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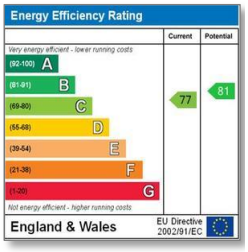

Central Norfolk

Strategic Housing Market Assessment 2015

Report of Findings

January 2016

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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 December 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.

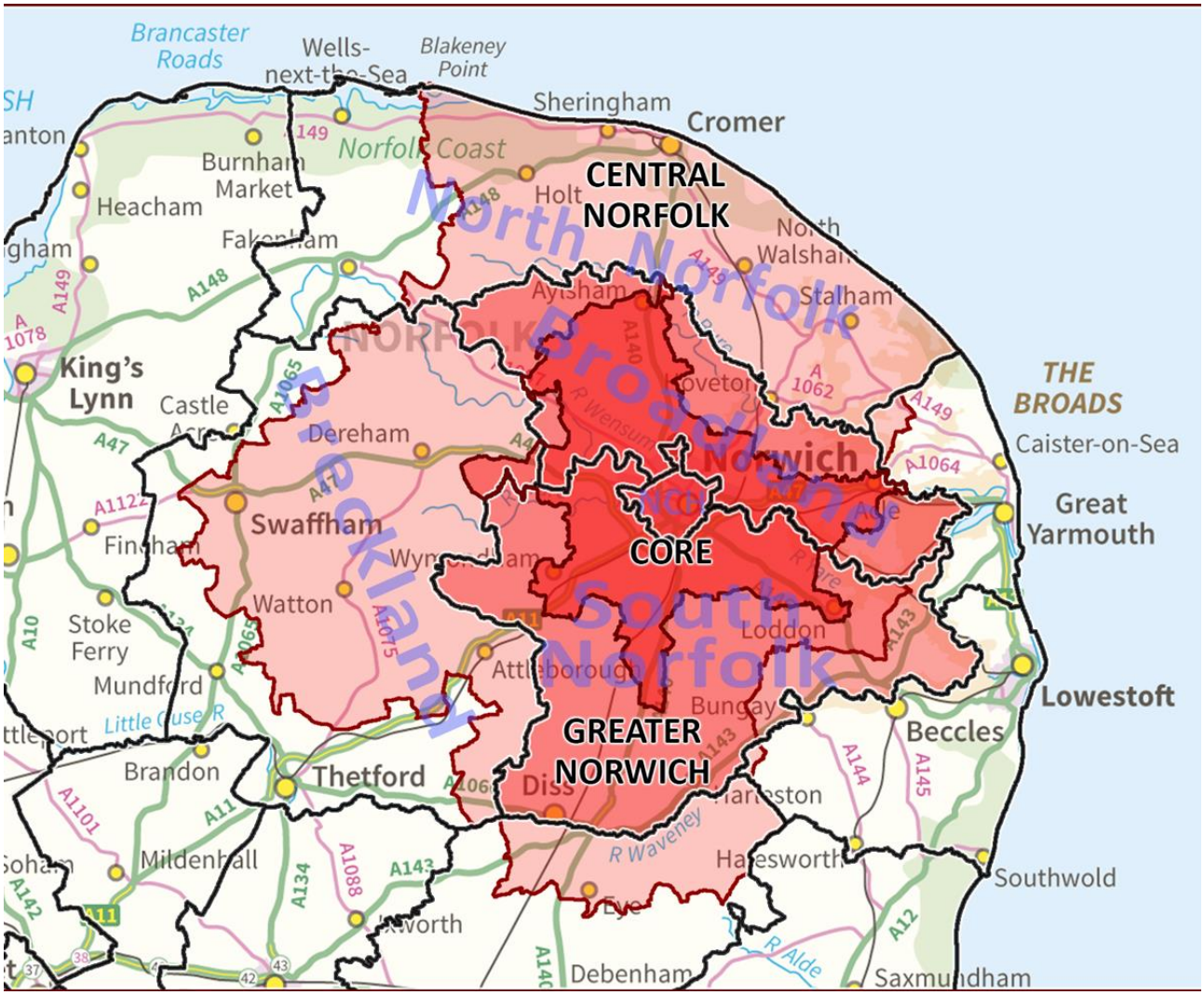
5. We have concluded that the HMA thus identified is robust and forms the relevant basis for the identification of OAN at the various levels of sub-geography required from the study.

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. The administrative boundaries of Councils are also shown for context. As explained in section 2 of this study, the functional Central Norfolk HMA has been "best fit" to the area of the 5 Councils of Broadland, Breckland, North Norfolk, Norwich and South Norfolk. Therefore unless otherwise stated "total" figures apply to the area comprising the 5 Councils rather than the functional HMA.

[1] https://www.gov.uk/government/publications/national-planning-policy-framework--2
[2] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/

Figure 1: Housing Market Areas – Core, Greater Norwich and Central Norfolk, and local authority administrative boundaries



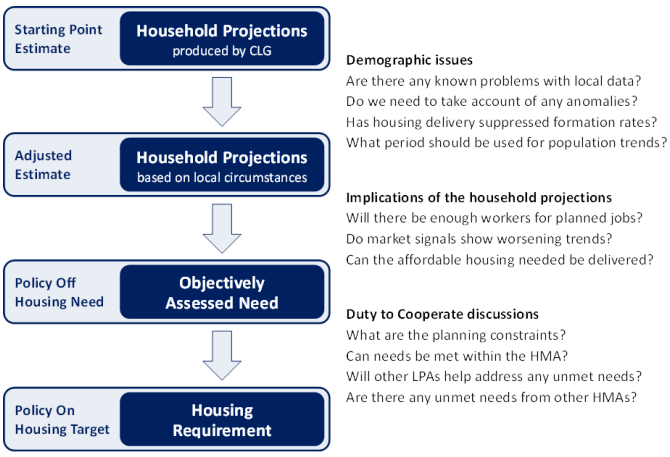
Objectively Assessed Need

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.

Figure 2: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



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 the 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 lower quartile 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 we estimated that 3,553 households were overcrowded in Central Norfolk (Figure 69), including 1,023 owner occupiers, 1,138 households renting privately and 1,479 households in the social rented sector. These figures feed through to the assessment of current unmet need for affordable housing in Figure 73, which includes both need/demand and supply factors and concludes that there is a net current unmet need for overcrowded and concealed households for 882 households.

19. The market signals for Central Norfolk are extremely similar to those for Cheshire East and we consider that the same approach is justified here as ORS adopted in our Housing Development Study for Cheshire East to the satisfaction of their inspector.

Market Signals Conclusion

20. 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 households, which converts to 37 dwellings each year.**

Employment Trends

21. 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 shows that there is a clear need for a response to ensure that workers and jobs balance.

22. 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

23. 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.

24. 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 across Central Norfolk.**

25. Figure 3 shows the total and annual OAN by local authority and other geographies.

Figure 3: OAN - Projected dwellings over the 24-year period 2012-36 including the City Deal at various geographies (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)

	Norwich Policy Area	Core HMA	Elsewhere in Greater Norwich	Elsewhere in Central Norfolk Functional HMA	Areas outside the Central Norfolk Functional HMA	OVERALL TOTAL	Greater Norwich Total	Central Norfolk Functional HMA Total
Total 2012-2036								
Norwich	19,928	19,928	-	-	-	**19,928**	19,928	19,928
Broadland	9,820	10,975	3,269	-	-	**13,088**	13,088	13,088
South Norfolk	10,998	10,528	8,156	-	-	**19,153**	19,153	19,153
Breckland	-	0	-	10,142	4,171	**14,313**	-	10,142
North Norfolk	-	0	-	8,171	1,896	**10,067**	-	8,171
Total	**40,746**	**41,431**	**11,425**	**18,313**	**6,067**	**76,549**	**52,170**	**70,482**
Annual Average by Authority								
Norwich	830	830	-	-	-	**830**	830	830
Broadland	409	457	136	-	-	**545**	545	545
South Norfolk	458	439	340	-	-	**798**	798	798
Breckland	-	0	-	423	174	**596**	-	423
North Norfolk	-	0	-	340	79	**419**	-	340
Total	**1,698**	**1,727**	**476**	**763**	**253**	**3,189**	**2,174**	**2,937**

26. Figure 4 shows the tenure breakdown of the OAN. 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*" (PPG paragraph 22). ORS' affordable housing needs model is derived directly from the OAN calculation and therefore affordable housing needs are a component of the OAN. The model analyses both current and future households who cannot afford market housing and compares this with the projected supply of affordable housing. DWP data on housing benefit receipt provides the most reliable basis for establishing the number of households unable to afford their housing costs and estimating affordable housing needs.

27. It is possible to calculate the affordability of properties to households who require affordable housing. In Figure 4 we have made the following assumptions:

- Households can spend up to 25% of their gross incomes on rents;
- 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, e.g. Low Cost Home Ownership.

28. Figure 4 sets out the number of households who are able to afford housing of different sizes and tenures. The overall results clearly indicate that the vast majority of households who require affordable housing can only afford rented housing.

Figure 4: Tenure of projected dwellings over the 24-year period 2012-36 Including the City Deal by Local Authority Area Using 25% Gross Income on Housing Costs (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)

		Breckland	Broadland	North Norfolk	Norwich	South Norfolk	TOTAL
MARKET HOUSING							
Flat	1 bedroom	-	200	200	1,400	300	2,100
	2+ bedrooms	-100	100	300	1,800	300	2,400
House	2 bedrooms	200	1,700	900	1,700	1,700	6,200
	3 bedrooms	6,900	6,600	5,200	6,600	9,100	34,400
	4 bedrooms	1,600	1,900	1,000	1,100	3,400	9,000
	5+ bedrooms	600	400	300	300	1,000	2,600
Total Market Housing		**9,200**	**10,900**	**7,900**	**12,900**	**15,800**	**56,700**
AFFORDABLE HOUSING							
Flat	1 bedroom	400	200	200	1,600	500	2,900
	2+ bedrooms	300	-	100	1,700	200	2,300
House	2 bedrooms	1,700	1,100	900	900	1,200	5,800
	3 bedrooms	2,500	800	900	2,500	1,300	8,000
	4+ bedrooms	200	100	100	300	200	900
Total Affordable Housing		**5,100**	**2,200**	**2,200**	**7,000**	**3,400**	**19,900**
TOTAL		**14,300**	**13,100**	**10,100**	**19,900**	**19,200**	**76,500**
AFFORDABLE HOUSING FOR RENT (dwellings)							
Flat	1 bedroom	300	100	200	1,500	500	2,600
	2+ bedrooms	200	-	100	1,500	200	2,000
House	2 bedrooms	1,300	900	800	800	900	4,700
	3 bedrooms	2,200	700	800	2,200	900	6,800
	4+ bedrooms	200	200	100	300	200	1,000
Sub-total		**4,200**	**1,900**	**2,000**	**6,300**	**2,700**	**17,100**
% of affordable housing		***82%***	***86%***	***91%***	***90%***	***79%***	***86%***
LOW COST HOME OWNERSHIP (dwellings)							
Flat	1 bedroom	100	-	-	100	-	200
	2+ bedrooms	100	-	-	200	-	300
House	2 bedrooms	400	100	100	100	300	1,000
	3 bedrooms	300	200	100	300	300	1,200
	4+ bedrooms	-	-	-	-	100	100
Sub-total		**900**	**300**	**200**	**700**	**700**	**2,800**
% of affordable housing		***18%***	***14%***	***9%***	***10%***	***21%***	***14%***

29. The effects of the Housing and Planning Bill, once enacted, and other recent announcements will require policy responses to ensure sufficient affordable rented housing is provided. A raft of measures combine in a complex way to make it difficult to comment on what policy responses may be required, such as; the Starter Homes initiative combined with right to buy for housing association tenants, and local authorities being able to discharge homelessness duty in the private rented sector (PRS), alongside existing and possible future pressures on the PRS, such as removal of tax breaks for buy to let landlords.

Private Rented Sector

30. 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 (HMOs).

31. 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.

32. 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

33. 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.

34. 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. 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*

35. 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.

[3] https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-9-private-rented-sector

Housing for Older People

36. Central Norfolk has a current supply of 6,053 specialist housing units and a projected gross need for 31,111 specialist homes by 2036 (based on the Housing LIN Older People Resource Pack 2012). This indicates a provisional net need for 25,058 specialist housing units, of various types and tenures.

37. However, there are a number of reasons and variables which mean that this projected need 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) need also to be considered.
- Developing National strategy and its implications for Older People

38. 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 the County Council, we are aware that those undertaking the JSNA are aware of the issue. Ideally, the outcomes from the JSNA should be considered, alongside the SHMA, in order to establish an understanding of net future need for specific Older Peoples housing schemes.

39. 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 people living in this type of accommodation are not be included in the household projections and OAN.

Households with Specific Needs

40. Data shows how claimant numbers for Attendance Allowance are 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.

41. 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'.

42. 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

43. 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.

44. Discussions with Central Norfolk HEEs highlight modest planned growth in student numbers in coming years, mainly in part time and international students.

45. 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 the supply of new Halls of Residence 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.

46. 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

47. Since 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 were made in the Summer Budget 2015.

48. 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 the relative number of Housing Benefit (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 people living in the private rented sector who are affected by changes to Local Housing Allowance.
- 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

49. 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.

50. 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 housing allocations policies and housing purchase options.

Conclusion

51. The findings are compliant with the requirements of both the National Planning Policy Framework (NPPF)[4] and Planning Policy Guidance (PPG)[5]. In addition, the study is mindful of Planning Inspector Decisions and High Court Judgements, as well as emerging good practice regarding study methodologies.

52. 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.

53. 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.

54. 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.

[4] https://www.gov.uk/government/publications/national-planning-policy-framework--2
[5] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/

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[6]

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

[6] Sources: local authority websites and Nomis profiles http://www.nomisweb.co.uk/reports/lmp/la/contents.aspx

processing not far behind. 79% of the working age population are in employment compared to 76% across the East of England and 72% across Great Britain.

1.8 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

1.9 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.

1.10 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.

1.11 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.

1.12 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

1.13 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.

1.14 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.

1.15 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.

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.

South Norfolk District Council

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 area of the UK, 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 in, work in and visit the Broads. 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 has an additional third principle which other national park family members do not; to look after the waterways for navigation. It is a planning authority and has a duty to foster the economic and social well-being of its communities, though it is not a Minerals and Waste Planning Authority. 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. More information on the Broads is contained in Appendix 3, Part 2 of this report.

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**

1.30 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**

1.31 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.

1.32 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

1.33 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.

1.34 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.

1.35 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

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

1.37 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**

1.38 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)[7].

Planning Practice Guidance

2.3 Planning Practice Guidance (PPG)[8] 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[9].

Geography of Housing Market Areas (NHPAU/CURDS)

2.6 CLG also published a report on the '*Geography of Housing Market Areas'* in 2005[10] which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by

[7] Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes
[8] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/
[9] 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 5). 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:

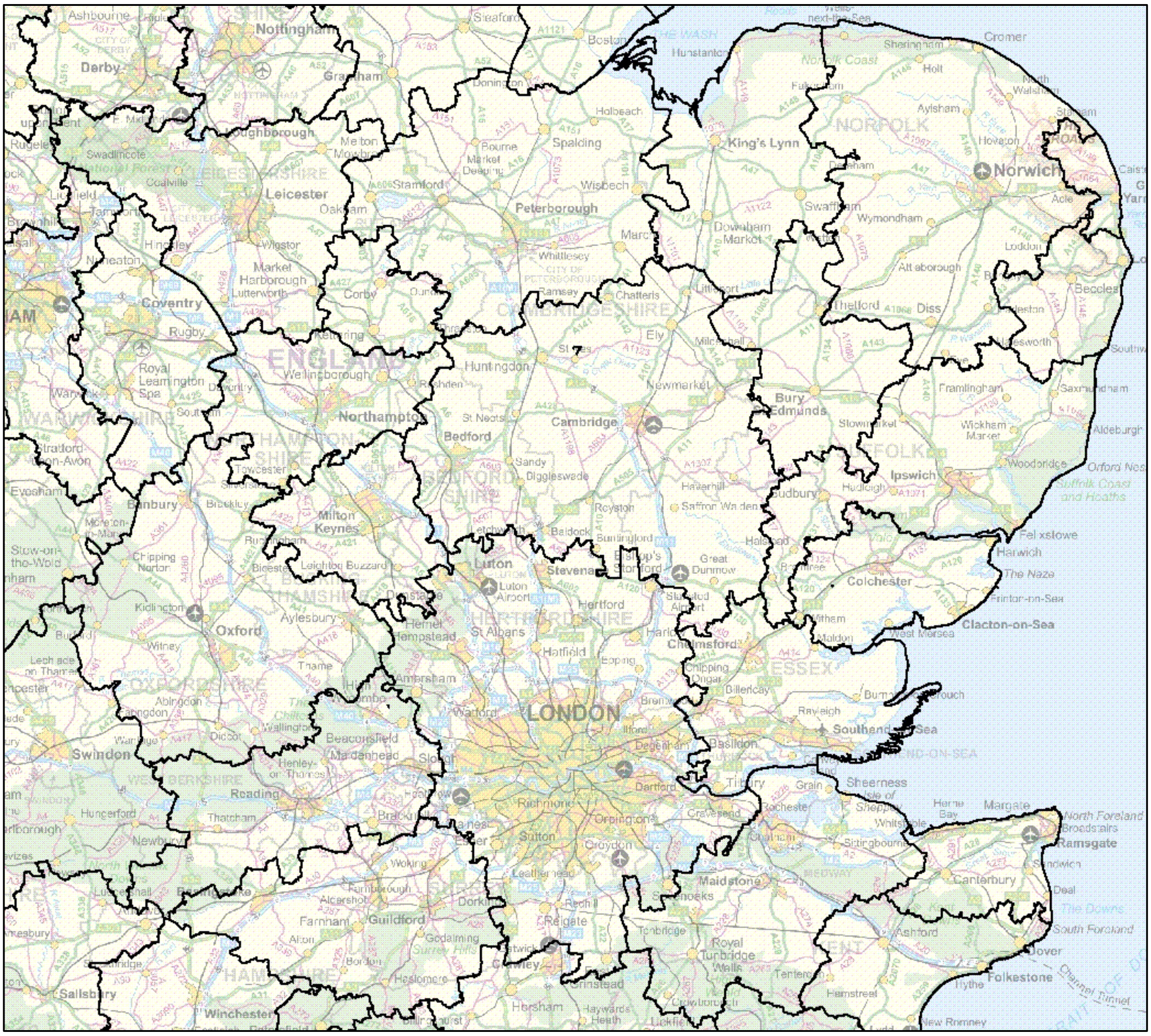
[10] Geography of Housing Market Areas (CLG, November 2010); paragraph 1.6

» 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.

