare system; and

» The Model separately considers the needs of concealed families and overcrowded households (both in market housing and affordable housing) which can contribute additional affordable housing need.

<table>
<thead>
<tr>
<th>BRECKLAND: Percentage unable to afford market housing</th>
<th>Under 25</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person household</td>
<td>33%</td>
<td>16%</td>
<td>25%</td>
<td>29%</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Couple with no dependent children</td>
<td>11%</td>
<td>4%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>Couple family with 1 or more dependent children</td>
<td>54%</td>
<td>28%</td>
<td>15%</td>
<td>12%</td>
<td>13%</td>
<td>31%</td>
</tr>
<tr>
<td>Lone parent family with 1 or more dependent children</td>
<td>93%</td>
<td>86%</td>
<td>61%</td>
<td>41%</td>
<td>43%</td>
<td>61%</td>
</tr>
<tr>
<td>Other household type</td>
<td>33%</td>
<td>30%</td>
<td>23%</td>
<td>17%</td>
<td>18%</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BROADLAND: Percentage unable to afford market housing</th>
<th>Under 25</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person household</td>
<td>25%</td>
<td>9%</td>
<td>15%</td>
<td>19%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Couple with no dependent children</td>
<td>9%</td>
<td>3%</td>
<td>5%</td>
<td>6%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Couple family with 1 or more dependent children</td>
<td>71%</td>
<td>21%</td>
<td>9%</td>
<td>6%</td>
<td>6%</td>
<td>20%</td>
</tr>
<tr>
<td>Lone parent family with 1 or more dependent children</td>
<td>82%</td>
<td>65%</td>
<td>41%</td>
<td>31%</td>
<td>26%</td>
<td>43%</td>
</tr>
</tbody>
</table>
Components of projected household growth

4.72 PPG identifies that the CLG household projections “should provide the starting point estimate for overall housing need” (paragraph 15) and that “the 2012-2037 Household Projections ... are the most up-to-date estimate of future household growth” (paragraph 16). However, when considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a “gross annual estimate” (paragraph 25) suggesting that “the total need for affordable housing should be converted into annual flows” (paragraph 29).

4.73 The demographic projections developed to inform the overall Objectively Assessed Need include annual figures for household growth, and these can therefore be considered on a year-by-year basis as suggested by the Guidance; but given that elements of the modelling are fundamentally based on five-year age cohorts, it is appropriate to annualise the data using five-year periods.

4.74 Figure 74 shows the individual components of annual household growth.

**Figure 74: Components of average annual household growth by 5-year projection period (Source: ORS Housing Model Note: figures may not sum due to rounding)**
Over the initial five-year period (2012-17) the model shows that:

» There are projected to be 5,838 new household formations each year; but this is offset against 4,764 household dissolutions following death – so there is an average net household growth of 1,074 households locally in Central Norfolk;

» There are also projected to be 14,146 households migrating to Central Norfolk offset against 12,422 households migrating away from the area – which yields an increase of 1,724 households attributable to net migration;

» The total household growth is therefore projected to be 2,798 (1,074 + 1,724) households each year over the initial 5-year period of the projection.

During the course of the full 24-year projection period, net household growth within Central Norfolk is projected to be higher in the early part of the projection period than in the later years. This is due to a larger number of household dissolutions over the projection period.

Over the 24-year period 2012-36, therefore, total household growth averages 2,510 households each year.

Change in household numbers by age cohort

To establish the proportion of newly forming households unable to buy or rent in the market area, it is necessary to consider the characteristics of the 5,838 new households projected to form in Central Norfolk each year over the period 2012-17 (Figure 74) alongside the detailed information about household affordability (Figure 73).

Figure 75 shows the age structure of each of the components of household change. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore all new households are properly counted, rather than only counting the increase in the number of households in each age group.
Together with information on household type, this provides a framework for the Model to establish the proportion of households who are unable to afford their housing costs.

The Model identifies that 27% of all newly forming households are unable to afford their housing costs, which represents 1,557 households each year (Figure 76). The figure of 27% derives from the use of detailed information contained in Figure 73 to Figure 75. The Model shows that a lower proportion of households migrating to the area are unable to afford their housing costs (24%), but this still represents 3,344 households moving in to the area. Some of these households will be moving to social rented housing, but many others will be renting housing in the private rented sector with housing benefit support. Together, there are 4,901 new households each year who are unable to afford their housing costs.

Having established the need for affordable housing and the dwellings likely to be vacated, the PPG suggests that the total net need can be calculated by subtracting “total available stock from total gross need” (paragraph 29), but this over-simplifies what is a very complex system.

It is essential to recognise that some households who are unable to buy or rent in the market area when they first form may become able to afford at a later date – for example:

- Two newly formed single person households may both be unable to afford, but together they might create a couple household that can afford suitable housing,
Some will choose to move to another housing market area and will therefore no longer require
affordable housing, including some households that are unable to afford but are not allocated
affordable housing.

In these cases, and others, the gross need will need adjusting.

The Model recognises these complexities, and through considering the need for affordable housing as
part of a whole market analysis, it maintains consistency with the household projections and avoids
any double counting.

Considering those components of household change which reduce the number of households resident
in the area, the Model identifies 4,764 households who are likely to dissolve following the death of all
household members. Many of these households own their homes outright; however 20% are unable
to afford market housing: most living in social rented housing. This gives an unrounded figure of 967
dwellings per annum dissolutions through death, which will release the dwellings back for other
households to occupy.

When considering households moving away from Central Norfolk, the Model identifies that an
average of 12,422 households will leave the area each year including 3,171 who are unable to afford
their housing costs. Some will be leaving social rented housing, which will become available for
another household needing affordable housing. Whilst others will not vacate a social rented property,
their needs will have been counted in the estimate of current need for affordable housing or at the
time they were a new household (either newly forming or migrating in to the area). Given that they
are now leaving Central Norfolk, they will no longer need affordable housing in the area and it is
therefore important to discount their needs.

Figure 77 summarises the total household growth. This includes the 4,901 new households on
average each year who are unable to afford their housing costs, but offsets this against the 4,139
households who will either vacate existing affordable housing (967 households vacating their property
through dissolution) or who will no longer constitute a need for affordable housing in Central Norfolk
(3,171 households who have moved to live elsewhere). Overall, the Model projects that household
growth will yield a net increase of 763 households on average each year (over the period 2012-17)
who are unable to afford their housing, which represents 27% of the 2,798 total household growth
for this period.
Projecting future needs of existing households

4.89 PPG also identifies that in addition to the needs of new households, it is also important to estimate “the number of existing households falling into need” (paragraph 25). Whilst established households that continue to live in Central Norfolk will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the Model, and it is estimated that an average of 836 established households fall into need each year in Central Norfolk. This represents a rate of 3.1 per 1,000 household falling into need each year.

4.90 Finally, whilst the PPG recognises that established households’ circumstances can deteriorate such that they fall into need, it is also important to recognise that established households’ circumstances can improve. For example:

» When two people living as single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately). Figure 73 showed that 40% of single person households aged under 25 in Norwich could not afford housing, compared to 16% of couples of the same age; and for those aged 25 to 34, the proportions were 26% and 10% respectively.

» Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period. Figure 73 showed that 28% of couple families with dependent children aged 25 to 34 in Breckland could not afford housing, compared to 15% of such households aged 35 to 44.

4.91 Given this context, it is clear that we must also recognise these improved circumstances which can reduce the need for affordable housing over time, as households that were previously counted no longer need financial support. The Model identifies that the circumstances of 986 households improve each year such that they become able to afford their housing costs despite previously being unable to afford. This represents a rate of 3.3 per 1,000 household climbing out of need each year.

4.92 Therefore, considering the overall changing needs of existing households, there is an average net reduction of 150 households (986 - 838) needing affordable housing each year.

Projecting future affordable housing need (average annual estimate)

4.93 Figure 78 provides a comprehensive summary of all of the components of household change that contribute to the projected level of affordable housing need in Central Norfolk. More detail on each is provided earlier in this Chapter.

Figure 78: Components of average annual household growth in Central Norfolk by 5-year projection period (Source: ORS Housing Model. Note: figures may not sum due to rounding)
Overall, there is a projected need from 4,901 new households who are unable to afford their housing costs (1,557 newly forming households and 3,344 households migrating to the area); however, 4,139 households will either vacate existing affordable housing or will no longer need affordable housing in the Central Norfolk (as they have moved to live elsewhere) thereby reducing the new need to a net total of 763 households.

Considering the needs of existing households, there are 836 households expected to fall into need each year (a rate of 3.1 per 1000 households) but this is offset against 986 households whose circumstances are projected to improve. There is, therefore, an average net reduction of 150 existing households that need affordable housing each year.

Based on the needs of new households and existing households, there is a projected increase of 613 households each year on average for the initial period 2012-17 who will need affordable housing (763 - 150).

Establishing the overall need for affordable housing

Figure 79 brings together the information on assessing the current unmet need for affordable housing and the projected future affordable housing need over the full 24-year period 2012-36.

<table>
<thead>
<tr>
<th>Current need for affordable housing (see Figure 72)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total unmet need for affordable housing</td>
<td></td>
<td>-</td>
<td>6,350</td>
</tr>
<tr>
<td>Supply of housing vacated</td>
<td>3,663</td>
<td>1,805</td>
<td>5,468</td>
</tr>
<tr>
<td>Overall impact of current affordable housing need</td>
<td>-3,663</td>
<td>4,545</td>
<td>882</td>
</tr>
</tbody>
</table>

Projected future housing need 2012-36

| Newly forming households | 105,025 | 38,508 | 143,533 |
| Household dissolutions following death | 98,838 | 24,687 | 123,524 |
| Net household growth within Central Norfolk | 6,187 | 13,821 | 20,009 |
| Impact of existing households falling into need | -23,133 | 23,133 | - |
| Impact of existing households climbing out of need | 25,613 | -25,613 | - |
| Impact of households migrating to/from the area | 36,652 | 3,580 | 40,231 |
| Future need for market and affordable housing | 45,320 | 14,921 | 60,241 |

| Total need for market and affordable housing |  |  |  |
| Overall impact of current affordable housing need | -3,663 | 4,545 | 882 |
### Future need for market and affordable housing 2012-36

<table>
<thead>
<tr>
<th></th>
<th>2012-36</th>
<th>2012-36</th>
<th>2012-36</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total need for market and affordable housing</td>
<td>45,320</td>
<td>14,921</td>
<td>60,241</td>
</tr>
<tr>
<td>Average annual need for housing</td>
<td>1,736</td>
<td>811</td>
<td>2,547</td>
</tr>
<tr>
<td>Proportion of need for market and affordable housing</td>
<td>68.15%</td>
<td>31.85%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Using the approach outlined above for the initial five-year period of the projection, the Model considers the need for affordable housing over the full 24-year projection period 2012-36. The Model identifies that **the number of households in need of affordable housing will increase by 19,466 households over the period 2012-36**, equivalent to an annual average of 811 households per year. This represents 31.85% of the total household growth projected based on demographic trends.

To address the **current unmet need** for affordable housing. Figure 72 showed that there were currently 6,350 households in need of affordable housing. However, as 1,805 of these already occupied an affordable home, our previous conclusion was therefore a **net need from 4,545 households** (6,350 less 1,805 = 4,545) who currently need affordable housing and do not currently occupy affordable housing in the Central Norfolk.

The **projected future affordable housing need** for the full 24-year projection period 2012-36 adopts the approach that was previously outlined for the initial five-year period of the projection. The Model identifies that **the number of households in need of affordable housing will increase by 14,921 households over the period 2012-36**, alongside an increase of 45,320 households able to afford market housing.

Taken together, there is a **need to provide additional affordable housing for 19,466 households** over the period 2012-36. This is equivalent to **811 households per year** and represents **31.85% of the overall housing need** identified.

As for the household projections, we have added an additional allowance for vacancies and second homes; this identifies a **total affordable housing need of 19,900 dwellings** in addition to the current stock. This equates to 833 affordable dwellings per annum.

Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

### Future policy on housing benefit in the private rented sector

The Model also recognises the **importance of housing benefit and the role of the private rented sector**. The Model assumes that the number of housing benefit supported households living in the private rented sector will remain constant from the baseline date of 2012; however this is a policy decision not in the control of the Councils.

It is important to recognise that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren’t counted towards the need for affordable housing (as they can afford their housing costs), but if housing benefit support was no longer provided then this would increase the need for affordable housing.

The model adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. The model does not count any dwellings in the private rented sector as affordable housing.
supply; however it does assume that some households will not need affordable housing, as housing benefit will continue to help them afford their housing costs.

To sensitivity test this position, Figure 80 shows the impact of reducing (or increasing) the number of households receiving housing benefit to live in the private rented sector.

**Figure 80:** Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between market housing and affordable housing 2012-36

<table>
<thead>
<tr>
<th>Percentage Change</th>
<th>Market Housing</th>
<th>Affordable Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% increase</td>
<td>77%</td>
<td>23%</td>
</tr>
<tr>
<td>25% increase</td>
<td>72%</td>
<td>28%</td>
</tr>
<tr>
<td>No change</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>25% reduction</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>50% reduction</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>75% reduction</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>100% reduction</td>
<td>51%</td>
<td>49%</td>
</tr>
</tbody>
</table>

If no households were to receive housing benefit support in the private rented sector, approaching a half (49%) of the growth in household numbers would need affordable housing. In this scenario, it is also important to recognise that the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market, which is likely to have significant consequences on the housing market which are difficult to predict.

**Conclusions**

Based on the household projections previously established, we have established the balance between the need for market housing and the need for affordable housing. This analysis has identified a need to increase the overall housing need by 882 households to take account of concealed families and homeless households that would not be captured by the household projections. These additional households increase the projected household growth from 60,241 to 61,123 households (64,680 dwellings) over the 24-year period 2012-36; equivalent to an average of 2,547 households and 2,695 dwellings per year.

The housing mix analysis identified that affordable housing need represented 31.85% of this total, therefore there is a need to provide 19,900 additional affordable homes over the 24-year period (an average of 832 dwellings per year). This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant.
It is apparent that Central Norfolk would benefit from a higher level of affordable housing delivery if that was viable, as this could reduce the number of households relying on housing benefit in the private rented sector. Nevertheless, providing that 31.85% of housing was delivered to meet affordable housing need then this would cover both current and future projected needs for affordable housing, so there would be no need to increase overall housing provision.
5. Objectively Assessed Need
Analysing the evidence to establish overall housing need

5.1 The primary objective of this study is to establish the Objectively Assessed Need (OAN) for housing. The OAN identifies the future quantity of housing that is likely to be needed (both market and affordable) in the Housing Market Area over future plan periods. It is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors will be subsequently considered before establishing the final Housing Requirement.

The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.

Planning Practice Guidance (PPG), paragraph 4

5.2 Figure 81 sets out the process for establishing OAN. It starts with a demographic process to derive housing need from a consideration of population and household projections, as set out in chapter three of the SHMA. To this, external market and macro-economic constraints are applied ('market signals'), in order to embed the need in the real world.
National Context for England

5.3 The NPPF requires Local Planning Authorities to "ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area" and "identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change" (paragraphs 47 and 159).

5.4 PPG further identifies that "household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need ... The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth" (paragraphs 15-16).

Household Growth

5.5 The 2012-based CLG household projections show that the number of households in England will increase from 22.3 million to 27.5 million over the period 2012 to 2037. This represents a growth of 5.2 million households over 25 years, equivalent to an annual average of 210,000 households each year, and this provides the starting point estimate of overall housing need for England.

5.6 It should be noted that the annual average of 210,000 households is already much higher than current housing delivery: CLG data for April 2013 to March 2014 identifies that construction started on 133,900 dwellings and 112,400 dwellings were completed during the year. Therefore, to build sufficient homes to meet annual household growth would require housebuilding to increase by 57% —
so providing for household growth in itself would require a significant step-change in the number of homes currently being built.

International Migration

5.7 The 2012-based CLG household projections are based on the ONS 2012-based sub-national population projections. These projections identify an average net gain of 151,600 people each year due to international migration, and a net loss of 6,400 persons each year from England to other parts of the UK. Therefore, the 2012-based projections are based on net migration averaging 145,100 people each year.

5.8 However, these estimates for future international migration may be too low. Oxford University research (March 2015) showed net international migration to be 565,000 persons over the three-year period 2011-14, an average of 188,300 per annum; and net migration to England averaged 211,200 persons annually between the Census in 2001 and 2011. Both figures suggest that the 2012-based SNPP may underestimate international migration, which would have knock-on implications for projected population growth.

5.9 As previously noted, longer-term projections typically benefit from longer-term trends and therefore ORS routinely consider migration based on trends for the 10-year period 2001-11. On this basis, our trends are based on a period when net migration to England averaged 211,200 persons each year: 66,100 persons higher than assumed by the 2012-based SNPP, which represents an additional 29,000 households each year based on CLG average household sizes. Therefore, the approach taken for establishing migration based on longer-term trends would increase household growth for England from 210,000 households to 239,000 households each year on average.

Market Signals

5.10 The NPPF also sets out that “Plans should take account of market signals, such as land prices and housing affordability” (paragraph 17) and PPG identifies that “the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”.

5.11 The market signals identified include land prices, house prices, rents, affordability and the rate of development; but there is no formula that can be used to consolidate the implications of this data. Nevertheless, the likely consequence of housing affordability problems is an increase in overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation. PPG identifies that these indicators “demonstrate un-met need for housing” and that a “longer term increase in the number of such households may be a signal to consider increasing planned housing numbers” (paragraph 19).

5.12 The Census identified that the number of concealed families living in England increased from 161,000 families to 276,000 families over the decade 2001 to 2011, which represents a growth of 115,000 families over 10 years. Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections.

5.13 Concealed families with older family representatives will often be living with another family member in order to receive help or support due to poor health. Concealed families with younger family
representatives are more likely to demonstrate un-met need for housing. When we consider the
growth of 115,000 families over the period 2001-11, over three quarters (87,100) have family
representatives aged under 55, with substantial growth amongst those aged 25-34 in particular. This
is a clear signal of the need to increase the planned housing numbers in order to address the increase
in concealed families over the last decade and also factor in their impact on current and future
average household sizes.

5.14 Addressing the increase in concealed families would increase projected household growth by 87,100
over the 25-year period, an average of 3,500 households each year over the period 2012-37 (or higher
if the need is addressed over a shorter period). Therefore, adjusting for longer-term migration trends
and taking account of the market signals uplift for concealed families yields an average household
growth for England of 242,500 each year.

Converting to Dwellings

5.15 Finally, in converting from households to dwellings we need to allow for a vacancy and second home
rate as not all dwellings will be occupied. At the time of the 2011 Census this figure was 4.3% of all
household spaces in England: we have applied this to future household growth, and on this basis the
growth of 242,500 households would require the provision of 253,400 dwellings each year across
England. This is the average number of dwellings needed every year over the 25-year period 2012-37
and represents a 1.1% increase in the dwelling stock each year.

5.16 This takes account of household growth based on CLG 2012-based projections (the starting point);
adjusts for long-term migration trends which assume a higher rate of net migration to England;
responds to market signals through providing for the growth of concealed families; and takes account
of vacant and second homes.

5.17 Whilst the uplift for market signals represents less than 2% of the projected household growth, the
household growth itself is much higher than current rates of housing delivery. The identified housing
need of 253,400 dwellings requires current housebuilding rates to increase by 89% (based on
dwelling starts in 2013-14).

5.18 Development industry campaigners (such as Homes for Britain21) are supporting a position which
requires 245,000 homes to be built in England every year, a figure derived from the Barker Review
(2004)22. It is evident that objectively assessed need based on household projections which take
account of longer-term migration trends together with a market signals adjustment for concealed
families exceeds this target, so any further increase in housing numbers at a local level (such as
adjustments which might be needed to deliver more affordable housing or provide extra workers)
must be considered in this context.

Establishing Objectively Assessed Need for Central Norfolk

5.19 The earlier part of this Chapter sets out the context for national change in households, and the
underlying complexities and features around this. We now move on to the position for Central
Norfolk. Our approach for this section follows the format of the earlier section, albeit with specific
reference to the Central Norfolk area. Essentially, therefore, this section is concerned with:

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21 http://www.homesforbritain.org.uk
Opinion Research Services

Central Norfolk HMA Strategic Housing Market Assessment DRAFT 11 September 2015

5.20 In addition, we consider employment trends and the relationship between the jobs forecast and projected number of workers, and the need for affordable housing.

CLG Household Projections

5.21 The “starting point” estimate for OAN is the CLG household projections, and the latest published data is the 2012-based projections for period 2012-37. These projections suggest that household numbers across the study area will increase by 60,000 over the 24-year period 2012-36, an average of 2,500 per year.

5.22 However, the notes accompanying the CLG Household Projections explicitly state that:

The 2012-based household projections are linked to the Office for National Statistics 2012-based sub-national population projections. They are not an assessment of housing need or do not take account of future policies, they are an indication of the likely increase in households given the continuation of recent demographic trends.

5.23 The ONS 2012-based sub-national population projections are based on migration trends from the 5-year period before the projection base date; so trends for the period 2007-2012. Short-term migration trends are generally not appropriate for long-term planning, as they risk rolling-forward rates that are unduly high or unduly low. Projections based on long-term migration trends are likely to provide a more reliable estimate of future households.

Migration Adjustments

5.24 ORS have calculated household projections also including a scenario which uses 10-year migration trends, based on reliable information from the intercensal period 2001-2011. On the basis of 10-year migration trends, household numbers across the study area are projected to increase by 60,241 households over the 24-year period 2012-36, an average of 2,509 per year. Providing for an annual increase of 2,509 households yields a housing need of 2,655 dwellings each year.

5.25 Whilst this projection is marginally higher than the CLG 2012-based household projection (2,500 p.a.), as this scenario is based on long-term migration trends it gives the most reliable and appropriate demographic projection for establishing future housing need.

Affordable Housing Need

5.26 ORS has used the household projections to establish the balance between the need for market housing and the need for affordable housing. This analysis identified a need to increase the overall housing need by 882 households to take account of concealed families and homeless households that would not be captured by the household projections. These additional households increase the
projected household growth from 60,241 to 61,123 households (64,680 dwellings) over the 24-year period 2012-36; equivalent to an average of 2,547 households and 2,695 dwellings per year.

5.27 The housing mix analysis identified that affordable housing need represented 31.85% of this total, therefore **there is a need to provide 19,900 additional affordable homes over the 24-year period (an average of 832 dwellings per year)**.

5.28 PPG identifies the need to consider the identified affordable housing need in the context of the overall housing number:

The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes. (Paragraph 029)

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)

5.29 Key to this is the economic viability of affordable housing delivery. The SHMA does not include a viability assessment, but targets of between 30 and 40% have previously been considered reasonable within Central Norfolk (albeit with North Norfolk at 45% and 50%). The Councils will need to consider relevant evidence about the deliverability of affordable housing given current and likely future housing market circumstances, but based on the current policy position it seems unlikely that an increase in the total housing figures would be necessary to address the affordable housing need identified.

5.30 Nevertheless, an increase in the total housing figure would inevitably help deliver more affordable homes; and providing a higher level of affordable housing could help to reduce the number of households relying on housing benefit in the private rented sector. The Councils will therefore need to consider the most appropriate affordable housing target in this context; but given the identified need for affordable housing across Central Norfolk, it may be appropriate to consider an uplift to the household projection when establishing OAN to help deliver more affordable homes.

**Market Signals**

5.31 While demographic trends are key to the assessment of OAN, it is also important to consider current Market Signals and how these may affect housing needs. PPG identifies a range of housing market signals that should be considered when determining the future housing number. Key to this is how market signals should be taken into account:

The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings (Paragraph 019)

A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections. (Paragraph 020)

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)
5.32 The Market Signals include:

» Land and house prices;
» Rents and affordability;
» Rate of development; and
» Overcrowding.

5.33 Furthermore, there are other issues that should be considered, for example the macro-economic climate (see PAS OAN technical advice note, para 5.22). Further, there are wider market trends and drivers to consider. A full range of market signals (as required in PPG) have been assessed and their implications considered, especially where these may indicate undersupply relative to demand, and any need to deviate from household projections.

5.34 PPG and the PAS OAN technical advice note emphasise the importance of considering indicators in the context of longer-term trends and looking at rates of change as well as absolute levels – for example, house prices in the housing market may be higher or lower than the national average, however the more important consideration is whether or not they are becoming more (or less) expensive at a rate that differs from the national rates or rates in similar areas.

Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the housing market area; similar demographic and economic areas; and nationally. (Paragraph 020)

Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)

5.35 To identify areas with similar demographic and economic characteristics to Central Norfolk, we have analysed data from the ONS area classifications together with data from the CLG Index of Multiple Deprivation. The outcome of this analysis was that Central Norfolk shares similar demographic and economic characteristics with Greater Ipswich (Ipswich, Babergh, Mid Suffolk and Suffolk Coastal), Greater Lincoln (Lincoln, North Kesteven and West Lindsey) and Greater Exeter (Exeter, East Devon, Mid Devon, Teignbridge and West Devon). Therefore, in considering market signals, we have considered these district council areas as appropriate comparators and compared them against Central Norfolk.

House Prices

5.36 House prices in England and Wales have been relatively volatile in the past 15 years. House prices have increased by 6.4% in the 12 months to April 2014; the fastest rises were in London (17.0%), the East of England (6.6%) and the South East (6.1%). The average UK house price in 2014 was £172,000 compared to the high of £181,500 in 2007. Average house price trends 2008-2014 (Source: ONS) show the price divergence between London and the rest of the UK.
The Bank of England has overall responsibility for UK monetary policy: it has become concerned about the risks posed by house prices, high levels of borrowing and any housing ‘bubble’ to national economic recovery. In his speech at the Mansion House in June 2014, the Governor of the Bank said:

The underlying dynamic of the housing market reflects a chronic shortage of housing supply, which the Bank of England can’t tackle directly. Since we are not able to build a single house, I welcome the Chancellor’s announcement tonight of measures to increase housing supply.

To be clear, the Bank does not target asset price inflation in general or house prices in particular.

It is indebtedness that concerns us.

This is partly because over-extended borrowers could threaten the resilience of the core of the financial system since credit to households represents the lion’s share of UK banks’ domestic lending.

It is also because rapid growth in or high levels of mortgage debt can affect the stability of the economy as a whole.

The International Monetary Fund (IMF) has also highlighted concerns about these risks and especially the high borrowings of households relative to income, especially in London:

The increase in the number of high loan-to-income (LTI) mortgages is more pronounced in London and among first-time buyers. As a result, an increasing number of households are vulnerable to negative income and interest rate shocks.

However, the surge in prices appears to be cooling; the Council of Mortgage Lenders’ (CML) latest Credit Conditions Survey (Summer 2014) suggests

This source of stimulus may now be drying up, amid signs that lenders may be approaching the limits of their risk appetite with respect to maximum loan-to-value (LTV) and income multiples.

The Government has strengthened the existing powers of the Bank of England to recommend to regulators a limit on the proportion of high loan to income mortgages. From May 2015, lenders are
prevented from extending more than 15% of their mortgages to customers needing to borrow four and a half times their income.

5.41 The future for the housing market is difficult to predict, although long term trends indicate continued demand issues from household growth, albeit with issues around affordability. The current Government policy towards national economy recovery, and the role played in this by the Bank of England, indicate that action may be taken to contain any housing price ‘bubble’. Interest rates seem likely to rise in the medium term, and those borrowing at low interest rates but at a high LTV could be exposed to greater risk.

Local House Prices

5.42 House price trends (2000-2013) are shown in Figure 84 and Figure 85 shows lower quartile house prices adjusted for the impact of inflation. Therefore, the prices reflect real changes which have occurred since 2001 when removing the impact of background inflation.

5.43 It is clear that real house prices in Central Norfolk rose sharply in the period 2001-2007 (from £57,600 to £145,900 at 2012 values, a real increase of more than 105%), but they have progressively reduced since that time with real prices at around £131,800 in mid-2013 (at 2012 values) which is 10% below their peak.

Figure 84: House Price Trends: Lower Quartile Prices (Source: CLG Live Tables. Note: HMA figure derived using population weighted average of Local Authority data)
Figure 85: Real House Price Trends: Lower Quartile Prices adjusted to 2012 values using CPI (Source: CLG Live Tables; Bank of England. Note: HMA figure derived using population weighted average of Local Authority data)

Figure 86 shows how real house prices in the HMA have varied when compared with the English average. This shows that real house prices in the HMA are currently slightly above the long-term average trends.

Figure 86: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2012 values using CPI (Source: CLG Live Tables; Bank of England. Note: HMA figure derived using population weighted average of Local Authority data)
Affordability

5.45 Figure 87 below shows the ratio of lower quartile house price to lower quartile earnings in the HMA between 2001 and 2013. This long term trend for the HMA shows that affordability worsened in the period 2001-07 (when there was an increase in real house prices), the multiplier declined over the period 2007-09 and has remained relatively stable since. Of course, it is also important to remember that affordability can be influenced by supply issues (e.g. lower housing delivery levels) and demand side issues (e.g. lower availability of mortgage finance for first time buyers).

![Figure 87: Ratio of Lower Quartile House Price to Lower Quartile Earnings (Source: DCLG. Note: HMA figure derived using population weighted average of Local Authority data)](image)

Overcrowding, concealed and other households in need

5.46 Overcrowding was considered in detail when establishing the need for affordable housing, and based on the bedroom standard we estimated that 3,553 households were overcrowded in Central Norfolk (Figure 68), including 1,023 owner occupiers, 1,138 households renting privately and 1,479 households in the social rented sector.

5.47 PPG also identifies a series of other factors to monitor alongside overcrowding, including concealed and sharing households, homelessness and the numbers in temporary housing (paragraph 19):

*Indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Longer term increase in the number of such households may be a signal to consider increasing planned housing numbers.*
5.48 These were also considered when establishing the need for affordable housing, and the overall housing number was increased to take account of the needs of homeless households and concealed families with younger family representatives who would not have been counted as part of the household projections. This adjustment has already been incorporated as a response to the identified un-met need for housing, and can be considered as part of the response to market signals.

Summary of Market Signals

5.49 In terms of headline outputs, the market signals when compared to relevant comparator areas show:

**Figure 88: Summary of Market Signals**

<table>
<thead>
<tr>
<th>INDICATORS RELATING TO PRICE</th>
<th>Central Norfolk</th>
<th>Similar demographic and economic areas</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012-13 value</td>
<td>2007-08 value</td>
<td>5-year change</td>
</tr>
<tr>
<td>House prices</td>
<td>£131,600</td>
<td>£141,700</td>
<td>-7%</td>
</tr>
<tr>
<td>Relative to England</td>
<td>4%</td>
<td>7%</td>
<td>-18%</td>
</tr>
<tr>
<td>Rents</td>
<td>£627</td>
<td>£422</td>
<td>49%</td>
</tr>
<tr>
<td>Average monthly rent</td>
<td>-13%</td>
<td>-21%</td>
<td>40%</td>
</tr>
<tr>
<td>Affordability</td>
<td>7.4</td>
<td>8.8</td>
<td>-16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lower quartile house price to earnings</th>
<th>Central Norfolk</th>
<th>Similar demographic and economic areas</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 ratio</td>
<td>7.4</td>
<td>60%</td>
<td>8.7</td>
</tr>
<tr>
<td>Relative to England</td>
<td>14%</td>
<td>10%</td>
<td>34%</td>
</tr>
<tr>
<td>2008 ratio</td>
<td>8.8</td>
<td>8.0</td>
<td>9.7</td>
</tr>
<tr>
<td>S-year change</td>
<td>-16%</td>
<td>-11%</td>
<td>-11%</td>
</tr>
</tbody>
</table>

5.50 As acknowledged earlier in this section, there is no single formula that can be used to consolidate the implications of this information; and furthermore the housing market signals will have been
predominantly influenced by relatively recent housing market trends. Nevertheless, on the basis of this data we can conclude:

- **House Prices:** lower quartile prices are higher than the national average, with a lower quartile price of £131,600, compared to England’s £126,250 (based on 2012-13 values). The current price in the HMA is higher than Greater Lincoln but lower than Greater Ipswich and Greater Exeter. Over the last 5-years, prices have varied by comparator area, with only modest change (-3%) in Greater Exeter with slightly more in Greater Lincoln (-7%). Central Norfolk has also seen prices drop by 7%;

- **Rents:** for average private sector rents in 2013-14, the study area is below the national average. While rents in Greater Exeter are higher than in the study area, Greater Ipswich and Greater Lincoln are significantly lower. Average rents have increased at a relatively similar pace in all areas although lower in Greater Ipswich in the past five years;

- **Affordability** is measured here in terms of the ratio between lower quartile house prices and lower quartile earnings and is currently ‘worse’ in the study area than across England as a whole (7.4 times compared to 6.5 times). The rate in Greater Exeter is also ‘worse’ than England, although other comparators in Greater Ipswich and Greater Lincoln are ‘better’ than England. However, national and comparator area affordability ratios have improved since 2008 at a slower rate than Central Norfolk;

- **Overcrowding** (in terms of Census occupancy rates) shows that 4.1% of households in the study area are overcrowded based on an objective measure, which is less than half the rate in England (8.7%). Nevertheless, the proportion of overcrowded households has increased over the last 10 years by 19%, but this is less than the national average at 23%. However, Greater Lincoln and Greater Exeter have seen lower rates of growth in overcrowding;

- **Rate of development** (in terms of increase in dwelling stock over the last ten years) shows that development has increased the stock size by +10.0%, which is higher than England (8.3%). This rate for Central Norfolk is higher than Greater Exeter, but lower than Greater Ipswich and Greater Lincoln. Of course, these figures will inevitably be influenced by local constraints as well as individual policies.

As previously noted, PPG suggests that “household projections should be adjusted to reflect appropriate market signals” where there is a “worsening trend in any of these indicators” (paragraphs 19-20). Whilst house prices and affordability have improved, rents have increased and there are also higher levels of overcrowding – so it may be appropriate to consider a small uplift to the household projection when establishing OAN in response to market signals. However, the indicators collectively show that circumstances in Central Norfolk are generally no worse than across England as a whole; so any uplift must be determined in this context.

As previously noted, there is no definitive guidance on what level of uplift is appropriate. Nevertheless, the Inspector examining the Eastleigh Local Plan judged 10% to be reasonable given the market signals identified for that HMA:

*It is very difficult to judge the appropriate scale of such an uplift. I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only a part of a much larger HMA. Exploration of an uplift of, say, 10%*
would be compatible with the “modest” pressure of market signals recognised in the SHMA itself.

Older People

5.53 Planning Practice Guidance for Housing and Economic Land Availability Assessment states the following in relation to housing for older people:

How should local planning authorities deal with housing for older people?

Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.

Planning Practice Guidance for Housing and Economic Land Availability Assessment 2014, paragraph 37

5.54 On this basis, the Councils will need to consider the most appropriate way to count the supply of bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply.

5.55 It is important to recognise that the identified dwelling growth does not include the projected increase of institutional population, which represents a growth of 4,551 persons over the 24-year period. This increase in institutional population is a consequence of the CLG approach to establishing the household population, which assumes “that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s” on the basis that “ageing population will lead to greater level of population aged over 75 in residential care homes”.

5.56 On this basis, if bedspaces in residential institutions in Use Class C2 are counted within the housing supply then the increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN). If these bedspaces are not counted within the housing supply, then there is no need to include the increase in institutional population as part of the housing requirement.

5.57 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years. The Government’s reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible, thereby avoiding expensive hospital and care home services. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.

5.58 Although the institutional population is projected to increase by 4,551 persons over the Plan period (based on the CLG assumption that there will be a “greater level of population aged over 75 in residential care homes”), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age

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23 The Town and Country Planning (Use Classes) Order 1987 (as amended) puts uses of land and buildings into various categories known as ‘Use Classes’. C2 Residential institutions are defined as Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

groups in the household population; which would yield more households than assumed when establishing the OAN.

5.59 On this basis, if some of the housing for older people who are projected to need residential care is to be provided as specialist housing in Use Class C3 (such as dwelling houses inhabited by up to 6 older people living together) then the equivalent increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN). Of course, the increase in institutional population aged 75 or over should only be counted once when establishing the housing requirement; even if bedspaces in residential institutions in Use Class C2 are counted within the housing supply and also some of the housing for older people is provided as specialist housing in Use Class C3.

5.60 New supply for older people is a complex issue, and any future specialist housing needs to be considered within this wider health and social care policy context. The Council’s strategic planning and housing enabling teams will need to work with health and social care teams to ensure a joined-up response to these reforms. In particular, there will be a need to connect health and social care strategies with housing and planning strategies for new specialist accommodation, which may also provide new opportunities to bid for funding. Planning needs to take into account that, although the OAN does not include people living in Class C2 accommodation, if more older people move to Class C2 accommodation then fewer will live in the community and vice versa. Those movements will affect the OAN. If Class C2 accommodation is counted as delivery against the OAN, then those older people requiring a move into C2 accommodation need to be included as part of the OAN. In short, Class C2 accommodation cannot be on one side of the equation without also being on the other.

Students

5.61 PPG was updated in March 2015 to include specific reference to identifying the needs of students (paragraph 21). The student sector is considered in more detail in the specific needs section of this report. However, there is also a need to consider students here in terms of OAN.

Local planning authorities should plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Plan makers are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. Plan makers should engage with universities and other higher educational establishments to better understand their student accommodation requirements.

5.62 Given that trend-based data that informed the population and household projections included students at all stages of the analysis, the needs of students are included within, and not additional to, the OAN figure identified by the SHMA. As the trend-based data was informed by migration during the period 2001-11, this encompasses the growth experienced by universities and other higher educational establishments during this period; therefore the OAN implicitly assumes that future growth will continue at this rate over the Plan period 2012-36.
The household projections did not assume any growth of students living in communal establishments, so any net increase in bedspaces provided in halls of residence (or other university accommodation) across the area would reduce the demand from student households.

Gypsies and Travellers

Planning Policy for Traveller Sites (PPTS) came into force in March 2012. This document sets out the Government’s policy for Gypsies and Travellers and represents the only policy for a particular household group which is not directly covered by the NPPF. However, at Paragraph 1 PPTS notes that:

This document sets out the Government’s planning policy for traveller sites. It should be read in conjunction with the National Planning Policy Framework.

An April 2015 High Court Judgement, ‘Wenman v SSCLG and Waverley Borough Council’, has clarified the relationship between Gypsy and Traveller and Travelling Showpeople Needs Assessments and OAN. At paragraphs 42 and 43, the Judgement notes:

“42. However, under the PPTS, there is specific provision for local planning authorities to assess the need for gypsy pitches, and to provide sites to meet that need, which includes the requirement to “identify, and update annually, a supply of specific deliverable sites sufficient to provide five years’ worth of sites against their local set targets” (paragraph 9(a)). These provisions have a direct parallel in paragraph 47 NPPF which requires local planning authorities to use their evidence base to ensure that the policies in their Local Plan meet the full objectively assessed needs for housing in their area, and requires, inter alia, that they “identify and update annually a supply of specific deliverable sites sufficient to provide five years’ worth of housing”.

“43. The rationale behind the specific requirement for a five year supply figure under paragraph 9 PPTS must have been to ensure that attention was given to meeting the special needs of travellers. Housing provision for this sub-group was not just to be subsumed within the general housing supply figures for the area. Therefore it seems to me most unlikely that the housing needs and supply figures for travellers assessed under the PPTS are to be included in the housing needs and supply figures under paragraph 47 NPPF, as this would amount to double counting.”

The position proposed by the judgement is correct in that Gypsy and Traveller and Travelling Showpeople households will form part of the household projections, concealed households and market signals which underwrite the OAN calculation. The needs of these households are counted as part of the overall OAN; therefore any needs identified as part of a Gypsy and Traveller and Travelling Showpeople Needs Assessment are a component of, and not additional to, the OAN figure identified by the SHMA.

This also means that any land supply for pitches and plots should be counted towards the general 5-year land supply as the needs they are addressing are included within the housing OAN.
Employment Trends

While demographic trends are key to the assessment of OAN, it is also important to consider current Employment Trends and how the projected growth of the economically active population fits with the future changes in job numbers.

Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.

Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.

Planning Practice Guidance 2014, paragraph 18

East of England Forecasting Model (EEFM)

Forecasts of jobs growth have been regularly produced for each local authority in the East of England from the East of England Forecasting Model (EEFM). The EEFM was developed by Oxford Economics to project economic, demographic and housing trends in a consistent manner. It covers a wide range of variables, and is designed to be flexible so that alternative scenarios can be run. The model provides data at regional and sub-regional level, including counties, unitaries and district authorities.

The most recent outputs (EEFM 2014) were published in January 2015 and the baseline forecast suggested that total employment in Central Norfolk would increase from 290,700 in 2011 to 330,900 in 2031; an increase of 40,200 over 20-years, equivalent to an average of around 2,000 jobs per year.

When we consider previous forecasts from the EEFM model, it is evident that the forecasts have varied, but the latest data appears reasonable in the context of the full range of outputs:

Figure 89: Employment growth forecasts for Central Norfolk 2011-31 (Source: EEFM)
The EEFM forecast assumed that the population would increase from 614,100 to 700,400 people (an increase of 86,300 people), the number of households would increase from 270,000 to 314,800 (an increase of 44,800 households) and the number of dwellings would increase from 283,200 to 330,400 (an increase of 47,200 dwellings); all over the same 20-year period (2011-31). These assumptions are lower than our principal projection taken over 20 years which suggested an increase of 53,900 dwellings (14% higher than assumed by the EEFM).

As previously noted, the demographic analysis (based on 10-year migration trends) identified that on the basis of providing the 64,700 additional dwellings over 24 years, it is likely that the economically active population would increase by 36,200 people (around 1,510 per year on average). In addition, the number of unemployment benefit claimants recorded by DWP reduced by around 7,000 over the period March 2012 to March 2015, which also increases the number of available workers.

Taken together, these figures suggest that the number of available workers will increase by around 43,200 over the 24-year period 2012-36 (without any further reduction in unemployment), equivalent to an average of around 1,800 additional workers each year. However, there are a number of factors which should be considered when relating jobs to workers, particularly the issue of commuting:

Out-commuting: Based on 2011 Census commuting flows, 88.8% of working residents in Central Norfolk are also employed in the local area. This implies that 11.2% commute to jobs outside the area. Therefore, of the additional 36,200 workers projected to live in the area over 24 years (based on demographic projections using long-term migration trends) and the 7,000 unemployed people that have returned to work during the period, we would expect 38,400 (88.8%) would work locally and 4,800 (11.2%) would commute outside of the area. On this basis, we have assumed that the number of workers that out-commute from Central Norfolk to work elsewhere will increase by 4,800 over the 20-year period 2011-31.

In-commuting: at the time of the 2011 Census, 9.2% of jobs in Central Norfolk were filled by people travelling in from other authorities. Therefore, a jobs growth of 48,200 (1,810 per annum from the EEFM for 24 years) is likely to draw in 4,400 (9.2%) additional in-commuters; leaving 43,800 jobs that need to be filled by workers living in the area (again assuming no change in commuting patterns). There is therefore assumed to be an increase in net out-commuting of 400 workers.

It is also important to recognise that the jobs forecast by the EEFM include full-time and part-time work, and some workers may have more than one job. Whilst the EEFM model identified 290,700 jobs in the HMA in 2011, the number of workplace employed people was 281,000. Given that the jobs number was 3.5% higher than the number of workers, we can conclude that 3.5% of workers were “double jobbing”. If we assume this ratio of people holding more than one job continues (as is currently forecast), providing sufficient people for 43,800 additional jobs would need an extra 42,300 workers living in Central Norfolk.

When these factors are properly considered, we can conclude that the demographic projections (without any uplift for market signals) would provide 38,400 extra workers locally whereas 42,300 extra workers would be needed. There is therefore a shortfall of 3,900 workers based on the increase in jobs that is currently forecast.

Figure 91 shows the level of adjustment which would be required to the OAN to achieve a balance between jobs and workers within the HMA. The figures have been calculated by increasing the net in-migration to each local authority proportionately until there are sufficient workers across the HMA. Therefore, to
achieve a balance of workers and jobs on the basis of current EEFM forecasts would require the OAN to be 68,148 dwellings across the HMA for the period 2012-2036, or 2,840 dwelling per annum.

Figure 90: Projected households and dwellings over the 24-year period 2012-36 (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Households Growth 2012-2036</th>
<th>Market Signals response for concealed families and homeless households</th>
<th>Household response to balance of planned jobs and workers</th>
<th>Total Dwelling Need (including vacancies and second homes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breckland</td>
<td>12,631</td>
<td>270</td>
<td>685</td>
<td>14,313</td>
</tr>
<tr>
<td>Broadland</td>
<td>9,510</td>
<td>150</td>
<td>653</td>
<td>10,613</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>7,771</td>
<td>181</td>
<td>754</td>
<td>10,067</td>
</tr>
<tr>
<td>Norwich</td>
<td>15,293</td>
<td>155</td>
<td>493</td>
<td>16,792</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>15,036</td>
<td>126</td>
<td>659</td>
<td>16,363</td>
</tr>
<tr>
<td>Central Norfolk</td>
<td>60,241</td>
<td>882</td>
<td>3,245</td>
<td>68,148</td>
</tr>
</tbody>
</table>

Nevertheless, whilst the employment forecasts provide an important context for considering future jobs numbers, the housing numbers need to consider the targets for employment growth. The 20 year EEFM figure of 40,200 jobs includes 32,200 in the joint area of Broadland, Norwich and South Norfolk which represents a figure of 1,610 per annum. This is slightly higher than the objective set out in Policy 5 of the JCS for 27,000 more jobs, or 1,500 per annum.

However, certain Councils in the HMA (Broadland, Norwich, South Norfolk) have recently agreed a City Deal with ambitious plans for an additional 13,000 jobs and 3,000 homes by 2026. The 13,000 jobs are in addition to those in the Joint Core Strategy, so would in effect add 11,800 jobs to the EEFM projections (13,000 minus the difference between the EEFM projection and the JCS target). These 11,800 extra jobs would represent a significant shortfall in the number of workers in the area and would require a significant uplift in dwelling delivery to accommodate the extra workers.

In total therefore, the employment target policy for Central Norfolk over 24 years can be seen as the EEFM projection of 48,200 additional jobs, plus a further 11,800 jobs as part of the City Deal for Broadland, Norwich and South Norfolk giving a total of exactly 60,000 more jobs.

Repeating the calculation set out above the number of available workers will still increase by around 43,200 over the 24-year period 2012-36. However, there will be changes to the number of in-commuters and those with more than one job:

» **In-commuting**: a jobs growth of 60,000 is likely to draw in 5,500 additional in-commuters; leaving 54,500 jobs that need to be filled by workers living in the area. Alongside the rise for out-commuting of 4,800, there is therefore assumed to be a decrease in net out-commuting of 700 workers.
» Double Jobbing: if 54,500 additional jobs are to be filled by local workers and 3.5% of these have more than one job, this would need an extra 52,700 workers living in Central Norfolk.

Therefore, we can conclude that the demographic projections would provide 38,400 extra workers locally whereas 52,700 extra workers would be needed. **There is therefore a shortfall of 14,300 workers based on the increase in jobs that is currently being planned for in Central Norfolk.**

While this change is arguable a policy on jobs target and therefore forms part of the housing requirement, not the housing need, we have counted it as the jobs target for the area and therefore allowed it to form part of the OAN calculation. Figure 91 repeats the calculation shown in Figure 90 with an additional column to reflect the impact of the City Deal for Greater Norwich. In this case we have apportioned all of the extra dwelling need to the Greater Norwich authorities on the basis that they are the ones providing the jobs and receiving the funding from the scheme. The consequences of this further uplift to dwelling provision is that the OAN for Central Norfolk rises from 68,148 to 70,480 dwellings or 2,937 dwelling per annum.

**Figure 91: Projected households and dwellings over the 24-year period 2012-36 Including the City Deal (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)**

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Households Growth 2012-2036</th>
<th>Market Signals response for concealed families and homeless households</th>
<th>Response to balance planned jobs and workers</th>
<th>Response to the City Deal</th>
<th>Total Housing Need (including vacancies and second homes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breckland</td>
<td>12,631</td>
<td>270</td>
<td>685</td>
<td>-</td>
<td>14,313</td>
</tr>
<tr>
<td>Broadland</td>
<td>9,510</td>
<td>150</td>
<td>653</td>
<td>2,417</td>
<td>13,088</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>7,771</td>
<td>181</td>
<td>754</td>
<td>-</td>
<td>10,067</td>
</tr>
<tr>
<td>Norwich</td>
<td>15,293</td>
<td>155</td>
<td>493</td>
<td>2,947</td>
<td>19,928</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>15,036</td>
<td>126</td>
<td>659</td>
<td>2,698</td>
<td>19,153</td>
</tr>
<tr>
<td>Initial Study area (5 LA’s)</td>
<td>60,241</td>
<td>882</td>
<td>3,245</td>
<td>8,060</td>
<td>76,549</td>
</tr>
<tr>
<td>Norwich Policy Area</td>
<td>29,410</td>
<td>340</td>
<td>1,280</td>
<td>8,060</td>
<td>40,750</td>
</tr>
<tr>
<td>Greater Norwich</td>
<td>39,840</td>
<td>450</td>
<td>1,810</td>
<td>8,060</td>
<td>52,170</td>
</tr>
<tr>
<td>Functional Housing Market Area</td>
<td>55,110</td>
<td>770</td>
<td>2,900</td>
<td>8,060</td>
<td>70,480</td>
</tr>
</tbody>
</table>

**Conclusions on Jobs and Workers**

While demographic projections form the starting point for OAN calculations it is necessary to ensure a balance between future jobs and workers. It is clear that the evidence about future jobs is inconsistent with the evidence about likely future workers, and that there is a clear need for a response to ensure that workers and jobs balance.
To increase the number of workers resident in the area would require a higher level of net inward migration. We have placed two separate uplifts on the dwelling numbers for Central Norfolk, one which is spread between the five authorities to achieve balance with the EEFM target and a second uplift linked to the City Deal for Greater Norwich. Across Greater Norwich the City Deal results in an additional 8,060 dwellings over the 24 year period 2012-2036. This is considerably higher than the 3,000 additional homes planned as part of the City Deal.

It might be assumed that a larger population growth would also lead to a larger growth in out-commuting – however this would fundamentally be influenced by employment opportunities outside Central Norfolk, which are assumed to be the same in both scenarios. In practice, increasing the number of jobs available in Central Norfolk could actually reduce existing levels of out-commuting (given the better work prospects locally); however the alternative scenario to uplift for extra workers assumes no further change to either commuting flow.

**OAN for the Broads National Park Authority**

To this point the figures for the Broads NPA have been subsumed as part of the wider Central Norfolk HMA figures. However, it is possible to provide an abbreviated OAN model for the Broads based on available evidence.

The Broads are not included in any official population or household projections, but it is possible to estimate the indigenous change to the population and the net migration to the area to obtain population projections. We have been able to calculate migration statistics from the published data at a net 37 persons per year. The population projections can then be converted to household projections by using the weighted average headship rates for the Central Norfolk area.

If the Broads had a typical age profile and migration patterns as the rest of Central Norfolk we would expect its OAN to be around 1.0% of its existing dwelling stock per annum, which would represent a figure of around 30 dwelling per annum. However, as is shown in Figure 92 the projected dwelling requirement for the Broads is 253 for the period 2012-36 using long-term migration trends and 274 using jobs growth forecasts.

The key driver behind these low figures is that the population profile of the Broads is older which gives more deaths and fewer household formations. Given the ageing population this will generate a net population growth of around 25 persons per annum who need around 10-11 dwellings per annum. They are very low numbers, but reflect the age profile of the population.

**Figure 92: Projected population growth, households and dwellings over the 24-year period 2012-36 for the Broads NPA (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)**

<table>
<thead>
<tr>
<th></th>
<th>2012 -2036 population change</th>
<th>Household increase</th>
<th>Concealed Households</th>
<th>Dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ORS Model Using Long-term migration trends</strong></td>
<td>594</td>
<td>229</td>
<td>7</td>
<td>253</td>
</tr>
<tr>
<td><strong>Jobs led growth</strong></td>
<td>638</td>
<td>248</td>
<td>7</td>
<td>274</td>
</tr>
</tbody>
</table>

It is also possible to calculate the OAN for the Broads by local authority area. Much of the Broads NPA falls in Great Yarmouth and Waveney, which are outside of the Central Norfolk area. Figure 93 shows the distribution of the OAN by local authority area. Taking an example of North Norfolk, 62 dwellings identified...
are being needed in the Broads NPA area within North Norfolk over the period 2012-36. This is a total figure, not an annual rate. It is also part of the existing OAN for North Norfolk and should not be added to figures calculated earlier. Therefore, it is clear that the OAN for the Broads is very small and has only a marginal impact on meeting the needs of local authorities in the area.

Figure 93: Projected Dwellings needed for the Broads by Local Authority (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th></th>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
<th>Great Yarmouth</th>
<th>Waveney</th>
</tr>
</thead>
<tbody>
<tr>
<td>ORS Model Using Long-term migration trends</td>
<td>0</td>
<td>44</td>
<td>62</td>
<td>3</td>
<td>35</td>
<td>58</td>
<td>51</td>
</tr>
<tr>
<td>Jobs led growth</td>
<td>0</td>
<td>48</td>
<td>67</td>
<td>3</td>
<td>38</td>
<td>63</td>
<td>55</td>
</tr>
</tbody>
</table>

Size and Tenure Mix for Housing

Chapter Four identified that on the basis of providing for the ten year migration trend household projections a total of 31.85% future dwellings would require to be affordable housing. This equates to 19,900 affordable units across 24 years. However, the impact of the City Deal is that more dwellings are required in the market sector, so affordable housing will fall to become 26% of the OAN figure.

Figure 94 and Figure 95 provide more details on the affordable and market needs by dwelling size. They also shows a significant requirement for detached housing. For affordable housing, the largest need is for two and three bedroom houses. We have included figures for the Norwich Policy Area as this is an established planning area representing joint working across three local authorities.

Figure 94: Size and Tenure Mix for Objectively Assessed Need Dwellings 2012-2036 (Source: ORS Housing Model. Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Dwellings</th>
<th>Initial Study area (5 LAs)</th>
<th>Norwich Policy Area</th>
<th>Core HMA</th>
<th>Greater Norwich</th>
<th>Functional Housing Market Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKET HOUSING</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>1,920</td>
<td>1,640</td>
<td>4,030</td>
<td>1,770</td>
<td>1,900</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>2,370</td>
<td>2,030</td>
<td>17,110</td>
<td>2,160</td>
<td>2,340</td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>6,090</td>
<td>3,920</td>
<td>4,790</td>
<td>5,050</td>
<td>5,880</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>34,390</td>
<td>16,740</td>
<td>1,110</td>
<td>31,380</td>
<td>22,200</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>9,450</td>
<td>4,710</td>
<td>1,640</td>
<td>8,760</td>
<td>7,320</td>
</tr>
<tr>
<td>5+ bedrooms</td>
<td>2,450</td>
<td>1,100</td>
<td>2,030</td>
<td>2,230</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>56,700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30,100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30,714</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>39,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>52,500</td>
</tr>
<tr>
<td>AFFORDABLE HOUSING</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedrooms</td>
<td>2,240</td>
<td>1,640</td>
<td>2,340</td>
<td>1,880</td>
<td>2,140</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>2,200</td>
<td>1,770</td>
<td>4,090</td>
<td>1,850</td>
<td>2,110</td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>5,570</td>
<td>2,290</td>
<td>880</td>
<td>4,930</td>
<td></td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>8,190</td>
<td>4,050</td>
<td>1,640</td>
<td>7,320</td>
<td></td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>1,660</td>
<td>870</td>
<td>1,770</td>
<td>1,490</td>
<td></td>
</tr>
<tr>
<td>Total Affordable Housing</td>
<td>19,900</td>
<td>10,600</td>
<td>10,720</td>
<td>12,700</td>
<td>18,000</td>
</tr>
<tr>
<td>Total Housing</td>
<td>76,500</td>
<td>40,700</td>
<td>41,430</td>
<td>52,200</td>
<td>70,500</td>
</tr>
</tbody>
</table>
Figure 95: Size and Tenure Mix for Objectively Assessed Need Dwellings 2012-2036 by Local Authority (Source: ORS Housing Model. Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Dwellings</th>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MARKET HOUSING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>-</td>
<td>200</td>
<td>200</td>
<td>1,400</td>
<td>300</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>-100</td>
<td>100</td>
<td>300</td>
<td>1,800</td>
<td>300</td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>200</td>
<td>1,700</td>
<td>900</td>
<td>1,700</td>
<td>1,700</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>6,900</td>
<td>6,600</td>
<td>5,200</td>
<td>6,600</td>
<td>9,000</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>1,600</td>
<td>1,900</td>
<td>1,000</td>
<td>1,100</td>
<td>3,500</td>
</tr>
<tr>
<td>5+ bedrooms</td>
<td>600</td>
<td>400</td>
<td>300</td>
<td>300</td>
<td>1,000</td>
</tr>
<tr>
<td>Total</td>
<td>9,200</td>
<td>10,900</td>
<td>7,800</td>
<td>12,900</td>
<td>15,700</td>
</tr>
<tr>
<td><strong>AFFORDABLE HOUSING</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedrooms</td>
<td>400</td>
<td>200</td>
<td>200</td>
<td>1,600</td>
<td>500</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>300</td>
<td>-</td>
<td>100</td>
<td>1,700</td>
<td>200</td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>1,700</td>
<td>1,000</td>
<td>900</td>
<td>900</td>
<td>1,300</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>2,400</td>
<td>800</td>
<td>900</td>
<td>2,500</td>
<td>1,300</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>200</td>
<td>100</td>
<td>100</td>
<td>300</td>
<td>200</td>
</tr>
<tr>
<td>Total Affordable Housing</td>
<td>5,100</td>
<td>2,200</td>
<td>2,200</td>
<td>7,000</td>
<td>3,400</td>
</tr>
<tr>
<td>Total Housing</td>
<td>14,300</td>
<td>13,100</td>
<td>10,100</td>
<td>19,900</td>
<td>19,200</td>
</tr>
</tbody>
</table>

Affordable Rent Levels and Housing Need

5.94 A key issue for an area such as Central Norfolk is how affordable rents can help to meet the needs of those households who cannot afford to meet their own housing costs. Figure 96 shows median weekly rents for 2013/14 for Central Norfolk. These can be used to calculate potential affordable rents.