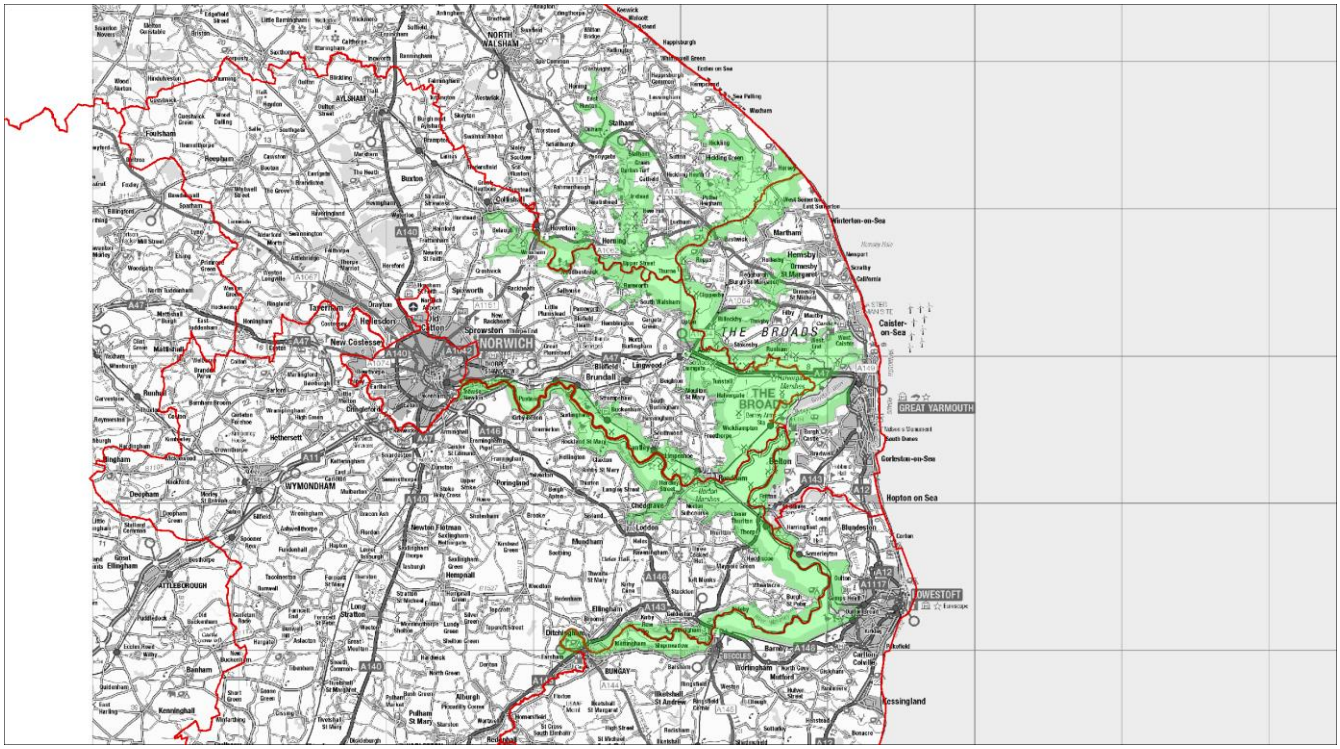
Figure 5: NHPAU Study - PAS OAN technical advice note: the 'Starting Point' (NOTE: This has been subject to further analysis as part of the development of the defined HMA for Central Norfolk)



Administrative boundaries of local authorities in Norfolk

Figure 6: Local Authorities and Broads Authority in Norfolk (Source: Ordnance Survey)

Broads Authority



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.**

2.15 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.'*

2.16 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.

2.17 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[11].
- **Step 2:** We grouped together any contiguous urban MSOAs and each formed a single seed point.

[11] Department for Environment, Food and Rural Affairs, Rural Urban Classification ; www.gov.uk, 2014; paragraph 3.3

- **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.

2.18 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).

2.19 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 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.

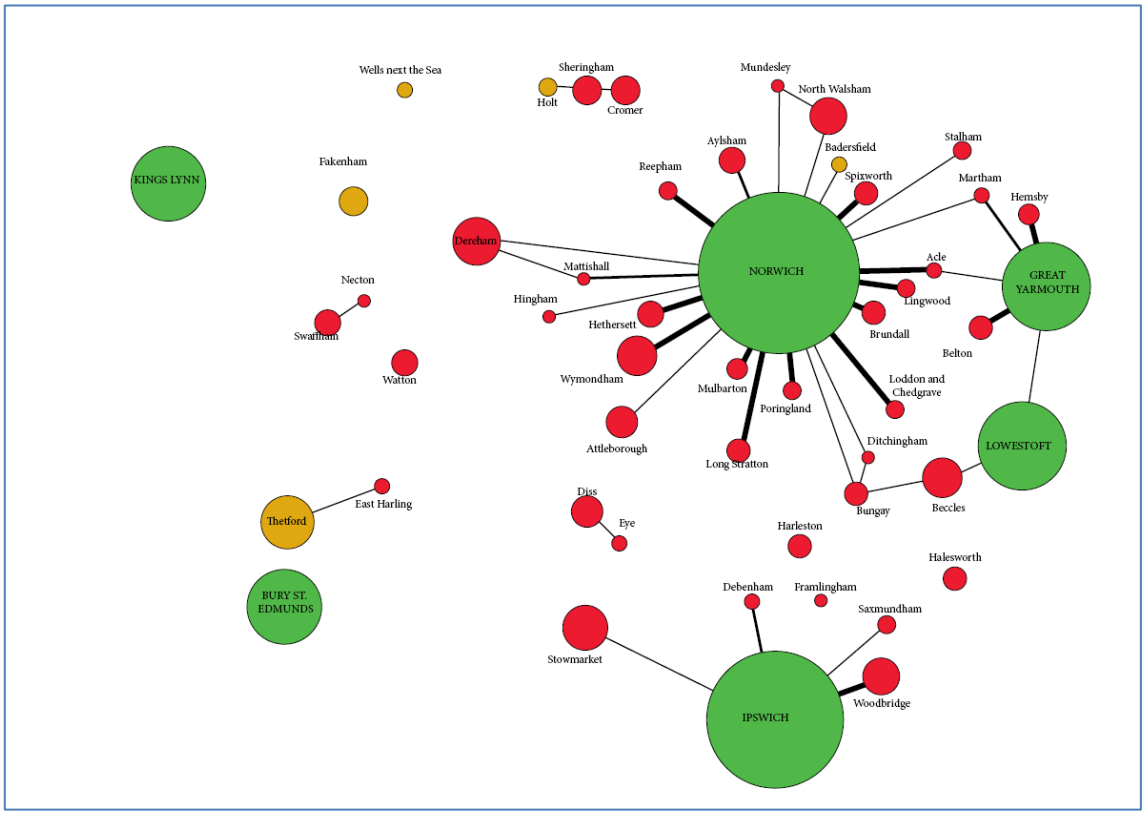
2.24 The analysis is further refined to examine the number of residents who both live and work in urban centres. The colour code represents this as a proportion of all workers living in an area to indicate areas of self-containment, using the following bands:

- 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 7: 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 8: 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)

Urban Centres	Resident Population				Workplace Population	
	Number of Workers	% work in area	% work in Norwich	% work elsewhere	Number of Workers	% live in area
Acle	1,046	32%	24%	45%	949	35%
Attleborough	3,779	38%	12%	51%	3,194	44%
Aylsham	2,551	38%	25%	37%	1,813	53%
Badersfield	604	25%	27%	48%	566	27%
Beccles	6,035	49%	7%	44%	6,209	47%
Belton	1,879	21%	5%	74%	532	73%
Brundall	2,179	22%	40%	38%	814	60%
Bungay	2,192	45%	8%	47%	2,592	38%
Bury St Edmunds	22,384	66%	0%	34%	31,958	46%
Cromer	3,062	56%	8%	36%	3,862	44%
Debenham	843	38%	1%	62%	545	58%
Dereham	9,687	48%	15%	37%	8,614	54%
Diss	4,034	51%	6%	43%	5,118	40%
Ditchingham	615	24%	13%	63%	377	38%
East Harling	981	30%	7%	63%	474	62%
Eye	760	42%	2%	56%	1,591	20%
Fakenham	3,456	57%	6%	37%	4,813	41%
Framlingham	897	48%	0%	51%	1,429	30%
Great Yarmouth	29,972	72%	6%	22%	33,955	64%
Halesworth	1,917	52%	2%	46%	2,353	42%
Harleston	2,066	39%	8%	53%	1,668	48%
Hemsby	1,799	30%	8%	61%	1,054	52%
Hethersett	2,654	25%	37%	38%	1,416	46%
Hingham	956	29%	21%	50%	595	47%
Holt	1,238	59%	5%	36%	2,665	27%
Ipswich	81,604	71%	0%	29%	83,137	70%
King's Lynn	22,206	73%	1%	26%	29,233	55%
Lingwood	1,113	23%	33%	45%	362	70%
Loddon and Chedgrave	1,348	34%	27%	39%	1,193	38%
Long Stratton	2,294	29%	28%	44%	1,705	38%
Lowestoft	29,218	65%	3%	31%	25,898	74%
Martham	1,065	25%	11%	64%	469	57%
Mattishall	476	21%	22%	58%	109	91%
Mulbarton	1,811	16%	41%	43%	432	67%
Mundesley	680	37%	8%	54%	516	49%
Necton	686	29%	7%	64%	310	65%
North Walsham	5,297	47%	16%	37%	4,758	52%
Norwich	102,748	74%	n/a	26%	118,418	65%
Poringland	1,593	22%	44%	34%	567	62%
Reepham	1,311	34%	29%	37%	802	55%
Saxmundham	1,581	38%	0%	61%	1,388	44%
Sheringham	2,936	53%	7%	40%	2,673	59%
Spixworth	1,909	20%	54%	26%	505	76%
Stalham	1,115	34%	14%	52%	1,017	38%
Stowmarket	9,352	42%	0%	57%	7,634	52%

Swaffham	2,623	40%	5%	55%	2,079	50%
Thetford	12,263	53%	2%	45%	11,441	56%
Watton	2,766	38%	6%	56%	2,323	46%
Wells-next-the-Sea	891	58%	3%	39%	919	56%
Woodbridge	4,982	44%	0%	55%	5,624	39%
Wymondham	6,451	37%	27%	35%	6,796	36%

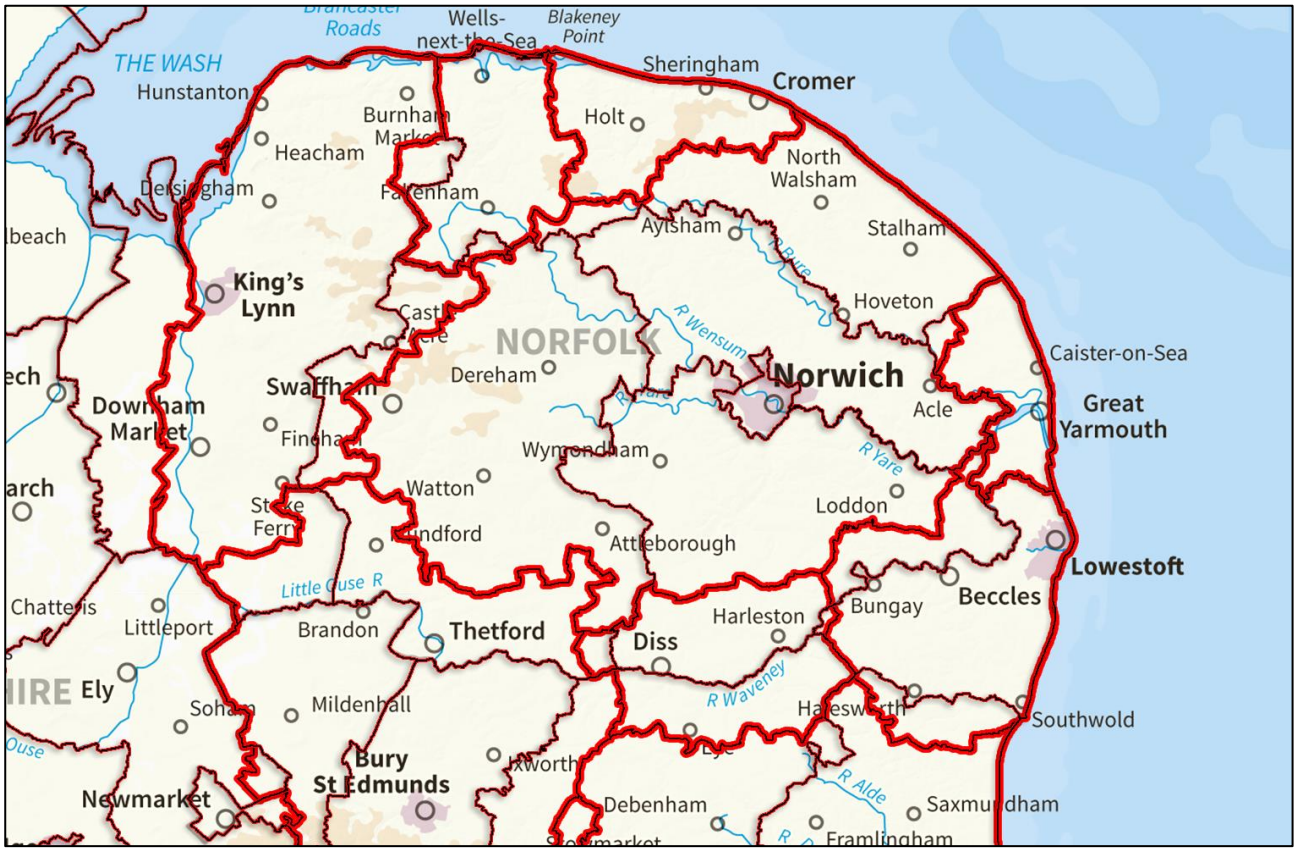
2.27 Typically, local housing market areas are considered to exist in an area with at least 65% self-containment. As many identified settlements have relatively low levels of self-containment, these are then combined to form larger local housing market areas.

2.28 Whilst there is no definitive answer to the final groupings, it can be seen that the Central Norfolk housing market aligns with 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

2.29 The functional relationships above can then be summarised as below.

Figure 9: Functional Housing Sub-Markets in and around Central Norfolk (Source: UK Census of Population 2001 combined with DEFRA Classifications)



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 Agency)
- Centre for Urban and Regional Development Studies (CURDs)

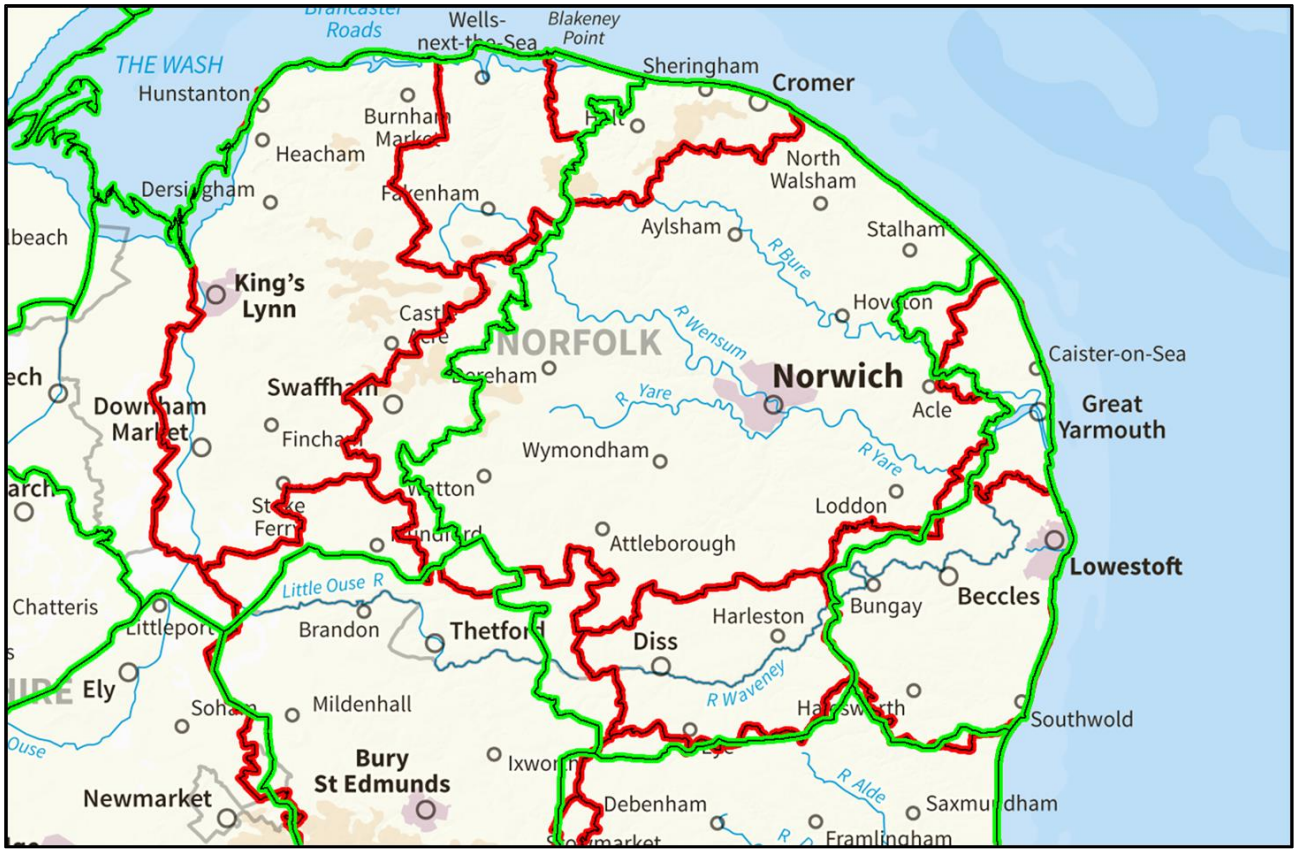
Comparison with Broad Rental Market Areas

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 10, the developing HMA in red. This shows a **relatively high degree of alignment** between the HMA identified in Figure 9 and the VOA BRMA area.

Figure 10: Comparison of VOA BRMA and ORS HMA analysis



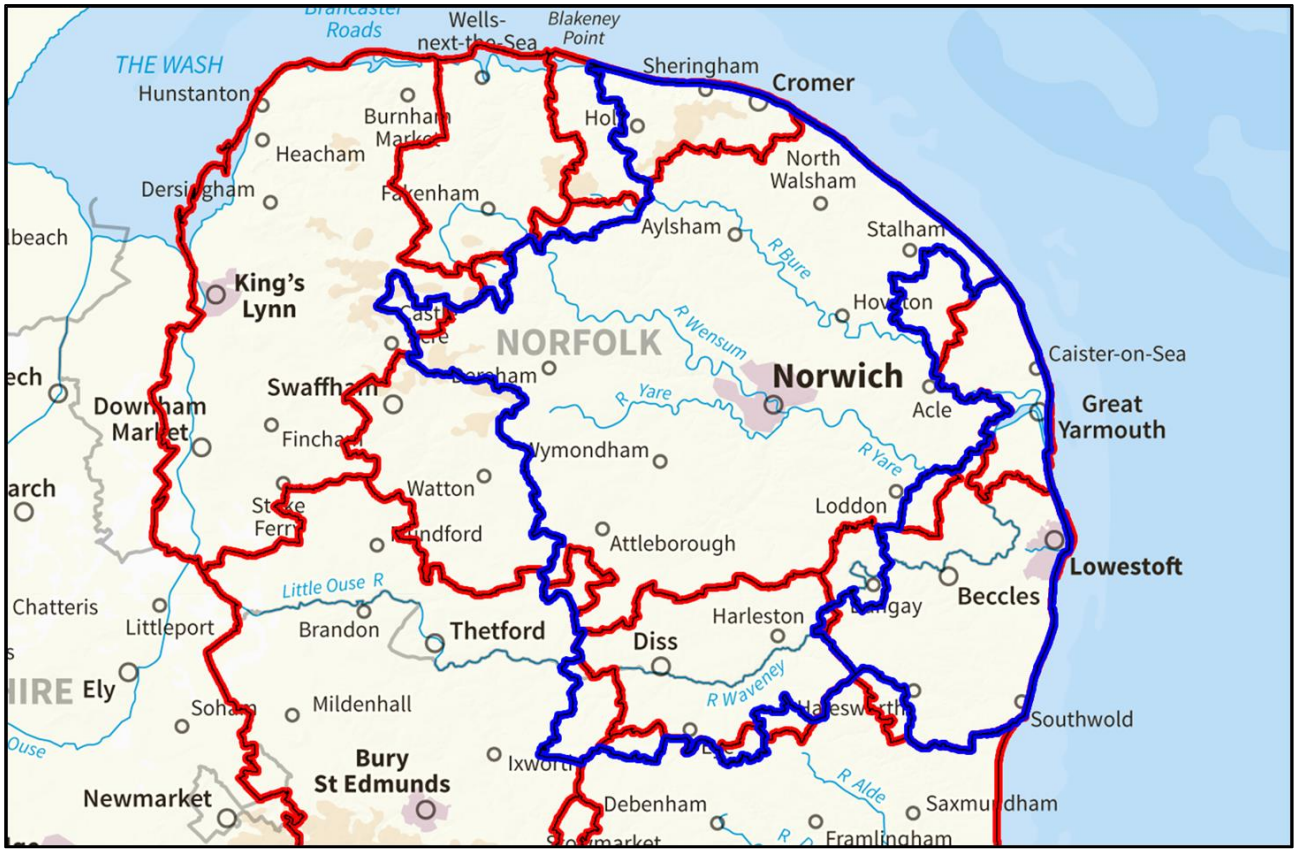
Comparison with CURDS (Centre for Urban and Regional Development Studies)

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 11 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 5 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.