Figure 96: Median Weekly Rent Values in Central Norfolk (Source: Valuation Office Agency)

<table>
<thead>
<tr>
<th></th>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>£95.31</td>
<td>£103.38</td>
<td>£98.08</td>
<td>£111.92</td>
<td>£103.85</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£121.15</td>
<td>£129.69</td>
<td>£121.15</td>
<td>£132.69</td>
<td>£126.92</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£150.00</td>
<td>£150.00</td>
<td>£150.00</td>
<td>£160.38</td>
<td>£150.00</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£219.23</td>
<td>£206.54</td>
<td>£190.38</td>
<td>£253.85</td>
<td>£201.92</td>
</tr>
</tbody>
</table>

5.95 Figure 97 shows potential affordable rents in Central Norfolk by bedroom size using 80% of market rents. This shows that at 80% of market rents, a four bedroom property will still cost between £152 and £204 per week. In the context of current benefit caps for non-working households of £500 per week this is still likely to be affordable, but should be remembered that the benefit cap is set to fall from £26,000 per annum to £20,000 per annum outside of London. It should also be noted that potential affordable rents linked to market rents are subject to change over time and if market rents rise then affordable rents will also rise.
Figure 97: Potential Affordable rent Values in Central Norfolk (Source: Valuation Office Agency)

<table>
<thead>
<tr>
<th></th>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>£76.25</td>
<td>£82.71</td>
<td>£78.46</td>
<td>£89.54</td>
<td>£83.08</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£96.92</td>
<td>£103.75</td>
<td>£96.92</td>
<td>£106.15</td>
<td>£101.54</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£120.00</td>
<td>£120.00</td>
<td>£120.00</td>
<td>£128.31</td>
<td>£120.00</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£175.38</td>
<td>£165.23</td>
<td>£152.31</td>
<td>£203.08</td>
<td>£161.54</td>
</tr>
</tbody>
</table>

Figure 98 shows the level of income required to be able to afford rents which are set at 80% market rents in Central Norfolk under an assumption that household devote 25% of their household income to housing costs. This requires an income of over £15,000 to be able to afford a one bedroom affordable rent property at 80% market rents. A four bedroom property would require an income of at least £32,000.

Figure 98: Income Required to Afford 80% Market Rents in Central Norfolk (Source: Valuation Office Agency and ORS)

<table>
<thead>
<tr>
<th></th>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>£15,859</td>
<td>£17,203</td>
<td>£16,320</td>
<td>£18,624</td>
<td>£17,280</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£20,160</td>
<td>£21,581</td>
<td>£20,160</td>
<td>£22,080</td>
<td>£21,120</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£24,960</td>
<td>£24,960</td>
<td>£24,960</td>
<td>£26,688</td>
<td>£24,960</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£36,480</td>
<td>£34,368</td>
<td>£31,680</td>
<td>£42,240</td>
<td>£33,600</td>
</tr>
</tbody>
</table>

5.96 From the above calculations it is clear that affordable rent properties in Central Norfolk set at 80% of market rents are going to be affordable to anyone with relatively modest incomes. However, to begin to address the needs of households who are identified as requiring social rent it is also the case that the cost of the rents must fall within housing benefit thresholds for an area.

Figure 99 shows the Local Housing Allowance (LHA) rates for the Central Norfolk BRMA, for Bury St Edmunds BRMA, which contains a significant part of Breckland and for King’s Lynn BRMA, which includes part of North Norfolk. Comparing these figures with those in Figure 97 show that almost all of the affordable rents set at 80% of market rents in Central Norfolk would be covered by the LHA rate. Therefore, they would be affordable to those in receipt of housing benefit.

Figure 99: Local Housing Allowance Rate in Central Norfolk BRMA, Kings Lynn and Bury St Edmunds BRMA in 2015 (Source: Valuation Office Agency)

<table>
<thead>
<tr>
<th></th>
<th>Central Norfolk</th>
<th>Bury St Edmunds</th>
<th>King’s Lynn</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>£92.98</td>
<td>£102.25</td>
<td>£90.64</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>£116.52</td>
<td>£126.31</td>
<td>£112.21</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£135.36</td>
<td>£150.36</td>
<td>£129.47</td>
</tr>
<tr>
<td>4 or more bedrooms</td>
<td>£184.11</td>
<td>£216.00</td>
<td>£163.16</td>
</tr>
</tbody>
</table>
5.99 It is possible to calculate the affordability of social and affordable rent properties to households who require affordable housing. In Figure 100 we have made the following assumptions:

» Households can spend up to 25% of their incomes on rents in Figure 100 and 35% of the gross incomes on rent in Figure 101;
» Affordable rents are set at 80% of median market rents; and
» Households who can afford the 80% of market rents, but not 100% market rents effectively comprise the intermediate housing need.

5.100 The overall results clearly indicate that the vast majority of households who require affordable housing cannot afford existing target social rents. Therefore, their needs have been assigned to social rent, but they would require housing benefit to help with the housing costs. However, a smaller number of households can afford more than target rents and around 15% of those who require affordable housing can afford to meet the costs of affordable rents. This group therefore can be considered as intermediate housing need.

Figure 100: Affordability of Social and Affordable Rent by Local Planning Authority Using 25% Gross Income for Rents (Source: ORS Housing Model. Note: figures may not sum due to rounding and figures marked – are less than 100 dwellings)

<table>
<thead>
<tr>
<th>Dwellings</th>
<th>Unable to afford Target rent</th>
<th>Unable to afford &quot;affordable rent&quot; but can afford target rent</th>
<th>Able to afford &quot;Affordable rents&quot;</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Breckland</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>300</td>
<td>-</td>
<td>100</td>
<td>400</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>200</td>
<td>-</td>
<td>100</td>
<td>300</td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>1,200</td>
<td>100</td>
<td>400</td>
<td>1,700</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>1,600</td>
<td>400</td>
<td>400</td>
<td>2,400</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>200</td>
<td>100</td>
<td>0</td>
<td>200</td>
</tr>
<tr>
<td>Total</td>
<td>3,500</td>
<td>700</td>
<td>900</td>
<td>5,100</td>
</tr>
<tr>
<td><strong>Broadland</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedrooms</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>800</td>
<td>-</td>
<td>100</td>
<td>1,000</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>600</td>
<td>100</td>
<td>100</td>
<td>800</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>1,800</td>
<td>100</td>
<td>300</td>
<td>2,200</td>
</tr>
<tr>
<td><strong>North Norfolk</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 bedrooms</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>200</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>House</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>700</td>
<td>100</td>
<td>100</td>
<td>900</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>700</td>
<td>100</td>
<td>100</td>
<td>900</td>
</tr>
<tr>
<td>4+ bedrooms</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>1,700</td>
<td>200</td>
<td>200</td>
<td>2,200</td>
</tr>
<tr>
<td><strong>Norwich</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwelling</td>
<td>1 bedrooms</td>
<td>2 bedrooms</td>
<td>3 bedrooms</td>
<td>4+ bedrooms</td>
</tr>
<tr>
<td>-----------</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Flat</td>
<td>1,500</td>
<td>700</td>
<td>1,800</td>
<td>200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,400</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,400</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>1,600</td>
<td>100</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>South Norfolk</td>
<td>500</td>
<td>100</td>
<td>900</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>1,300</td>
<td>-</td>
<td>200</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2,400</td>
<td>300</td>
<td>700</td>
<td>200</td>
</tr>
</tbody>
</table>

Figure 10: Affordability of Social and Affordable Rent by Local Planning Authority Using 35% Gross Income for Rents (Source: ORS Housing Model. Note: figures may not sum due to rounding and figures marked – are less than 100 dwellings)
### Shared Ownership and Low Cost Home Ownership: Potential Market Size

5.101 It is also important to consider the role of other affordable housing products in Central Norfolk. This section concentrates upon the potential role which could be played by shared ownership and low cost home ownership (LCHO) dwellings in meeting the overall housing needs of the area.

5.102 We would note at the outset that as well as potentially helping households who are unable to afford market housing, both shared ownership and LCHO dwellings are often more affordable to those who can meet their own costs in the private rented sector, but who cannot afford to become owner occupiers. Therefore, they are helping to address market housing needs much more than affordable needs by allowing private renters to access owner occupation. However, it should be noted that the NPPF at paragraph 50 states that plan makers should seek:

> ‘To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities’

5.103 Therefore, the NPPF very specifically seeks to encourage home ownership and shared ownership and LCHO can be seen as playing a role in this alongside other government polices such as Help to Buy.

5.104 To understand the potential role of shared ownership and LCHO in helping to address housing needs, we firstly need to understand how the housing market is operating. Figure 102 shows the tenure pattern for Central Norfolk at the time of the 2011 Census.

5.105 Clearly, private rented rates are below the national average, with the exception of Norwich. However, a larger private rented sector alone cannot be taken as evidence of more households who could potentially benefit from shared ownership and LCHO. For example, areas with larger student populations like Norwich will typically have larger private rented sectors and students will not typically qualify for intermediate housing.
Table 1: Tenure in 2011 (Source: UK Census of Population 2011)

<table>
<thead>
<tr>
<th>Authority</th>
<th>Owned</th>
<th>Shared Ownership</th>
<th>Social rented</th>
<th>Private rented</th>
<th>Living rent free</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breckland</td>
<td>68.6%</td>
<td>0.6%</td>
<td>13.8%</td>
<td>15.2%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Broadland</td>
<td>79.4%</td>
<td>0.6%</td>
<td>8.6%</td>
<td>10.3%</td>
<td>1.1%</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>70.1%</td>
<td>0.4%</td>
<td>12.8%</td>
<td>14.5%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Norwich</td>
<td>43.8%</td>
<td>0.7%</td>
<td>32.7%</td>
<td>21.7%</td>
<td>1.1%</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>74.9%</td>
<td>1.0%</td>
<td>11.3%</td>
<td>11.2%</td>
<td>1.6%</td>
</tr>
<tr>
<td>England</td>
<td>63.3%</td>
<td>0.8%</td>
<td>17.7%</td>
<td>16.8%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Figure 103 shows that change in the owner occupation and private rented rates across Central Norfolk in the period 2001-2011. It is clear that for all authorities the fall in owner occupation rates has been below the national average and that the growth in the private rented sector, with the exception of Norwich, is also below the national average.

Table 2: Tenure Change from 2001 to 2011 (Source: UK Census of Population 2001 and 2011)

<table>
<thead>
<tr>
<th>Authority</th>
<th>Change in percentage owned occupied</th>
<th>Change in percentage private rented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breckland</td>
<td>-4.2%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Broadland</td>
<td>-3.2%</td>
<td>3.4%</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>-1.0%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Norwich</td>
<td>-4.6%</td>
<td>8.4%</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>-2.8%</td>
<td>3.5%</td>
</tr>
<tr>
<td>England</td>
<td>-4.7%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

The composition of the private rented sector is also important in assessing the potential role of shared ownership and LCHO in helping households into owner occupation. An area where the private rented sector is dominated by households who are claiming housing benefit in the private rented sector will have far lower capacity for helping households into owner occupation. In these cases the private rented sector is not accommodating households who would have moved on to owner occupation in the past, but is instead accommodating households whose needs are more likely to be social rent.

Similarly, student households in the private rented sector would typically not qualify for shared ownership or LCHO products and therefore shouldn’t be considered as potential purchasers.

Figure 104 takes this analysis forward to show the physical size of the private rented sector in each local authority when tenants in receipt of housing benefit and students are excluded. In total it is estimated that there are over 26,700 non student households who are paying their rent without support from housing benefit in the private rented sector in Central Norfolk. Therefore, there are 26,700 household who aren’t...
students and who are paying their private rents without government assistance. These households represent a group who could potentially benefit from shared ownership and LCHO.

Figure 104: Size of the Private Rent Sector by Local Authority (Source: UK Census of Population 2011 and DWP Benefit Statistics May 2011)

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Total private rented sector</th>
<th>Student households in private rent</th>
<th>Housing benefit tenants in private rent</th>
<th>All other private rent households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breckland</td>
<td>8,294</td>
<td>3</td>
<td>2,580</td>
<td>5,711</td>
</tr>
<tr>
<td>Broadland</td>
<td>5,519</td>
<td>2</td>
<td>1,590</td>
<td>3,927</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>6,664</td>
<td>0</td>
<td>2,370</td>
<td>4,294</td>
</tr>
<tr>
<td>Norwich</td>
<td>13,089</td>
<td>1,356</td>
<td>2,980</td>
<td>8,753</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>5,916</td>
<td>5</td>
<td>1,840</td>
<td>4,071</td>
</tr>
<tr>
<td>England</td>
<td>3,715,924</td>
<td>112,364</td>
<td>1,371,390</td>
<td>2,232,170</td>
</tr>
</tbody>
</table>

Figure 105 shows the potential size of the market for shared ownership and LCHO products in Central Norfolk. For the calculations we assumed that owner occupation rates were held constant at their 2001 levels and then compared this with the actual number of owner occupiers in 2011 in each local authority. If owner occupation rates had been held constant at 2001 rates then there would have been 8,150 more owner occupiers in 2011 in Central Norfolk than was the case.

Figure 105: Additional Owner Occupiers in 2011 using 2001 Owner Occupation Rate (Source: UK Census of Population 2011. Note: Shared Ownership has been included in owner occupation)

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Total private rented sector</th>
<th>Student households in private rent</th>
<th>Housing benefit tenants in private rent</th>
<th>Other private rent households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td>Would-be owners</td>
</tr>
<tr>
<td>Breckland</td>
<td>8,294</td>
<td>3</td>
<td>2,580</td>
<td>2,179</td>
</tr>
<tr>
<td>Broadland</td>
<td>5,519</td>
<td>2</td>
<td>1,590</td>
<td>1,654</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>6,664</td>
<td>0</td>
<td>2,370</td>
<td>377</td>
</tr>
<tr>
<td>Norwich</td>
<td>13,089</td>
<td>1,356</td>
<td>2,980</td>
<td>2,647</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>5,916</td>
<td>5</td>
<td>1,840</td>
<td>1,295</td>
</tr>
<tr>
<td>England</td>
<td>3,715,924</td>
<td>112,364</td>
<td>1,371,390</td>
<td>1,002,519</td>
</tr>
</tbody>
</table>

Therefore, these households can be seen as households who are currently renting privately, but who would previously have been owner occupiers. These households all represent households who could potentially benefit from shared ownership or LCHO and therefore there is strong potential for these products in Central Norfolk. We wish to stress that these households typically do not meet the definition of those in need of intermediate housing because they are able to afford to meet the costs of market rents, but as a policy option the households may consider shared ownership as being preferable to renting privately.
Housing Backlog

5.112 The Planning Advisory Service Good Plan Making Guide identifies that the SHMA should “re-set the clock” and provide a new baseline assessment of all housing need. However, the SHMA must take account of ‘backlog’: any unmet need for housing that exists at the start of the plan period.

“Having an up-to-date, robust Strategic Housing Market Assessment should re-set the clock, and therefore carrying forward under-provision from a previous plan period would be ‘double counting’. Make sure however that the Strategic Housing Market Assessment takes account of ‘backlog’ which is unmet need for housing that still exists at the start of the new plan period (for example, the needs of the homeless and other households living in unacceptable accommodation). The Strategic Housing Market Assessment should show all those in need. It is therefore vitally important to have a properly done Strategic Housing Market Assessment that has the right scope.” (page 49)

5.113 This SHMA has fully considered the unmet needs of homeless and other households living in unacceptable accommodation that will exist at the start of the new Plan period. However, it is also important to recognise that the SHMA identifies all housing need from a baseline date of 2012, which may not the same base date as future plans for the five authorities. It is therefore necessary to identify the extent of any under-provision during the period from 2012 based on the housing need identified by the SHMA, as this will also represent an unmet need for housing at the start of the new Plan period.

5.114 The impact of this adjustment will be to phase the projected growth slightly differently to the demographic projections, but it will not change the overall number of dwellings needed over the period to 2036 or the projected population and number of workers previously counted. Nevertheless, housing delivery rates will need to increase – and this is likely to impact on market signals, as these indicators reflect current housing supply.

Conclusions

5.115 While demographic projections form the starting point for Objectively Assessed Need calculations, it is necessary to assess market signals to determine if a higher rate of housing delivery is required in the housing market area to address housing market problems.

5.116 On the basis of the Market Signals and the need to balance workers and jobs, we can conclude that the Objectively Assessed Need for the HMA should be increased. Therefore the SHMA identifies an Objectively Assessed Need for 70,480 dwellings over the 24-year period 2012-36, or 76,550 dwellings for the 5 authorities combined. This represents a 20% increase above the demographic trends for the area which is largely due to the impact of the additional jobs planned as part of the City Deal for Greater Norwich. The additional dwellings will also provide more affordable housing helping to ensure that the need for affordable housing is met. If the OAN figures are delivered, affordable housing is 26% of the total across the 5 authorities.

5.117 Figure 106 shows the total and annual OAN by local authority and planning area. Figure 107 shows the size and tenure mix by local authority using 25% of gross income being spent on rents.

---

Figure 106: Projected dwellings over the 24-year period 2012-36 including the City Deal (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th></th>
<th>Norwich Policy Area</th>
<th>Core HMA</th>
<th>Elsewhere in Greater Norwich</th>
<th>Elsewhere in Central Norfolk Functional HMA</th>
<th>Areas outside the Central Norfolk Functional HMA</th>
<th>OVERALL TOTAL</th>
<th>Greater Norwich Total</th>
<th>Central Norfolk Functional HMA Total</th>
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<tbody>
<tr>
<td><strong>Total 2012-2036</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td>19,928</td>
<td>19,928</td>
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<td>13,088</td>
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<td>19,153</td>
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<td>-</td>
<td>10,142</td>
<td>4,193</td>
<td>14,335</td>
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<td>10,021</td>
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<td>18,313</td>
<td>6,043</td>
<td>76,527</td>
<td>52,170</td>
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<td><strong>Annual Average by Authority</strong></td>
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<td>77</td>
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<tr>
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<td>763</td>
<td>252</td>
<td>3,189</td>
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<td>2,937</td>
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<table>
<thead>
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<th></th>
<th>1 bed</th>
<th>2 Bed</th>
<th>3 bed</th>
<th>4+bed</th>
<th>Total</th>
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</thead>
<tbody>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Market</td>
<td>-</td>
<td>100</td>
<td>6,900</td>
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<td>9,200</td>
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<tr>
<td>Intermediate/Affordable Rent</td>
<td>100</td>
<td>500</td>
<td>400</td>
<td>-</td>
<td>900</td>
</tr>
<tr>
<td>Social Rent (25% of income)</td>
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<td>1,500</td>
<td>2,000</td>
<td>300</td>
<td>4,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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</tr>
<tr>
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<td>1,800</td>
<td>6,600</td>
<td>2,300</td>
<td>10,900</td>
</tr>
<tr>
<td>Intermediate/Affordable Rent</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>-</td>
<td>300</td>
</tr>
<tr>
<td>Social Rent (25% of income)</td>
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<td><strong>Total</strong></td>
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<td></td>
<td></td>
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<tr>
<td>Market</td>
<td>200</td>
<td>1,200</td>
<td>5,200</td>
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</tr>
<tr>
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<td>100</td>
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<tr>
<td>Social Rent (25% of income)</td>
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<td>1,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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<td>6,100</td>
<td>9,200</td>
<td>1,700</td>
<td>10,100</td>
</tr>
<tr>
<td><strong>Norwich</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Market</td>
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<td>3,500</td>
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<td>100</td>
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<td>400</td>
<td>-</td>
<td>800</td>
</tr>
<tr>
<td>Social Rent (25% of income)</td>
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<td>2,300</td>
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<td>6,300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,000</td>
<td>6,100</td>
<td>9,200</td>
<td>1,700</td>
<td>19,900</td>
</tr>
<tr>
<td><strong>South Norfolk</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market</td>
<td>300</td>
<td>2,000</td>
<td>9,000</td>
<td>4,500</td>
<td>15,700</td>
</tr>
<tr>
<td>Intermediate/Affordable Rent</td>
<td>-</td>
<td>300</td>
<td>300</td>
<td>-</td>
<td>700</td>
</tr>
<tr>
<td>Social Rent (25% of income)</td>
<td>500</td>
<td>1,100</td>
<td>1,000</td>
<td>100</td>
<td>2,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>800</td>
<td>3,400</td>
<td>10,300</td>
<td>4,600</td>
<td>19,200</td>
</tr>
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Central Norfolk SHMA

Strategic Housing Market Assessment 2015

Report of Findings: Part 2

Draft 11 September 2015

Opinion Research Services

September 2015
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6. Introduction

Introduction

6.1 Part One of the Central Norfolk SHMA report addresses the key issues of the Housing market Area and Objectively Assessed needs for the area. This Part Two Report accompanies Part One of the SHMA, and considers other features of the Housing Market Area which were included in the original Brief for the Project. These include:

- Private Rented Sector;
- Houses in Multiple Occupation;
- Changing Market: Buy to Let and First Time Buyers, Buy to Leave Empty, Let to Buy;
- Self Build;
- Older People’s Housing Requirements;
- Class C2;
- Households with Specific Needs;
- Student Housing;
- Welfare Reform;
- Right to Buy;
- Demand versus Supply;
- Service Families;
- Other Needs;
- Local Policy and Strategy Context; and
- Stakeholder Engagement.
7. How should the needs for all types of housing be addressed?

Introduction

7.1 NPPG (Paragraph 021) sets out how the need for certain types of housing and the needs of different groups need to be considered:

How should the needs for all types of housing be addressed?

Once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size. Plan makers should therefore examine current and future trends of:

» the proportion of the population of different age profile;
» the types of household (eg singles, couples, families by age group, numbers of children and dependents);
» the current housing stock size of dwellings (eg one, two+ bedrooms);
» the tenure composition of housing.

This information should be drawn together to understand how age profile and household mix relate to each other, and how this may change in the future. When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile eg increasing the number of working age people.

Plan makers should look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs.

National Planning and Policy Guidance (2014; revised 2015)
Proportion of the Population of Different Age Profile

When compared to England, Central Norfolk (CN) has a different age profile: there are more older people aged over 60 (except Norwich, which has a larger young adult population; this could be for a variety of reasons – students, job opportunities, affordability etc). North Norfolk has a markedly older age profile than other CN authorities.

Figure 90: Age Profiles for Central Norfolk Compared with the East of England and England (Source: UK Census of Population 2011)
Figure 91: Ten Year Difference in Age Profiles for Central Norfolk, East of England and England (Source: UK Census of Population 2001 and 2011)

(Note: charts show change 2001-11 in age cohort as percentage of total population)
Types of Household

In terms of numbers of people in a household, the trend within the HMA from 2001 to 2011 is for a small increase in one person households and reduction in multi-person households. However, this is not uniform across the HMA – for example, North Norfolk has seen a reduction in three person households while other authorities have seen an increase; Breckland has seen a reduction in one person households while other authorities have seen an increase.

Current Housing Stock Size of Dwellings

There is relatively little difference in the property type profile within the HMA between 2001 and 2011. One area of expansion to note is in purpose built flats which have expanded their relative ‘share’ in all authorities. This is a market delivery response which presumably reflects both existing policy and developer perceptions of the market; however, one other market feature to note is that new or nearly new properties are often bought by investors to rent out privately.
Tenure Composition of Housing

7.5 The dominant form of housing tenure in Central Norfolk is owner occupation, although the proportion of housing in this tenure has declined relatively by 4.4% since 2001. In the same period, the private rented sector has grown significantly to 16.3%, although at a lower relative rate than the East of England and England. Affordable housing is also declining slightly relative to other tenures.

7.6 The highest private rented sector growth is in Norwich (7.9%); higher than East of England and England.
The private rented sector (PRS) does not contribute significantly to new housing supply; there is, however, considerable current interest in attracting investment to boost new build PRS supply, particularly from Government.

Figure 94: Household Tenure by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free)

Drawing it all together

NPPG Paragraph 21 goes on to say:

This information should be drawn together to understand how age profile and household mix relate to each other, and how this may change in the future. When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people. Plan makers should look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs.

The changing demography of the HMA and the subsequent implications for housing need are explored in the separate chapters on demographic projections (Chapter Three), affordable housing need (Chapter Four) and objectively assessed need (Chapter Five) and are not considered here.

---

1 Review of the Barriers to Institutional Investment in Private Rented Homes; Montague Review
However, there are issues around the need for certain types of housing which have implications for the HMA future and these issues are explored below.

Need for Certain Types of Housing

In Paragraph 021, PPG sets out what needs to be done to identify ‘the need for certain types of housing and the needs of different groups’. These groups are:

- The private rented sector
- People wishing to build their own homes
- Family Housing
- Housing for Older People
- Households with Specific Needs
- Student Housing (since PPG Revision March 2015)

Private Rented Sector (PRS)

Private Rented Housing has become a significant part of the national housing offer; further, many households with housing need are now meeting those needs in the sector. Paragraph 020 recognises this:

‘Tenure data from the Office of National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. Market signals in the demand for private rented sector housing could be indicated from a change in rents. Evidence can also be sourced from the English Housing Survey, which will provide at national level updated information on tenure trends, Office of National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources’.

This section considers the Private Rented Sector (PRS) in Central Norfolk. It looks at the sector in terms of how it is growing, who lives there and the property types and households who make their home in the sector. The study also considers potential within the sector for new housing supply.

Overall, the Government sees the growth in the PRS as positive; it offers a flexible form of tenure and meets a wide range of housing needs. Further, ‘it contributes to greater labour market mobility and is increasingly the tenure of choice for young people’\(^2\). Continued policy support and investment programmes (e.g. Build to Rent) for expansion of the sector seems likely.

Note: Students and their impact on the market are considered separately in this Chapter following the change in NPPG March 2015.

The Sector Nationally

7.15 PRS size is relatively uniform in England (but higher in London): the proportion of households living in the PRS is relatively uniform across the English regions, although considerably higher in London.

7.16 Most PRS landlords have small portfolios: 89% of PRS landlords are private individuals, accounting for 71% of all PRS dwellings. 78% of all landlords own a single dwelling for rent – 40% of the total PRS housing stock. Only 5% of landlords were companies, accounting for 15% of PRS stock. The majority of new entrants to the market in recent years have been individuals (often ‘accidental’ landlords unable to sell).

National Level Data on Tenure Trends

English Housing Survey

7.17 The English Housing Survey\(^5\) 2013-14 identified that 19% (4.4 million) of households were renting from a private landlord, up from 18% in 2012-13 and 11% in 2003. The proportion of households renting social housing remained steady at 17% (3.9 million). 63% (14.3 million) were owner occupiers.

7.18 Young households aged 25-34 were more likely (48%) to be renting privately than buying a home, up from 45% in 2012-13 and 21% in 2003-04. Owner occupation in this age group dropped from 59% to 36% over the same 10 years.

7.19 In 2013-14, the average length of residence for private renters was 3.5 years, compared with 11.5 years for social renters and 17.1 years for owner occupiers. 35% of private renters had been in their home for less than a year.

Intermediary Mortgage Lenders Association

7.20 The sector is expected to increase in size in coming years; possibly to increase its market share to 35% nationally. Indeed, more than a third of all households could rent privately within two decades – twice as many as today.

---

\(^3\) Birmingham University’s Centre on Housing Assets and Savings Management (CHASM) (December 2013)
\(^4\) CLG Private Landlords Survey 2010
\(^6\) http://news.rla.org.uk/rpi-rent-revolution/
Figure 95: UK household tenure projections to 2032 (Source: DCLG/IMLA)

<table>
<thead>
<tr>
<th>Year</th>
<th>Owner-occupied units (thousands)</th>
<th>% of total</th>
<th>Private rented units (thousands)</th>
<th>% of total</th>
<th>Social rented units (thousands)</th>
<th>% of total</th>
<th>Total units (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>18,206</td>
<td>68.0</td>
<td>3,606</td>
<td>13.5</td>
<td>4,886</td>
<td>18.3</td>
<td>26,698</td>
</tr>
<tr>
<td>2012</td>
<td>17,835</td>
<td>64.2</td>
<td>4,920</td>
<td>17.7</td>
<td>4,936</td>
<td>17.8</td>
<td>27,691</td>
</tr>
<tr>
<td>2017f</td>
<td>17,445</td>
<td>61.1</td>
<td>6,106</td>
<td>21.4</td>
<td>4,996</td>
<td>17.5</td>
<td>28,584</td>
</tr>
<tr>
<td>2022f</td>
<td>17,064</td>
<td>57.5</td>
<td>7,578</td>
<td>25.5</td>
<td>5,058</td>
<td>17.0</td>
<td>29,700</td>
</tr>
<tr>
<td>2032f</td>
<td>16,326</td>
<td>49.2</td>
<td>11,672</td>
<td>35.2</td>
<td>5,182</td>
<td>15.6</td>
<td>33,181</td>
</tr>
</tbody>
</table>

Source: DCLG / IMLA

Private Sector Rents

7.21 The Index for PRS rents (below) shows rents in East of England were increasing faster than England (both including and not including London) in 2006. This trend has now reversed; increases are now below England (both including and not including London) in 2014.

7.22 However, overall, rents are still rising despite periodic market adjustments.

Figure 96: Index of Private Housing Rental Prices (Source: ONS Index of Private Housing Rental Prices)
Homelet Rental Index

7.23 The Homelet Rental Index\(^7\) gives regional trends in rents and indicates that rents went up by 6% for the year ending March 2015 for properties in the East of England. Average rents in the three months ending March 2015 were £769.

Central Norfolk

Rents

7.24 Rental trends are upwards for all property sizes in Central Norfolk since 2010/11 indicating demand exceeds supply. However, again, the average rents in Central Norfolk are relatively lower than East of England and England.

7.25 Median monthly rents in Central Norfolk are generally below those for East of England and England. However, there is an exception for Norwich for three and four bedroom properties, where median rents are equivalent to or higher than East of England and England.

Figure 97: Median Monthly Rents in Central Norfolk (Source: Valuation Office Agency 2010-2013)

Growth in the PRS

7.26 The dominant form of housing tenure in Central Norfolk continues to be owner occupation, although the sector has declined relatively by 3.1% since 2001. In the same period, the private rented sector has grown significantly to 16.3%, although at a lower relative rate than the East of England.

\(^7\) http://homelet.co.uk/assets/documents/M3692-March-2015-HomeLet-Rental-Index-14.04.15.pdf
England and England. Affordable housing is also declining relative to other tenures and is now the same proportion of housing as the PRS.

7.27 Largest private rented sector growth since 2001 is in Norwich (7.9%); higher than East of England and England, while the lowest is in North Norfolk (1.8%).

7.28 Changes in tenure indicate that the private rented sector is growing locally via the conversion of other tenures rather than through new specialist stock being built. PRS does not contribute significantly to new housing supply in the HMA; there is, however, considerable Government interest in attracting investment to boost new build PRS supply\(^8\). This issue is considered later in the Chapter.