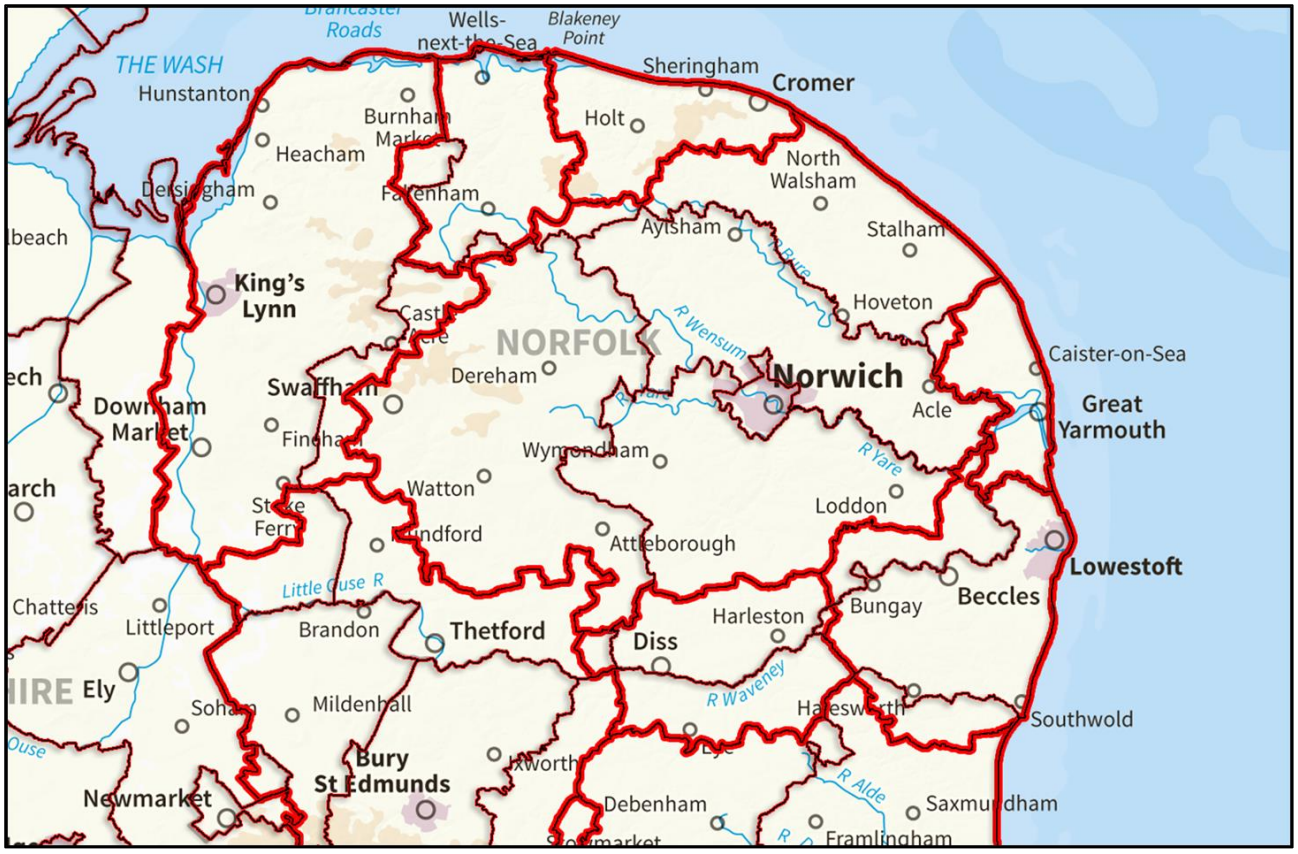
Figure 11: Comparison of Geography of Housing Market Areas in England (NHPAU/Centre for Urban and Regional Development Studies; 2010) and ORS HMA analysis



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 9). However, this is primarily from 2001 Census and there is a need to consider this further against more up to date evidence.

Figure 12: 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 7 it is possible to consider the Housing Market Area identified in three stages (Figure 13) 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 11 (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 14)
- **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 13: Housing Market Area in and around Greater Norwich (Source: UK Census of Population 2001 combined with DEFRA Classifications)

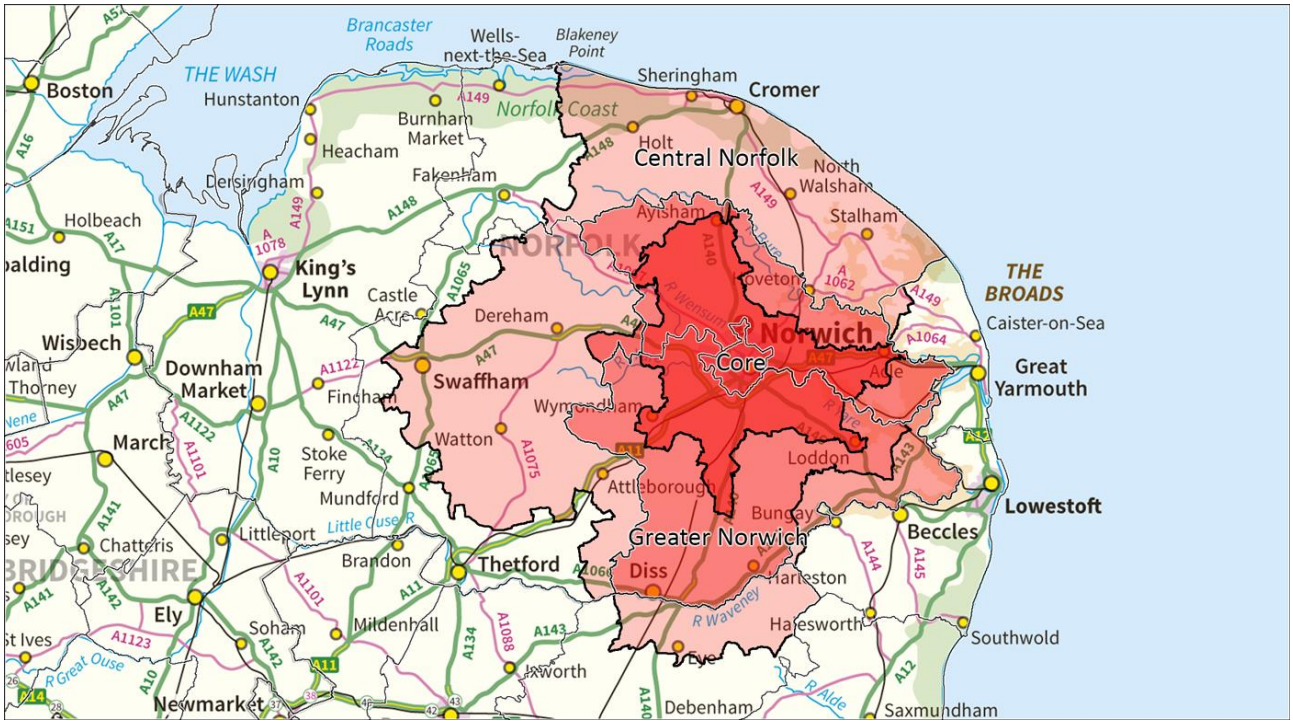
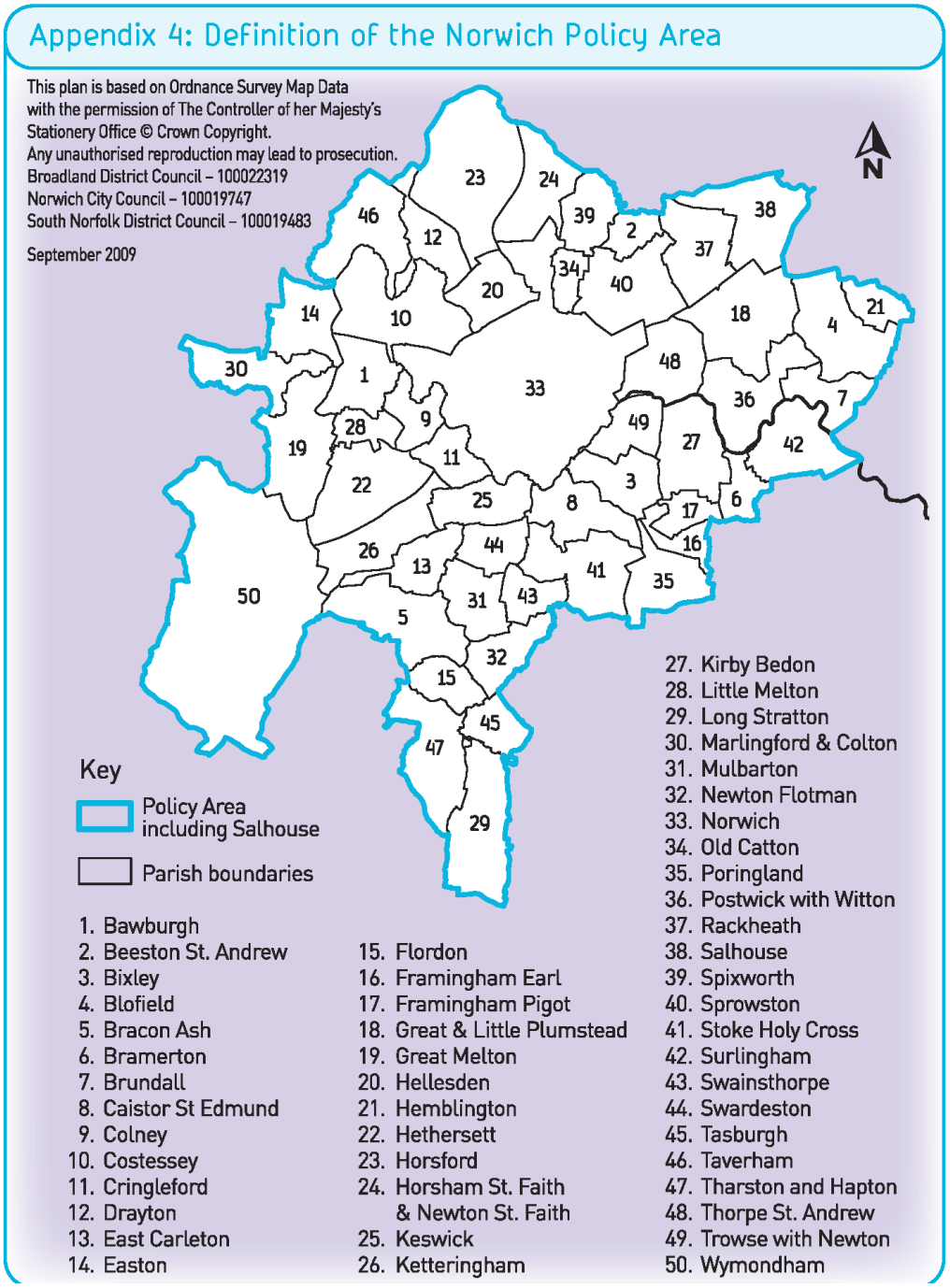


Figure 14: Norwich Policy Area (Source: Broadland, Norwich and South Norfolk Joint Core Strategy, Page 108)



Testing the Identified HMAs

Migration within the UK to and from the HMA

2.41 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.

2.42 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.

2.43 Figure 15 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.

2.44 Figure 16 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**.**

2.45 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.

Figure 15: 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)

Distance moved	Live in Norwich Core HMA		Live in Greater Norwich HMA		Live in Central Norfolk HMA	
	Moved within Norwich Core HMA	Previously lived Elsewhere	Moved within Greater Norwich HMA	Previously lived Elsewhere	Moved within Central Norfolk HMA	Previously lived Elsewhere
All Moves						
Number	20,200	11,000	24,100	12,400	35,700	17,000
% of moves	64.8%	35.2%	66.1%	33.9%	67.8%	32.2%
Moves of up to 80km						
Number	20,200	4,700	24,100	4,900	35,700	4,800
% of moves	81.1%	18.9%	83.2%	16.8%	88.0%	12.0%
Moves of up to 40km						
Number	20,200	3,700	24,100	3,600	35,400	2,900
% of moves	84.6%	15.4%	87.1%	12.9%	92.5%	7.5%

Figure 16: 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)

Distance moved	Previously lived in Norwich Core HMA		Previously lived in Greater Norwich HMA		Previously lived in Central Norfolk HMA	
	Moved within Norwich Core HMA	Now live Elsewhere	Moved within Greater Norwich HMA	Now live Elsewhere	Moved within Central Norfolk HMA	Now live Elsewhere
All Moves						
Number	20,200	10,200	24,100	11,200	35,700	13,500
% of moves	66.5%	33.5%	68.1%	31.9%	72.6%	27.4%
Moves of up to 80km						
Number	20,200	4,100	24,100	4,200	35,700	3,800
% of moves	83.1%	16.9%	85.1%	14.9%	90.5%	9.6%
Moves of up to 40km						
Number	20,200	3,500	24,100	3,300	35,400	2,400
% of moves	85.3%	14.7%	87.9%	12.1%	93.7%	6.3%

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 17 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', 'Greater' Norwich' (Broadland, Norwich and South Norfolk), and the 'full' HMA).

2.49 Figure 18 shows the location of those who work and live in the HMA or work in the HMA and live elsewhere, again analysed at three levels.

2.50 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 17: Workplace Location by Area of Residence for the Core HMA, Greater Norwich HMA and Central Norfolk HMA (Source: 2011 Census of Population)

Live in Local Authority	Live in Norwich Core HMA		Live in Greater Norwich HMA		Live in Central Norfolk HMA	
	Work in Norwich Core HMA	Work Elsewhere	Work in Greater Norwich HMA	Work Elsewhere	Work in Central Norfolk HMA	Work Elsewhere
Number of workers						
Norwich	54,500	8,200	56,000	6,800	58,000	4,800
Broadland	43,100	8,400	53,500	8,500	56,700	5,300
South Norfolk	27,800	6,300	48,100	10,800	50,700	7,300
Breckland	-	-	-	-	31,900	7,300
North Norfolk	-	-	-	-	30,800	4,000
Mid Suffolk	-	-	-	-	4,700	2,500
Great Yarmouth	-	-	-	-	0	0
Waveney	-	-	-	-	0	0
HMA TOTAL	**125,400**	**22,900**	**157,500**	**26,000**	**232,800**	**31,100**
Proportion of HMA workers	**84.5%**	15.5%	**85.8%**	14.2%	**88.2%**	14.8%

Figure 18: Residence Location by Area of Workplace for the Core HMA, Greater Norwich HMA and Central Norfolk HMA (Source: 2011 Census of Population)

Live in Local Authority	Work in Norwich Core HMA		Work in Greater Norwich HMA		Work in Central Norfolk HMA	
	Live in Norwich Core HMA	Live Elsewhere	Live in Greater Norwich HMA	Live Elsewhere	Live in Central Norfolk HMA	Live Elsewhere
Number of workers						
Norwich	54,500	0	56,000	0	58,000	0
Broadland	43,100	5,300	53,500	0	56,700	0
South Norfolk	27,800	6,300	48,100	0	50,700	800
Breckland	-	9,300	-	10,700	31,900	3,900
North Norfolk	-	6,200	-	7,400	30,800	1,900
Mid Suffolk	-	600	-	1,800	4,700	1,500
Great Yarmouth	-	3,400	-	3,800	0	4,900
Waveney	-	2,800	-	3,400	0	3,900
Elsewhere	-	4,200	-	3,500	0	5,000
HMA TOTAL	**125,400**	**37,600**	**157,500**	**30,700**	**232,800**	**21,800**
Proportion of HMA workers	**77.0%**	23.1%	**83.7%**	16.3%	**91.4%**	8.6%

Administrative Boundaries and Housing Market Areas

2.51 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[12] 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."*

2.52 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."*

2.53 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**

[12] Identifying sub-regional housing market areas (CLG, March 2007)

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).

2.54 **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

2.55 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 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.

2.56 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.

2.57 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 NHPAU/Centre for Urban and Regional Development Studies 2010 analysis.

2.58 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.

2.59 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

2.60 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 local authority boundaries of Broadland, Norwich and South Norfolk, plus parts of Breckland.
- **Central Norfolk** – The full extent of the Central Norfolk Housing Market Area not constrained to local or planning authority boundaries.

2.61 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.

2.62 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.

2.63 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.

2.64 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).

2.65 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 13.

2.66 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.

2.67 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

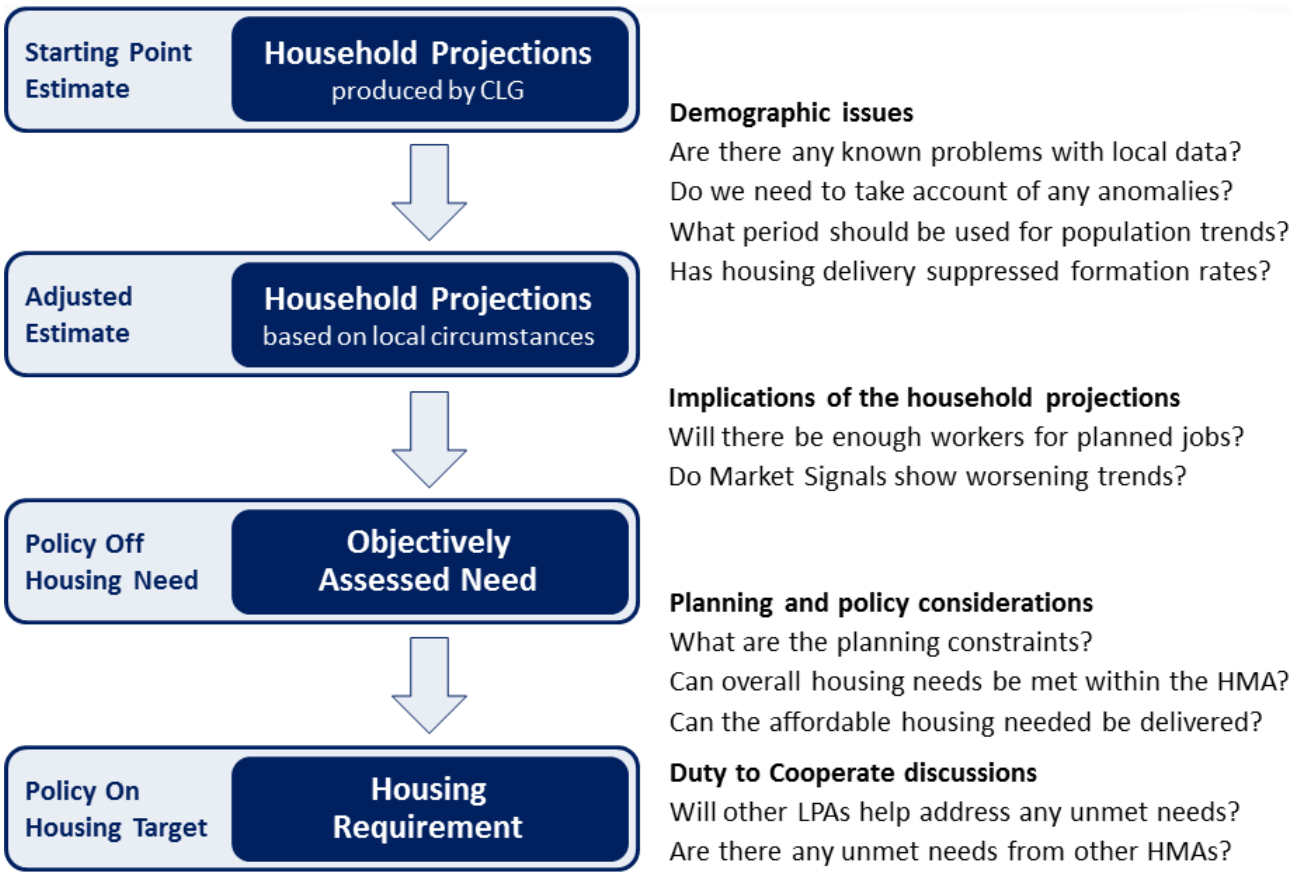
3.1 The Objective Assessment of Need identifies the total amount of housing needed including by type, tenure, and size. This evidence assists with the production of the Local Plan (which sets out the spatial policy for a local area).