Figure 98: Household Tenure by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free)

\(^{8}\) Review of the Barriers to Institutional Investment in Private Rented Homes; Montague Review
Rates of change by Local Authority

7.29 The rate of change in the PRS shows the sector has grown relatively by 33.7% (2001-11), with a rate of growth in Norwich (53.5%) that is higher than the England and East of England.

Figure 99: % Change in Private Rented Properties from 2001-11 by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free)

Households

7.30 In terms of numbers of people in a household, overall the trend from 2001 to 2011 is for a reduction in one person households and an increase in multi-person households.

7.31 By comparing Census 2001 and 2011 we can show relative change in household size. Overall, the trend is toward more people in households in the HMA. The main household increase in Norwich is for non-family multi person households indicating increasing numbers of sharers especially in Houses in Multiple Occupation (HMOs). Elsewhere, Breckland and Broadland have seen growth in the number of three person households, with falls in the number of one person households. South Norfolk has seen growth in both two and three person households but reductions in one person households.
<table>
<thead>
<tr>
<th></th>
<th>One</th>
<th>Two</th>
<th>Three</th>
<th>Four</th>
<th>Five or more</th>
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<tr>
<td></td>
<td>2011</td>
<td>change</td>
<td>2011</td>
<td>change</td>
<td>2011</td>
</tr>
<tr>
<td>Breckland</td>
<td>27.4%</td>
<td>-7.7%</td>
<td>34.1%</td>
<td>+1.1%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Broadland</td>
<td>32.3%</td>
<td>-7.5%</td>
<td>36.0%</td>
<td>+0.2%</td>
<td>16.0%</td>
</tr>
<tr>
<td>North Norfolk</td>
<td>36.6%</td>
<td>-3.1%</td>
<td>35.6%</td>
<td>+1.3%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Norwich</td>
<td>34.6%</td>
<td>-6.0%</td>
<td>34.7%</td>
<td>+0.7%</td>
<td>15.1%</td>
</tr>
<tr>
<td>South Norfolk</td>
<td>33.5%</td>
<td>-7.5%</td>
<td>35.8%</td>
<td>+3.1%</td>
<td>15.7%</td>
</tr>
<tr>
<td>Central Norfolk</td>
<td>32.9%</td>
<td>-6.3%</td>
<td>35.1%</td>
<td>+1.2%</td>
<td>15.8%</td>
</tr>
<tr>
<td>East of England</td>
<td>32.3%</td>
<td>-7.0%</td>
<td>32.2%</td>
<td>-0.6%</td>
<td>17.2%</td>
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Overall, Central Norfolk household composition is seeing growth in the number of families (+31.6%), particularly lone parents with dependent children (+30.5%).

Single person households amongst over 65s are also declining (-6.4%) indicating that the HMA population is getting relatively younger. This may partly reflect how many ‘baby boomer’ owner occupiers are now reaching the age of 65, so this age group is no longer as well represented in the private rented sector.
Figure 101: Private Rented Sector Household Composition in 2011 and % point change from 2001 (Source: Census 2001 and 2011)

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</tr>
</thead>
<tbody>
<tr>
<td>One person household</td>
<td>27.4%</td>
<td>-7.7%</td>
<td>32.3%</td>
<td>-7.6%</td>
<td>36.6%</td>
<td>-3.1%</td>
<td>34.6%</td>
<td>-6.0%</td>
<td>33.5%</td>
<td>-7.5%</td>
<td>32.9%</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Aged 65 and over</td>
<td>8.6%</td>
<td>-5.5%</td>
<td>9.9%</td>
<td>-6.8%</td>
<td>12.8%</td>
<td>-7.0%</td>
<td>3.5%</td>
<td>-4.4%</td>
<td>10.0%</td>
<td>-7.3%</td>
<td>8.1%</td>
<td>-6.4%</td>
</tr>
<tr>
<td>Other</td>
<td>18.8%</td>
<td>-2.2%</td>
<td>22.3%</td>
<td>-0.7%</td>
<td>23.8%</td>
<td>+3.9%</td>
<td>31.1%</td>
<td>-1.6%</td>
<td>23.5%</td>
<td>-0.2%</td>
<td>24.8%</td>
<td>+0.1%</td>
</tr>
<tr>
<td>One family only</td>
<td>61.3%</td>
<td>+1.2%</td>
<td>56.8%</td>
<td>+2.0%</td>
<td>55.0%</td>
<td>-0.9%</td>
<td>41.9%</td>
<td>+6.2%</td>
<td>57.0%</td>
<td>+2.8%</td>
<td>82.5%</td>
<td>+31.6%</td>
</tr>
<tr>
<td>All aged 65 and over</td>
<td>3.5%</td>
<td>-2.5%</td>
<td>4.3%</td>
<td>-3.1%</td>
<td>5.8%</td>
<td>-2.0%</td>
<td>0.9%</td>
<td>-1.4%</td>
<td>4.1%</td>
<td>-2.4%</td>
<td>3.3%</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Couple: No children</td>
<td>20.4%</td>
<td>+0.1%</td>
<td>21.8%</td>
<td>+2.1%</td>
<td>20.4%</td>
<td>+1.8%</td>
<td>20.6%</td>
<td>+1.0%</td>
<td>22.8%</td>
<td>+3.5%</td>
<td>21.0%</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Couple: Dependent children</td>
<td>22.9%</td>
<td>+1.7%</td>
<td>19.1%</td>
<td>+4.0%</td>
<td>16.9%</td>
<td>+0.6%</td>
<td>10.4%</td>
<td>+3.6%</td>
<td>18.6%</td>
<td>+2.8%</td>
<td>16.7%</td>
<td>+2.2%</td>
</tr>
<tr>
<td>Couple: All children non-dependent</td>
<td>2.9%</td>
<td>-0.4%</td>
<td>2.8%</td>
<td>+0.2%</td>
<td>2.8%</td>
<td>-1.0%</td>
<td>0.8%</td>
<td>+0.0%</td>
<td>2.8%</td>
<td>-0.9%</td>
<td>2.2%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Lone parent: Dependent children</td>
<td>9.3%</td>
<td>+1.6%</td>
<td>6.8%</td>
<td>-1.3%</td>
<td>6.6%</td>
<td>-0.5%</td>
<td>7.9%</td>
<td>+2.7%</td>
<td>6.7%</td>
<td>-0.4%</td>
<td>37.3%</td>
<td>+30.5%</td>
</tr>
<tr>
<td>Lone parent: All children non-dependent</td>
<td>2.3%</td>
<td>+0.6%</td>
<td>2.0%</td>
<td>+0.1%</td>
<td>2.4%</td>
<td>+0.3%</td>
<td>1.3%</td>
<td>+0.4%</td>
<td>2.0%</td>
<td>+0.2%</td>
<td>1.9%</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Other household types</td>
<td>11.3%</td>
<td>+6.5%</td>
<td>7.4%</td>
<td>+2.0%</td>
<td>7.0%</td>
<td>+2.6%</td>
<td>26.1%</td>
<td>+2.4%</td>
<td>6.9%</td>
<td>+2.2%</td>
<td>14.0%</td>
<td>+4.1%</td>
</tr>
<tr>
<td>With dependent children</td>
<td>3.9%</td>
<td>+2.3%</td>
<td>1.9%</td>
<td>+0.9%</td>
<td>1.7%</td>
<td>+0.7%</td>
<td>1.6%</td>
<td>+0.4%</td>
<td>1.9%</td>
<td>+0.7%</td>
<td>2.2%</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Other (including all full-time students and all aged 65 and over)</td>
<td>7.4%</td>
<td>+4.1%</td>
<td>5.6%</td>
<td>+1.2%</td>
<td>5.3%</td>
<td>+1.9%</td>
<td>24.5%</td>
<td>+2.0%</td>
<td>5.0%</td>
<td>+1.5%</td>
<td>11.8%</td>
<td>+3.1%</td>
</tr>
<tr>
<td>All Households</td>
<td>27.4%</td>
<td>-7.7%</td>
<td>2.3%</td>
<td>-7.6%</td>
<td>36.6%</td>
<td>-3.1%</td>
<td>34.6%</td>
<td>-6.0%</td>
<td>33.5%</td>
<td>-7.5%</td>
<td>32.9%</td>
<td>-6.3%</td>
</tr>
</tbody>
</table>
Occupation

Occupations in the PRS have not changed greatly between 2001 and 2011. However, higher managerial numbers are up in North Norfolk, South Norfolk and Central Norfolk. ‘Intermediate Occupations’ are: Positions in clerical, sales, service and intermediate technical occupations that do not involve general planning or supervisory powers.

Figure 102: National Socio-Economic Classification in the Private Rented Sector (Source: UK Census of Population 2001 and 2011)

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Age of Population

The chart below shows the age of the PRS population. Overall, Central Norfolk PRS population is getting younger (2001 to 2011) and the number of children is increasing. Relatively, however, the HMA is slightly older compared with East of England. North Norfolk and South Norfolk have more older households (aged 50+) in the sector and Norwich more younger (aged up to 49).

*Figure 103: Age of population in the Private Rented Sector (Source: Census 2001 and 2011)*
Health

The number of people reporting a Limiting Long Term Illness fell between 2001 and 2011 and the reasons for this are unknown. It could be a combination of features including the quality of accommodation, the increasing relative size of the tenure and the age of the tenure population.

Figure 104: Long-term Limiting Illness in the Private Rented Sector (Source: Census 2001 and 2011)
**Property Type**

There is relatively little change in the property type profile for the PRS between 2001 and 2011. One area of expansion to note, however, are purpose built flats which have expanded their relative ‘share’ in all authorities. This could indicate new or nearly new properties are being bought by investors and rented out. Developer interviews indicate that purpose built PRS properties are not being developed, with developers preferring to build and then sell on to buyers (who may be PRS investors) in the traditional way.

*Figure 105: Property Type in the Private Rented Sector (Source: Census 2001 and 2011)*

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**Houses in Multiple Occupation**

Not all private rented stock consists of self-contained dwellings occupied by a single household. Many PRS households also occupy houses in multiple occupation (HMOs). Generally, a HMO is a home where three or more tenants share forming more than one household.²⁰

HMOs make an important contribution to the private rented sector by providing housing for specific groups/households. This classification of housing must be considered alongside accommodation for people who share housing and housing costs in order to afford self-contained market housing.

### Figure 106: Houses in Multiple Occupation (Source: Census 2001/2011)

#### Breckland

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>0</td>
<td>1,118</td>
<td>1,118</td>
</tr>
<tr>
<td>2011</td>
<td>3</td>
<td>1,900</td>
<td>1,903</td>
</tr>
<tr>
<td>Change (%)</td>
<td>3</td>
<td>782 (+69.9%)</td>
<td>785 (+70.2%)</td>
</tr>
</tbody>
</table>

#### Broadland

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3</td>
<td>991</td>
<td>994</td>
</tr>
<tr>
<td>2011</td>
<td>2</td>
<td>1,386</td>
<td>1,388</td>
</tr>
<tr>
<td>Change (%)</td>
<td>1</td>
<td>-1 (-33.3%)</td>
<td>394 (39.6%)</td>
</tr>
</tbody>
</table>

#### North Norfolk

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>0</td>
<td>910</td>
<td>910</td>
</tr>
<tr>
<td>2011</td>
<td>0</td>
<td>1,289</td>
<td>1,289</td>
</tr>
<tr>
<td>Change (%)</td>
<td>0</td>
<td>+379 (+41.6%)</td>
<td>+379 (+41.6%)</td>
</tr>
</tbody>
</table>

#### Norwich

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>703</td>
<td>2,782</td>
<td>3,485</td>
</tr>
<tr>
<td>2011</td>
<td>1,459</td>
<td>3,549</td>
<td>5,008</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+756 (+107.5%)</td>
<td>+767 (+27.6%)</td>
<td>+1,523 (+43.7%)</td>
</tr>
</tbody>
</table>

#### South Norfolk

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3</td>
<td>887</td>
<td>890</td>
</tr>
<tr>
<td>2011</td>
<td>7</td>
<td>1,343</td>
<td>1,350</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+4 (+133.3%)</td>
<td>+456 (+51.4%)</td>
<td>+460 (+51.7%)</td>
</tr>
</tbody>
</table>

#### Central Norfolk

<table>
<thead>
<tr>
<th>Household Composition</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>709</td>
<td>6,688</td>
<td>7,397</td>
</tr>
<tr>
<td>2011</td>
<td>1,471</td>
<td>9,467</td>
<td>10,938</td>
</tr>
<tr>
<td>Change (%)</td>
<td>762 (+107.5%)</td>
<td>2,779 (+41.6%)</td>
<td>3,541 (+47.9%)</td>
</tr>
</tbody>
</table>
### Household Composition

#### East of England

<table>
<thead>
<tr>
<th>Year</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3,951</td>
<td>65,024</td>
<td>68,975</td>
</tr>
<tr>
<td>2011</td>
<td>6,802</td>
<td>89,454</td>
<td>96,256</td>
</tr>
<tr>
<td>Change (%)</td>
<td>2,851</td>
<td>24,430</td>
<td><strong>27,281</strong></td>
</tr>
<tr>
<td></td>
<td>+72.2%</td>
<td>+37.6%</td>
<td><strong>+39.6%</strong></td>
</tr>
</tbody>
</table>

#### England

<table>
<thead>
<tr>
<th>Year</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>79,143</td>
<td>749,666</td>
<td>828,809</td>
</tr>
<tr>
<td>2011</td>
<td>124,285</td>
<td>995,677</td>
<td>1,119,962</td>
</tr>
<tr>
<td>Change (%)</td>
<td>45,142</td>
<td>246,011</td>
<td><strong>291,153</strong></td>
</tr>
<tr>
<td></td>
<td>+57.0%</td>
<td>+32.8%</td>
<td><strong>+39.6%</strong></td>
</tr>
</tbody>
</table>

7.40 Using Census information between 2001 and 2011, it can be seen that the number of HMOs in Central Norfolk has increased by 2,779 to 9,467 homes (a rise of 41.6%). At the same time, the number of student HMOs has doubled from 709 to 1,471 – a rise of 107.5% - although this is almost entirely a Norwich phenomenon with 1,459 of the 1,471 being in the City.

7.41 The increase indicates a demand driver in the housing market for HMOs, and not just from students. This seems likely to continue because of a combination of issues including unmet demand for affordable homes, household formation rates, Benefit Reform and higher education expansion.

7.42 One option to meet the demand driver may be via flexibility in the supply of property types which could include new build products such as studio flats, cluster flats, and bedsits, in different tenures (such as market or Intermediate rent). Such supply may, as a consequence, slow the HMO conversion rate within the existing stock.

### Location

7.43 HMOs are primarily located in Norwich and immediate environs; this would appear to be largely driven by the student market. However there are HMOs in Thetford and Attleborough and all Central Norfolk authorities have seen HMO expansion.
When Norwich City is considered alone, it can be seen that there is correlation between HMOs and where students live (see students section). This indicates some form of relationship between students and HMO supply, although more detailed study would be needed to identify any causality.
Growth in HMOs is seen across all Central Norfolk authorities, for a variety of reasons indicated earlier. Given other changes it seems there is still potential for this market segment to grow and become a key part of the local housing offer, particularly for those on low incomes. For Norwich, one key driver of sector growth is from the student market and this is considered in the next section.
Policy Developments in Private Rented Sector

The increase in the relative size of England’s private rented housing stock rent, in recent years, has led to policy implications at the national and local levels, to which Government and Local Authorities have responded.

Improving Management and Maintenance in the Sector

Part Three of the Housing Act 2004 (the Act) sets out the scheme for licensing private rented properties in a local housing authority area. Under section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to selective licensing.

Many local authorities have used these powers as part of their response to the expanded PRS by seeking to improve management and property standards via licensing or self-regulation schemes including:

- Self-regulation by landlords to an agreed standard or voluntary accreditation schemes.
- Licensing schemes.
- Many authorities have also introduced other initiatives such as improved monitoring of HMO conversion rates, as well as implementing programmes to tackle fuel poverty and improve energy efficiency for eligible PRS households.

Seeking New Build in the Private Rented Sector

Government initiatives for New Build PRS Supply

The Government is encouraging more investment in the private rented sector through schemes like new loan guarantees and the Build to Rent Fund. A private rented sector task force was established in 2013 to encourage and support build-to-let investment and is developing voluntary standards for landlords.

New build initiatives for the PRS include a £1 billion Build To Rent Fund, which will provide equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these new homes.

Concerns have been voiced that any increase in PRS new build delivery which targets lower income households could increase the Housing Benefit bill to Treasury from households who need HB support to sustain their PRS tenancy, though no conclusive studies have been conducted at the time of writing.


More recently, institutional investors have shown greater inclination to invest in Private Rented Schemes, especially in London. Insurance companies and pension funds have been expanding into property lending in recent years; nearly a quarter of new UK commercial property finance came from non-bank lenders in 2013.

Developer fieldwork interviews indicate that though they have an interest in new build PRS, their focus is on new build for sale; if this is purchased by BTL landlords, then this is really a market consequence.

Overall, New Build Market Rent remains attractive, but volumes are currently relatively low.

Local Authority initiatives for New Build PRS Supply

Several options have been identified whereby councils could enable new PRS supply to come forward, including:

- Local authority land invested
- Financial support from councils such as loan guarantees
- Joint ventures with housing associations, developers or private investors under the Localism Act
- Planning levy using s106

Overall, LA initiatives may make a contribution to new build PRS but this may yet take time to deliver significant numbers of units.

Registered Providers’ initiatives for New Build PRS Supply

RPs are potential key players in the delivery of new PRS supply and recently several have begun to enter the market in significant scale, particularly in response to the Build to Rent fund, although other institutional funding is also being sought.

Overall, although interest is high, it remains unclear as to the scale of development which RPs may deliver.

Local Enterprise Partnerships (LEPs)

There are now 24 Local Enterprise Partnerships and these are a potential source of new build PRS homes. The Growing Places Fund provides £500 million to enable the development of local funds to address infrastructure constraints, promote economic growth and enable the delivery of jobs and houses. Any funding for housing, however, has to compete with other priorities e.g. skills and infrastructure.

Potentially, LEPs could enable new PRS housing delivery and some attempts have been made in this regard to increase supply.

13 http://www.insidehousing.co.uk/business/development/transactions/lq-to-launch-prs-subsidiary/7009701.article
Other Features

7.61 There are other features influencing the growth and potential growth in the size of the PRS.

Pension reform

7.62 The pensions reforms introduced from April 2015 allow people aged 55 or over to withdraw their entire pension fund from any private scheme they belong to. This may encourage a boom in buy to let sales as pensioners turn away from annuities with high commissions/low income, and turn to buying/renting property as a means to a better yield.

Welfare Reform

7.63 Welfare Reform is having an impact on landlord behaviour regarding letting to households on benefits. Some have refused to house benefit recipients and (in a few high profile cases) evicting tenants on benefits or disposing of their portfolio of properties with rents in the lower quartile.

Changing Market: Buy to Let and First Time Buyers, Buy to Leave Empty, Let to Buy

7.64 Figures released by the Council of Mortgage Lenders show a drop in lending to First Time Buyers (FTB) in January 2015, down 14% on January 2014 and 27% on December 2014. This contrasts with an increase in Buy to Let (BTL) loans, up 12% on January 2014 and 6% on December 2014. Critically, the number of BTL mortgages granted in 2014 (c.30,000 monthly average) is higher than those granted to First time Buyers (c.25,000).

7.65 FTBs face significant disadvantage relative to BTL investors. A report15 in May 2014 by the Intermediary Mortgage Lenders Association (IMLA) states that ‘under the Mortgage Market Review16 at an interest rate of 4%, first time buyers required to take out a capital repayment mortgage will face monthly mortgage payments 58% higher than a landlord borrowing the same amount on an interest only basis.’

7.66 Nationally, home ownership is becoming more unaffordable to younger households (where most first time buyers come from). Between 1991 and 2013, homeownership among 16-24 year olds in England dropped from 36% to 11% while among 25-34s it fell from 67% to 40%. For these households, privately renting is often the only option if they wish to establish a household due to qualification criteria for social or affordable homes. A National Housing Federation Report17 highlighted how ‘first-time buyers today have to earn more, borrow more, stump up a larger deposit and rely more on family wealth than even a generation ago’:

» ‘First-time buyers now need to be richer and have larger deposits.'

16 http://www.fsa.gov.uk/about/what/mmr
17 http://www.housing.org.uk/publications/browse/home-truths-2014/
The income of an average first-time buyer today (£36,500) is nearly double that of an average first-time buyer in the early 1980s (£20,000) after accounting for inflation.

And the deposit required today (£30,000) is almost ten times the deposit required in the early 1980s (£2,000-3,000), after accounting for inflation.

A significant proportion of BTL purchases do not require mortgages; the IMLA report notes that between 2007 and 2012 only 420,000 (32%) of the additional 1,310,000 properties in the PRS were financed by BTL loans, further highlighting the extent of the difficulties faced by FTBs as they compete with property investors in a market with limited supply.

Concerns have been raised in recent years about the effect of investor behaviour on housing market supply, in particular Buy to Leave Empty, Buy to Let and Let to Buy.

**Buy to Leave Empty**

A report in 2007 for the CLG Housing Markets and Planning Expert Panel examined the phenomenon of Buy to Leave Empty (BTLE), where investors buy property and leave it empty. The report concluded that although BTLE was a genuine issue, it was confined to particular markets and locations:

- It was a feature of city centre markets, and some Housing Market Renewal areas
- It was associated with larger investors buying multiple properties at the same time
- It was typically associated with bulk buying off plan in large new build flatted developments, and possibly also with overseas investors
- Cities affected were mostly in the north – Leeds, Manchester, Liverpool, Sheffield, Newcastle/Gateshead – with some evidence in Bristol, but not London, Edinburgh or Glasgow

The CLG report, however, concluded at the time that BTLE was unlikely to have a significant effect on the housing market nationally. However, changes in the property market since 2007 mean there is now more concern about the effects of BTLE in London where certain ‘prime markets’ are seeing a surge in BTLE – primarily in Camden, Kensington and Chelsea and Westminster. Overall, however, in terms of the most recent data (Empty Homes Agency October 2013) empty homes are essentially an ‘outside London’ phenomenon.

**Let to Buy**

High demand for rental properties, and high rents, mean some homeowners (who may struggle to sell a property) release equity to fund the purchase of another home. Let to Buy (LTB) offers the possibility of two lots of property price growth, plus tax breaks in the form of a reduction in Capital Gains Tax when the LTB property is sold.

LTB mortgages are similar to BTL mortgages in that the maximum loan is likely to be 75% of the value of the property to be let and the rental income must be at least 125% of the mortgage repayment.

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18 [http://www.reading.ac.uk/web/FILES/REP/Buy_to_Leave_Empty.pdf](http://www.reading.ac.uk/web/FILES/REP/Buy_to_Leave_Empty.pdf)
Summary

7.73 The Government sees the growth in the PRS as positive; it offers a flexible form of tenure and meets a wide range of housing needs. Further, ‘it contributes to greater labour market mobility and is increasingly the tenure of choice for young people’\(^{19}\). Continued policy support for expansion of the sector is likely.

7.74 There are other factors which also seem likely to contribute to the PRS expansion - for example, Pension Reform, Welfare Reform, the decline in First Time Buyers and the increase in Buy to Let mortgages – these are all factors interacting to drive further growth in the sector.

7.75 In Central Norfolk, the PRS has grown between the last two Censuses, mainly via the conversion of existing stock.

7.76 The number of HMOs has increased. While all authorities have seen an increase, Norwich has seen a particular growth in the number of HMOs in the inter-censal period. Benefit reform may encourage further growth in this part of the market.

7.77 There has been no significant change in the occupations of those in the PRS, although there has been some increase in higher managerial households in the sector.

7.78 The number of households with someone who has a long term illness is reducing although the reasons for this are unknown. It could be a combination of features including the quality of accommodation, the increasing relative size of the tenure and the age of the tenure population.

People Wishing to Build their Own Homes

7.80 NPPG says that:

The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing, as supported by successive surveys. Local planning authorities should, therefore, plan to meet the strong latent demand for such housing. Additional local demand, over and above current levels of delivery can be identified from secondary data sources such as: building plot search websites, ‘Need-a-Plot’ information available from the Self Build Portal; and enquiries for building plots from local estate agents. However, such data is unlikely on its own to provide reliable local information on the local demand for people wishing to build their own homes. Plan makers should, therefore, consider surveying local residents, possibly as part of any wider surveys, to assess local housing need for this type of housing, and compile a local list or register of people who want to build their own homes.

National Planning and Policy Guidance Paragraph 21

Background

7.81 There are several issues to consider with regard to those wishing to build their own homes:

7.82 National strategy emphasises self-build. Government redefined self-build as ‘Custom Build’ and aims to double the size of this market, creating up to 100,000 additional homes over the next decade. In May 2012 a Self-Build Portal run by the National Custom and Self Build Association (NCaSBA) was launched. The Government has also established a network of 11 Right to Build ‘Vanguards’ to test how the Right to Build can work in practice in a range of different circumstances.

7.83 Public funding programmes are available: Government funding via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 ‘shovel ready’ sites with planning permission.

7.84 Research into the self-build market is limited: the Joseph Rowntree Foundation report ‘The current state of the self-build housing market (2001)’ showed how the sector had changed in recent years, principally, the shift from self-build by those who cannot afford mainstream housing or are ineligible for social housing, to those who want an individual property or a particular location. The Home Builders Federation (2010) said “everyone likes the idea of self-

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build but it probably won’t make a big contribution to supply in the next few years”. The 2013 report from the University of York ‘(Build-it-yourself? Understanding the changing landscape of the UK self-build market)’ sets out the main challenges to self-build projects, and makes a number of recommendations for establishing self-build as a significant contributor to housing supply.

7.85 The attractiveness of self-build is primarily reduced costs; savings mainly accrue from labour costs (self-labour saves over building contractors), professional fees (use or not of architect, project manager, site agent etc). Overall savings will vary on a scheme by scheme basis. However, Self-build is exempt from the Community Infrastructure Levy and is not VAT liable.

7.86 Self-build does not contribute significantly to new supply: in Q1 2013, only 7% of new homes in Britain were self-built, although when only detached housing completions were included this figure rises to 26%22. 14,000 self build homes were completed in 2011/12. However, 53% of people would consider building their own home23 either directly or using the services of architects and contractors (although this figure may conflate aspiration with effective market demand).

7.87 Self-build is more popular elsewhere in Europe: in France for example, the figure is 38%, and in Hungary over 50%.

The Right to Custom and Self-Build

7.88 The Self-Build and Custom Housebuilding Act24 2015 places the following duties on local planning authorities:

- Keep a register (and publicise this) of eligible prospective ‘custom’ and self-build individuals, community groups and developers.
- Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission to meet the need on the register and offer these plots to those on the register at market value.
- Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

7.89 The Act places a duty on local authorities also to keep a register:

...of individuals and community groups who have expressed an interest in acquiring land to bring forward self-build and custom-build projects and to take account of and make provision for the interests of those on such registers in developing their housing initiatives and their local plans; to allow volume house builders to include self-build and custom-build projects as contributing towards their affordable housing obligations, when in partnership for this purpose with a Registered Social Landlord; and for connected purposes.

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23 Building Societies Association Survey of 2,051 UK consumers 2011
24 http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html
In the Budget 2014, the Government announced an intention to consult on creating a new Right to Build, giving Custom Builders a right to a plot from councils. Key points in the consultation are:

- Prospective custom builders will be entitled to apply to their local planning authority for a suitable, serviced plot of land on which to build or commission their own home;
- This application will be recorded on a Right to Build register for their local area (provided the prospective custom builder is eligible);
- The demand on the register will be taken into account in particular in the preparation of local plans so that there are appropriate planning policies in place to bring forward sufficient plots of land for custom build; and finally
- Registered custom builders will be offered suitable plots of land (with some form of planning permission and servicing) for sale through the local planning authority at market value

(Note: All emphasis is the author’s)

The consultation also includes proposals to amend the NPPF to place a stronger emphasis on local planning authorities to include custom build when preparing their local plans.

Self-Build Locally

The ‘Need-a-Plot’ information on the Self Build Portal indicates 18 purchasers looking for a site in Central Norfolk (November 2014), all looking for a single dwelling plot. Field interviews did not highlight any specific need for self-build. However, PPG does say:

‘However, such data is unlikely on its own to provide reliable local information on the local demand for people wishing to build their own homes’.

Therefore, given relatively high demand for homes in Central Norfolk, one initiative the local authorities could consider is a survey to assess need for this type of housing and/or consider a list/register of those wishing to build their own homes.

Plan makers should, therefore, consider surveying local residents, possibly as part of any wider surveys, to assess local housing need for this type of housing, and compile a local list or register of people who want to build their own homes.

NPPG Paragraph 021 – People wishing to build their own homes

Summary

Given the historic low supply of self-build homes and the challenges in bringing schemes forward it seems unlikely that self-build will make a significant contribution locally to meeting housing need in its current form.

Central Norfolk authorities should, however, put arrangements in place to comply with the Self-Build and Custom Housebuilding Act.

Further, a survey to ascertain levels of demand for self-build could be undertaken.
Housing for Older People

7.97 NPPF says that ‘Local planning authorities should have a clear understanding of housing needs in their area’ and that this need for ‘all types of housing’ should include ‘Older People’.

7.98 NPPF defines Older People as:

‘People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs’.

7.99 In addition, local authorities are encouraged to make provision for a wide range of housing types across all tenures, including accessible and adaptable general needs retirement housing, and specialised housing options including sheltered and Extra Care Housing.

7.100 NPPG says:

The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households (Department for Communities and Local Government Household Projections 2013). The age profile of the population can be drawn from Census data. Projection of population and households by age group should also be used. Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services, and providing more options for older people to move could also free up houses that are under occupied. The future need for specialist accommodation for older people broken down by tenure and type (e.g sheltered, enhanced sheltered, extra care, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector.