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 authorities 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 19: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



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 20 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).

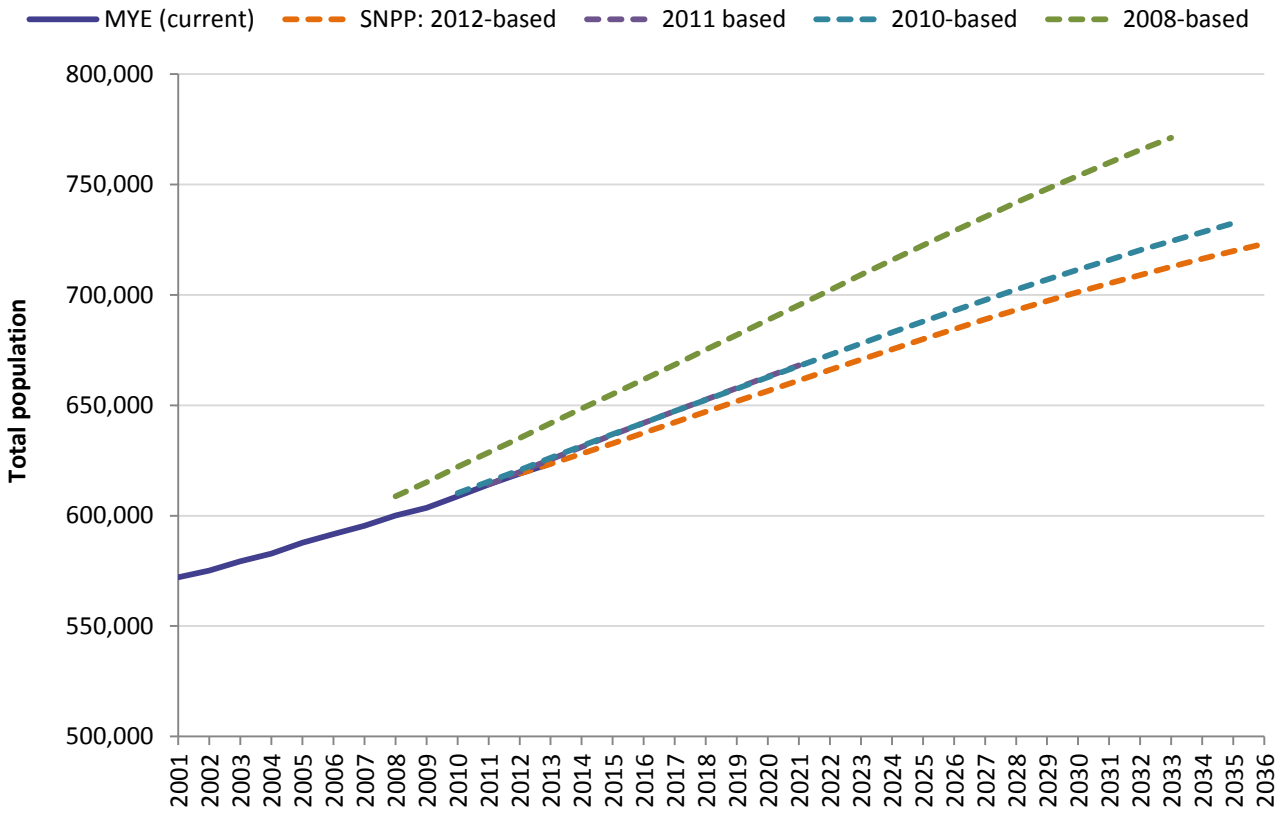
Figure 20: CLG Household Projections for Central Norfolk (Source: CLG Household Projections)

Annual Average		Breckland	Broadland	North Norfolk	Norwich	South Norfolk	TOTAL
2012-based	10 years: 2012-22	570	410	370	580	730	**2,660**
	25 years: 2012-37	520	390	370	540	660	**2,480**
2011-based Interim	10 years: 2011-21	680	460	470	590	600	**2,800**
	25 years: not published	-	-	-	-	-	-
2008-based	10 years: 2008-18	830	660	580	1,230	680	**3,970**
	25 years: 2008-33	810	690	600	1,030	690	**3,820**

3.7 Figure 21 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.

Figure 21: ONS Mid-Year Estimates and Sub-National Population Projections for Central Norfolk (Source: ONS. Note: Household projections were not produced for the 2010-based SNPP)



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.

Population Trends and Projections for Breckland

3.11 Figure 22 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 22: 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)

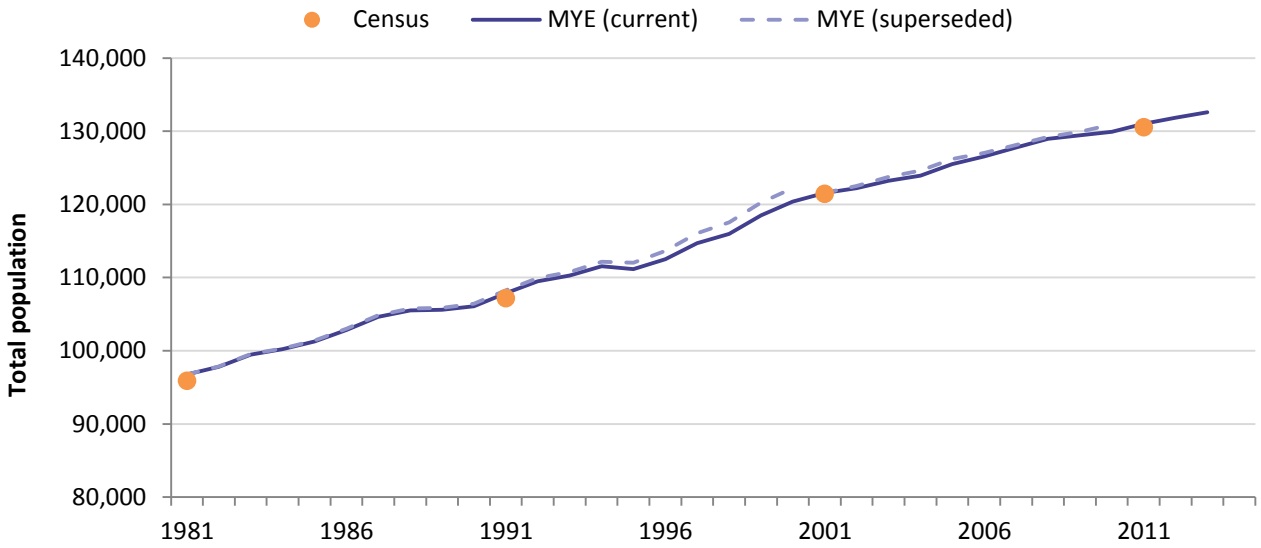
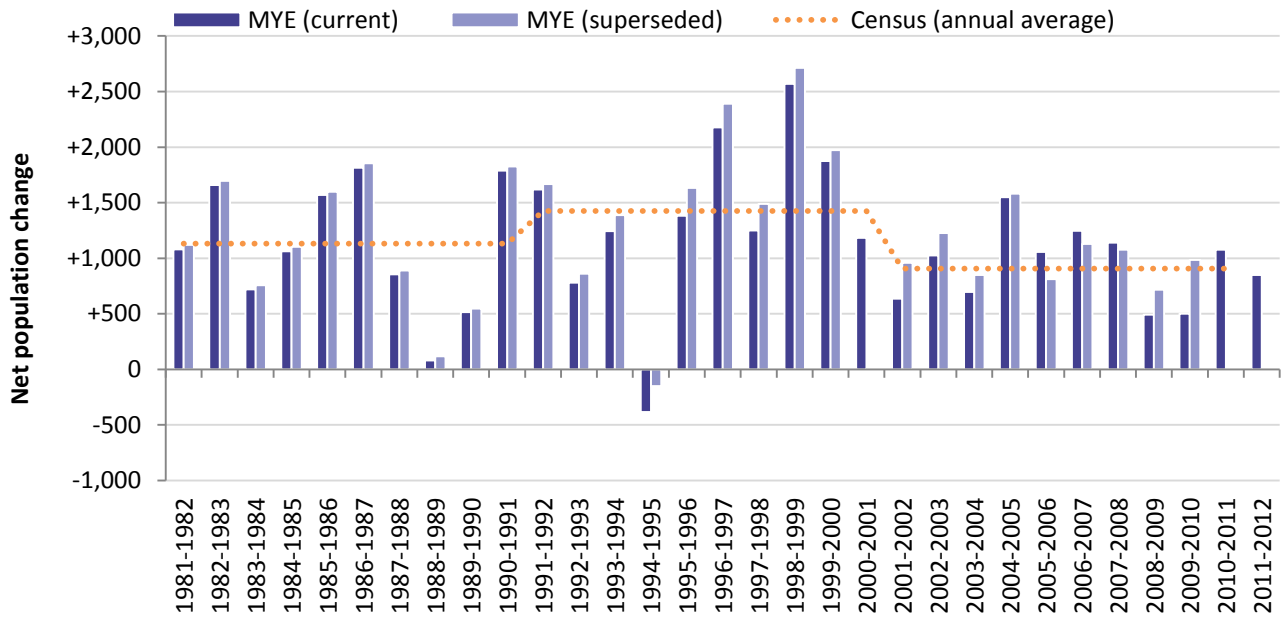


Figure 23: Breckland annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

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.

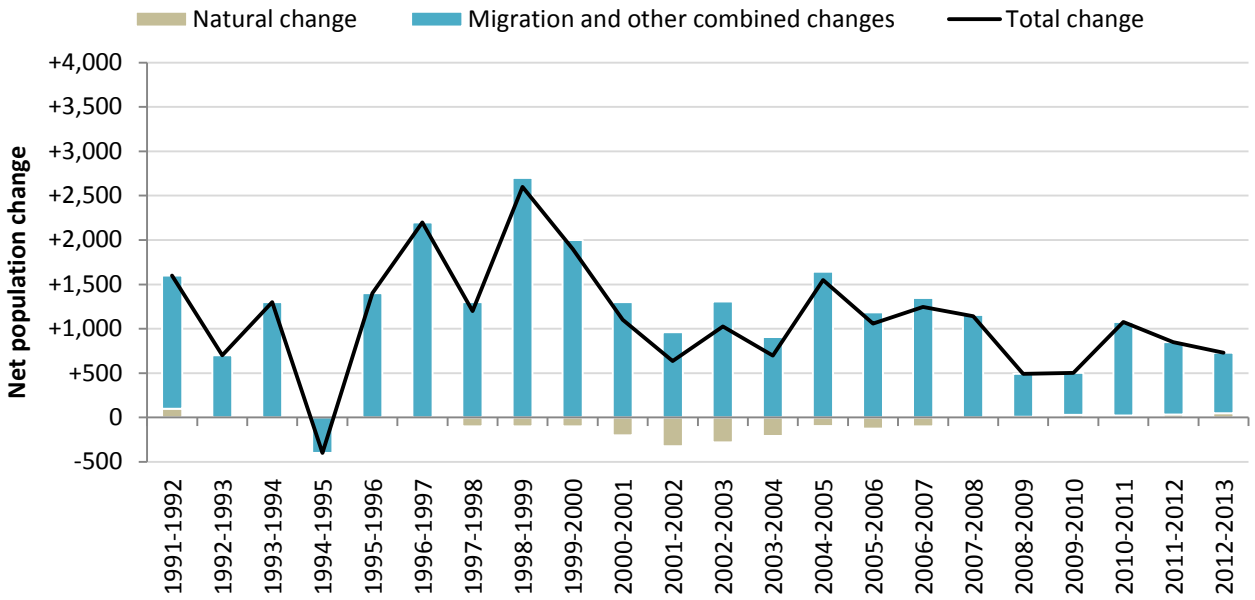
3.13 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **"Unattributable Population Change".** This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.14 Figure 24 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 24: 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)

Year	Births	Deaths	Natural Change	UK Migration		International Migration		Other Changes	Migration and Other Changes	Total Change
				In	Out	In	Out			
1991-92	1,400	1,300	100	-	-	-	-	-	1,500	1,600
1992-93	1,300	1,300	0	-	-	-	-	-	700	800
1993-94	1,400	1,400	0	-	-	-	-	-	1300	1200
1994-95	1,300	1,300	0	-	-	-	-	-	-400	-400
1995-96	1,300	1,300	0	-	-	-	-	-	1,400	1,400
1996-97	1,300	1,300	0	-	-	-	-	-	2,200	2200
1997-98	1,200	1,300	-100	-	-	-	-	-	1300	1200
1998-99	1,300	1,400	-100	-	-	-	-	-	2700	2,600
1999-00	1,200	1,400	-100	-	-	-	-	-	2,000	1900
2000-01	1,200	1,400	-200	-	-	-	-	-	1,300	1200
2001-02	1,134	1,457	-323	6,354	5,212	482	419	-245	960	637
2002-03	1,170	1,452	-282	6,471	5,252	409	198	-123	1307	1,025
2003-04	1,200	1,410	-210	6,588	5,406	418	381	-312	907	697
2004-05	1,255	1,350	-95	6,049	5,048	726	212	129	1,644	1,549
2005-06	1,284	1,411	-127	6,169	5,548	994	579	149	1,185	1,058
2006-07	1,335	1,437	-102	6,887	5,789	936	523	-163	1,348	1,246
2007-08	1,389	1,402	-13	6,122	5,254	986	485	-215	1154	1,141
2008-09	1,406	1,398	8	5,579	5,253	804	539	-106	485	493
2009-10	1,441	1,410	31	5,833	5,613	726	332	-144	470	501
2010-11	1,443	1,420	23	5,956	5,410	831	329	6	1,054	1,077
2011-12	1,468	1,435	33	6,038	5,647	889	456	-9	815	848
2012-13	1,491	1,442	49	6,412	5,714	748	332	-433	681	730
Average	***1,335***	***1,419***	***-84***	***6,205***	***5,429***	***746***	***399***	***-122***	***1,001***	***917***

Figure 25: Breckland components of population change (Source: ONS Mid-Year Population Estimates, revised)



3.15 It is evident from Figure 25 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 26 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 26: Breckland population projection based on migration trends

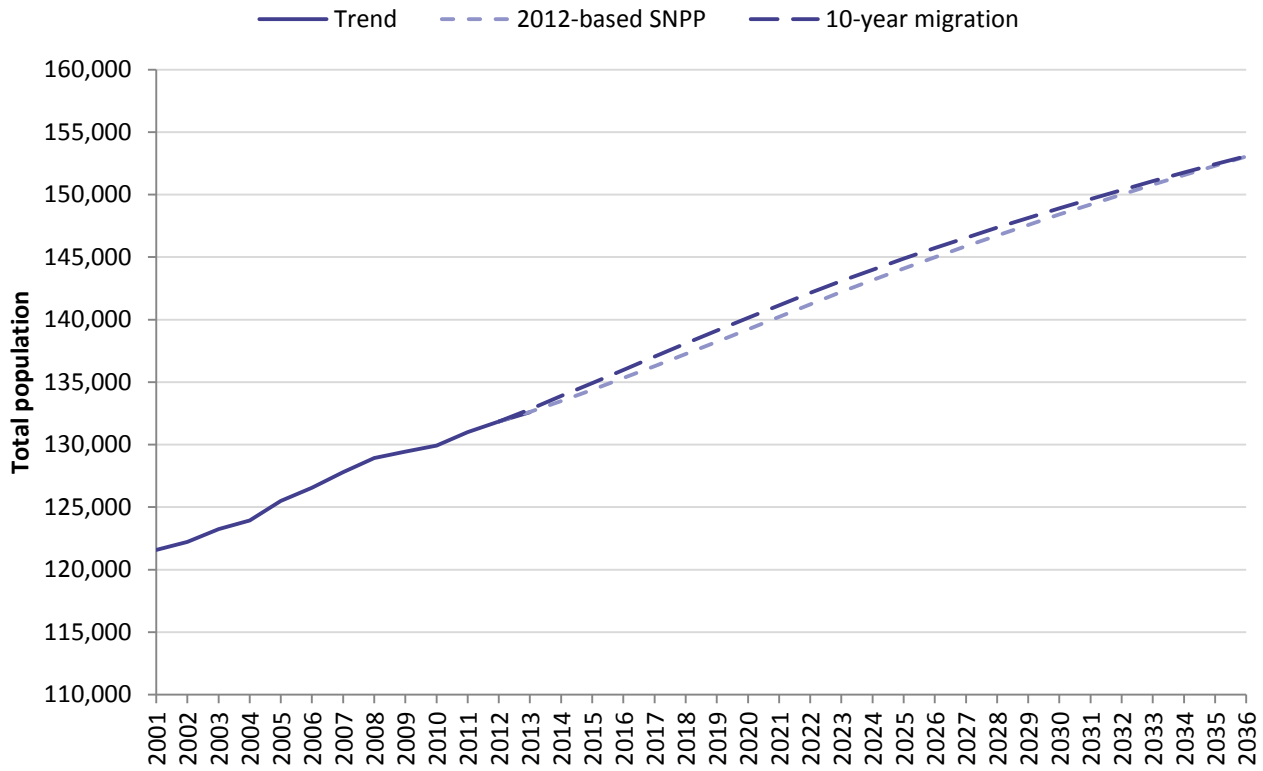


Figure 27: Breckland population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2012			2036					
				2012-based SNPP			10-year migration trend		
	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 15-19	3,952	3,685	7,637	4,215	3,619	7,834	4,247	3,620	7,867
Aged 20-24	3,839	3,309	7,148	3,908	3,188	7,096	3,944	3,177	7,121
Aged 25-29	3,925	3,626	7,551	4,217	3,565	7,782	4,240	3,534	7,774
Aged 30-34	3,573	3,447	7,020	3,819	3,364	7,183	3,847	3,339	7,186
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

3.20 Figure 28 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 28), 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 28: 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)

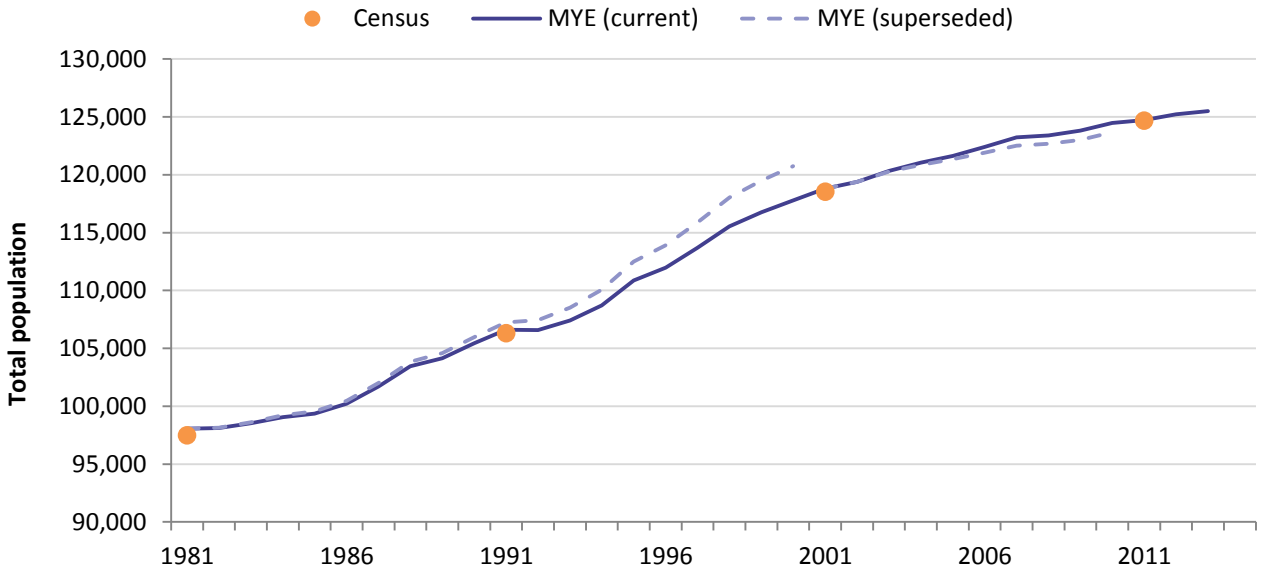
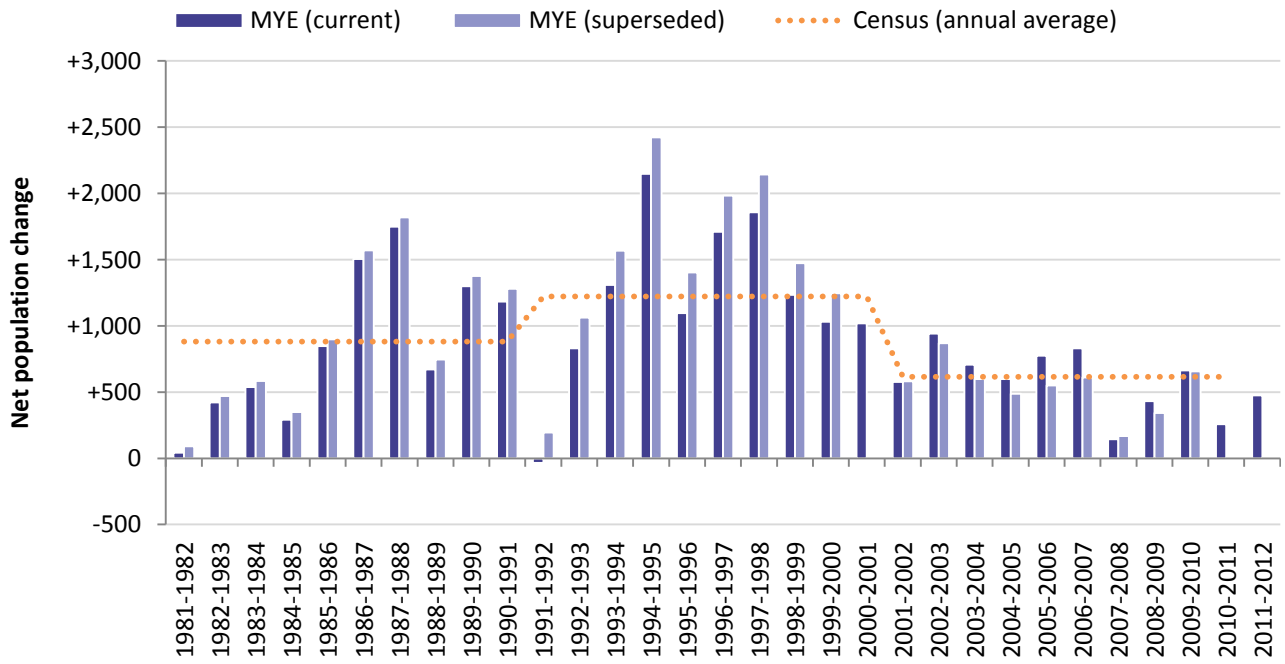


Figure 29: Broadland annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



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.

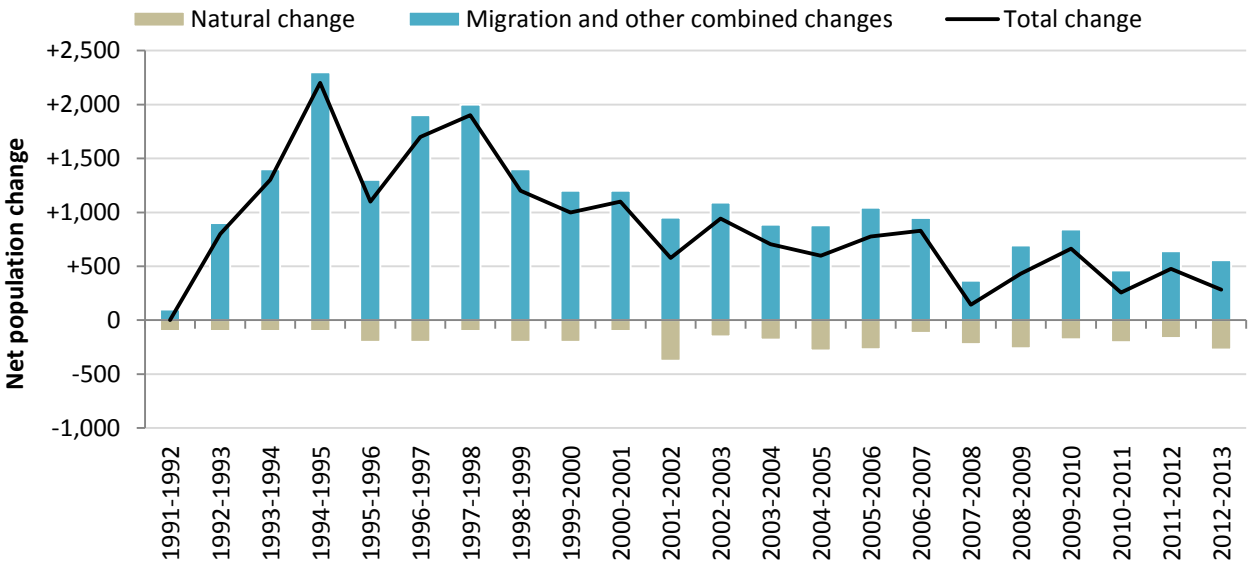
3.22 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **"Unattributable Population Change".** This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.23 Figure 30 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 30: 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)

Year	Births	Deaths	Natural Change	UK Migration		International Migration		Other Changes	Migration and Other Changes	Total Change
				In	Out	In	Out			
1991-92	1,100	1,200	-100	-	-	-	-	-	100	0
1992-93	1,100	1,200	-100	-	-	-	-	-	900	800
1993-94	1,200	1,300	-100	-	-	-	-	-	1400	1300
1994-95	1,100	1,300	-100	-	-	-	-	-	2300	2100
1995-96	1,100	1,400	-200	-	-	-	-	-	1,300	1,100
1996-97	1,200	1,400	-200	-	-	-	-	-	1,900	1700
1997-98	1,200	1,300	-100	-	-	-	-	-	2000	1900
1998-99	1,200	1,400	-200	-	-	-	-	-	1400	1,200
1999-00	1,100	1,400	-200	-	-	-	-	-	1,200	1000
2000-01	1,100	1,300	-100	-	-	-	-	-	1,200	1000
2001-02	1,058	1,433	-375	6,485	5,622	208	158	39	952	577
2002-03	1,153	1,302	-149	6,474	5,464	159	125	47	1091	942
2003-04	1,149	1,328	-179	6,512	5,639	139	176	49	885	706
2004-05	1,137	1,418	-281	6,071	5,313	169	110	62	879	598
2005-06	1,070	1,338	-268	6,326	5,472	336	189	42	1,043	775
2006-07	1,188	1,305	-117	6,715	5,877	269	238	78	947	830
2007-08	1,115	1,337	-222	5,859	5,579	268	208	27	367	145
2008-09	1,135	1,396	-261	5,761	5,156	256	221	53	693	432
2009-10	1,142	1,319	-177	6,240	5,532	209	109	33	841	664
2010-11	1,138	1,341	-203	5,823	5,565	254	99	47	460	257
2011-12	1,143	1,308	-165	6,342	5,809	215	109	1	640	475
2012-13	1,138	1,409	-271	6,200	5,683	202	169	5	555	284
Average	***1,131***	***1,353***	***-222***	***6,234***	***5,559***	***224***	***159***	***40***	***779***	***557***

Figure 31: Broadland components of population change (Source: ONS Mid-Year Population Estimates, revised)



3.24 It is evident from Figure 31 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

3.25 Following from the analysis for Breckland, Figure 32 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 32: Broadland population projection based on migration trends

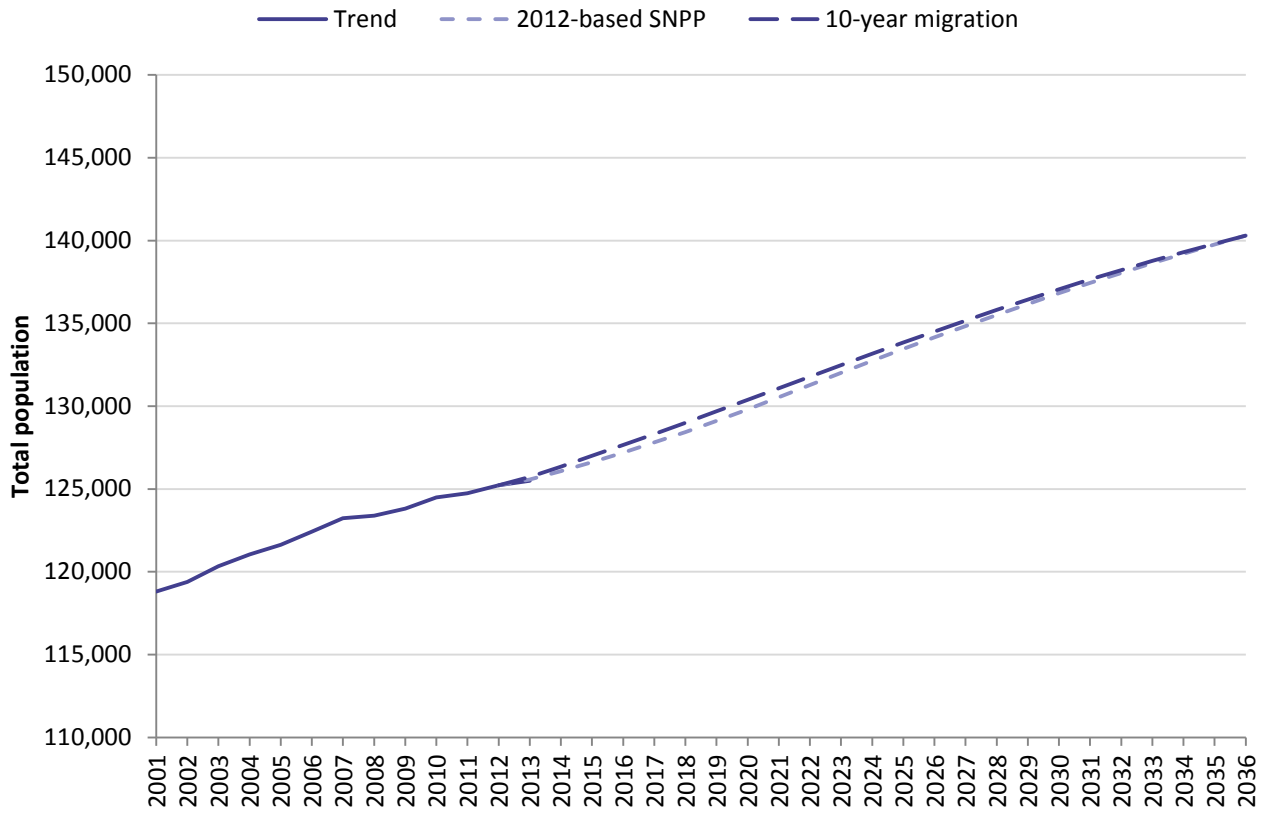


Figure 33: Broadland population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2012			2036					
				2012-based SNPP			10-year migration trend		
	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	3,144	2,863	6,007	3,087	2,924	6,011	3,083	2,919	6,002
Aged 5-9	3,280	3,102	6,382	3,462	3,283	6,745	3,457	3,277	6,734
Aged 10-14	3,494	3,410	6,904	3,716	3,531	7,247	3,715	3,528	7,243
Aged 15-19	3,678	3,401	7,079	3,637	3,368	7,005	3,649	3,376	7,025
Aged 20-24	2,895	2,628	5,523	2,867	2,543	5,409	2,887	2,553	5,440
Aged 25-29	2,722	2,741	5,463	3,072	2,932	6,005	3,074	2,930	6,004
Aged 30-34	2,975	3,147	6,122	2,987	3,034	6,021	2,988	3,031	6,019
Aged 35-39	3,471	3,661	7,132	3,643	3,594	7,238	3,636	3,580	7,216
Aged 40-44	4,538	4,758	9,296	4,209	4,097	8,307	4,202	4,084	8,286
Aged 45-49	4,879	4,962	9,841	4,418	4,368	8,787	4,411	4,363	8,774
Aged 50-54	4,359	4,490	8,849	4,249	4,307	8,555	4,248	4,302	8,550
Aged 55-59	3,986	4,292	8,278	4,076	4,205	8,281	4,082	4,205	8,287
Aged 60-64	4,313	4,615	8,928	4,329	4,544	8,873	4,327	4,546	8,873
Aged 65-69	4,346	4,666	9,012	4,951	5,205	10,157	4,958	5,209	10,167
Aged 70-74	3,211	3,316	6,527	4,896	5,111	10,008	4,904	5,113	10,017
Aged 75-79	2,637	2,958	5,595	3,992	4,306	8,299	3,992	4,308	8,300
Aged 80-84	1,847	2,448	4,295	3,147	3,614	6,761	3,152	3,612	6,764
Aged 85+	1,368	2,614	3,982	4,482	6,111	10,593	4,482	6,108	10,590
Total	**61,143**	**64,072**	**125,215**	**69,221**	**71,078**	**140,299**	**69,248**	**71,047**	**140,295**

Population Trends and Projections for North Norfolk

3.26 Figure 34 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 over-estimated the rate of growth for the period to 2011 (Figure 34). 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 34: 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)

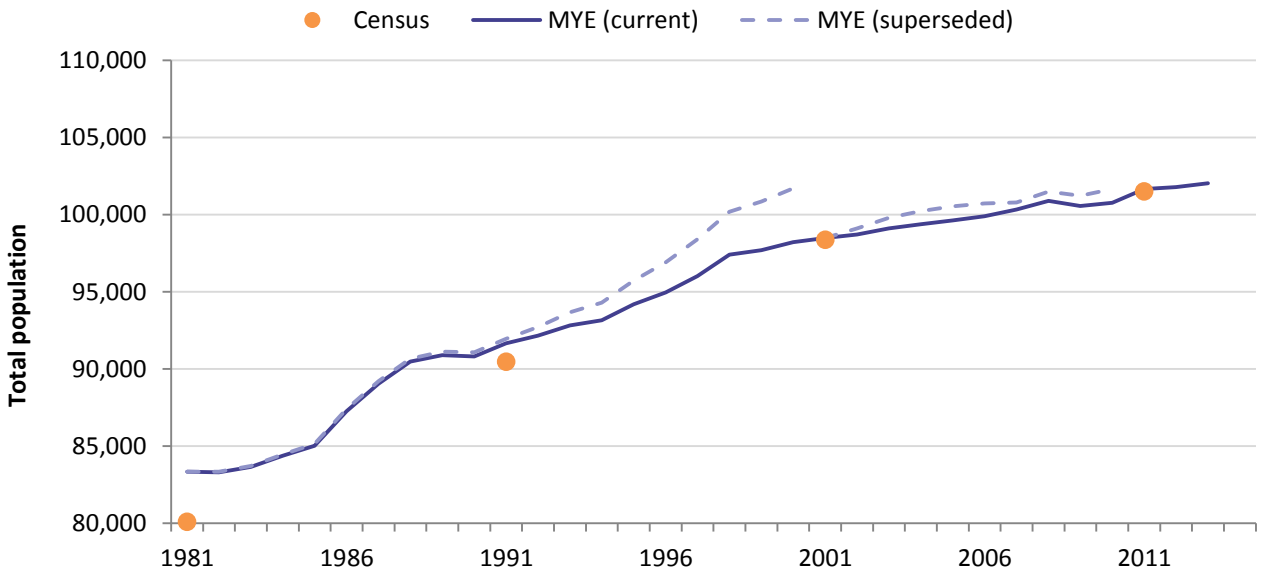
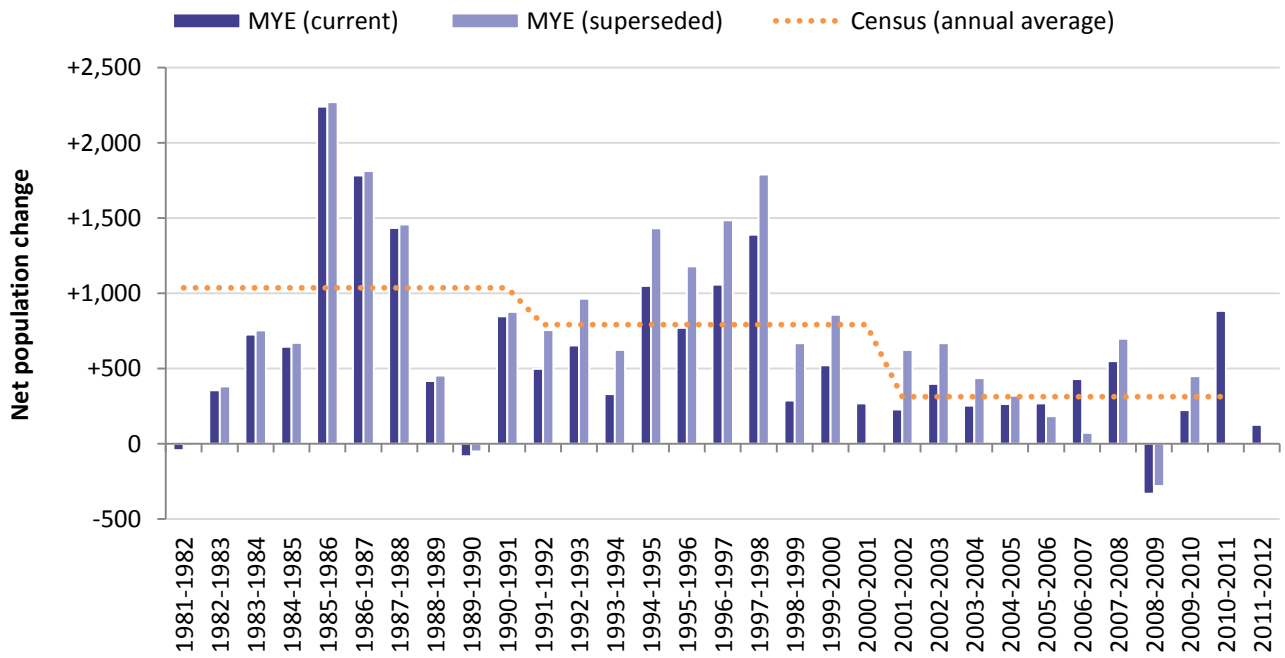


Figure 35: North Norfolk annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



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.