The assessment should set out the level of need for residential institutions (Use Class C2). Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Local authorities should therefore identify particular types of general housing as part of their assessment.

National Planning and Policy Guidance Paragraph 021 (Revised March 2015)

7.101 There are National Policy issues that NPPG highlights; firstly, individual aspirations to stay in their own home,

‘to live independently and safely in their own home for as long as possible’

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25 National Planning Policy Framework 2012: Paragraph 50
26 National Planning Policy Framework 2012: Glossary
Secondly, the benefit to other agencies such as Health and Social Services if specialist services are not required.

‘Supporting independent living can help to reduce the costs to health and social services’

Next, how delivering the right housing options for older people to move (when they wish to) can bring additional benefits for younger households

‘...could also free up houses that are under occupied.’

Finally, there is the acknowledgement that housing solutions for older people can also be found from general housing:

‘Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs’.

Therefore, in considering the future housing need for Older People, we need to consider any specialist provision in the light of Older People’s wants and aspirations, how this might be met in existing or other general housing, the implications for Health and Social Services from any supported independent living provision and how any provision might aid younger households.

Age Profile

The UK’s Age Profile

Britain’s population is ageing, and people can expect to live longer healthier lives than previous generations.

The Kings Fund (an independent charity working to improve health and health care in England) has noted that

‘When the NHS was founded in 1948, 48 per cent of the population died before the age of 65; that figure has now fallen to 14 per cent. By 2030, one in five people in England will be over 65. This significant shift in society has transformed our health and care needs. And while many people are staying healthy and independent well into old age, as people age, they are progressively more likely to live with complex co-morbidities, disability and frailty’.

http://www.kingsfund.org.uk/projects/making-care-fit-older-population

So, the UK faces a significant challenge as people live longer. The older population is forecast to grow to 21.6m by 2037\(^{28}\) for the over 60s, and from 1.4m (2012) to 3.6m by 2033 for the over 85s.

Older People population (Source: ONS)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2017</th>
<th>2022</th>
<th>2027</th>
<th>2032</th>
<th>2037</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-74</td>
<td>9.4</td>
<td>10.1</td>
<td>10.7</td>
<td>11.6</td>
<td>12.3</td>
<td>12.1</td>
</tr>
<tr>
<td>75 and over</td>
<td>5.0</td>
<td>5.5</td>
<td>6.6</td>
<td>7.7</td>
<td>8.5</td>
<td>9.5</td>
</tr>
<tr>
<td>75-84</td>
<td>3.6</td>
<td>3.8</td>
<td>4.6</td>
<td>5.3</td>
<td>5.4</td>
<td>5.9</td>
</tr>
<tr>
<td>85 &amp; over</td>
<td>1.4</td>
<td>1.7</td>
<td>2.0</td>
<td>2.4</td>
<td>3.1</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Central Norfolk Older People’s Age Profile

The Older People’s age profile for the HMA shows that, while numbers in the 70-79 band have broadly fallen between 2001 and 2011, all other age bands have increased. Central Norfolk also has a higher Older People population than East of England and England.

Figure 109: Age Profiles for Central Norfolk Compared with the East of England and England (Source: UK Census of Population 2011)
Definitions

7.110 Defining specialist housing for Older People is a challenge; many different types of housing have been developed since almshouses were first introduced in earlier times.

7.111 The specialist housing options considered in this section follow the definitions in the 2012 *Housing Our Ageing Population* report (HAPPI2). This considers the current provision in terms of general housing (including adapted and wheelchair accessible homes), specialised housing (including extra Care and sheltered housing) and Care homes (including both Registered Nursing and Registered Care Homes). In planning terms, Care homes are C2 residential institutions.

7.112 The table below, from HAPPI2 (2012), presents these types in diagrammatic form:

Policy

The Policy landscape within which services for Older People are delivered, as well as for those services that help Older People live independently at home, are currently undergoing significant change. This section considers the principal changes.

Connecting Health, Social Care, Housing and Planning

Currently, both Health and Adult Social Care continue to undergo significant reform. The Care Act 2014 specifies that the Social Care needs of the local population should involve housing and planning. The consultation on the Act (Care Act 2014: How should local authorities deliver the care and support reforms?) noted that:

“The Act is clear that provision of suitable accommodation can be an integral part of care and support, and provides flexibility for local authorities to arrange different types of accommodation to meet a person’s care and support needs.”

However, it also stresses that there is no change to the relationship between housing and care:

“The Act is not intended to change the current boundary between what the local authority may provide under housing provisions and what it is required to provide under care and support provision.”

The consultation document on the Care Act Chapter 15; “Integration, cooperation and partnerships” makes multiple references to housing, noting that; “Housing is an integral part of the health and care system and a local authority’s responsibility for care and support”, but specifies the separate duties of housing and social care:

“Where housing legislation requires housing services to be provided, then a local authority must provide those services under that housing legislation. Where housing forms part of a person’s need for care and support and is not required to be provided under housing legislation, then a local authority may provide those types of support as part of the care and support package under this Act”

Other aspects of the Care Act 2014 introduce many changes including, for housing:

- sets up the Better Care Fund (BCF): created from existing monies for joint health and social care commissioning of services (this includes the £220 million investment in Disabled Facilities Grant).
- The principle of wellbeing (for shaping assessments and service delivery) including mention about the suitability of accommodation.

30 Health & Social Care Act 2012; Care Act 2012
Pushes for integration of health and care services, including ‘health related’ services such as housing.
- responsibility to provide information/advice for all people requiring care and support, may mean social care will develop a more extensive knowledge of local need (this might aid the service to ‘manage’ the range of current supply).
- a duty to co-operate, including housing and social care, and with private registered housing providers.

Overall, reduced funding for health and social services, a continued growth in residential use and reform of Health and Social Care services, create a complex and fluid policy environment in which to deliver specialist housing schemes. Change in the housing sector where it interacts with health and social services seems likely.

Current Policy Development in the HMA and adjoining authorities

The Norfolk Joint Strategic Needs Assessment (JSNA) is currently under review and, when available, should be considered in order to move from an understanding of current supply, to a net future need.
Modelling Older People’s Housing Requirements

7.120 NPPG says that:

‘The future need for older persons housing broken down by tenure and type eg sheltered, enhanced sheltered, extra care and registered care can be obtained from a number of online tool kits provided by the sector’.

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7.121 The specialist housing requirements for Central Norfolk have been modelled using the Housing LIN approach (2012)\textsuperscript{31}. This secondary data based model was developed from various sources (EAC, POPPI and Census) in 2012 by a partnership which included Suffolk and Essex County Councils, Elderly Accommodation Council (EAC), and the Housing Learning and Information Network (Housing LIN). This builds on the ‘More Choice Greater Voice’ approach 2008 (which is included in the figure below to illustrate how modelling continues to develop).

7.122 The basic approach to modelling Older People’s specialist housing needs is based on forecasting population and then applying a need for particular housing types per thousand people aged 75+. There are issues with this approach which are explored later.

7.123 The Housing LIN takes population forecasts and applies various ratios to derive a forecast housing need for particular types of specialist schemes. The ratios are listed below.

<table>
<thead>
<tr>
<th>Figure 110: Benchmark Figures for Specialist Accommodation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>‘More Choice, Greater Voice’ 2008</strong></td>
</tr>
<tr>
<td>Places per 1,000 people aged 75+</td>
</tr>
<tr>
<td><strong>Tenure split</strong></td>
</tr>
<tr>
<td>Extra care</td>
</tr>
<tr>
<td>Supported housing</td>
</tr>
<tr>
<td>Sheltered ‘plus’ or ‘Enhanced’ Sheltered</td>
</tr>
<tr>
<td>Dementia</td>
</tr>
<tr>
<td>Leasehold Schemes for the Elderly (LSE)</td>
</tr>
</tbody>
</table>

**Older People’s Population Forecast**

7.124 Population projections show that the Older People’s population in Central Norfolk is likely to increase between 2011 and 2036. In particular, the number of people aged 75 years and above is expected to grow considerably, broadly doubling in each authority bar Norwich. The Figure below shows the change in older person population (aged 75+) based on 10-year trend population forecast.

\textsuperscript{31} Planning Ahead for Specialist Housing in Later Life (2012) www.housinglin.org.uk/housinginlaterlife_planningtool
The impact of the growth in the population aged 75+ can be seen in Figure 23 below. The 75+ population is forecast to increase relatively similarly in each authority (except Norwich) by 2032 and form an increasingly substantial proportion of the local population.

Based on the growth in population aged 75+ identified across the population projection scenarios, Figure 113 identifies the potential gross requirement of specialist housing implied by the ratios set.
out in the Housing LIN Older People Resource Pack 2012, together with the average five year need (to set this in the context of potential schemes rather than units). As can be seen, there is a significant gross need for Extra Care and LSE schemes.

### Figure 113: Implications of Older People Resource Pack Ratios based on Population Projection Scenarios (Note: figures may not sum due to rounding)

<table>
<thead>
<tr>
<th>Area</th>
<th>Extra care</th>
<th>Enhanced Sheltered</th>
<th>Dementia</th>
<th>Leasehold Scheme for Elderly</th>
<th>All types</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROSS REQUIREMENT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breckland (2032)</td>
<td>1,180</td>
<td>530</td>
<td>160</td>
<td>3,150</td>
<td>5,010</td>
</tr>
<tr>
<td>Broadland (2032)</td>
<td>1,130</td>
<td>500</td>
<td>150</td>
<td>3,000</td>
<td>4,780</td>
</tr>
<tr>
<td>North Norfolk (2032)</td>
<td>1,120</td>
<td>500</td>
<td>150</td>
<td>2,980</td>
<td>4,750</td>
</tr>
<tr>
<td>Norwich (2032)</td>
<td>640</td>
<td>290</td>
<td>90</td>
<td>1,720</td>
<td>2,740</td>
</tr>
<tr>
<td>South Norfolk (2032)</td>
<td>1,080</td>
<td>480</td>
<td>140</td>
<td>2,870</td>
<td>4,570</td>
</tr>
<tr>
<td><strong>5 year Requirement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breckland (2032)</td>
<td>140</td>
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<td>20</td>
<td>370</td>
<td>590</td>
</tr>
<tr>
<td>Broadland (2032)</td>
<td>130</td>
<td>60</td>
<td>20</td>
<td>330</td>
<td>530</td>
</tr>
<tr>
<td>North Norfolk (2032)</td>
<td>110</td>
<td>50</td>
<td>20</td>
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<td>Norwich (2032)</td>
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<td>10</td>
<td>130</td>
<td>210</td>
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<tr>
<td>South Norfolk (2032)</td>
<td>120</td>
<td>60</td>
<td>20</td>
<td>330</td>
<td>530</td>
</tr>
</tbody>
</table>

*NOTE: Housing LIN numbers for certain types should be split between sale and rent (Extra Care - 67% sale/33% rent; Sheltered plus – 50% rent/50% sale)*

7.127 However, please note these gross requirements are subject to consideration of existing supply and the various risk issues regarding demand set out earlier in this section.

7.128 The most recent supply figures for Central Norfolk indicates that there are 6,053 homes in Older Person housing schemes and 5,984 Care home places.
Current Supply

Central Norfolk (Source: EAC 2013\textsuperscript{32})

<table>
<thead>
<tr>
<th></th>
<th>Specialist Housing Units</th>
<th></th>
<th>Care Home</th>
<th></th>
<th>Provision per 1000 population aged 75+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rent Sale All</td>
<td>Nursing All</td>
<td>Care All</td>
<td>Pop ('000) Total</td>
<td>Housing Units Care home Beds</td>
</tr>
<tr>
<td></td>
<td>LA RSL Both</td>
<td>LA Pri Vol All</td>
<td>LA Pri Vol All</td>
<td>LA Pri Vol All</td>
<td>Rent Sale All</td>
</tr>
<tr>
<td>Breckland</td>
<td>0 854 854 102 956</td>
<td>0 642 0 642 159 801 0 960</td>
<td>1602</td>
<td>11.2 76.4 9.1 85.5 85.9 57.4 143.3</td>
<td></td>
</tr>
<tr>
<td>Broadland</td>
<td>0 563 563 328 891</td>
<td>0 559 0 559 0 578 34 612</td>
<td>1171</td>
<td>10.7 52.7 30.7 83.4 57.3 52.4 109.7</td>
<td></td>
</tr>
<tr>
<td>North Norfolk</td>
<td>0 640 640 279 919</td>
<td>0 331 89 420 50 555 40 645</td>
<td>1065</td>
<td>12 53.3 23.2 76.5 53.7 34.9 88.6</td>
<td></td>
</tr>
<tr>
<td>Norwich</td>
<td>859 906 1765 454 2219</td>
<td>0 310 0 310 401 487 92 980</td>
<td>1290</td>
<td>10.6 166.4 42.8 209.2 92.4 29.2 121.6</td>
<td></td>
</tr>
<tr>
<td>South Norfolk</td>
<td>0 964 964 104 1068</td>
<td>0 317 50 367 30 439 20 489</td>
<td>856</td>
<td>10.2 94.8 10.2 105.1 48.1 36.1 84.2</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{32} The EAC ‘acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as “retirement housing”. This report looks only at schemes that fall within the following definition: “a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group”. It is important to note that a considerable proportion of housing intended for older people falls outside this definition, and is therefore excluded. Extra care, assisted living, and other forms of ‘housing with care’ are included.
Factors to Consider from Modelled Specialised Housing Need for Older People

There are other factors to consider when using outputs from the Housing LIN model. While a population projection/housing ratio approach can give an indicative need, there are complex issues at play which could reduce (or possibly inflate) the level of need further.

These factors include a range of issues and are explored further in this section:

» National strategy and its implications for older people
» Demographics: the changing health, longevity and aspirations of older people
» Viability: development viability and the availability of revenue funding for care and support services
» Existing supply: the condition and likely life of existing provision in the face of changing customer aspirations
» Other agencies: the strategic plans of other agencies, especially Commissioners and funders (e.g. Norfolk County Council) will have an impact on meeting future need

Government Policy

Government policy in PPG is focused on supporting Older People to live independently at home. Further, other Government policy toward Older People focuses on employment opportunities and how Older People can contribute to society more widely:

'We see retirement as an increasingly active phase of life where people:

• have opportunities to continue contributing to society by working longer or volunteering in their communities
• take personal responsibility for their own wellbeing by working, saving and looking after their health'\(^{33}\)

Supporting people in their own homes for as long as possible, and while they enjoy healthier longer lives, suggests any requirement for specialist accommodation for Older People may be reducing.

It is also useful to consider how Government policy is underpinned by the drivers of growth in the older population. As noted earlier, people are living longer healthier lives and this trend seems likely to continue. Longer lives are driven by a combination of health (e.g. better medical

care) and environmental factors (e.g. better diet, smoking cessation etc) all of which are projected to continue to extend life expectancy\(^{34}\).

7.134 The Government policy response to this change is focussed on the longer lives aspect. For example, state retirement ages are rising and forecasts of Older People working beyond 65 years are increasing in number (see Labour market participation projections in Chapter 3).

7.135 While specialist accommodation may be needed, current models may become less relevant as new types of provision are needed to cope with presenting issues. For example, very old people who live independently face significant risk of falls; the National Institute for Health and Care Clinical Excellence (NICE) states that:

> People aged 65 and older have the highest risk of falling, with 30% of people older than 65 and 50% of people older than 80 falling at least once a year. The human cost of falling includes distress, pain, injury, loss of confidence, loss of independence and mortality\(^{35}\).

7.136 Falls, and rehabilitation following them, may necessitate a new need for specialist accommodation. There may be other issues.

7.137 Overall, therefore, the relative health of Older People in 2001 or 2011 is unlikely to be representative of people of the same age by 2032 or 2036. While people are living healthier and longer lives, there are ‘new’ presenting conditions from very old age, not yet fully understood, which may change the type and need for specialist accommodation; these need to be balanced.

### Suitability of Current Provision

7.138 The next issue concerns the appropriateness of current provision and whether this has a viable life for the SHMA period.

7.139 Specialist housing for Older People has developed over time and earlier models may no longer be appropriate or aspirational. The options for existing rented schemes (as considered in the Housing LIN model) may not be what Older People want or aspire to in the future. A Housing LIN study in 2012 highlighted:

> ‘Historically, sheltered housing has been popular; however, many older and poorer quality schemes are now becoming hard to let or sell. There are a number of reasons for this, for example:

> » Flats are often small, or are bedsits, and do not meet contemporary aspirations for space.

> » Small flats will not cater adequately for a lifetime of belongings and furniture, or accommodate guests.

> » Internal design standards may be outdated.

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\(^{34}\) [https://www.gov.uk/government/policies/older-people](https://www.gov.uk/government/policies/older-people)

» Full access has not always been designed into older schemes, so that they are often not suitable for residents with mobility difficulties.

» Some schemes are simply in poor condition, reflecting their age, or built to lower standards of thermal efficiency which makes them uncomfortable and expensive, and also potentially unhealthy if they are damp or cold.

Better housing options for Older People (CIH/Housing LIN 2014)

7.140 One particular issue concerns housing for sale to Older People.

‘The proportion of older people who are home owners - 76 per cent - represents a large potential pool of customers with significant resources that should make them a key market for developers; currently older householders have an estimated £250 billion of equity. As consumers of goods and services, they spend approximately £121 million a year. There is a significant potential for the development of bespoke homes and support services that can be tailored to the needs of individuals. However, only about five per cent of older people live in bespoke accommodation, and only just over 100,000 of those homes are private developments’

Better housing options for older people (CIH/Housing LIN 2014)

7.141 Further, current provision may be approaching the end of its useful life and, as an asset, may not have a viable future. Registered providers of social and affordable housing have a new regulatory responsibility to protect social assets. Many now actively manage their asset base, reviewing long term viability, resulting in disposals and consolidations. It may be that existing specialised housing supply may change and/or reduce over time as providers respond to changed stock, as well as changed market, conditions.

7.142 Overall, current provision may not be appropriate for the future Older People population who need it and existing supply stock may reduce over time.

Aspirations of Older People

7.143 The aspirations of people who are living longer healthier lives are likely to be different from previous generations. Their propensity to move to specialist accommodation as well as what they want from it, may change and will need to be tested.

7.144 The implication is that, before building new schemes, commissioners should explore the type and tenure of what those who will live in the new schemes will want. While the Housing LIN types may still be relevant, there may be new models that could (and possibly should) be provided.

7.145 While those Older People may need to move, or express a desire to move, to specialist accommodation, many will actually refuse to do so when opportunities are presented to them.

'There is a large gap between the numbers that research indicates would be interested in moving to smaller/bespoke housing as they get older, and the numbers who do.'

For those with no need or dependency, they are less likely to want to move into specialist schemes that do not meet the requirements of the ‘longer healthier’ lifestyle. These requirements may be different to current provision – i.e. focused more on work and leisure than care and support.

Any move to develop new supply needs to consider these aspirations carefully.

Households with two persons or more

A further issue with the population forecasts based methodological approach used in the Housing LIN model is that it may overstate the actual number of households requiring specialist accommodation. As people live longer, more households are likely to contain more than one older person. As a result, the specialised accommodation needs derived using population rather than household forecasts may be overstated. The number of homes needed, therefore, may need to be reduced.

Nevertheless, the Housing LIN Model ratios offer a useful starting point to begin the assessment of specialist housing requirements for Older People.

Revenue Funding

NPPG says that ‘Supporting independent living can help to reduce the costs to health and social services’.

Many specialist housing schemes require support services for tenants and occupiers in excess of what rent or service charges will cover, such as support to do shopping, cleaning or cooking etc. Individual needs are assessed, and funding allocated, by Social Services and/or Health. The overall level of strategic funding is assessed via Joint Strategic Needs Assessments (JSNAs) undertaken by Social Services and Health.

The level of investment in funding for this kind of social care for Older People has fallen in recent years. Age Concern estimate that Government spending reductions have meant:

‘Between 2005/6 and 2010/11 public funding for older people’s social care stagnated

From 2010/11 to 2013/14 public funding for older people’s social care (including transfers from the NHS to councils) decreased by 10 per cent in real terms.

Councils have cut back on their funding for social care: From 2010/11 to 2013/14 government funding to councils reduced by 19.6 per cent despite increasing the proportion of budget spent on average by councils on adult social care to over 40 per cent

http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/New%20approaches%20to%20delivering%20better%20housing%20options%20for%20older%20people.pdf
in 2013/14, the actual amount spent decreased on average by 20 per cent (£2.8 billion) between 2011/12 and 2013/14\(^{38}\)

7.153 The downward pressure on funding for commissioners of services for Older People may also impact on their willingness to fund support services in specialist housing schemes. This should be considered alongside the need for new build specialist housing schemes for Older People.

Conclusion

7.154 In the light of the constraints acting to potentially suppress supply and demand for specialised housing schemes for Older People, it seems sensible to consider any net need for such schemes after having taken these factors into account.

7.155 Various options are available;

- New models for establishing the need for specialist housing for Older People could be developed which take these other factors into account.
- Joint working with Social Services and Health in the development of JSNAs could be undertaken to establish revenue funding constraints on need.
- Research into the housing aspirations of Older People who live longer, healthier lives could be undertaken to ensure any new products match demand.
- Joint working with providers of specialist housing (especially councils and Registered Providers) could be undertaken to establish the likelihood of existing supply reducing as assets are more pro-actively managed.

Recommendation

Specialist Housing schemes

7.156 Central Norfolk has a supply of 6,053 specialist housing units and, and a projected gross need for 21,850 specialist homes by 2036. This indicates a provisional net need for 15,797 specialist housing units, using the Housing LIN model.

7.157 However, there are a number of reasons and variables which mean that this modelled number of homes and units should be treated with caution. These include:

- on demographics: the changing health, longevity and aspirations of Older People
- on new supply: development viability and the availability of revenue funding for services
- on existing supply: the condition and likely life of existing provision

» the strategic plans of other agencies, especially Commissioners and funders (e.g. Norfolk County Council).

» National strategy and its implications for Older People

Any need identified for specialist Older People housing does not exist in isolation but is part of a wider approach to health and care services delivered by other agencies in the NHS and County Council. Discussion with the County Council indicates an awareness of the challenge posed in establishing the need for specialist housing schemes for Older People. Although we did not find examples of specific need being identified by them, we are aware that those carrying out the JSNA process know of the issue. Ideally, the outcomes from any JSNA study should be considered, alongside the SHMA, in order to an understanding of net future need for specific Older Peoples housing schemes.
Households with Specific Needs

7.159 This section considers housing for households with specific needs.

7.160 **NPPG says:**

*Households with specific needs*

There is no one source of information about disabled people who require adaptations in the home, either now or in the future.

The Census provides information on the number of people with long-term limiting illness and plan makers can access information from the Department of Work and Pensions on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants.

Whilst these data can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.

Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need.

If necessary, plan makers can engage with partners to better understand their housing requirements.

*National Planning and Policy Guidance Paragraph 021 (Revised March 2015)*

7.161 Households with specific needs in NPPG, therefore, are concerned with disabled people who require adaptations in the home or bespoke housing solutions.

Policy

Review of Building Regulations

7.162 **CLG** carries out ongoing actions to provide effective building regulations. These include publishing supporting guidance (Approved Documents) to show how compliance with building regulations may be achieved.

7.163 This 2015 edition of Approved Document M: Volume 1 (Access to and use of dwellings) covers dwellings and contains updated guidance. In particular, it introduces three categories of dwellings:

- Category 1 - Visitable dwellings - Mandatory, broadly about accessibility to ALL properties
- Category 2 - Accessible and adaptable dwellings – Optional, broadly equivalent to Lifetime Homes
- Category 3 - Wheelchair accessible dwellings – Optional, equivalent to wheelchair accessible or adaptable standard.
7.164 The optional requirements (2 and 3) will apply only where they are a requirement of a local plan, and are set as a condition of planning permission. If adopted, the local authority must clearly state in their Local Plan the proportion of new development which needs to comply with the requirements for category 2 or category 3.

7.165 In terms of a local authority’s assessment of housing needs, relevant issues might include:

- the likely future need for housing for older and disabled people (including wheelchair accessible dwellings)
- whether particular sizes and types of housing are needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes): considered Older People’s housing need
- the overall impact on viability

Disability Living Allowance / Personal Independence Payments

7.166 Personal Independence Payments (PIP) are gradually replacing Disability Living Allowance (DLA) from April 2013. PIP/DLA is awarded to people under 65 years old who incur extra costs due to disability. Once awarded, PIP/DLA continues without an age limit, as long as applicants satisfy either the care or mobility conditions.

7.167 By considering the Higher Mobility Component we can see a profile of disability. DLA Higher Mobility Component (HMC) is awarded when applicants have ‘other, more severe, walking difficulty’ above the Lower Mobility Component (which is for supervision outdoors). The profile for PIP/DLA HMC awards shows Central Norfolk has a lower level of claimants compared to East of England and all England. Two individual authorities have higher levels than the East of England; Norwich is significantly higher while Breckland is slightly higher for the 70-79 age cohort.
Attendance Allowance

7.168 Attendance Allowance is paid to those who need help or constant supervision during the day, or supervision at night (lower rate) or help and supervision throughout both day and night, or they are terminally ill (higher rate).

7.169 The numbers claiming Attendance Allowance in the HMA has increased since 1996: there were 9,400 claimants in 1996 and 16,900 in 2014 – an increase of 7,500 claimants (80%) over 18 years. However, the claimant rates for the HMA are much lower relative to the East of England.
Figure 115: Attendance Allowance Claimants (DWP May 1996 – Nov 2014)

Figure 116: Attendance Allowance Claimants (DWP May 1996 – Nov 2014)
Applications for Disabled Facilities Grants

Applications for Disabled Facilities Grants (DFGs) ‘will provide an indication of levels of expressed need, although this could underestimate total need’ (NPPG).

Applicant levels have been relatively consistent across the Central Norfolk area since 2004/05; for example, there were 505 applicants in 2005/06 and 527 2012/13. Among individual authorities, some have seen surges in applications at various times: Broadland since 2010/11, Breckland in 2012/13. This may be explained by the following schemes:

» the Broadland High and Dry Adaptations scheme, introduced in 2009, is an initiative for dealing with high volume, low priority requests for DFGs where the adaptation needed concerns personal bathing difficulties.

» Breckland’s Re-able scheme, introduced in 2012, uses Housing Capital Grant for works under £7,000 where the claimant is not means-tested, as a faster route than DFGs.

Figure 117: Trends in applications for Disabled Facilities Grants (Source: HSSA to 2009/10 and Local Authority records)

Other Authority Approaches to Adapted and Accessible Housing Suitable for Wheelchairs

In terms of setting targets for either Lifetime Homes or Wheelchair accessible units, a desktop review of methods used by other authorities shows they set their target by adopting a percentage of adapted homes. For Lifetime Homes, the trend seems to be to move to a 100% target (although this sometimes applies only to affordable housing). For Wheelchair accessible homes, a similar approach is adopted albeit at a lower percentage.

Table showing approaches taken by other authorities
### Summary

7.173 Data shows how claimant numbers for Attendance Allowance is on an upward trend with an increase of 7,500 claimants (80%) between 1996-2014. At the same time, application levels for Aids and Adaptations have been relatively consistent at c.500 per annum across the HMA. This represents mixed evidence as to the need for adapted and/or wheelchair accessible homes.

7.174 NPPG notes that ‘Whilst these data can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home’.

7.175 There is no standard methodological approach to deriving a local target available and most authorities use different approaches. Overall, therefore, we have not proposed a target for the HMA authorities and are proposing to leave this to local discretion.
Student Housing

NPPG says that:

*Local planning authorities should plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Plan makers are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. Plan makers should engage with universities and other higher educational establishments to better understand their student accommodation requirements.*

NPPG Paragraph 21

Students Numbers & Location

The presence of Higher Education Providers (HEPs) can mean that students have a need for housing in the housing market area. It also means students can have an influence in the wider market beyond housing provided direct by HEPs as halls of residence or other forms of direct provision. Students often rent in the PRS (either in self-contained or shared accommodation or in purpose built provision by private sector providers) and, where numbers are concentrated, this can act as a driver in localised markets.

Many English universities and further education establishments often have significant plans for expansion. It should be noted, however, that current national education policy is based on full time student numbers remaining close to present levels.

Recent trends show a relatively consistent pattern. One feature to note is how part-time numbers have fallen since 2009/10. The total number of student enrolments at UK HEPs

*stood at 2,299,355 in 2013/14, a decrease of 2%, 40,920 in overall numbers, from 2012/13. This overall decrease is mainly due to a decline in undergraduate enrolments which fell by 2% and part-time enrolments which decreased by 8% between 2012/13 and 2013/14* (Source: Higher Education Statistics Agency).

Figure 118: Higher education enrolments 2009-2014 (Source: Higher Educations Statistics Agency)
Students and Objectively Assessed Need

7.180 In establishing OAN for the HMA, our approach on students has been to establish those full-time students who are “normal” residents as distinct from those who move to the Higher Education Establishments (HEEs) location to study. By “normal”, we mean students who live in the parental home while studying, or those who already lived locally before commencing study and now have a different, but still local, address (e.g. possibly mature students, possibly students in years two/three that lived at home in year one and then later moved in with friends). These needs are then included within overall modelled OAN outputs, but are not shown separately.

7.181 Students in non-self-contained dwellings would be considered as part of the communal establishment population and therefore would not be included in the household projections. On this basis, if Central Norfolk intended to count the supply of additional non-self-contained bedspaces towards their overall housing delivery, it is also necessary to count this increase in communal establishment population as an additional component within the assessed OAN.

Students in Central Norfolk HMA

7.182 Using Census data, student distribution within the Housing Market Area is shown below. It shows those Lower Super Output Areas (LSOAs) that have over 10% of the 16-74 population identified as student (either active or inactive).