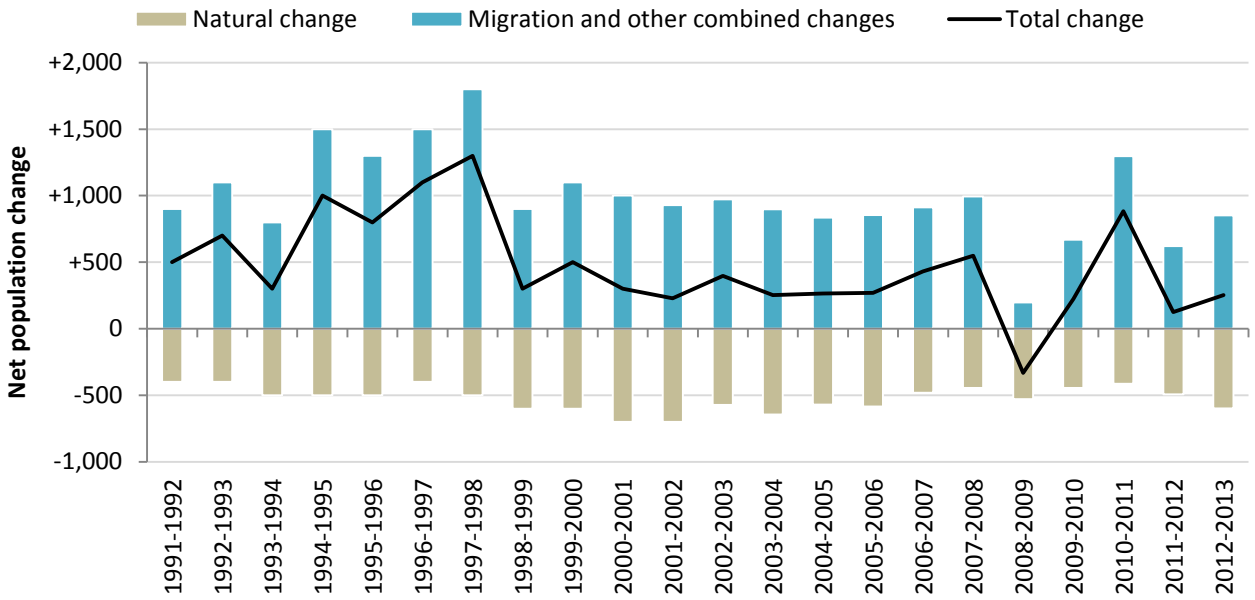
3.28 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **"Unattributable Population Change".** This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.29 Figure 36 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 36: 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)

Year	Births	Deaths	Natural Change	UK Migration		International Migration		Other Changes	Migration and Other Changes	Total Change
				In	Out	In	Out			
1991-92	900	1,400	-400	-	-	-	-	-	900	500
1992-93	900	1,300	-400	-	-	-	-	-	1,100	700
1993-94	900	1,400	-500	-	-	-	-	-	800	300
1994-95	900	1,300	-500	-	-	-	-	-	1500	1100
1995-96	900	1,400	-500	-	-	-	-	-	1,300	800
1996-97	900	1,400	-400	-	-	-	-	-	1,500	1100
1997-98	800	1,300	-500	-	-	-	-	-	1800	1400
1998-99	800	1,500	-600	-	-	-	-	-	900	300
1999-00	800	1,400	-600	-	-	-	-	-	1,100	500
2000-01	700	1,400	-700	-	-	-	-	-	1,000	300
2001-02	700	1,400	-700	5,089	3,888	220	169	-324	928	228
2002-03	769	1,342	-573	5,040	3,881	174	104	-258	971	398
2003-04	777	1,421	-644	5,046	3,966	196	119	-260	897	253
2004-05	812	1,382	-570	4,542	3,636	265	85	-252	834	264
2005-06	762	1,347	-585	4,740	3,860	372	156	-242	854	269
2006-07	806	1,286	-480	5,217	4,311	378	206	-167	911	431
2007-08	836	1,281	-445	4,802	3,805	434	190	-247	994	549
2008-09	815	1,343	-528	4,083	3,851	465	197	-303	197	-331
2009-10	833	1,279	-446	4,673	3,998	399	113	-291	670	224
2010-11	843	1,256	-413	4,709	3,891	435	103	147	1,297	884
2011-12	854	1,348	-494	4,605	4,225	460	203	-17	620	126
2012-13	806	1,405	-599	4,668	4,078	413	169	18	852	253
Average	***801***	***1,341***	***-540***	***4,768***	***3,949***	***351***	***151***	***-183***	***835***	***296***

Figure 37: North Norfolk components of population change (Source: ONS Mid-Year Population Estimates, revised)



3.30 It is evident from Figure 37 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 38 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 38: North Norfolk population projection based on migration trends

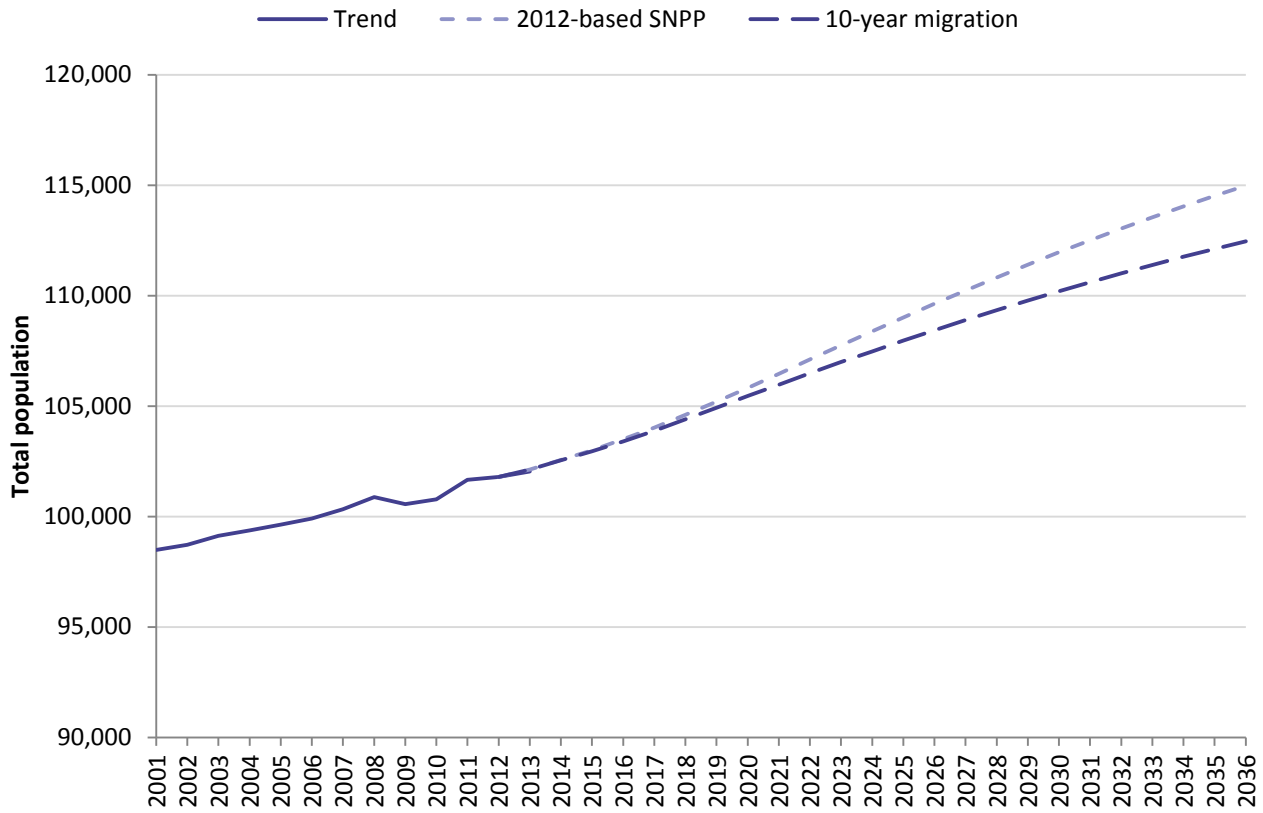


Figure 39: North Norfolk population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2012			2036					
				2012-based SNPP			10-year migration trend		
	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	2,236	2,186	4,422	2,214	2,145	4,359	2,147	2,076	4,223
Aged 5-9	2,181	2,043	4,224	2,413	2,345	4,758	2,347	2,271	4,618
Aged 10-14	2,405	2,257	4,662	2,642	2,583	5,225	2,580	2,508	5,088
Aged 15-19	2,723	2,667	5,390	2,646	2,514	5,161	2,592	2,451	5,043
Aged 20-24	2,230	2,171	4,401	2,039	1,991	4,030	2,004	1,938	3,942
Aged 25-29	2,243	2,104	4,347	2,237	2,157	4,394	2,178	2,087	4,265
Aged 30-34	2,084	1,992	4,076	2,122	2,026	4,148	2,064	1,957	4,021
Aged 35-39	2,144	2,173	4,317	2,342	2,329	4,671	2,277	2,249	4,526
Aged 40-44	2,911	3,004	5,915	2,745	2,710	5,455	2,677	2,626	5,303
Aged 45-49	3,251	3,488	6,739	3,039	3,042	6,081	2,966	2,955	5,921
Aged 50-54	3,383	3,617	7,000	3,135	3,237	6,371	3,068	3,147	6,215
Aged 55-59	3,466	3,761	7,227	3,291	3,463	6,754	3,221	3,369	6,590
Aged 60-64	4,093	4,439	8,532	3,826	4,051	7,877	3,747	3,946	7,693
Aged 65-69	4,489	4,684	9,173	4,737	4,977	9,714	4,649	4,862	9,511
Aged 70-74	3,223	3,444	6,667	4,836	5,004	9,840	4,754	4,904	9,658
Aged 75-79	2,780	3,076	5,856	4,106	4,276	8,382	4,049	4,214	8,263
Aged 80-84	2,017	2,530	4,547	3,234	3,584	6,818	3,201	3,544	6,745
Aged 85+	1,434	2,861	4,295	4,542	6,407	10,948	4,505	6,340	10,845
Total	**49,293**	**52,497**	**101,790**	**56,145**	**58,841**	**114,986**	**55,027**	**57,444**	**112,471**

Population Trends and Projections for Norwich

3.32 Figure 40 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 40: 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)

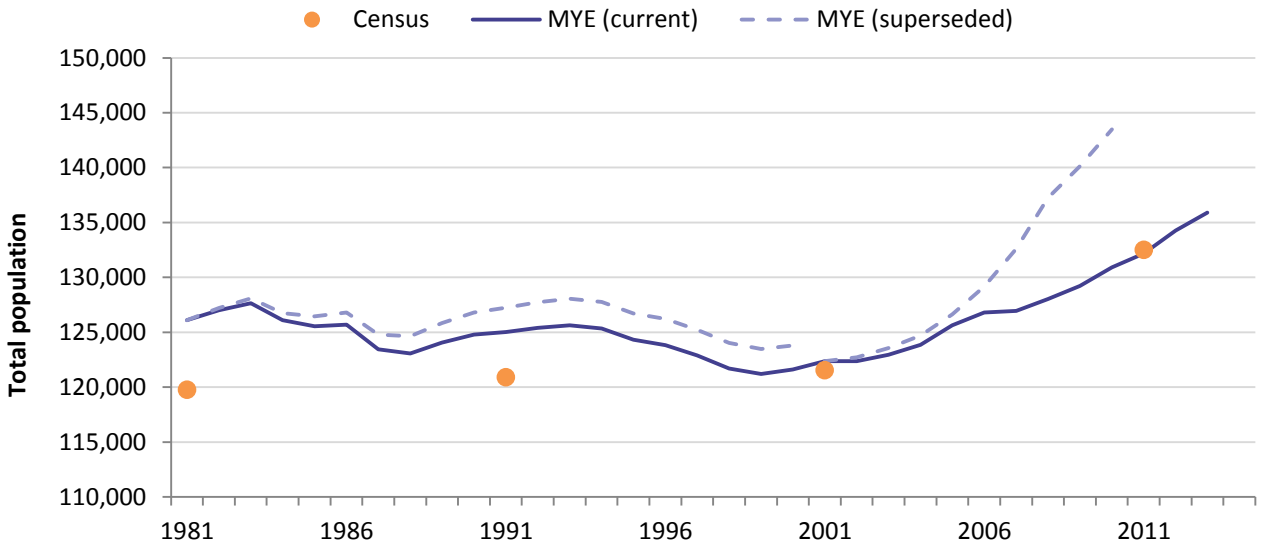
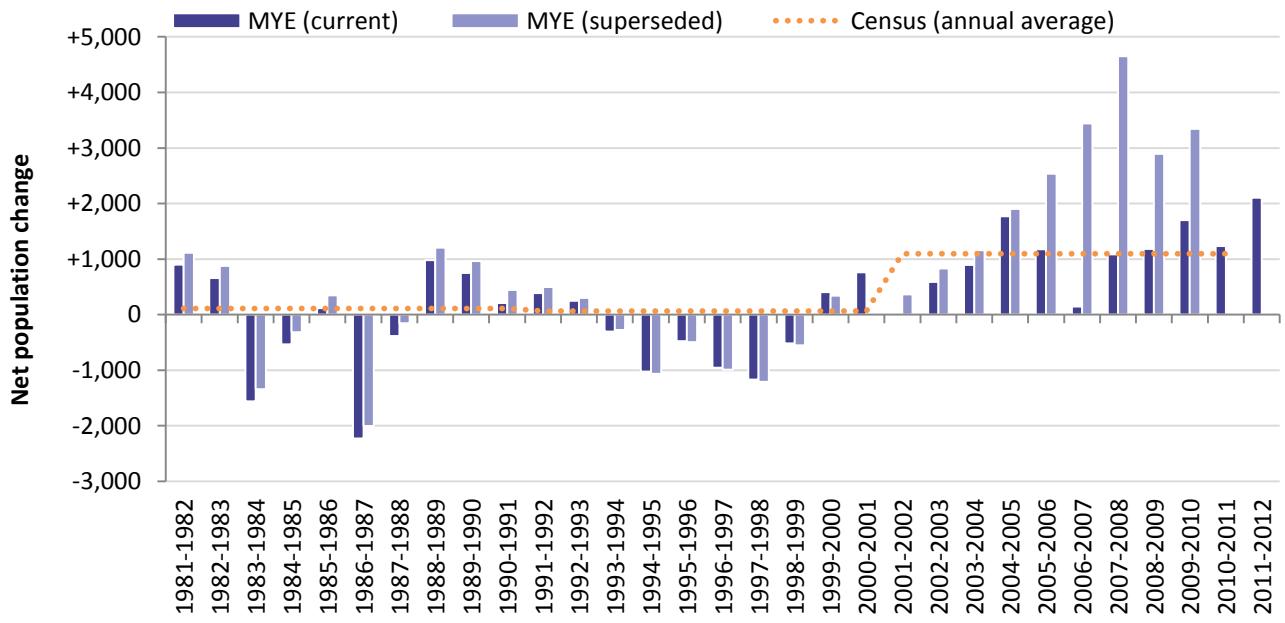


Figure 41: Norwich annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



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.

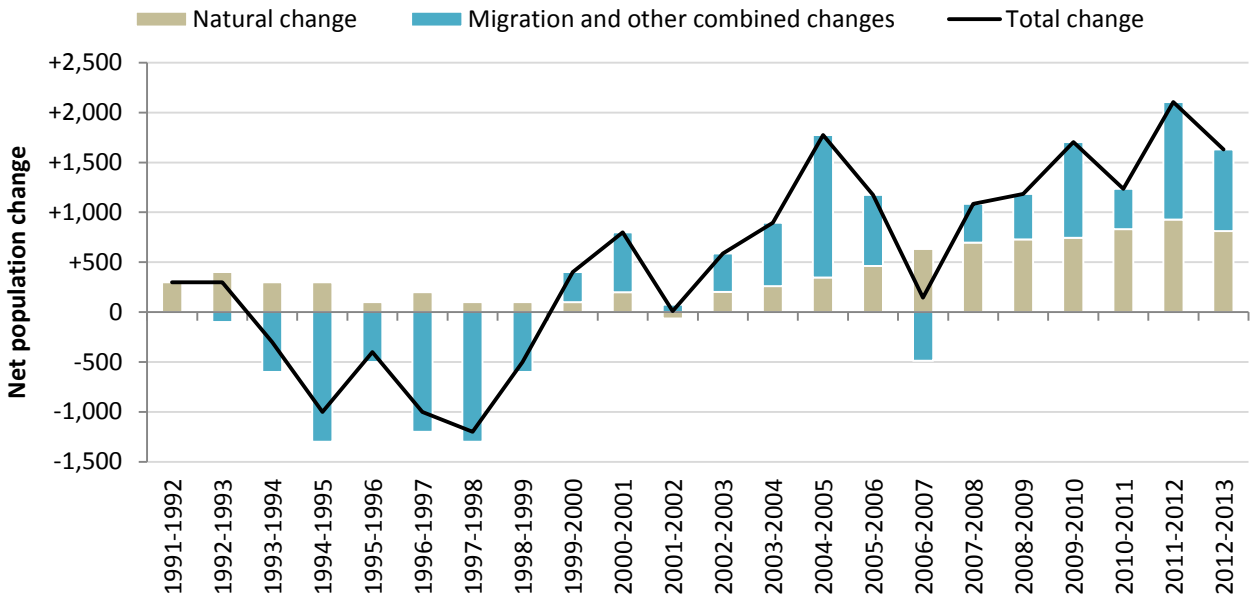
3.34 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **"Unattributable Population Change".** This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.35 Figure 42 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 42: 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)

Year	Births	Deaths	Natural Change	UK Migration		International Migration		Other Changes	Migration and Other Changes	Total Change
				In	Out	In	Out			
1991-92	1,700	1,400	300	-	-	-	-	-	0	400
1992-93	1,700	1,300	400	-	-	-	-	-	-100	200
1993-94	1,600	1,300	300	-	-	-	-	-	-600	-300
1994-95	1,500	1,300	300	-	-	-	-	-	-1300	-1000
1995-96	1,400	1,400	100	-	-	-	-	-	-500	-500
1996-97	1,500	1,300	200	-	-	-	-	-	-1,200	-1000
1997-98	1,300	1,200	100	-	-	-	-	-	-1300	-1200
1998-99	1,400	1,300	100	-	-	-	-	-	-600	-500
1999-00	1,300	1,200	100	-	-	-	-	-	300	400
2000-01	1,300	1,200	200	-	-	-	-	-	600	800
2001-02	1,191	1,254	-63	9,083	9,493	2,337	1,533	-321	73	10
2002-03	1,333	1,131	202	9,503	9,478	1,774	1,109	-305	385	587
2003-04	1,454	1,193	261	9,812	9,638	2,134	1,361	-314	633	894
2004-05	1,524	1,177	347	9,692	9,618	2,497	904	-241	1,426	1,773
2005-06	1,638	1,177	461	10,493	9,949	2,312	1,859	-283	714	1,175
2006-07	1,720	1,089	631	10,332	10,907	2,310	1,963	-259	-487	144
2007-08	1,810	1,113	697	10,626	10,884	2,380	1,470	-264	388	1,085
2008-09	1,862	1,132	730	10,771	10,838	2,412	1,638	-252	455	1,185
2009-10	1,818	1,074	744	10,836	11,480	2375	990	219	960	1,704
2010-11	1,865	1,033	832	10,304	10,772	2,518	1,011	-636	403	1,235
2011-12	1,986	1,057	929	11,043	10,995	2,035	867	-39	1177	2,106
2012-13	1,884	1,072	812	10,730	11,494	2,367	801	15	817	1,629
Average	***1,674***	***1,125***	***549***	***10,269***	***10,462***	***2,288***	***1,292***	***-223***	***579***	***1,127***

Figure 43: Norwich components of population change (Source: ONS Mid-Year Population Estimates, revised)



3.36 It is evident from Figure 43 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

3.37 Figure 44 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 44: Norwich population projection based on migration trends