7.183 Overall, students are concentrated in Norwich: of the 34 LSOAs that have over 10% students residing within them 31 are within Norwich. There are areas which show relatively high numbers outside these areas but these relate to boarding schools: Langley school in South Norfolk, Wymondham College (near Wymondham) and Gresham’s Senior School near Holt.
Effectively, student distribution in the HMA means they are a Norwich phenomenon.

**Figure 119: Student population distribution in Central Norfolk (Source: Census 2011)**

Norwich

Key HEE establishments in Norwich are University of East Anglia (UEA) which has over 14,500 students, while Norwich University of the Arts (NUA) has over 2,300. City College Norwich (CCN) has over 11,000 students although most are under 18 years of age and so would be classed as dependent children. There are c.1,500 higher education students at CCN.

The number of students (and trend in numbers) is shown below. The number of students has risen although the balance has changed; for UEA, there are reducing numbers of part-time and increasing numbers of post-graduate students. This may have implications for housing demand if certain student types (say full-time and/or older) are more likely to seek housing solutions in non-campus provision. NUA has seen growth in the past decade although future growth aspirations are unknown. No data is available for CCN: however, again, we know that the majority of students at CCN are aged under 18.

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Where Students Live

Students are concentrated in Norwich in proximity with the two major HEE locations. The total number of students (c.17,000/4.5% out of population of c.376,000) are mainly studying at UEA and NUA. There is no data available from CCN. Most students are concentrated to the west of Norwich City.
Housing Provision for Students

Specialist Student Accommodation (e.g. Halls of Residence)

There are currently 3,665 specialist units of accommodation (for c.17,000 students) with plans for some expansion; an additional 228 units are due in 2015. Specialist accommodation is targeted at first year students.

There may be new entrants to the specialist student market from new providers; UEA reports that new private providers are already developing a hall of residence. At present, only one new pipeline scheme is in development, which is scheduled to open in summer 2015.
Overall, at present, growth in specialist stock seems unlikely to unbalance the PRS market.

**Figure 123: Accommodation totals (Source: HEIs)**

<table>
<thead>
<tr>
<th>Manager</th>
<th>Number of Units</th>
<th>Units in PRS</th>
<th>In Development</th>
<th>Date of Completion</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of East Anglia</td>
<td>3,500</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>3,500</td>
</tr>
<tr>
<td>Norwich University of the Arts</td>
<td>165</td>
<td>0</td>
<td>-</td>
<td>-</td>
<td>165</td>
</tr>
<tr>
<td>Alumno</td>
<td>0</td>
<td>0</td>
<td>228</td>
<td>Summer 2015</td>
<td>228</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,665</strong></td>
<td><strong>0</strong></td>
<td><strong>228</strong></td>
<td></td>
<td><strong>3,893</strong></td>
</tr>
</tbody>
</table>

**Private Rented Sector**

Given the number of students and relative supply of campus accommodation (usually targeted at first year students), many students meet their housing need in the private rented sector. UEA’s Student Union runs ‘Homerun’, a register of rented properties for students, and there are other agencies offering student housing. The Homerun register release their ‘list’ every January and this shows some growth over time.

**Figure 124: Homerun Register (Source: Students Unions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Registered Properties</th>
<th>Bedspaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>358</td>
<td>1363</td>
</tr>
<tr>
<td>2014</td>
<td>430</td>
<td>1860</td>
</tr>
</tbody>
</table>

**Student HMOs in Norwich**

The number of student HMOs increased from 703 to 1,459 homes (a rise of 107.5%) between 2001 and 2011. This compares to a rise of 27.6% for ‘other’ households in HMOs. The increase indicates, therefore, that rising demand for HMO accommodation is from different types of household. The demand may also be contributing to conversion of self-contained stock to HMOs.

**Figure 125: Student HMOs in Norwich**

<table>
<thead>
<tr>
<th>Year</th>
<th>Students</th>
<th>Other households</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>703</td>
<td>2,782</td>
<td>3,485</td>
</tr>
<tr>
<td>2011</td>
<td>1,459</td>
<td>3,549</td>
<td>5,008</td>
</tr>
<tr>
<td>Change (%)</td>
<td>+756</td>
<td>+767</td>
<td>+1,523</td>
</tr>
<tr>
<td></td>
<td>+107.5%</td>
<td>+27.6%</td>
<td>+43.7%</td>
</tr>
</tbody>
</table>
Conclusion

7.193 Overall, therefore, the Norwich student housing market is well established and has expanded to meet demand. Increased supply of accommodation occupied by students in the HMO sector is also noticeable.

7.194 Discussions with Central Norfolk HEEs highlight modest planned growth in student numbers in coming years, mainly in part time and international students.

7.195 The student market influences the wider local housing market, especially the PRS; future demand may drive further conversion to student accommodation and/or HMOs. However, if new Halls of Residence supply were to increase significantly, then some wards with high concentrations of student HMOs (e.g. in wards adjacent to UEA) may be at risk from a subsequent fall in demand.

7.196 Looking forward, demand and supply change is likely to be relatively modest and the market unlikely to change significantly. However, for strategy purposes, forward patterns of expansion should be monitored.
8. Welfare Reform

Introduction

8.1 Since June 2010, the Government has introduced far reaching changes to the system of welfare benefits available to those on low incomes and/or with specific needs. However, most changes have only been gradually rolled out; public sector changes (e.g. Spare Room Subsidy, Benefit Cap), were introduced in April 2013.

8.2 Data regarding the impact of the rolling implementation is still scarce; Government has published some data, although this is limited and remains inconsistent over time. Non-Government evidence is available usually in the form of small sample surveys or qualitative research carried out by campaigning organisations. However, the report of the DWP Select Committee (March 2014) assessed the available evidence and gives a useful commentary on the impact; its findings are referred to in this chapter.

8.3 Internal data from the Central Norfolk authorities was also collated as part of this study to establish comparisons. However, the data did not reveal anything significant and is not included in this chapter.

8.4 For the purposes of this chapter we have restricted our analysis to available secondary data at fine grain, focusing on housing related Welfare Reforms and the impact this is having on claimant numbers. Principally, this is related to Housing Benefit given the important role this plays in supporting lower income (often working) households in their homes.

8.5 This secondary data is further complemented by Qualitative Fieldwork Interviews with Stakeholders.

8.6 Many benefit reforms which are less housing centred are excluded from analysis e.g. Child Benefit for high earners.

Summer Budget 2015

8.7 In addition, and since this study began, the Summer Budget 2015 introduced new Reforms which will be phased in and will not affect any claimants until April 2016 at the earliest, with many changes affecting only new claimants. The impact of these changes is not yet known. The key changes affecting housing include:

» Four year freeze to certain working age benefits (except pensioner benefits, DLA, PIP which will not be frozen).

» A four-year freeze to local housing allowance rates
» Lowering the benefit cap to £23,000 in London and £20,000 elsewhere
» Universal credit claims will be limited to two children from April 2017 (with some exceptions)
» Removing entitlement to housing support for those aged 21 or under (with some exemptions)

Why Reform Welfare?

8.8 Welfare Reform was undertaken for various reasons including concerns over the cost of welfare benefits to the public purse, perceived issues that the current system is too complex and that the system acts as a disincentive to seeking work. As a result, new legislation was introduced (Welfare Reform Act 2012). Many of the changes affect the amount of Housing Benefit (HB) paid to private sector and social housing tenants.

8.9 CLG data shows that nationally, the number of households where no one works has fallen by more than 600,000 since 2010. The Government attributes this fall to the Reforms it has introduced.

8.10 The Government has also signalled its intent to make further reforms and intends to:
» Focus on eliminating the national budget deficit – further reductions in public expenditure is proposed
» Further freeze on benefits paid to people of working age for two years from April 2016 saving £3bn
» Scrap Housing Benefit for 18-21 year olds (singles without children) with no JSA after six months unemployment
» Benefit cap to reduce further form £26k to £23k

Who is affected?

8.11 Any change to the welfare system carries risks for households on low incomes. While many different types of households are affected, some groups stand out:

8.12 Households in receipt of Housing Benefit: As at May 2014 there were 4,985,741 HB claimants of which 33% were in private rented housing and 67% in social housing. This includes working households as well as those who are not such as job-seekers, low-income pensioners, long term sick and disabled people and full-time unpaid carers. Early analyses from the NHF and others suggest that families with three children will be affected, and in some areas families with two children.

8.13 Young households: the removal of HB for 18-21 year olds, a lower rate for LHA and the extension of the Shared Accommodation Rate of LHA\(^4^4\) to those aged up to 35, and the increase in Non-Dependant Deductions from HB payments, all interact to put younger households under pressure from reform. In addition, multi-generational households could expand as younger family members are unable to form their own households.

8.14 Older people have to some extent been protected from the effects of Welfare Reform; the Benefit cap and Spare Room Subsidy do not apply to those of pension age.

\(^{4^4}\) The shared accommodation rate (SAR) applies to most single people under 35 renting from a private landlord. With the shared accommodation rate, the maximum housing benefit you can get is the rate for renting a single room in a shared house. This applies even if you rent a self-contained flat. There are some exceptions – see: http://england.shelter.org.uk/get_advice/housing_benefit_and_local_housing_allowance/what_is_housing_benefit/housing_benefit_if_you_are_under_35
Private Rented Tenants - Local Housing Allowance (LHA)

As at May 2014, 1.64 million private tenants in Britain were receiving Housing Benefit in the form of local housing allowance (LHA). The changes to the calculation and payment of LHA are set out in Figure 126.

Figure 126: Summary of legislative changes affecting private tenants’ LHA (Source: Shelter)

<table>
<thead>
<tr>
<th>Change</th>
<th>Effective from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction of absolute caps on the maximum rates that can be paid for each size of property</td>
<td>April 2011</td>
</tr>
<tr>
<td>Ending of the 5 bedroom rate – LHA restricted to 4 bedroom rate</td>
<td>April 2011</td>
</tr>
<tr>
<td>Stopping claimants being able to keep up to a £15 ‘excess’ above their actual rent if their rent is below the LHA rate</td>
<td>April 2011</td>
</tr>
<tr>
<td>Increasing deductions for non-dependants living with HB claimants</td>
<td>April 2011</td>
</tr>
<tr>
<td>Increasing the Government’s contribution to Discretionary Housing Payments</td>
<td>April 2011</td>
</tr>
<tr>
<td>Amending size criteria to allow an extra bedroom for disabled claimants with a non-resident carer</td>
<td>April 2011</td>
</tr>
<tr>
<td>Setting maximum LHA at the 30th percentile of local rents instead of the median</td>
<td>October 2011</td>
</tr>
<tr>
<td>Increasing age qualification for Shared Accommodation Rate to 35 years (from 25)</td>
<td>January 2012</td>
</tr>
<tr>
<td>Increasing LHA rates over time by the Consumer Price Index instead of referencing market rents – increase by 1% from April 2014 except in high rent areas</td>
<td>April 2013</td>
</tr>
<tr>
<td>Reducing LHA by 10% for those claiming JSA for over a year – not implemented</td>
<td>April 2013</td>
</tr>
</tbody>
</table>

Absolute Caps on Maximum rates Payable for Each Size of Property

These caps restricted payments for larger properties so that all properties with four or more bedrooms were paid at the same rate. Deductions for non-dependants living with claimants were also increased.

Impact: from qualitative and survey evidence outside Central Norfolk, arguably this change has led to increased overcrowding in the PRS; households with large families are either unable to afford a property which meets their needs, or have to move to a cheaper area.

Calculation of Local Housing Allowance (LHA)

LHA is calculated with reference to market rents in the local area; pre-reform the maximum payable for each size of property was the median of local rents. The reforms introduced two changes: first, claimants were no longer able to claim up to £15 above their actual rent if below the LHA rate and, second, the methodology for setting LHA was changed to the 30th percentile of local rents (‘The amount of LHA you are eligible for depends on where you live. Local limits are based on the cheapest 30% of properties in an area’).

46 [http://england.shelter.org.uk/get_advice/housing_benefit_and_local_housing_allowance/what_is_housing_benefit/local_housing_allowance](http://england.shelter.org.uk/get_advice/housing_benefit_and_local_housing_allowance/what_is_housing_benefit/local_housing_allowance)
8.19 Recent research is limited and ageing. However, this does show a ‘loss’ to c.30,000 East of England households of c.£11 per week\(^7\).

8.20 Impact: As well as reducing the income of some households, the change to the calculation of LHA made some areas unaffordable to LHA claimants (e.g. In London, Shelter estimate by 2016 only 36% of neighbourhoods will be affordable to LHA claimants, mainly in the outer London Boroughs)\(^8\). Central Norfolk authorities may wish to track this locally.

8.21 From April 2013 the annual increase in LHA rates was divorced from local market rents and linked to the Consumer Price Index. From April 2014 the increase was limited to 1%, except in certain high rent areas.

8.22 Impact: this change is likely to have a further impact on the affordability of certain areas to those claiming LHA. There is also some lobby group and qualitative evidence from interviews for other studies that households are already moving to areas where LHA levels help them to match their accommodation needs.

**Single Sharers Under 35**

8.23 From January 2012, single claimants aged under 35 had their LHA restricted to the Shared Accommodation Rate; commentators argue that this makes it unlikely that claimants will be able to afford self-contained accommodation.

8.24 Impact: arguably the change has led to an increase in the conversion of family dwellings to homes in multiple occupation.

**Ending of Direct Payments to Landlords**

8.25 A further significant change in the payment of LHA is the ending of direct payment to landlords, making tenants responsible for budgeting for their rent payments.

8.26 There is evidence that increasing numbers of private sector landlords are no longer willing to rent to Housing Benefit recipients\(^9\):

> ‘...in the last three years there has been a 50% drop in the number of landlords taking people who are on benefits. It is now down to only one fifth; 22% of our landlord members whom we surveyed say they have LHA tenants, and 52% of those surveyed said they would not look at taking on benefits tenants’ (NL\(A\) Evidence to DWP Select Committee March 2014)

8.27 Impact: Central Norfolk fieldwork interviews indicate that the ending of direct payments has given rise to a trend for landlords to refuse to take tenants who are claiming HB, leaving these households with limited options for seeking accommodation.

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\(^8\) For a more local example, see [http://atlas.cambridgeshire.gov.uk/Housing/LHA/atlas.html](http://atlas.cambridgeshire.gov.uk/Housing/LHA/atlas.html).

\(^9\) National Landlords evidence to DWP Select Committee (March 2014)
Social Housing Tenants – Housing Benefit

As at May 2014, 3.34 million social housing tenants in Britain were receiving Housing Benefit.

The changes to the calculation of Housing Benefit for social housing tenants are set out in Figure 127.

Figure 127: Summary of legislative changes affecting social housing tenants

<table>
<thead>
<tr>
<th>Change</th>
<th>Effective from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing deductions for non-dependents living with HB claimants</td>
<td>April 2011</td>
</tr>
<tr>
<td>Introduction of caps on household benefits to £500 pw for couples and single parent households, £350 for single persons (working age only)</td>
<td>April 2013</td>
</tr>
<tr>
<td>Introduction of size criteria (also known as removal of the spare room subsidy or bedroom tax)</td>
<td>April 2013</td>
</tr>
</tbody>
</table>

Spare Room Subsidy

One reform issue which has had Parliamentary scrutiny is the Spare Room Subsidy or ‘Bedroom Tax’. Simply, tenants renting a social or affordable tenancy, whose accommodation is larger than they need, may lose part of their Housing Benefit. A DWP Select Committee Report (2014) highlighted data on the impact of Spare Room Subsidy across the UK. It showed that 2.1% of households in the East of England were affected (Central Norfolk is considered later in this chapter):

Figure 128: Spare Room Subsidy: Work and Pensions Committee (March 2014)

<table>
<thead>
<tr>
<th>Region</th>
<th>Households affected</th>
<th>Estimated loss pa (£m)</th>
<th>Households affected per 10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>NE</td>
<td>50,000</td>
<td>30</td>
<td>440</td>
</tr>
<tr>
<td>NW</td>
<td>110,000</td>
<td>80</td>
<td>370</td>
</tr>
<tr>
<td>YH</td>
<td>80,000</td>
<td>50</td>
<td>360</td>
</tr>
<tr>
<td>LON</td>
<td>80,000</td>
<td>90</td>
<td>240</td>
</tr>
<tr>
<td>SCO</td>
<td>80,000</td>
<td>50</td>
<td>340</td>
</tr>
<tr>
<td>WAL</td>
<td>40,000</td>
<td>20</td>
<td>310</td>
</tr>
<tr>
<td>WM</td>
<td>60,000</td>
<td>40</td>
<td>260</td>
</tr>
<tr>
<td>EAST</td>
<td>50,000</td>
<td>40</td>
<td>210</td>
</tr>
<tr>
<td>EM</td>
<td>40,000</td>
<td>20</td>
<td>210</td>
</tr>
<tr>
<td>SW</td>
<td>30,000</td>
<td>20</td>
<td>130</td>
</tr>
<tr>
<td>SE</td>
<td>40,000</td>
<td>30</td>
<td>110</td>
</tr>
</tbody>
</table>

In the first six months of Spare Room Subsidy the Committee noted:

» 6% of affected households moved to avoid the new rule

51 http://www.publications.parliament.uk/pa/cm201314/cmselect/cmworpen/720/72002.htm
» However, a shortage of housing prevents moves in many areas.

» 22% of those still affected were still registered for a transfer.

» Most affected households have not moved, and of these about half have rent arrears as a result.

8.32 In addition:

» Many Councils are making full use of Discretionary Housing Payments (DHPs) to help tenants adjust to the change, but practice varies (discussed below).

» There are concerns whether current DHP provisions are appropriate for disabled tenants living in adapted homes.

» Landlords have incurred extra costs for rent arrears, welfare support, rent collection, arrears management and repairs linked to more transfers.

Other Non-housing Benefit Reforms

8.33 The Government is also introducing reforms to a number of non-housing related benefits. These do not form part of our analysis.

Figure 129: Summary of main changes to benefits (Source: Citizens’ Advice Bureau)

<table>
<thead>
<tr>
<th>Change</th>
<th>Effective from</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Credit to replace most means-tested benefits</td>
<td>Pilot: April 2013</td>
</tr>
<tr>
<td></td>
<td>Roll out: October 2013</td>
</tr>
<tr>
<td>Personal Independence Payments to replace Disability Living Allowance</td>
<td>Pilot: April 2013</td>
</tr>
<tr>
<td></td>
<td>Roll out: June 2013</td>
</tr>
<tr>
<td>Local schemes to replace Council Tax benefit</td>
<td>April 2013</td>
</tr>
<tr>
<td>Claimant commitment introduced for job seekers</td>
<td>April 2013</td>
</tr>
<tr>
<td>Social Fund – parts abolished, including Community Care grants and crisis loans</td>
<td>April 2013</td>
</tr>
<tr>
<td>Child Benefit reduced for high earners</td>
<td>January 2013</td>
</tr>
</tbody>
</table>
Central Norfolk

8.34 Although data at fine grain is not readily available, there is some data published which can be considered to highlight the impact of Welfare Reform in Central Norfolk. In addition, Fieldwork Interviews derived qualitative evidence from stakeholders regarding their views on the impact of reform.

Benefit cap

8.35 The Benefit Cap limits the amount of benefits a household can receive to £500 a week for couples or lone parents, and £350 a week for single adult households. The benefits included within calculation of the Benefit Cap are numerous and include the following:

* Bereavement Allowance, Carer’s Allowance, Child Benefit, Child Tax Credit, Employment and Support Allowance (unless you get the support component), Guardian’s Allowance, Housing Benefit, Incapacity Benefit, Income Support, Jobseeker Allowance, Maternity Allowance, Severe Disablement Allowance, Widowed Parent’s Allowance.*

8.36 Nationally, the Government highlights how ‘The benefit cap continues to provide an incentive to work, with over 22,000 people who had their benefits capped moving into work’\(^5\)__2__.

8.37 Recent data is shown below. The trend in numbers of households affected by the Benefit Cap in Central Norfolk shows how c.80 households are affected across the HMA. Highest is Norwich with 35+ households, while the lowest is Broadland with around 5.

Figure 130: Benefit cap – No of Households affected (Source: CLG)

Discretionary Housing payments

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\(^5\) https://www.gov.uk/government/news/benefit-cap-thousands-move-into-work-or-off-housing-benefit
8.38 In 2014/15, the Government contributed £165 million to Discretionary Housing Payments (DHP) funding. DHPs are awards that can be made by local authorities (LAs) to Housing Benefit claimants who are experiencing financial difficulty with housing costs.

8.39 The Government have published some data regarding Mid Year returns from LAs showing the position for April-September 2014. Not all LAs submitted a return to Government, but, of those LAs that did, the majority have reported spending less than 50% of their central government allocation of DHP funding at the mid-year point.

8.40 By considering each of the categories for DHP award across Central Norfolk, it is possible to get some insight into the impact of Welfare Reform.

8.41 Spend for the Mid-Year point in Central Norfolk was £384,573 (38%) against an allocation of £1,017,157 for 2014/15.

8.42 The chart below shows most DHP payments are made to social tenants affected by the Spare Room Subsidy. There are some payments for LHA reforms and some for a combination of different reform items. Note: Where data is blank for an authority it means there is no data contained for that authority in DWP issued data.

8.43 Very few payments are made to alleviate financial difficulty from the Benefit Cap.

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Some data is also available for the mid-point of Year 2013-14 (but not 2014-15) for the number of DHP awards made, and this shows that most awards, again, were made regarding the Spare Room Subsidy (although this issue only affects Social Rent).

Note: Where data is blank for an authority it means there is no data contained for that authority in DWP issued data.
The reasons why these awards were made are varied and are not always due to Welfare Reform. The following are the key categories of award identified in Government data:

» Help secure and move to alternative accommodation (e.g. rent deposit)
» Help with short-term rental costs until the claimant is able to secure and move to alternative accommodation
» Help with short-term rental costs while the claimant seeks employment
» Help with on-going rental costs for disabled person in adapted accommodation
» Help with on-going rental costs for foster carer
» Help with short term rental costs for any other reason

Local Housing Allowance

HB for private tenants is set in relation to Local Housing Allowance (LHA) rates, the maximum that will be paid in different Broad Market Rental Areas (BRMA), based on rents data gathered by the Valuation Office Agency. Pre-reform these were set at the 50th percentile of local rents; this has now been reduced to the 30th percentile. The actual amount paid is based on household composition, income and savings, and the size of the property. It is normally paid direct to the tenant.

Figure 133 shows the change in terms of the local BRMAs and those adjacent. The change has meant a lower LHA figure for each property size in all Central Norfolk and Norwich BRMA cases. This means claimants have had their benefit reduced although it is highly unlikely that their rents have reduced by a similar amount.
Figure 133: Weekly Local Housing Allowance Thresholds for Broad Rental Market Areas in Central Norfolk – March 2011 and August 2014 (Source: LHA Direct)

<table>
<thead>
<tr>
<th>Weekly Rent E</th>
<th>Central Norfolk &amp; Norwich BRMA</th>
<th>Lowestoft &amp; Great Yarmouth BRMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 bed</td>
<td>2 bed</td>
</tr>
<tr>
<td>March 2011 LHA 50th percentile</td>
<td>£96.92 per week</td>
<td>£121.15 per week</td>
</tr>
<tr>
<td>August 2014 LHA 30th percentile</td>
<td>£92.06 per week</td>
<td>£115.37 per week</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weekly Rent E</th>
<th>Bury St Edmunds BRMA</th>
<th>Kings Lynn BRMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 bed</td>
<td>2 bed</td>
</tr>
<tr>
<td>March 2011 LHA 50th percentile</td>
<td>£100.38 per week</td>
<td>£126.92 per week</td>
</tr>
<tr>
<td>August 2014 LHA 30th percentile</td>
<td>£101.24 per week</td>
<td>£125.06 per week</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Weekly Rent E</th>
<th>Central Norfolk</th>
<th>Lowestoft &amp; Great Yarmouth BRMA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 bed</td>
<td>2 bed</td>
</tr>
<tr>
<td>March 2011 LHA 50th percentile</td>
<td>£96.92 per week</td>
<td>£121.15 per week</td>
</tr>
<tr>
<td>December 2013 LHA 30th percentile</td>
<td>£91.15 per week</td>
<td>£114.23 per week</td>
</tr>
</tbody>
</table>

PRS Claimant rates

Relatively, since 2009 the number of PRS Housing Benefit claimants increased until 2013, since when the rate of increase has slowed or gone into decline. The exceptions are North Norfolk and Breckland; this may indicate migration between authorities in the light of Welfare Reform, although there may be other market factors.

Figure 134: Relative change in number of PRS HB claimants since 2009 (Source: DWP)
While many households may choose to live in private rented accommodation with housing benefit support, others might prefer an affordable tenancy, but are unable to access one because of lack of housing supply in the sector (see Chapter Seven). The low supply of new affordable housing, and relatively low turnover of existing stock, also has the effect that local authorities are increasingly discharging their obligations under homelessness legislation by referrals to private sector accommodation.

Central Norfolk Relative to Other Areas

The change in the number of Housing Benefit claimants in the PRS is not uniform across the HMA; however, all areas have seen a decrease in claimant numbers with Norwich highest (6.8%) and South Norfolk lowest (0.7%) (Jan 2012-May 2014).

NOTE: It should be noted that generally a small number of claimants in some areas can generate percentage change that looks more significant than it is, due to small base. Also, where we have zero-indexed data, we have 0-indexed to April 2011 as this is a meaningful point in time in the context of the data considered.

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Absolute Change May 2013 - May 2014</th>
<th>% Change May 2013 - May 2014</th>
<th>Rolling 12-month Change Jan 2012 - May 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Yarmouth</td>
<td>42</td>
<td>0.84%</td>
<td></td>
</tr>
<tr>
<td>Peterborough</td>
<td>31</td>
<td>0.50%</td>
<td></td>
</tr>
<tr>
<td>South Norfolk</td>
<td>-13</td>
<td>-0.72%</td>
<td></td>
</tr>
<tr>
<td>Mid Suffolk</td>
<td>-29</td>
<td>-2.34%</td>
<td></td>
</tr>
<tr>
<td>North Norfolk</td>
<td>-30</td>
<td>-1.19%</td>
<td></td>
</tr>
<tr>
<td>Breckland</td>
<td>-35</td>
<td>-1.21%</td>
<td></td>
</tr>
<tr>
<td>South Cambridgeshire</td>
<td>-58</td>
<td>-4.81%</td>
<td></td>
</tr>
<tr>
<td>Broadland</td>
<td>-60</td>
<td>-3.54%</td>
<td></td>
</tr>
<tr>
<td>East Cambridgeshire</td>
<td>-63</td>
<td>-5.70%</td>
<td></td>
</tr>
<tr>
<td>St Edmundsbury</td>
<td>-66</td>
<td>-3.95%</td>
<td></td>
</tr>
<tr>
<td>Forest Heath</td>
<td>-72</td>
<td>-5.49%</td>
<td></td>
</tr>
<tr>
<td>Fenland</td>
<td>-75</td>
<td>-2.42%</td>
<td></td>
</tr>
<tr>
<td>Babergh</td>
<td>-135</td>
<td>-9.51%</td>
<td></td>
</tr>
<tr>
<td>Cambridge</td>
<td>-141</td>
<td>-10.92%</td>
<td></td>
</tr>
<tr>
<td>Huntingdonshire</td>
<td>-156</td>
<td>-6.56%</td>
<td></td>
</tr>
<tr>
<td>Suffolk Coastal</td>
<td>-174</td>
<td>-7.28%</td>
<td></td>
</tr>
<tr>
<td>Waveney</td>
<td>-181</td>
<td>-3.86%</td>
<td></td>
</tr>
<tr>
<td>Norwich</td>
<td>-205</td>
<td>-6.82%</td>
<td></td>
</tr>
<tr>
<td>Ipswich</td>
<td>-230</td>
<td>-5.31%</td>
<td></td>
</tr>
<tr>
<td>King's Lynn and West Norfolk</td>
<td>-411</td>
<td>-11.71%</td>
<td></td>
</tr>
</tbody>
</table>
8.52 The change in Central Norfolk is at a lower rate than Norfolk and East of England, but higher than that for England.

Figure 136: Change in Housing Benefit Claimants in the Private Rented Sector (Source: DWP)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Norfolk HMA</td>
<td>-343</td>
<td>-2.88%</td>
<td></td>
</tr>
<tr>
<td>Norfolk</td>
<td>-712</td>
<td>-3.49%</td>
<td></td>
</tr>
<tr>
<td>East of England</td>
<td>-4,384</td>
<td>-3.31%</td>
<td></td>
</tr>
<tr>
<td>England</td>
<td>-35,538</td>
<td>-2.38%</td>
<td></td>
</tr>
</tbody>
</table>

8.53 Although other areas have all seen a reduction in claimant numbers over the year to April 2014, recent trends differ; claimant numbers continue a downward trend in East of England and England, whereas Central Norfolk and Norfolk have seen a recent uptrend.

Figure 137: Relative Change in Housing Benefit Claimants in the Private Rented Sector (Source: DWP)
The rolling change since 2011 shows the impact of reform more clearly; the trend is downwards indicating that reform is reducing claimant numbers, albeit with the small increase March-May 2014.

Figure 138: Rolling 12-month Change in Housing Benefit Claimants in the Private Rented Sector (Source: DWP)
Relative change in the five authorities in Central Norfolk shows varied patterns; Norwich has seen the most significant reduction followed by South Norfolk.

Figure 139: Relative Change in Housing Benefit Claimants in the Private Rented Sector within Central Norfolk (smoothed to 3 month rolling average) (Source: DWP)
Comparing Central Norfolk with comparator areas, all show the same pattern of overall flattening or reduction in claimant numbers, albeit with a recent increase. Again, this trend may indicate that Benefit reform is having an impact on claimant numbers.

Figure 140: Relative Change in Housing Benefit Claimants in the Private Rented Sector for Central Norfolk and comparators group (Source: DWP)

Central Norfolk Fieldwork - Responses to Benefit Reform

Evidence from Central Norfolk fieldwork interviews shows how the local market is reacting to Welfare Reform. The following is a summary of the issues raised in interviews.

Some private landlords are withdrawing from the letting to HB recipients and some have served notice on tenants receiving Housing Benefit. Landlords also report they are not reducing rents as a result of reforms (this was one of the policy aspirations from reform). Further, some privately rented properties may be sold or revert to owner occupation.

Benefit reform has also altered the mix of renters, in particular the raising of the age limit for the shared accommodation rate of housing benefit to 35; landlords have responded by providing more shared accommodation and refurbishing one bedroom flats to attract professionals.

In addition, options to move, for example, to smaller or cheaper homes are limited because of low supply. There are concerns that affordability may worsen as tenants commit more disposable income to rent; arrears levels are reported as rising.
Interviews also indicate that the ending of direct payments to Landlords has meant many PRS landlords now refuse to take tenants who are claiming HB, leaving these households with limited alternative options for seeking accommodation.

Registered Providers report several issues following Welfare Reform. One RP has moved away from two bed three person and three bed five person properties to building four bed six person houses, in order for the tenant to maximise their benefit. There is a reported large demand for smaller properties because of the Spare Room Subsidy; new schemes now include one bed properties instead of two beds. RPs are also seeking to minimise the amount of communal space in order to reduce service charges. One RP reported a big demand for bungalows but these are a challenge to deliver.

Chapter Summary
There is limited evidence regarding the impact of reform from secondary sources. However, from the available sources, there are several general themes which are clear:

» Overall, in both public and private sectors, there is a fall in relative number of HB claimants. This could be due to Welfare Reform.

» Trends show c.80 households in Central Norfolk are affected by the Benefit Cap

» DHP awards mainly relate to payments for hardship following removal of the Spare Room Subsidy for social rent tenants, although there are also awards for LHA reform

» HB claimant numbers in the PRS began to flatten and then decline from 2013.

» However, the decline in PRS HB claimant numbers is relatively lower in Central Norfolk than in other authorities in the East of England

» Fieldwork indicates that PRS landlords are becoming more reluctant to let to HB recipient households

» Further, RPs report an increased demand for smaller properties from their tenants
9. Right to Buy

9.1 Over 47,000 social homes have been sold in Norfolk since 1979\(^{54}\). Recent sales show some increase since the re-launch of RTB in 2012 when higher discount levels and reduced qualifying periods applied. Former right to buy homes are often converted to PRS\(^{55}\) either by original purchasers or on resale.

9.2 The 2012 reform of Right to Buy may also be extended. The Conservative Election manifesto 2015 proposed to extend the right to housing association tenants. Details on this change are still awaited. However, it could add further incentive to sales and the rate of sales.

Figure 141: Right to Buy Sales 2006 to 2013 (Source: CLG)

Note: Breckland, Broadland, North Norfolk and South Norfolk figures are partially preserved right to buy (North Norfolk from February 2006 onwards)

\(^{54}\) Table 648: annual social housing sales by local authority (CLG)

\(^{55}\) ‘From Right to Buy to Buy to Let’ – Tom Copley MGLA 2014
10. Demand versus Supply

10.1 The figure below considers projected demand from household growth (using CLG Household projections) and potential identified supply (using local authority data from Annual Monitoring Reports (AMRs) and the Strategic Housing Land Availability Assessment (SHLAA). The SHLAA data for Broadland, Norwich and South Norfolk is presented in the Greater Norwich Development Partnership Joint Core Strategy, published December 2013. SHLAA data is important because it identifies available land and the number of properties which could be built on that land. In some places the SHLAA defines a limit on development. Such limits tend to apply in large urban conurbations rather than rural areas, but not exclusively in urban areas.

10.2 PAS Guidance\(^56\) suggests, when the HMA has been established, that the assessment of need should ‘briefly review the balance of housing need and planned supply in [these] districts, by reference to adopted and emerging plans and evidence bases to see if there is unmet need from parts of the HMA, or alternatively export some of their own unmet need to parts of the HMA’

10.3 Any inability to meet demand from projected supply raises implications for the meeting of housing need identified in the assessment of need. All authorities in the table below have either a connection to the Housing Market Area or have a relatively close proximity.

10.4 The Broads Authority is not considered here given their historic situation. In their LDF Core Strategy 2007-2021 DPD\(^57\), adopted in September 2007, it states that:

‘Due to the particular responsibilities of the Authority and the priority accorded to the need to protect the special qualities of the area, the Authority has no housing remit. There are no ‘targets’ set for provision and the Broads is recognised as being an area of general restraint. Housing provision is a function of the neighbouring District Councils, and major new housing development will occur in their areas.’ (para 7.6)

\(^56\) Objectively Assessed Need and Housing Target – Technical Advice Note; June 2014
\(^57\) http://www.broads-authority.gov.uk/__data/assets/pdf_file/0010/299233/Corestratdpd.pdf
**Figure 142: Comparison of Housing Demand and Supply in the HMA by Local Authority area (Source: CLG, AMR, SHLAA, Joint Core Strategy for Broadland, Norwich and South Norfolk, figures rounded to the nearest 10)**

<table>
<thead>
<tr>
<th></th>
<th>Norwich</th>
<th>Broadland</th>
<th>South Norfolk</th>
<th>North Norfolk</th>
<th>Breckland</th>
<th>Great Yarmouth</th>
<th>Waveney</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CLG Household Projections</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Annual Average)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006-based</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 years: 2006-16</td>
<td>1,100</td>
<td>600</td>
<td>700</td>
<td>500</td>
<td>1,000</td>
<td>500</td>
<td>800</td>
</tr>
<tr>
<td>25 years: 2006-31</td>
<td>920</td>
<td>720</td>
<td>760</td>
<td>600</td>
<td>1,000</td>
<td>520</td>
<td>800</td>
</tr>
<tr>
<td>2008-based</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 years: 2008-18</td>
<td>1,200</td>
<td>600</td>
<td>700</td>
<td>600</td>
<td>900</td>
<td>600</td>
<td>700</td>
</tr>
<tr>
<td>25 years: 2008-33</td>
<td>1,000</td>
<td>680</td>
<td>720</td>
<td>600</td>
<td>840</td>
<td>600</td>
<td>720</td>
</tr>
<tr>
<td>Interim 2011-based</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 years: 2011-21</td>
<td>590</td>
<td>460</td>
<td>600</td>
<td>470</td>
<td>680</td>
<td>480</td>
<td>430</td>
</tr>
<tr>
<td>25 years: not published</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Range (lowest to highest)</strong></td>
<td>590-1,200</td>
<td>460-720</td>
<td>600-760</td>
<td>470-600</td>
<td>680-1,000</td>
<td>480-600</td>
<td>430-800</td>
</tr>
<tr>
<td><strong>Average (mean)</strong></td>
<td>962</td>
<td>612</td>
<td>696</td>
<td>554</td>
<td>884</td>
<td>540</td>
<td>690</td>
</tr>
<tr>
<td><strong>Average (median)</strong></td>
<td>1,000</td>
<td>600</td>
<td>700</td>
<td>600</td>
<td>900</td>
<td>520</td>
<td>720</td>
</tr>
<tr>
<td><strong>Annual Housing Target from Annual Monitoring Report</strong></td>
<td>477</td>
<td>728</td>
<td>893</td>
<td>400</td>
<td>780</td>
<td>380</td>
<td>290</td>
</tr>
<tr>
<td><strong>Net difference from the mean of annual average CLG Household Projections</strong></td>
<td>-485</td>
<td>116</td>
<td>197</td>
<td>-154</td>
<td>-104</td>
<td>-160</td>
<td>-400</td>
</tr>
<tr>
<td><strong>Percentage difference from CLG Household Projections</strong></td>
<td>-50%</td>
<td>19%</td>
<td>28%</td>
<td>-28%</td>
<td>-12%</td>
<td>-30%</td>
<td>-58%</td>
</tr>
<tr>
<td><strong>Total Housing Land Supply identified by SHLAA</strong></td>
<td>8,592</td>
<td>12,704-13,094</td>
<td>15,524-16,064</td>
<td>12,230</td>
<td>4,198</td>
<td>2,787</td>
<td>1,463</td>
</tr>
<tr>
<td><strong>Housing land supply period based on AMR target (years)</strong></td>
<td>15 years from 2011</td>
<td>15 years from 2011</td>
<td>15 years from 2011</td>
<td>20 years</td>
<td>5 years</td>
<td>5 years</td>
<td>5 years</td>
</tr>
</tbody>
</table>
Delivery trends in Central Norfolk

10.5 Housing starts and completions are shown below and reflect a downturn from 2007-2009 to 2010-11 when a recovery began, albeit at reduced delivery levels.

Figure 143: Central Norfolk Housing Starts and Completions 1998-2014 (Source: CLG)

10.6 Source of housing delivery has varied since 1998-9. Noticeable output changes include delivery by housing associations being lower in 2013-14 than in preceding years and council housing delivery re-emerging since 2009-10.

Figure 144: Central Norfolk Housing Delivery 1998-2014 (Source: CLG)
11. Service Families

11.1 The housing need of service families features in NPPF Para 50 & 159; but not in NPPG. We have, therefore, considered their needs in this Part 2, for completeness even though they are outside NPPG.

11.2 The numbers of service personnel living in Central Norfolk are relatively low compared to the overall HMA population. There are c.1500 people living in households and c.270 people in barracks. This number may be historic even now; for example, the old Coltishall air base was closed in 2005 and has largely been sold off. Other ex-RAF bases (e.g. Swanton Morley) have ‘converted’ to army ones. Other bases outside the HMA can have staff living within the HMA boundary (e.g. RAF Marham, USAAF Mildenhall, Lakenheath).

Figure 145: Armed Forces living in Central Norfolk (Source: Census 2011)

<table>
<thead>
<tr>
<th>Residence Type</th>
<th>Breckland</th>
<th>Broadland</th>
<th>North Norfolk</th>
<th>Norwich</th>
<th>South Norfolk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lives in a household</td>
<td>850</td>
<td>215</td>
<td>144</td>
<td>170</td>
<td>179</td>
</tr>
<tr>
<td>Lives in a communal establishment</td>
<td>207</td>
<td>40</td>
<td>11</td>
<td>11</td>
<td>1</td>
</tr>
</tbody>
</table>

Housing Members of the Armed Forces

11.3 The Government has made a commitment towards housing members of the armed forces via:

» The Armed Forces Covenant (2011)


» Revised Guidance (2012) regarding priority for access to social housing for former members of the armed forces above that offered to other people in housing need.


» Adapted social housing for Injured Services Personnel: The Nation’s Commitment: Cross Government Support to our Armed Forces, their Families and Veterans (July 2008) made it clear that injured service personnel who bought a home through what was then the Key Worker Living Scheme might be eligible for a DFG to carry out necessary adaptation work.
Affordable housing schemes for Services Personnel: There are a number of housing schemes available to the Service and ex-Service community (eg Homebuy, Help to Buy, NewBuy)

MOD Referral Scheme with Housing Associations in about 180 locations aims to provide low-cost, rented accommodation for people coming out of the Services.

Overall

We do not expect increased demand for housing in the HMA as a result of overall service personnel reductions. However, there may be an increase in obligation towards housing armed forces personnel as a result of the changes to allocations and purchase options.
12. Other Needs

12.1 NPPG does not consider other needs for housing from other need groups, such as teenage parents, people who misuse alcohol, ex-offenders etc. However, as part of the Central Norfolk study, the potential ‘growth’ in such groups was considered using the HCA’s Vulnerable and Older People Needs Estimation Toolkit, and this is included here for information for the period 2011-21.

12.2 NOTE: the needs for people aged 65+ here are different to that in the section on older people in the main document which considers people aged 75+. This is because this section considers the needs of older people in more detail. For the purposes of the OAN, the majority of people aged 65 – 74 do not require any special analysis, but a more detailed analysis can be useful for local authority housing, social care and public health planning.

Figure 146: Estimates of Vulnerable and Older People Needs in Breckland 2011-21 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

<table>
<thead>
<tr>
<th>Client Group</th>
<th>Estimated Number of People</th>
<th>Change 2011-21</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2021</td>
<td>Number of People</td>
</tr>
<tr>
<td>People aged under 18 in need</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teenage parents</td>
<td>257</td>
<td>214</td>
<td>-43</td>
</tr>
<tr>
<td>Young people aged 16-17</td>
<td>32</td>
<td>27</td>
<td>-5</td>
</tr>
<tr>
<td>People aged 18-64 in need</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcohol misuse</td>
<td>399</td>
<td>402</td>
<td>3</td>
</tr>
<tr>
<td>Learning disabilities</td>
<td>204</td>
<td>209</td>
<td>5</td>
</tr>
<tr>
<td>Mental health problems</td>
<td>291</td>
<td>298</td>
<td>7</td>
</tr>
<tr>
<td>Offenders</td>
<td>174</td>
<td>178</td>
<td>4</td>
</tr>
<tr>
<td>Moderate physical or sensory disability</td>
<td>151</td>
<td>158</td>
<td>7</td>
</tr>
<tr>
<td>Serious physical or sensory disability</td>
<td>46</td>
<td>49</td>
<td>3</td>
</tr>
<tr>
<td>Refugees</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Rough sleepers</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Single homeless with support needs</td>
<td>222</td>
<td>228</td>
<td>6</td>
</tr>
<tr>
<td>People aged 65+ in need</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frail elderly</td>
<td>655</td>
<td>849</td>
<td>194</td>
</tr>
<tr>
<td>Older people with mental health needs</td>
<td>1082</td>
<td>1402</td>
<td>320</td>
</tr>
<tr>
<td>Older people with support needs</td>
<td>3559</td>
<td>4613</td>
<td>1054</td>
</tr>
</tbody>
</table>
### Figure 147: Estimates of Vulnerable and Older People Needs in Broadland 2011-21 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

<table>
<thead>
<tr>
<th>Client Group</th>
<th>Estimated Number of People</th>
<th>Change 2011-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2021</td>
</tr>
<tr>
<td>People aged under 18 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teenage parents</td>
<td>191</td>
<td>171</td>
</tr>
<tr>
<td>Young people aged 16-17</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>People aged 18-64 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcohol misuse</td>
<td>363</td>
<td>364</td>
</tr>
<tr>
<td>Learning disabilities</td>
<td>193</td>
<td>194</td>
</tr>
<tr>
<td>Mental health problems</td>
<td>249</td>
<td>250</td>
</tr>
<tr>
<td>Offenders</td>
<td>148</td>
<td>149</td>
</tr>
<tr>
<td>Moderate physical or sensory disability</td>
<td>149</td>
<td>151</td>
</tr>
<tr>
<td>Serious physical or sensory disability</td>
<td>46</td>
<td>47</td>
</tr>
<tr>
<td>Refugees</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Rough sleepers</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Single homeless with support needs</td>
<td>190</td>
<td>190</td>
</tr>
<tr>
<td>People aged 65+ in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frail elderly</td>
<td>646</td>
<td>803</td>
</tr>
<tr>
<td>Older people with mental health needs</td>
<td>1068</td>
<td>1327</td>
</tr>
<tr>
<td>Older people with support needs</td>
<td>3512</td>
<td>4366</td>
</tr>
</tbody>
</table>
### Figure 148: Estimates of Vulnerable and Older People Needs in North Norfolk 2011-21 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

<table>
<thead>
<tr>
<th>Client Group</th>
<th>Estimated Number of People</th>
<th>Change 2011-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2021</td>
</tr>
<tr>
<td>People aged under 18 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teenage parents</td>
<td>182</td>
<td>149</td>
</tr>
<tr>
<td>Young people aged 16-17</td>
<td>21</td>
<td>17</td>
</tr>
<tr>
<td>People aged 18-64 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcohol misuse</td>
<td>269</td>
<td>257</td>
</tr>
<tr>
<td>Learning disabilities</td>
<td>147</td>
<td>143</td>
</tr>
<tr>
<td>Mental health problems</td>
<td>217</td>
<td>212</td>
</tr>
<tr>
<td>Offenders</td>
<td>129</td>
<td>126</td>
</tr>
<tr>
<td>Moderate physical or sensory disability</td>
<td>119</td>
<td>119</td>
</tr>
<tr>
<td>Serious physical or sensory disability</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>Refugees</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Rough sleepers</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Single homeless with support needs</td>
<td>166</td>
<td>161</td>
</tr>
<tr>
<td>People aged 65+ in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frail elderly</td>
<td>677</td>
<td>847</td>
</tr>
<tr>
<td>Older people with mental health needs</td>
<td>1118</td>
<td>1400</td>
</tr>
<tr>
<td>Older people with support needs</td>
<td>3679</td>
<td>4606</td>
</tr>
</tbody>
</table>
Figure 149: Estimates of Vulnerable and Older People Needs in Norwich 2011-21 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

<table>
<thead>
<tr>
<th>Client Group</th>
<th>Estimated Number of People</th>
<th>Change 2011-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2021</td>
</tr>
<tr>
<td>People aged under 18 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teenage parents</td>
<td>223</td>
<td>223</td>
</tr>
<tr>
<td>Young people aged 16-17</td>
<td>28</td>
<td>26</td>
</tr>
<tr>
<td>People aged 18-64 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcohol misuse</td>
<td>541</td>
<td>594</td>
</tr>
<tr>
<td>Learning disabilities</td>
<td>242</td>
<td>262</td>
</tr>
<tr>
<td>Mental health problems</td>
<td>456</td>
<td>492</td>
</tr>
<tr>
<td>Offenders</td>
<td>272</td>
<td>293</td>
</tr>
<tr>
<td>Moderate physical or sensory disability</td>
<td>148</td>
<td>157</td>
</tr>
<tr>
<td>Serious physical or sensory disability</td>
<td>41</td>
<td>43</td>
</tr>
<tr>
<td>Refugees</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td>Rough sleepers</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Single homeless with support needs</td>
<td>348</td>
<td>376</td>
</tr>
<tr>
<td>People aged 65+ in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frail elderly</td>
<td>446</td>
<td>518</td>
</tr>
<tr>
<td>Older people with mental health needs</td>
<td>736</td>
<td>856</td>
</tr>
<tr>
<td>Older people with support needs</td>
<td>2423</td>
<td>2815</td>
</tr>
</tbody>
</table>
### Figure 150: Estimates of Vulnerable and Older People Needs in South Norfolk 2011-21 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

<table>
<thead>
<tr>
<th>Client Group</th>
<th>Estimated Number of People</th>
<th>Change 2011-21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2021</td>
</tr>
<tr>
<td>People aged under 18 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teenage parents</td>
<td>211</td>
<td>204</td>
</tr>
<tr>
<td>Young people aged 16-17</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>People aged 18-64 in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alcohol misuse</td>
<td>363</td>
<td>369</td>
</tr>
<tr>
<td>Learning disabilities</td>
<td>192</td>
<td>197</td>
</tr>
<tr>
<td>Mental health problems</td>
<td>253</td>
<td>261</td>
</tr>
<tr>
<td>Offenders</td>
<td>151</td>
<td>155</td>
</tr>
<tr>
<td>Moderate physical or sensory disability</td>
<td>147</td>
<td>154</td>
</tr>
<tr>
<td>Serious physical or sensory disability</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>Refugees</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Rough sleepers</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Single homeless with support needs</td>
<td>193</td>
<td>199</td>
</tr>
<tr>
<td>People aged 65+ in need</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frail elderly</td>
<td>617</td>
<td>789</td>
</tr>
<tr>
<td>Older people with mental health needs</td>
<td>1020</td>
<td>1303</td>
</tr>
<tr>
<td>Older people with support needs</td>
<td>3354</td>
<td>4287</td>
</tr>
</tbody>
</table>
13. Stakeholder Engagement

13.1 Stakeholder Engagement Fieldwork was based on two different strands:

» Fieldwork interviews with Stakeholders (19 completed interviews)

» Duty to co-operate

Fieldwork Interviews with Stakeholders

13.2 PPG says that local authorities should work with:

Local communities, partner organisations, Local Enterprise Partnerships, businesses and business representative organisations, house builders, parish and town councils, designated neighbourhood forums and parish/town councils preparing neighbourhood plans and housing associations should be involved from the earliest stages of plan preparation, which includes the preparation of the evidence base in relation to development needs.

PPG Paragraph 007

13.3 As a result, this project included engagement with the stakeholders above using telephone interviews to a structured Topic Guide. This sought their views on various aspects of the current market, and these views informed the quantitative outputs from the SHMA study.

13.4 The Fieldwork was undertaken with the following:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Who</th>
<th>Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Providers</td>
<td>Local RPs</td>
<td>Telephone Interviews</td>
</tr>
<tr>
<td>Developers</td>
<td>Key local and national developers, representative bodies</td>
<td>Telephone interviews</td>
</tr>
<tr>
<td>Private Landlords</td>
<td>Landlords, representative body</td>
<td>Telephone interviews</td>
</tr>
<tr>
<td>Land Owners</td>
<td>Individual owners/agents</td>
<td>Telephone interviews</td>
</tr>
<tr>
<td>Specialist Groups</td>
<td>Housing partnership representatives; Neighbourhood Plans stakeholder groups</td>
<td>Telephone interviews</td>
</tr>
</tbody>
</table>

The Duty to Co-operate (DtC)

13.5 Effective and demonstrable engagement with neighbouring authorities is important for a robust SHMA. PPG states:

Local planning authorities should assess their development needs working with the other local authorities in the relevant housing market area or functional economic market area in line with the duty to cooperate. (Chapter 1, Page 5)
The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate. (Chapter 2, Page 6)

Source: Assessment of housing and economic development needs (2014)

13.6 The other issue to note is that DtC is often confused with obtaining agreement between authorities. While this is highly desirable for efficiency among other reasons, it is not essential.

13.7 Norfolk has its own arrangements for DtC activity between the various local authorities.
## Appendix A - Background Tables

### Population

**Figure 151: Population in Central Norfolk (Source: UK Census of Population 2001 and 2011. Notes: All figures rounded to the nearest 100. Figures may not sum due to rounding)**

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Persons</th>
<th>Households</th>
<th>Communal establishment residents</th>
<th>Number of households</th>
<th>Average household size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of persons</td>
<td>Household residents</td>
<td></td>
<td>Number of households</td>
<td></td>
</tr>
<tr>
<td>Breckland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>121,408</td>
<td>118,947</td>
<td>2,461</td>
<td>50,707</td>
<td>2.39</td>
</tr>
<tr>
<td>2011</td>
<td>130,491</td>
<td>127,632</td>
<td>2,859</td>
<td>54,519</td>
<td>2.39</td>
</tr>
<tr>
<td>Change</td>
<td>+9,083</td>
<td>+8,685</td>
<td>+398</td>
<td>+3,812</td>
<td>0.00</td>
</tr>
<tr>
<td>(%)</td>
<td>+7.5%</td>
<td>+7.3%</td>
<td>+16.2%</td>
<td>7.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Broadland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>118,504</td>
<td>116,742</td>
<td>1,762</td>
<td>50,010</td>
<td>2.37</td>
</tr>
<tr>
<td>2011</td>
<td>124,646</td>
<td>122,931</td>
<td>1,715</td>
<td>53,336</td>
<td>2.34</td>
</tr>
<tr>
<td>Change</td>
<td>+6,142</td>
<td>+6,189</td>
<td>-47</td>
<td>+3,326</td>
<td>-0.03</td>
</tr>
<tr>
<td>(%)</td>
<td>+5.2%</td>
<td>+5.3%</td>
<td>-2.7%</td>
<td>+6.7%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>North Norfolk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>98,375</td>
<td>95,515</td>
<td>2,860</td>
<td>43,504</td>
<td>2.26</td>
</tr>
<tr>
<td>2011</td>
<td>101,499</td>
<td>99,023</td>
<td>2,476</td>
<td>46,046</td>
<td>2.20</td>
</tr>
<tr>
<td>Change</td>
<td>+3,124</td>
<td>3,508</td>
<td>-384</td>
<td>+2,542</td>
<td>-0.06</td>
</tr>
<tr>
<td>(%)</td>
<td>3.2%</td>
<td>+3.7%</td>
<td>-13.4%</td>
<td>+5.8%</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Norwich</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>121,554</td>
<td>117,101</td>
<td>4,453</td>
<td>54,580</td>
<td>2.23</td>
</tr>
<tr>
<td>2011</td>
<td>132,512</td>
<td>127,754</td>
<td>4,758</td>
<td>60,319</td>
<td>2.20</td>
</tr>
<tr>
<td>Change</td>
<td>+10,958</td>
<td>+10,653</td>
<td>+305</td>
<td>+5,739</td>
<td>-0.03</td>
</tr>
<tr>
<td>(%)</td>
<td>+9.0%</td>
<td>+9.1%</td>
<td>+6.8%</td>
<td>+10.5%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>South Norfolk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(%)</td>
<td>+12.0%</td>
<td>+12.2%</td>
<td>+1.6%</td>
<td>+13.3%</td>
<td>-1.2%</td>
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<tr>
<td>Central Norfolk</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2001</td>
<td>570,562</td>
<td>557,262</td>
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<td>245,403</td>
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<tr>
<td>2011</td>
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<td>+301</td>
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</tr>
<tr>
<td>(%)</td>
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<td>+7.6%</td>
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### East of England

<table>
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<tr>
<th>Year</th>
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<th>Change</th>
<th>Change (%)</th>
<th>Household Population</th>
<th>Change</th>
<th>Change (%)</th>
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<td>+191,061</td>
<td>+8.6%</td>
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<tr>
<td>2011</td>
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<td>+452,071</td>
<td>+8.5%</td>
<td>2,423,035</td>
<td>+191,061</td>
<td>+8.6%</td>
</tr>
</tbody>
</table>

Change: +458,825 or +8.5%

Change: +452,071 or +8.5%

Change: +6,754 or +7.4%

Change: +191,061 or +8.6%
Minority Ethnic Groups

Data regarding minority ethnic groups are not mentioned/required in NPPF/G.

The number of people from a minority ethnic group in Central Norfolk has increased by 3.7% since the 2001 Census. The increase in minority ethnic groups across all local authorities in Central Norfolk is lower than that for the East of England, with exception of Norwich which has higher increases for each minority group and Breckland which has a higher increase of the Other White population.

Figure 152: Proportion of Population by Minority Ethnic Group (Source: UK Census of Population 2001 and 2011)
Economically Inactive

The percentage of those economically inactive declined post 2003, but rose during 2008-2010, although the subsequent trend is downwards.

However it should be noted that the decline in unemployment over recent years may not entirely reflect the strength of the local economy; many working age persons not in jobs are not eligible for, or do not claim, unemployment benefit.

Figure 153: Unemployment Rate for Working Age Population for Central Norfolk: 1993-2011 (Source: DWP Claimant Count. Note: Data relates to May and October of each year)
Dwelling Type

Dwelling type shows that:

» Norwich has significantly more terraced housing, and fewer detached homes and bungalows, than other authorities in the region.

» In the other authorities, bungalows and detached homes form relatively higher proportions of the stock.

Figure 154: Proportion of Dwelling Type by Area (Source: Valuation Office Agency, August 2012)
Appendix B - Local Policy and Strategy Context

Local Policy and Strategy Context

The study acknowledges the range of local strategies and plans of the commissioning councils: Breckland District Council, Broadland District Council, North Norfolk District Council, Norwich City Council and South Norfolk Council. In addition, the activity of the Broads Authority is acknowledged. Summaries of key documents are set out below.

Breckland Council

Sustainable Communities Strategy for Breckland 2008-2011

The Breckland Sustainable Communities Strategy provides the overarching vision for the priorities and objectives of all strategies and policies for the district including the Local Development Framework and Housing Strategy. It articulates a vision for the district of ‘Together we can improve our quality of life’ and takes account of Norfolk Ambition (Norfolk’s Community Strategy 2003–2023) and the Norfolk Local Area Agreement.

The Sustainable Communities Strategy has six priorities:
  » Develop safer and stronger communities;
  » Improve homes;
  » Promote and develop a thriving economy;
  » Improve the health and wellbeing of local people;
  » Ensure the accessibility of all services;
  » Achieve environmental sustainability.

Housing and the economy are recurrent themes in Breckland Sustainable Community Strategy. For example, tackling social exclusion (p29) identifies the nature of disadvantage in Breckland as being characterised by:
  » Low income;
  » Inadequate skills of the workforce and a lack of aspiration among the young;
  » Poor health and the lack of a healthy lifestyle;
  » Lack of affordable housing;
  » Lack of transport and poor access to employment and services.

The Strategy describes a picture of the local economy with low unemployment, but low wages in comparison to other areas in the region and country, reflecting the ‘low level of skills required by many of the available jobs’. In line with this, the Strategy points to a ‘lower level of qualifications of
people in the district’. Consequently, under the banner of promoting and developing a thriving economy, the key priorities are:

» Improving business competitiveness;
» Attracting inward investment;
» Enhancing workforce development & skills;
» Improving transport and infrastructure;
» Regenerating and developing the Breckland Environment.

The Strategy notes that house prices have risen ‘much faster than incomes’, and that at the time of it being written ‘the average two-bedroom property costs over five times the average income’. The draft East of England Plan (since revoked) placed on Breckland a requirement ‘to deliver 15,200 new homes over the next 13 years [2008-2021], of which at least one third are required to be affordable and of which 6,000 will be delivered in Thetford as a key centre for growth’.

Breckland Council Corporate Plan 2015-19

The Corporate Plan Vision for Breckland Council is:

‘Breckland is a place of opportunity and ambition for all’

The Corporate Plan sets out four key priorities:

» 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
» enabling stronger, more independent communities.

Some of the detail of the fourth priority is relevant to the SHMA.