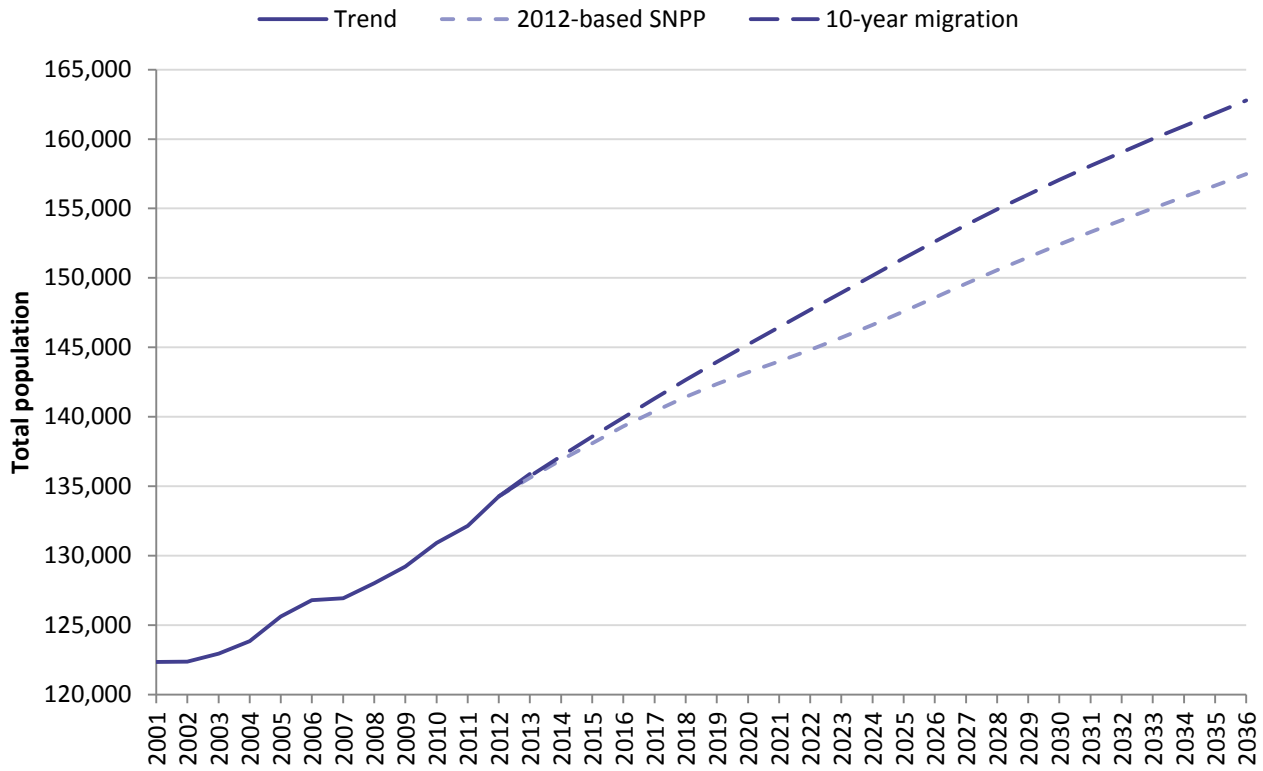


Figure 45: Norwich population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2012			2036					
				2012-based SNPP			10-year migration trend		
	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	4,398	4,269	8,667	4,617	4,403	9,020	4,842	4,609	9,451
Aged 5-9	3,435	3,331	6,766	4,077	3,875	7,952	4,327	4,101	8,428
Aged 10-14	3,023	2,720	5,743	3,813	3,547	7,360	4,060	3,773	7,833
Aged 15-19	4,065	4,358	8,423	4,880	5,066	9,947	5,033	5,164	10,197
Aged 20-24	7,645	8,197	15,842	8,774	9,432	18,206	8,903	9,557	18,460
Aged 25-29	6,228	6,342	12,570	7,065	6,833	13,899	7,289	7,102	14,391
Aged 30-34	5,789	5,428	11,217	6,108	5,306	11,414	6,296	5,546	11,842
Aged 35-39	4,633	4,203	8,836	5,453	4,641	10,095	5,648	4,875	10,523
Aged 40-44	4,599	4,047	8,646	5,129	4,393	9,522	5,324	4,630	9,954
Aged 45-49	4,151	3,857	8,008	4,770	4,239	9,009	4,933	4,432	9,365
Aged 50-54	3,647	3,531	7,178	4,239	3,972	8,211	4,374	4,124	8,498
Aged 55-59	3,018	3,324	6,342	3,753	3,623	7,376	3,858	3,728	7,586
Aged 60-64	3,038	3,173	6,211	3,482	3,407	6,889	3,571	3,484	7,055
Aged 65-69	2,671	2,963	5,634	3,458	3,499	6,957	3,548	3,566	7,114
Aged 70-74	2,000	2,173	4,173	3,035	3,270	6,305	3,105	3,325	6,430
Aged 75-79	1,594	1,998	3,592	2,381	2,734	5,115	2,435	2,776	5,211
Aged 80-84	1,275	1,770	3,045	1,783	2,281	4,064	1,821	2,322	4,143
Aged 85+	1,111	2,260	3,371	2,498	3,634	6,132	2,563	3,725	6,288
Total	**66,320**	**67,944**	**134,264**	**79,315**	**78,156**	**157,471**	**81,930**	**80,838**	**162,768**

Population Trends and Projections for South Norfolk

3.38 Figure 46 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 46: 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)

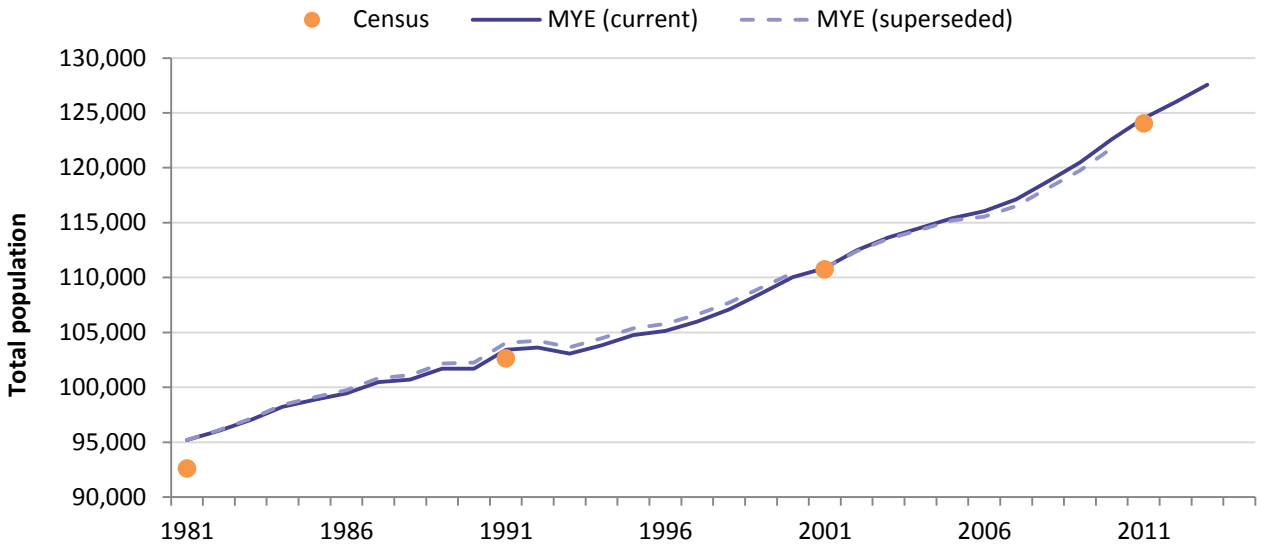
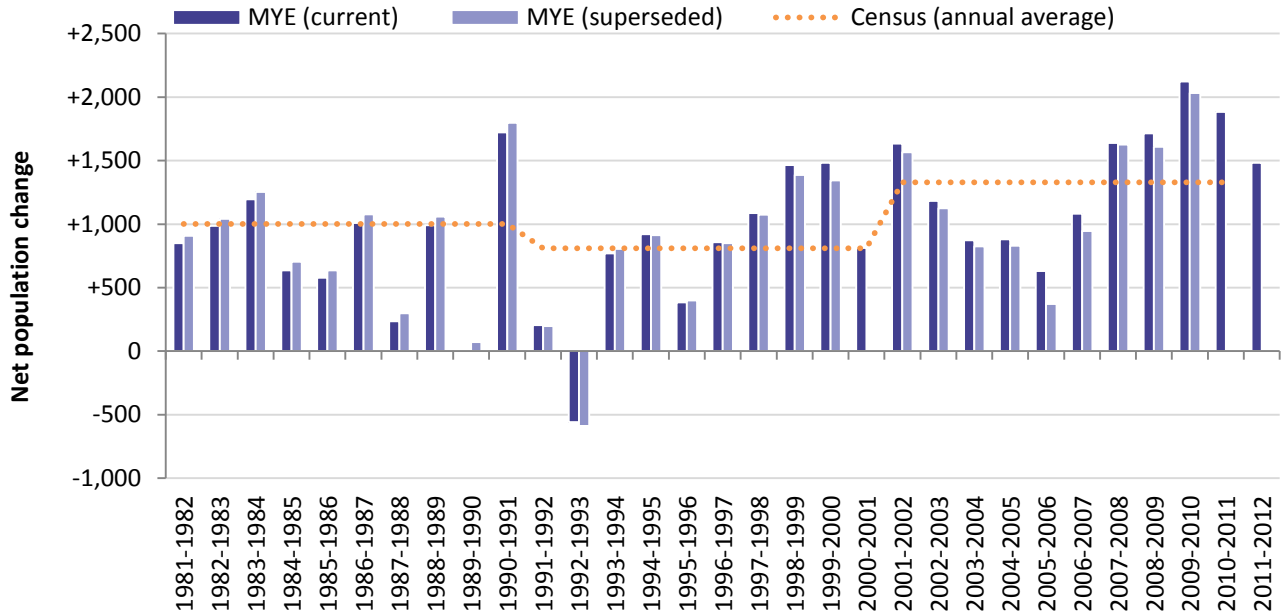


Figure 47: South Norfolk annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



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.

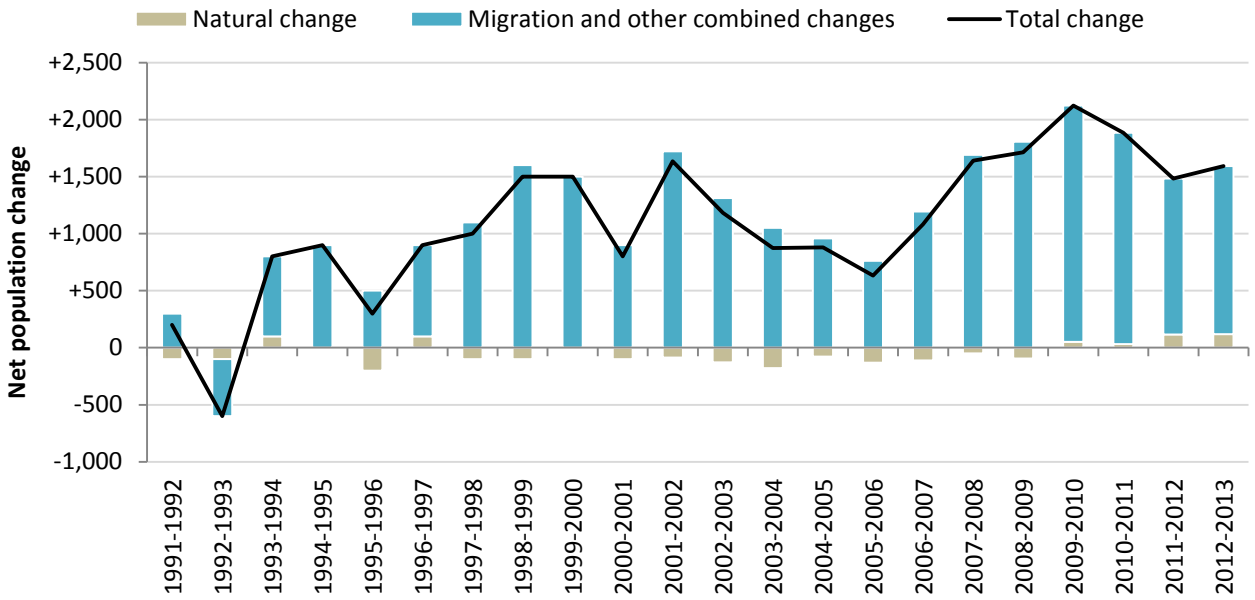
3.40 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **"Unattributable Population Change".** This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are normally more reliable, such as the Census.

3.41 Figure 48 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 48: 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)

Year	Births	Deaths	Natural Change	UK Migration		International Migration		Other Changes	Migration and Other Changes	Total Change
				In	Out	In	Out			
1991-92	1,100	1,200	-100	-	-	-	-	-	300	200
1992-93	1,100	1,100	-100	-	-	-	-	-	-500	-600
1993-94	1,200	1,100	100	-	-	-	-	-	700	800
1994-95	1,100	1,100	0	-	-	-	-	-	900	900
1995-96	1,000	1,200	-200	-	-	-	-	-	500	400
1996-97	1,200	1,100	100	-	-	-	-	-	800	900
1997-98	1,100	1,100	-100	-	-	-	-	-	1100	1100
1998-99	1,100	1,200	-100	-	-	-	-	-	1600	1,500
1999-00	1,100	1,100	0	-	-	-	-	-	1,500	1500
2000-01	1,000	1,100	-100	-	-	-	-	-	900	800
2001-02	1,004	1,091	-87	7,221	5,656	273	162	46	1,722	1,635
2002-03	998	1,127	-129	6,865	5,652	194	139	43	1311	1,182
2003-04	1,015	1,192	-177	6,512	5,494	141	182	74	1,051	874
2004-05	1,018	1,096	-78	6,234	5,377	196	121	27	959	881
2005-06	1,017	1,147	-130	6,374	5,854	354	192	80	762	632
2006-07	1,027	1,139	-112	7,119	6,031	306	271	71	1,194	1,082
2007-08	1,140	1,190	-50	6,859	5,322	326	245	72	1690	1,640
2008-09	1,083	1,176	-93	6,943	5,297	314	275	122	1,807	1,714
2009-10	1,211	1,158	53	7,588	5,762	262	123	105	2070	2,123
2010-11	1,219	1,187	32	7,132	5,679	329	139	209	1,852	1,884
2011-12	1,298	1,181	117	7,431	6,121	291	255	20	1366	1,483
2012-13	1,302	1,182	120	7,591	6,054	268	321	-12	1,472	1,592
Average	***1,111***	***1,156***	***-45***	***6,989***	***5,692***	***271***	***202***	***71***	***1,438***	***1,394***

Figure 49: South Norfolk components of population change (Source: ONS Mid-Year Population Estimates, revised)



3.42 It is evident from Figure 49 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 50 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 50: South Norfolk population projection based on migration trends

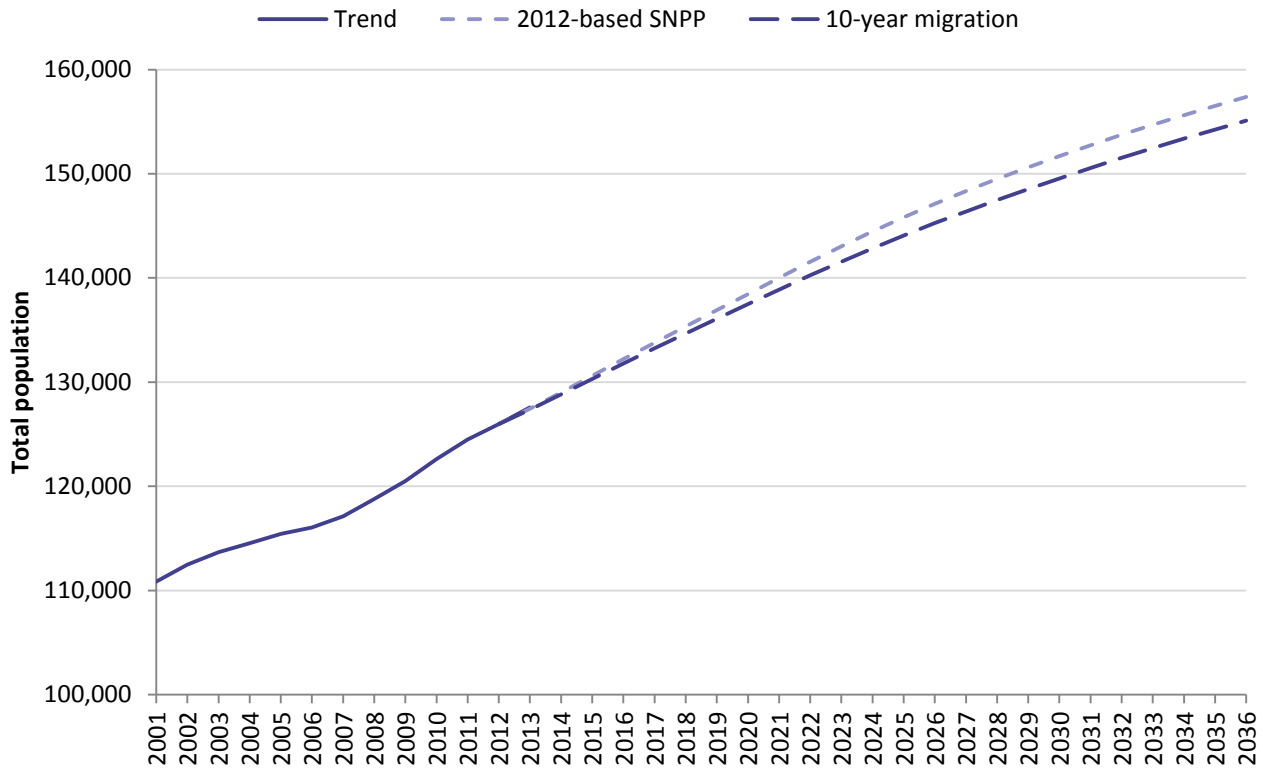


Figure 51: South Norfolk population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2012			2036					
				2012-based SNPP			10-year migration trend		
	M	F	Total	M	F	Total	M	F	Total
Aged 0-4	3,545	3,431	6,976	3,851	3,628	7,479	3,782	3,559	7,341
Aged 5-9	3,485	3,211	6,696	4,320	4,095	8,415	4,225	3,992	8,218
Aged 10-14	3,749	3,604	7,353	4,806	4,620	9,425	4,691	4,489	9,179
Aged 15-19	3,835	3,622	7,457	4,666	4,370	9,037	4,588	4,282	8,870
Aged 20-24	2,640	2,701	5,341	3,025	2,787	5,812	3,060	2,801	5,861
Aged 25-29	2,842	3,007	5,849	3,409	3,411	6,820	3,415	3,376	6,791
Aged 30-34	3,085	3,296	6,381	3,413	3,550	6,963	3,406	3,495	6,901
Aged 35-39	3,476	3,732	7,208	4,133	4,249	8,382	4,091	4,150	8,241
Aged 40-44	4,429	4,717	9,146	4,690	4,831	9,522	4,625	4,708	9,334
Aged 45-49	4,608	4,921	9,529	4,962	5,159	10,121	4,879	5,033	9,911
Aged 50-54	4,313	4,551	8,864	4,821	5,021	9,842	4,749	4,908	9,657
Aged 55-59	3,968	4,159	8,127	4,578	4,786	9,364	4,513	4,698	9,211
Aged 60-64	4,272	4,514	8,786	4,702	4,956	9,657	4,644	4,880	9,523
Aged 65-69	4,412	4,613	9,025	5,256	5,556	10,813	5,191	5,471	10,662
Aged 70-74	3,185	3,192	6,377	5,047	5,422	10,469	4,986	5,343	10,330
Aged 75-79	2,513	2,733	5,246	4,130	4,452	8,582	4,086	4,398	8,484
Aged 80-84	1,772	2,236	4,008	3,130	3,620	6,750	3,108	3,583	6,691
Aged 85+	1,365	2,244	3,609	4,496	5,433	9,929	4,484	5,405	9,889
Total	**61,494**	**64,484**	**125,978**	**77,436**	**79,946**	**157,382**	**76,523**	**78,572**	**155,095**

Establishing Population Projections for Central Norfolk

3.44 Considering the projections for the five local authorities together 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 further SHMA analysis.