» Work with partners to support Older People to remain active, participative and independent in the community in which they live
» Lead and support the Breckland Health and Wellbeing Partnership to address key local health, care and wellbeing issues
» Enable the effective planning and delivery of housing solutions to meet local needs
» Work with current and new partners to deliver services that improve the opportunities for troubled families and our most vulnerable residents

Emerging Local Plan 2014

The Emerging Local Plan for Breckland is intended to update the current Core Strategy and Development Control Policies Development Plan Document (DPD) adopted in 2009, taking account of the changing planning system regulations and economic climate. It will bring together all previous forms of DPDs and supporting documents including the Local Development Scheme (LDS), Statement of Community Involvement (SCI) and Annual Monitoring Reports (AMRs).
Breckland Local Plan Scoping Report 2013

The Breckland Local Plan Housing Scoping Report 2013 is part of the process of developing the Local Plan. The central concern of the Report is sustainability of the emerging Local Plan in terms of social-economic and environmental impacts of implementing a Local Plan.

Core Strategy and Development Control Policies DPD (Core Strategy DPD) 2009 -2026

The Core Strategy and Development Control Policies DPD was adopted on 17th December 2009 and remains relevant until the emerging Local Plan is in place. It is the first part of the LDF which aims to:

- Set a spatial vision for the Breckland area with clear economic, social and environmental objectives;
- consider the needs and aspirations of Breckland residents; and
- achieve an integrated approach to regeneration and delivery of needed development

Key elements of the Core Strategy and Development Control Policies DPD are:

- The Spatial Strategy, with a vision that ‘By 2026, Breckland’s settlements and its wider rural area will have developed as a dynamic, prosperous and self-sustaining community through the delivery of at least 19,100 net new homes and significant employment growth, supported by necessary facilities, services and infrastructure.’
- Core Strategies on Housing, Employment and Regeneration, with Policy CP1 – Housing, stating that ‘Provision is made for the development of at least 19,100 homes and associated infrastructure in the District within the period 2001-2026.’ However, this figure is based on the East of England as set out in the East of England Plan (RSS), which was revoked in January 2013.
- Development Control Policies on Protection of Amenity; Housing, Employment and Regeneration; Environment; Accessibility covering density and mix of housing and affordable housing among other factors.

Housing Strategy 2010-2013

The Housing Strategy 2010-2013 has a vision to ‘Meet the needs of our communities to live in good quality housing of their choice, with the support they need to meet their aspirations.’

The Housing Strategy sits under the Sustainable Communities Strategy for Breckland 2008-2011 and supports the six priorities with an aspiration to ‘increase the number of affordable and quality homes available in the district.’

For the purposes of the SHMA, the key issues identified in the Housing Strategy are: the level of housing growth required and the effects of limited supply of affordable housing; housing need, including that resulting from effects of the recession such as increased requests for housing assistance; insufficient choice in housing, with Breckland having a small private rented sector and
smaller affordable rented sector than the national average; increasing population, especially Older People. These themes lead to the strategy identifying five key actions for housing, with two being central to the analysis in the SHMA report:

» Ensuring everyone has access to an affordable decent home;
» Creating greater housing options to provide choice and independence.

North Norfolk Council

North Norfolk Council Corporate Plan 2012-2015

The Corporate Plan for North Norfolk Council was published in 2012 with a five-point vision for North Norfolk, two of which are directly relevant to the SHMA:

» To boost employment and create more jobs;
» To enable the provision of new homes and the infrastructure that goes with them.

These two vision priorities are restated in the ‘Priorities’ section of the Corporate Plan as Jobs and the local economy, and housing and infrastructure.

The first of these two priorities, Jobs and the local economy, has the following aims that are relevant to the SHMA, to:

» increase the number of new businesses and support the growth and expansion of existing businesses;
» improve the job prospects for our residents by developing a skilled and adaptable workforce that is matched to business growth and development.

The second, housing and infrastructure, has the overarching aim that:

‘Everyone in North Norfolk should have the opportunity to buy or rent a decent home at a price they can afford, in a community where they want to live and work’

To achieve this, North Norfolk Council wants to:

» increase the number of new homes built within the District and reduce the number of empty properties;
» increase the number of affordable homes with a range of tenure types;
» secure investment in new infrastructure.

The North Norfolk LDF Core Strategy 2008 - 2021

The North Norfolk Core Strategy 2008 – 2021 remains in place. It articulates a vision that:

‘In 2021 North Norfolk will be an area with strong local distinctiveness where the unique coastal and rural environment will be protected for its own sake. The District will have a diverse, high-value economy with attractive and vibrant towns and villages that act as
employment and service centres for the surrounding rural hinterland. Residents will have a high quality of life, and there will be an increased range of housing and job opportunities for all, to help maintain socially-balanced and sustainable communities.’

To achieve this vision, the Core Strategy has six core aims, three of which are directly relevant to the SHMA:

» To address the housing needs of the whole community;
» To provide for sustainable development and mitigate and adapt to climate change;
» To develop a strong, high value economy to provide better job, career and training opportunities.

Points under Core Aim 1 (To address the housing needs of the whole community) include:

» To provide a variety of housing types in order to meet the needs of a range of households of different sizes, ages and incomes and contribute to a balanced housing market;
» To meet the needs of specific people including the elderly, the disabled and the Gypsy and Traveller community.

Core Aim 2 (To provide for sustainable development and mitigate and adapt to climate change) deals with the strategy for development in a rural area:

» To concentrate development in the settlements that have the greatest potential to become more self-contained and to strengthen their roles as centres for employment, retailing and services.

Core Aim 5 (To develop a strong, high value economy to provide better job, career and training opportunities) lays out the aims for economic development.

The Spatial Strategy lays out details in accordance with these aims, specifically development in existing viable centres of employment and housing.

‘Policy SS3: Housing currently relates to the East of England Plan which allowed for 8,000 dwellings to be provided in North Norfolk between 2001 and 2021 and states a target of 30% of dwellings to be affordable.’

Housing Strategy 2012-2015

The North Norfolk District Council Housing Strategy 2012-2015 has the ambition that ‘everyone in North Norfolk should have the opportunity to buy or rent a decent home at a price they can afford, in a community where they want to live or work’. It consists of three documents:

» Housing and Infrastructure;
» Making the best use of the existing housing stock;
» Supporting vulnerable people.

The Housing and infrastructure document refers to the Corporate Plan and Core Strategy and has the same aims and priorities as those documents.
Broadland District Council, Norwich City Council and South Norfolk Council

Joint Core Strategy 2008-2026\(^{58}\)

The Joint Core Strategy (JCS) for Broadland District Council, Norwich City Council and South Norfolk Council was adopted on 24 March 2011, with amendments adopted on 10 January 2014. It ‘sets out the long-term vision and objectives for the area including strategic policies for steering and shaping development’. It is ‘designed to deliver substantial growth in housing and employment’, but states that ‘in many areas, existing infrastructure is at, or near, capacity’ and requires investment to support the planned growth.

The JCS notes states that ‘it is currently expected that the rest of the LDFs will be produced by each individual authority’. The JCS is primarily related to the following local strategies and plans:

- A New Vision for Norwich: The Sustainable Community Strategy;
- Your Sustainable Community Strategy for South Norfolk;
- Norfolk Ambition – the Sustainable Community Strategy for Norfolk.

It lists five ‘grand challenges’ to be addressed by the JCS, with two being directly relevant to the SHMA:

- **Houses**: identifying land to meet the requirements of providing 37,000 additional homes
- **Jobs**: securing another 27,000 new jobs of all types and levels in all sectors of the economy and for all the workforce

The JCS identifies eight area-wide policies covering aspects such as climate change and promoting good design. The area-wide policies which are particularly related to the SHMA are:

- **Policy 4: Housing delivery**, which states that ‘at least 36,820 new homes can be delivered between 2008 and 2026’, with between 20% and 33% of developments being a mix of social and intermediate tenures, depending on the size of site.
- **Policy 5: The economy**, which states that ‘The local economy will be developed in a sustainable way to support jobs and economic growth both in urban and rural locations’, with the intention of: facilitating job growth with a target of 27,000 additional jobs between 2008-2026; increasing the proportion of higher value jobs while ensuring opportunities in all sectors of the economy.
- **Policy 6: Access and transportation**, which states that ‘The transportation system will be enhanced to develop the role of Norwich as a Regional Transport Node, particularly through

\(^{58}\) [http://www.gndp.org.uk/our-work/joint-core-strategy/]
the implementation of the Norwich Area Transportation Strategy, and will improve access to rural areas’.

The JCS includes 11 Policies for Places, with a major focus on the Norwich Policy Area, which includes large areas of Broadland and South Norfolk along with Norwich City. These policies include Policy 9: Strategy for growth in the Norwich Policy Area, and Policy 10: Locations for major new, or expanded, communities in the Norwich Policy Area.


The Greater Norwich Housing Strategy was produced by the Greater Norwich Housing Partnership (GNHP) in 2008. The GNHP consists of Broadland, Norwich and South Norfolk. When the Greater Norwich Housing Strategy expired in 2011, the three authorities agreed to produce individual housing strategies.

Broadland District Council

Broadland Business Plan 2015-2019⁵⁹

The Broadland Business Plan has the vision:

‘To grow a strong and vibrant Broadland, with more jobs, more homes and more opportunities for all’.

The plan lists six key ambitions, with two being directly relevant to the SHMA:

» To deliver economic success in our area;
» To plan and provide well housed communities.

Supporting ‘To deliver economic success in our area’ the Business Plan states objectives including:

» To back Broadland businesses by providing information, help advice and guidance to help them grow and prosper.
» To support the people of Broadland and their communities by increasing their skills and/or employment prospects.
» To generate and commit investment to ensure development provides the necessary infrastructure, homes and opportunities for Broadland residents.
» To broaden the scope, impact and significance of joint working through partnership.

Supporting ‘To plan and provide well housed communities’ the Business Plan states objectives including:

» To generate and commit investment to ensure development provides the necessary infrastructure, homes and opportunities for Broadland residents.
» To maximise the delivery of homes people can afford.
» To raise the quality of existing homes.

⁵⁹ http://www.broadland.gov.uk/council_and_democracy/2869.asp
To understand people’s housing problems and help solve them.
To address the needs of the older population to ensure they can continue to live independently.
To help support and protect vulnerable residents.
To broaden the scope, impact and significance of joint working through partnership.

Emerging Local Plan 2014

The Emerging Local Plan for Broadland will replace the 2006 Local Plan. It includes the JCS along with local DPDs such as site allocations DPD and development management DPD, which will need to be brought in line with the JCS.

Broadland Housing Strategy 2012-2015

The Housing Strategy 2012-2015 supports the vision in the Broadland Business Plan 2010-2015 to ‘continually strive to improve the quality of life for all in Broadland’ with the following objective, to:

‘Enable every household in Broadland to have available to them a home that is affordable, of good quality, suited to their needs in a good environment and in so far as possible at a tenure of their choice’

To achieve this, the Strategy has four aims:

» Understanding people’s housing problem(s) and helping them to solve them;
» Raising the quality and sustainability of existing homes, services and neighbourhoods;
» Creating a more balanced mix and quality of housing that is affordable;
» Creating sustainable and thriving communities and environments.

Norwich City Council

Sustainable Community Strategy 2007-2020

Norwich City’s Sustainable Community Strategy has as its vision ‘To make Norwich a world-class city in which to live, work, learn and visit.’ The Strategy notes that:

‘Economically, greater Norwich is strong and growth is expected to continue. The jobs market is buoyant and average house prices have increased significantly over recent years.[...]

The city is a major centre for employment. Greater Norwich provides some 120,000 jobs, which represents around 40% of all jobs in Norfolk and the largest concentration of jobs in the eastern region. [...]

At the same time, there are surprisingly high levels of deprivation in the city. [...] Educational attainment is low in certain areas, and many people lack the basic skills required by employers. Deprivation also has a detrimental effect on health, and mental health is a significant issue for the city.’

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The Strategy sets out six themes in its Mission to ‘work together to enable Norwich to be recognised as a model city’. Two of the themes are directly relevant to the SHMA:

» economic growth and enterprise;
» health and well-being.

To achieve the theme ‘City of Health and Well-being - where everyone can enjoy a healthy life with access to good health facilities, housing and social care’, four strategic objectives are defined, including:

» to ensure adequate housing for all Norwich residents

The Strategy notes that ‘In terms of housing, there is significant partnership working in place between Norwich, Broadland and South Norfolk through the Greater Norwich Housing Partnership, which produced a joint housing strategy for 2008-2011. The three councils also jointly commissioned a housing needs strategy and it is recognised that housing needs identified within the city will have to be met in part outside city boundaries.’

The key priorities for achieving the strategic objective ‘to ensure adequate housing for all Norwich residents’ are:

» Move towards a balanced housing market;
» Build sustainable and thriving communities;
» Maximise opportunities for delivering affordable housing;
» Achieve decent, healthy and environmentally sustainable homes across all tenures;
» Provide choice and fair access to all services
» Deliver outcomes through effective partnership working.

Under the theme ‘City of Economic Growth and Enterprise’ the Strategy notes that:

‘Job growth and regeneration needs to be supported by the development of brownfield land, making it available for low-cost housing and new employment opportunities. There is a need to bring forward constrained brownfield land in the northern city centre and east Norwich regeneration areas and to focus on maintaining the vitality of the city centre through a balance of employment, housing, leisure, etc.’

Norwich City Council Corporate Plan 2012-2015

The Corporate Plan Vision for Norwich City Council is:

‘To make Norwich a fine city for all’

The Corporate Plan Mission ‘to always put the city and its people first’ sets out five key priorities, with the most relevant to the SHMA being:

» To make Norwich a prosperous city;
» To make Norwich a city with decent housing for all.

To support the priority on decent housing for all, the Plan states that the Council ‘will work with our residents and partners to deliver the following key actions over the next three years’:
» improve the letting of council homes so we make the best use of existing affordable housing resources;
» improve the council’s housing stock through a programme of upgrades and maintenance including new kitchens, windows and doors;
» develop new affordable housing;
» prevent people from becoming homeless through providing effective advice and alternative housing options;
» bring empty homes back into use and improve the standard of private sector housing through advice, grants and enforcement.’

The Local Planning Policy and Local Development Scheme

The Norwich Local Development Scheme (LDS) is effective from 18th July 2014. The LDS takes into account:

» The Joint Core Strategy (JCS);
» The current local plan for Norwich;
» The Northern City Centre Area Action Plan.

Following public examination, the Norwich Development Management Policies local plan and Site Allocations and Site Specific Policies local plan documents were adopted on 1st December 2014.

Both plans reflect the vision and objectives set out in the JCS, particularly:

» To allocate enough land for housing, and affordable housing, in the most sustainable settlements;
» To promote economic growth and diversity and provide a wide range of jobs;
» To promote regeneration and reduce deprivation;
» To enhance transport provision to meet the needs of existing and future populations while reducing travel need and impact;
» To involve as many people as possible in new planning policy.

Policy DM12 Principles for all residential development sits beneath ‘Ensuring well-planned housing development’ and deals with dwelling size, mix and tenure along with development density.

Housing Strategy 2013-2018

The Housing Strategy 2013 – 2018 states five outcomes that the Strategy should deliver against:

» We want to ensure an adequate supply of good quality homes across all tenures;
» We want our residents to have the choice of good quality, well-managed, affordable accommodation of different types and sizes across the city;
» We want all vulnerable residents with a specialist housing need to have access to suitable accommodation, care and support;
» We want to improve economic prosperity in Norwich through a healthy and balanced housing market;

» We want to tackle poor housing and reduce health inequalities.

Themes in the Housing Strategy which relate most directly to the SHMA include increasing options for and removing barriers to private renting, addressing the imbalance between housing need and supply of ‘Council social rented accommodation’, and:

» ‘To review the council’s options for intervening in the housing market to ensure a balance of housing types, sizes and tenures across the city to meet the economic needs of the city.’

Economic Strategy 2013-2018

The Economic Strategy 2013–2018 notes the JCS target for employment growth of 27,000 new jobs between 2008 and 2026 in the JCS area. The Strategy characterises Norwich as having a diverse economy which is well-placed to take advantage of the need for carbon reduction through being a local centre and close to alternative energy production sites such as offshore wind farms, though with a need for local skills development. There has been a decrease in city centre employment density caused by factors such as relocation to out of town offices. The Strategy identifies the local economy as having been resilient through the recession because of a strong knowledge sector, but also that there is a need for increasing the skills and providing jobs across the board of the present and future workforce.

The Strategy lists four objectives, two of which are relevant to the SHMA:

» Business and Enterprise: To strengthen the city’s economy and ensure the right environment exists to maximise business and jobs growth;

» Infrastructure for Business: To make sure that Norwich has the appropriate infrastructure to attract and retain businesses whilst maintaining quality of environment.

Under the Infrastructure for Business objective are two priorities relevant to the SHMA:

» Contribute towards the development of an improved and effective sustainable transport infrastructure to support planned growth;

» Ensure an adequate supply of affordable housing and that the overall housing mix is appropriate to the needs of the local population.

South Norfolk District Council

The South Norfolk Sustainable Community Strategy follows the Local Area Agreement in focusing on eight themes, with two being directly relevant to the SHMA:

» Thriving economy;

» Improving housing.

The vision for the Strategy under the themes of a thriving economy and improving housing are closely aligned to the Joint Core Strategy (JCS).

Under the theme ‘Thriving Economy’, the Strategy articulates a 10 year vision including:
Increased number of better paid jobs in the area;
Improved road infrastructure and availability of public transport, including community transport schemes;
Vibrant market towns and villages attracting tourism and with flourishing rural businesses.

Under the theme of ‘Improving housing’, the 10 year vision is:
Development and growth is well planned and managed through the Local Development Framework, creating sustainable communities and meeting health and education needs;
A supply of affordable homes that meets need;
A housing stock that meets the changing needs of residents and ensure low levels of homelessness in our district;
Have permanent approved sites for Gypsy and Travellers with good access to support services.

The Strategy notes that in the previous seven years, house prices more than doubled while in the same period salaries only increased by an average of 10%. These factors combined with ‘additional growth in Norfolk and shortages in affordable housing stock places increased pressure on housing leading to reductions in local affordability’.

South Norfolk Council Business Plan 2011-2014

The corporate plan vision for South Norfolk Council is:
	‘to retain and improve the quality of life in South Norfolk, for now and future generations, to make it one of the best places to live and work in the country.’

The Plan sets out four key priorities, the most relevant ones for the SHMA being:
Enhancing our quality of life and the environment we live in;
Promoting a thriving local economy.

Some of the detail of these two is relevant to the SHMA. The first priority, ‘Enhancing our quality of life and the environment we live in’, has an aim to ‘continue to improve the range and quality of housing’. This is to be achieved through the following:
Improve the range of housing available to meet local need;
Ensure communities grow through our Local Needs Affordable Housing Scheme;
Support older people to retain their independence as long as possible;
Tackle fuel poverty, making homes more efficient and cheaper to heat;
Continue to be one of the best councils in the country for preventing homelessness.

The second priority, ‘Promoting a thriving local economy’ has much in common with the Joint Core Strategy and Sustainable Community Strategy, having four top level themes:
Support and enable existing and new businesses to develop and grow
Encourage development in key sectors, and on strategic locations.
Help improve the skill levels and aspirations of local people, particularly young people.
Help revitalise market towns and the rural economy
New Local Plan 2014

In addition to the Joint Core Strategy, the Local Plan includes a Site Specific Policies DPD, Development Management Policies, and Wyndmondham and Long Stratton Area Action Plans, all of which were submitted to the Secretary of State on 17 April 2014. There is also a Gypsy and Traveller DPD.

Housing Strategy

South Norfolk Council currently has a Housing Strategy drafted and awaiting adoption.

Economic Strategy 2011-2014

The Economic Strategy 2011–2014 characterises South Norfolk as having a large population of people aged over 65 (20% in 2008), with many small businesses (80% having fewer than 5 employees) and a small number of large employers. It identifies opportunities for growth in science and technology. While the Strategy identifies low unemployment, it also notes that South Norfolk has ‘lower than average levels of skills and wages’. Therefore a primary aim is to make the area ‘attractive for enterprise and business investment’. South Norfolk, along with other Norfolk authorities, is part of the New Anglia Local Enterprise Partnership.

The Strategy notes the relationship between economic growth and housing. It is grouped into four themes and related objectives. The themes are:

- Business support and infrastructure;
- Growth sectors and strategic locations;
- Skills and aspirations;
- Market towns, rural economy and tourism.

Under the first theme (Business support and infrastructure) the Strategy notes the need to address infrastructure deficits to ensure housing as well as jobs growth.

Under the fourth theme (Market towns, rural economy and tourism), the Strategy states that South Norfolk Council will:

‘Work with parish and town councils and the community to ensure appropriate and balanced housing development and job opportunities.’

Broads Authority

The Broads Authority Core Strategy\(^{60}\) was adopted in September 2007 until 2021. A new Local Plan is in preparation. The Core Strategy refers to the Broads Plan 2004, but the relevant document for the SHMA is the later Broads Plan 2011\(^{61}\).

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Strategies

The Broads Authority publishes several strategies, plans and policies to guide the work of managing the Broads.\(^{62}\)

The Broads Plan (2011) sets out a long-term vision for the whole of the Broads. The vision to 2030 is based on maintaining the natural wetland ecosystem and landscape. The main points for the SHMA are:

- A thriving, living, working landscape recognised for its natural, historic and cultural beauty and as a wonderful place to live and work where the importance of the waterways for navigation, biodiversity and recreation is recognised, protected and enhanced
- A model of a low carbon society with inspirational examples of sustainable living and a local population engaged in the key debates and decisions about its future

The strategic priorities based on the Broads Plan include as part of “Priority 2 - Working in Partnership on the Sustainable Management of the Broads – Landscape and Cultural Heritage” to:

- LC3 Promote affordable housing to meet identified local needs and encourage sustainable communities

A new Local Plan is being produced with spatial policies and proposals for development and land use in the Broads.

Other strategies include “Managing the Broads” which covers conservation, land and water management, visitor services, planning and mitigating climate change, and the Sustainable Tourism Strategy in conjunction with “Broads Tourism”, the association of Broads tourism businesses. There is also the Climate Change Adaptation Plan and Mooring Strategy.

Broads Authority and the SHMA

The key issue for the Broads Authority relating to the SHMA is working in partnership with Norfolk and Suffolk local authorities for sustainable development in the context of its position between the urban centres of Norwich, Great Yarmouth and Lowestoft. The Broads Plan 2011 summarises the main housing issues:

- Adequate housing to meet existing and future need is vital for ensuring vibrant and sustainable communities. The Authority has no strategic housing target to meet and, due largely to issues of flood risk; new housing does not come forward in large numbers within the Broads executive area. Consequently, housing supply is relatively static and house prices considerably higher than in other parts of Norfolk and Suffolk. There is also a high degree of second home ownership and holiday accommodation. As a result, new permanent housing is at a premium and young and newly formed households often cannot afford to buy on the local housing market. The Authority is working closely with its local authority partners on developing planning policies and projects that can lead to the development of new affordable housing schemes to meet local need in

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appropriate locations. The specific housing needs of the Broads area are not well documented and specific research would be useful in enabling appropriate schemes to come forward.

In addition, in order to protect the internationally important wetland landscape, including many protected sites, the Broads Authority along with National Parks and other designated areas is exempted from certain aspects of the NPPF\(^\text{62}\). Notably for the SHMA is that:

**114. Local planning authorities should:**

- set out a strategic approach in their Local Plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure, and;
- maintain the character of the undeveloped coast, protecting and enhancing its distinctive landscapes, particularly in areas defined as Heritage Coast, and improve public access to and enjoyment of the coast.

...Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:

specific policies in this Framework indicate development should be restricted.\(^9\)

\(^9\)For example, those policies relating to sites protected under the Birds and Habitats Directives (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion.

**115. Great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are considerations in all these areas, and should be given great weight in National Parks and the Broads**

*National Planning and Policy Guidance (2014; revised 2015)*
Appendix C - The Broads

1.1 This section contains a short profile of the Broads using figures from the Census 2011 to provide context for the OAN figures. When compared to other areas, they demonstrate how the Broads is different to other authorities in the HMA. It has an older population with fewer younger people to form new households, including a comparatively high proportion of families without children and lower proportion of families with dependent children. There is increasing owner occupation and private rented with little social rented housing, low rates of overcrowding and high rates of single person households. One in five work over 49 hours per week, while 12% work under 15 hours. A large majority of residents are in good health.

1.2 Because the Broads is a unique area it is difficult to provide figures for similar areas as comparators. Other national parks do not necessarily provide a close comparator because each one is unique. Comparator figures used here are: all national parks, the East of England, Norfolk and Suffolk, England and Wales. These comparators illustrate the unique nature of the Broads.

The Broads Authority

1.3 The Broads National Park is a landscape of lakes and rivers covering 303 square kilometres (117 square miles) across Norfolk and Suffolk. It comprises only 0.1% of the UK the park area, but hosts more than a quarter of its rarest wildlife. There are also historically important mills and other landmarks. The population is estimated to be 6,300 and the economic impact of tourism is estimated to be around £568m

1.4 The Broads Authority has responsibility for looking after the Broads and the interests of the people who live, work and visit the National Park. The Broads Authority has two purposes identical to the other national park family members relating to conservation and promoting people’s understanding and enjoyment of the special qualities of the area. It also has a third purpose to look after the waterways for navigation. In addition, it is a planning authority and has a duty to foster the economic and social well-being of its communities. The Broads Executive Area extends into North Norfolk, Broadland, Norwich and South Norfolk and therefore is largely included within the Central Norfolk Housing Market Area.

Population and demography

1.5 The Broads covers an area of 28,928 hectares with a population density of 0.2 people per hectare. This compares to 0.3 people per hectare for all national parks in England and Wales, to 3.1 people per hectare in the East of England and 3.7 for England and Wales. The population density in the Broads is lower than in Norfolk overall (1.6) and in Suffolk (1.9).

1.6 Of the population of 6,271, 49.8% (3,126) are male and 50.2% (3,145) female. There is a comparatively old age structure; the mean age in the Broads is 49.3 compared to 40.2 in the East of England and 39.4 in England and Wales. Age profiles are shown in Figure 155, which shows
lower proportions of all age groups under 44 and higher proportions of all 60+ age groups than the comparator areas. With the exception of the 20 to 24 age group, this applies when compared against the figures for all national parks.

Figure 155: Age profile of Broads residents against comparators

Housing tenure and stock

The number of households increased from 2,624 in 2001 to 2,931 in 2011; an increase of 307 households over the ten years. The number of households living in each tenure is shown in
1.7 Figure 156. The number of households who owned outright increased by 256 to 1,412 while the number owned with a mortgage fell by 49. These figures are compatible with an older population with mortgages being paid off over time, though that cannot be the sole explanation for the change. The small number of social rented properties increased overall from 138 to 156 in total, while private rented from a landlord increased from 455 to 529.

1.8 Not shown separately, but important for the SHMA is that in 2011, 80 households (2.7% of all households in the Broads) were living rent free. This figure is included in the “Private rented: Other and living rent free” category. Living rent-free was not identified separately in 2001.
There are 3,611 dwellings in the Broads, almost all of which (3,608) are unshared dwellings; that is they house a single household. Of these, 2,931 have at least one usual resident. The remaining 683 have no usual residents and many of these will be holiday homes.

The Broads Authority and Broads Tourism document: “A strategy and action plan for sustainable tourism in the Broads 2011 – 2015” records 18% of visitors using a self-catering cottage or flat, but states that it is: “difficult to get a tally of self-catering accommodation, as it is often promoted through agencies.”. In conclusion, up to one in five properties in the Broads (683) could be holiday homes, either for rent or for the owner’s sole use. This is important context when considering the

The majority of households (53.5%) live in a detached house or bungalow, with another third living in semi-detached or terraced houses (31.2%). Most flats are in purpose-built blocks. A small number (3.2%) live in caravans or other mobile or temporary structures.
1.12 There is less overcrowding in the Broads than in comparator areas. The Census 2011 records 1.7% of households in the Broads having at least one bedroom less than is required, compared to 2.3% in both Norfolk and Suffolk as a whole, and to 1.7% on average for all national parks. This is a measure of overcrowding.

1.13 A higher proportion of households in the Broads lack central heating than for comparator areas. Within the Broads Authority area, 5.1% of households lack central heating compared to 2.4% in Norfolk, 2.6% in Suffolk and 2.7% across England and Wales. However, the average for all national parks is 4.7% lacking central heating. This could suggest that other, traditional heating methods are used in national park areas.

1.14 Figure 158 shows households composition for groups of households which have been selected to illustrate that, when compared to other areas, the Broads has high proportions of single person households, both of people aged 65 or over and of ‘other’ one person households. There are also higher proportions of older couple households and of couples aged under 65 without children. This is balanced by there being lower proportions of families with dependent children. There are comparatively low proportions of lone parent families.
1.15 Considering selected categories of economic activity, there are slightly lower levels of employment, either full time, part time or self-employed in the Broads compared to other areas, with 60.3% of the economically active and inactive population being employed. Of particular note is that on average, 64.5% are employed in national parks. A further 24.2% Broads residents are economically inactive and retired, which is higher than the average for national parks and considerably higher than for Norfolk (17.9%) and Suffolk (16.5%). The proportions of long term sick or disabled are comparable to the two counties.

1.16 Of workers in the Broads, 12% work 15 hours or less a week and a further 19.4% work between 16 and 30 hours. On the other end of the scale, 19.4% work 49 or more hours.

1.17 A large majority of Broads residents report having good or very good health (78%), with a further 16% reporting fair health.
Of the total of 6,271, 9.6% residents reported having a long term health problem or disability which limited their day to day ‘a lot’, 11.7% had activities limited ‘a little’, and 78.7% did not experience any limitation on their day to day activities.
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