Figure 52: Central Norfolk population projection based on migration trends

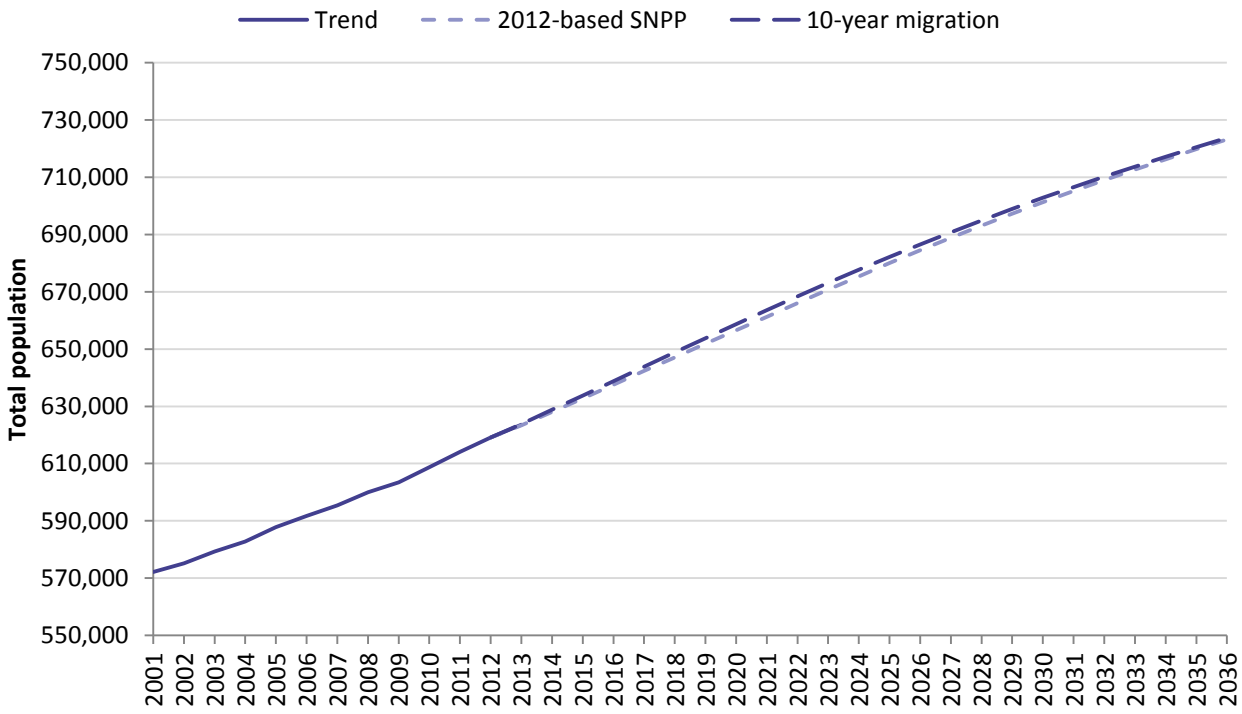


Figure 53: Central Norfolk population projections 2012-36 by gender and 5-year age cohort based on 2012-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

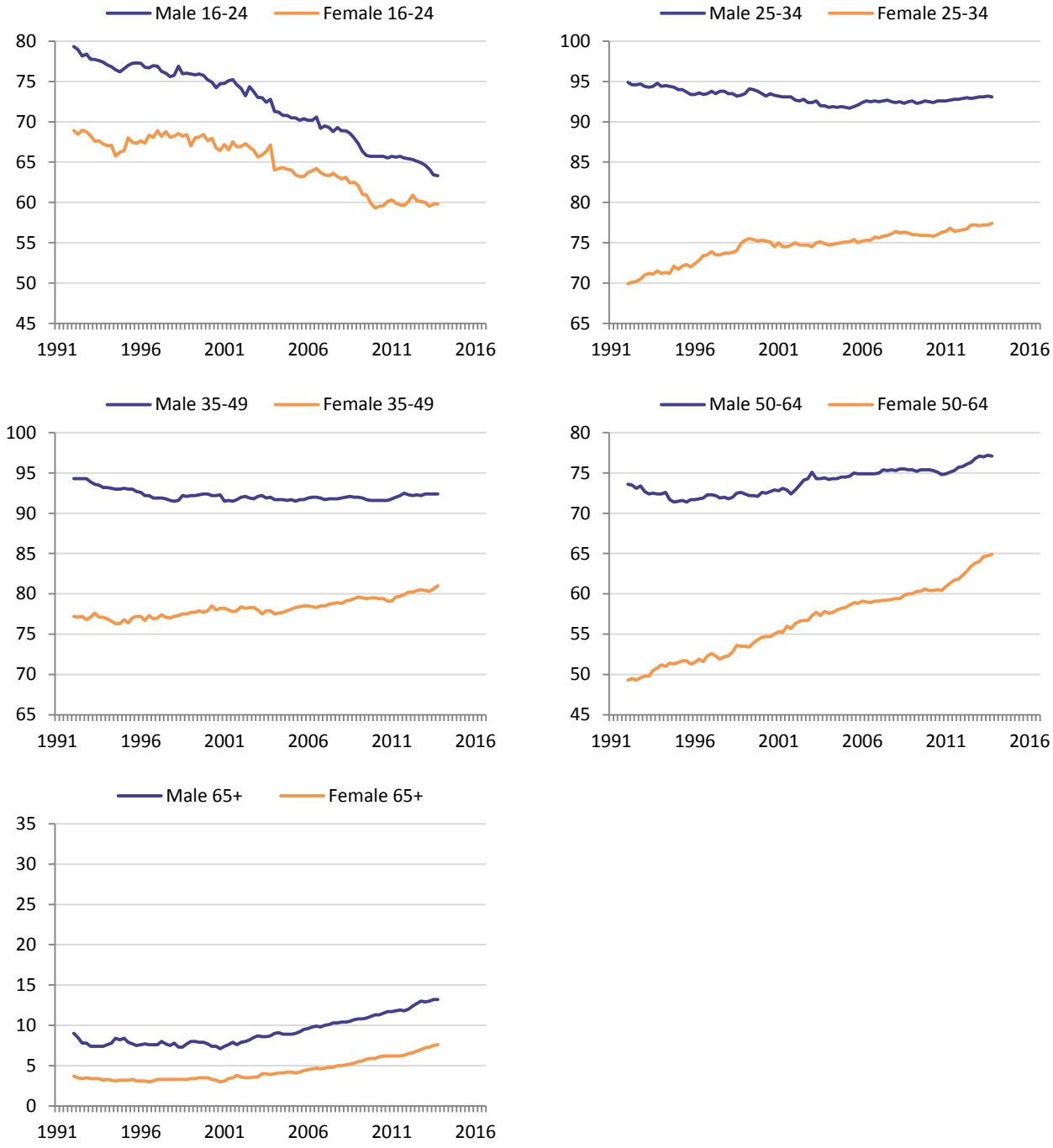
Age	2012			2036					
				2012-based SNPP			10-year migration trend		
	M	F	Total	M	F	Total	M	F	Total
Breckland	65,392	66,465	131,857	76,896	76,150	153,046	77,272	75,805	153,077
Broadland	61,143	64,072	125,215	69,221	71,078	140,299	69,248	71,047	140,295
North Norfolk	49,293	52,497	101,790	56,145	58,841	114,986	55,027	57,444	112,471
Norwich	66,320	67,944	134,264	79,315	78,156	157,471	81,930	80,838	162,768
South Norfolk	61,494	64,484	125,978	77,436	79,946	157,382	76,523	78,572	155,095
Total	**303,642**	**315,462**	**619,104**	**359,013**	**364,171**	**723,184**	**360,000**	**363,706**	**723,706**

Economic Activity

3.46 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.

3.47 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 54 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.

Figure 54: Economic Activity Rate long-term UK trends (Source: Labour Market Statistics based on Labour Force Survey)



3.48 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.

3.49 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.

3.50 The most recent economic activity rate projections produced by ONS were published in January 2006 and covered the period to 2020[13]; 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[14].

Labour Market Participation Projections

3.51 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."*

3.52 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.

[13] Projections of the UK labour force, 2006 to 2020 by Vassilis Madouros; published in ONS Labour Market Trends, January 2006
[14] OBR Fiscal Sustainability Report, July 2014: http://cdn.budgetresponsibility.org.uk/41298-OBR-accessible.pdf

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[15] concluded that:

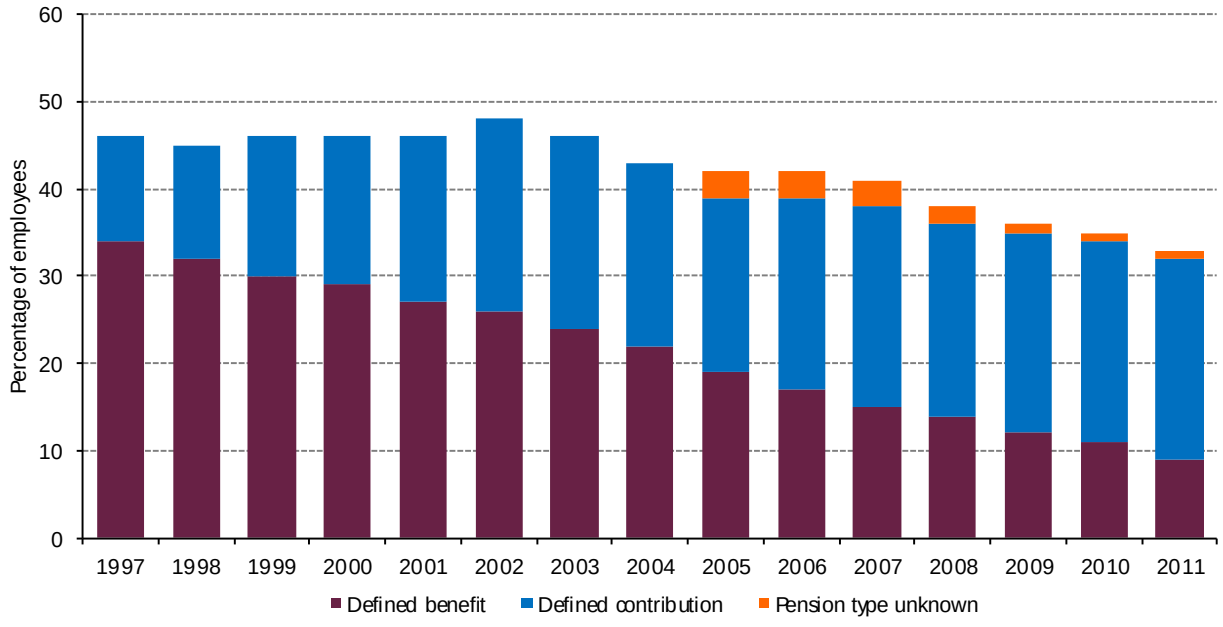
"Future increases in the state pension age will lead to a substantial increase in employment".

3.53 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[16].

3.54 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 55) will inevitably lead to higher economic activity rates amongst the older population.

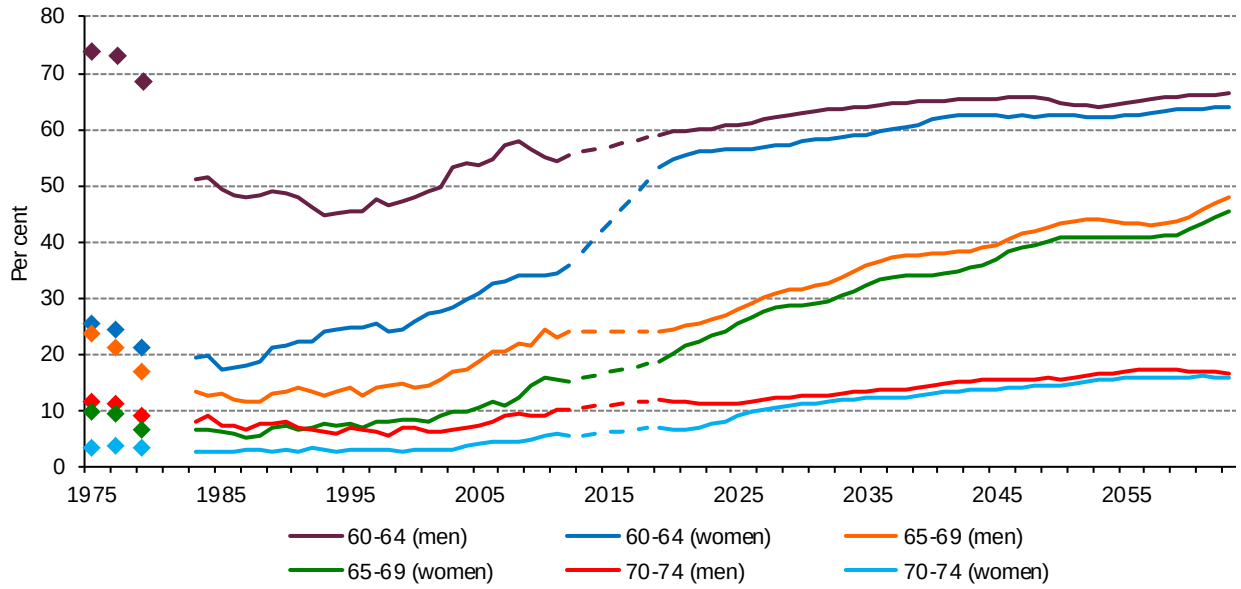
Figure 55: Membership of private sector defined benefit and defined contribution schemes (Source: NAO)



[15] http://www.ifs.org.uk/pr/spa_pr_0313.pdf
[16] https://www.gov.uk/retirement-age

3.55 Figure 56 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 56: 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.

3.57 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 people living in this type of accommodation are not be included in the household projections and OAN.

Female Participation

3.58 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 after giving birth 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.

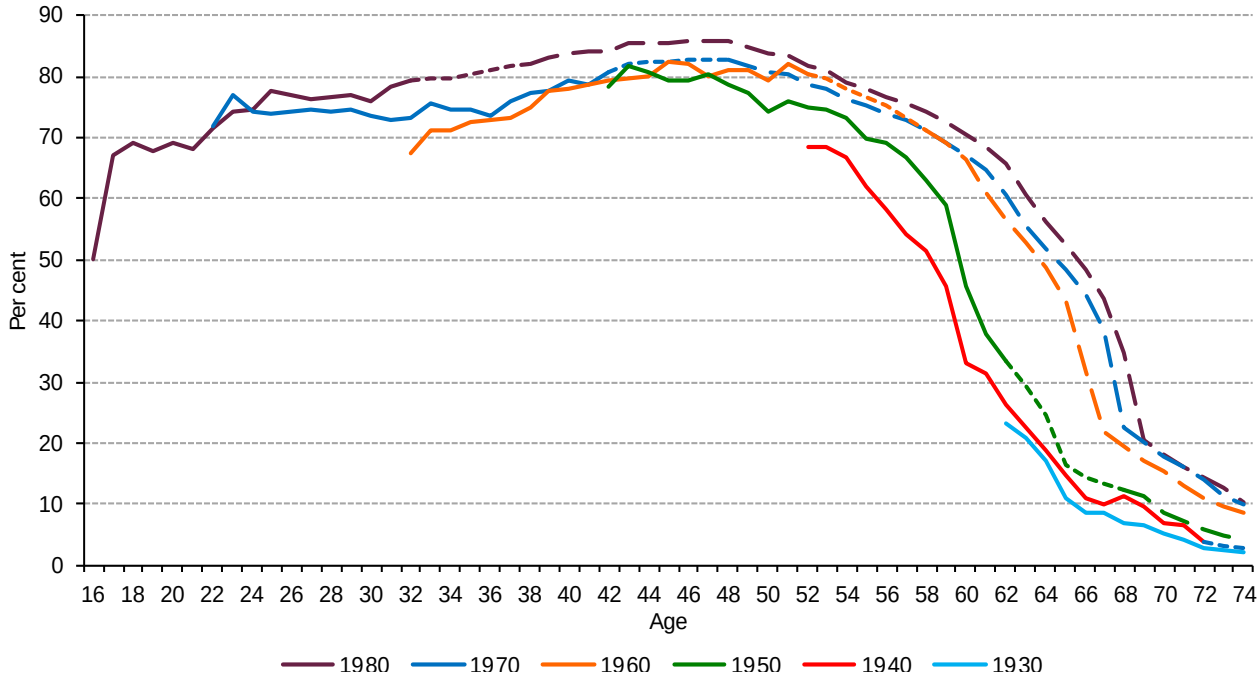
3.59 National policy still aspires to encourage more women into work. The Government is seeking to "*incentivise as many women as possible to remain in the labour market*"[17] and the Autumn Statement in 2014 included plans for more support for childcare (for example, Tax Free Childcare; Childcare Business Grant) and an ambition to match countries with even higher employment rates for women.

3.60 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 will have even higher participation rates.

3.61 Figure 57 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.

[17] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/371955/Women_in_the_workplace_Nov_2014.pdf

Figure 57: Female participation rates by Cohort (Source: ONS, OBR; Note: dashed lines show projections)



Young People

3.62 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[18]. There have been similar (though less pronounced) declining trends for 18-20 year olds.

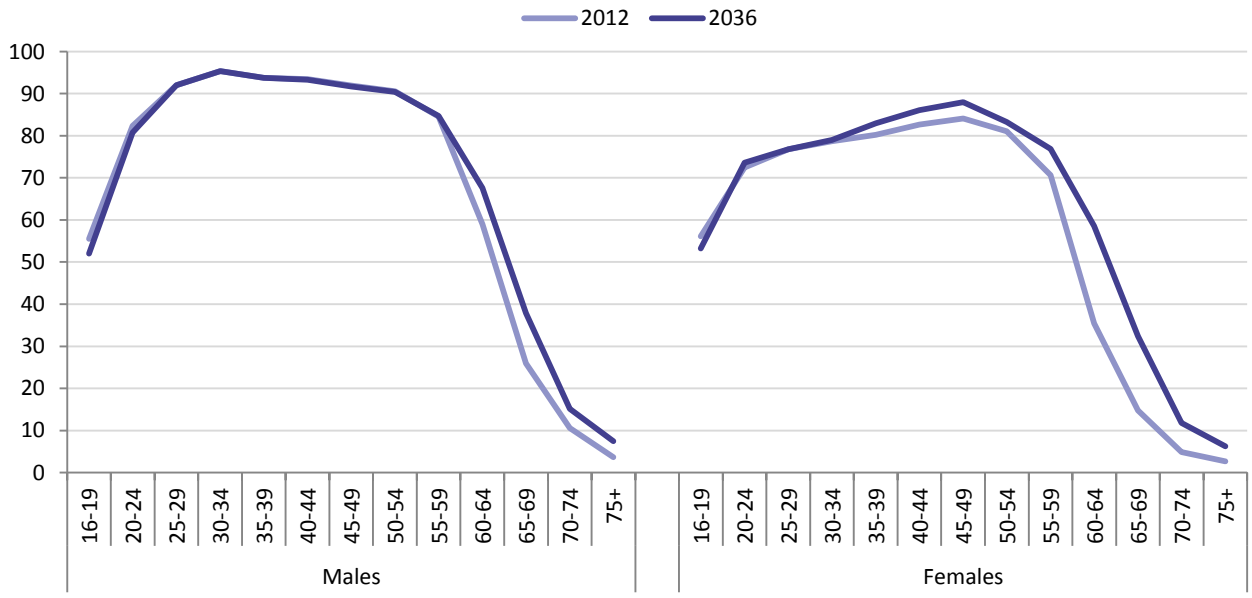
3.63 National policy is also changing. The school leaving age rose to 18 in 2015 and the Government has removed the cap on student numbers attending higher education[19].

3.64 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

3.65 Figure 58 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 58: Economic activity rates in 2012 and 2036 by age and gender based on OBR Labour Market Participation Projections



3.66 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.

3.67 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

[18] http://www.hefce.ac.uk/pubs/year/2015/201503/
[19] 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.

3.68 Figure 59 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 59: Projected economically active population 2012-36 (Note: All figures presented unrounded for transparency)

Age	2012			2036			Net change 2012-36		
	M	F	Total	M	F	Total	M	F	Total
Aged 16-19	8,127	8,005	**16,132**	8,409	8,096	**16,505**	+282	+91	**+373**
Aged 20-24	15,857	13,775	**29,632**	16,795	14,742	**31,536**	+938	+967	**+1,904**
Aged 25-29	16,524	13,687	**30,211**	18,582	14,616	**33,199**	+2059	+929	**+2,988**
Aged 30-34	16,696	13,624	**30,320**	17,734	13,715	**31,448**	+1038	+91	**+1,128**
Aged 35-39	16,172	13,957	**30,130**	18,433	15,328	**33,761**	+2261	+1,371	**+3,631**
Aged 40-44	19,467	17,338	**36,805**	19,697	17,264	**36,962**	+230	-74	**+156**
Aged 45-49	19,969	18,466	**38,435**	19,896	18,561	**38,457**	-72	+95	**+22**
Aged 50-54	18,138	16,594	**34,732**	18,779	17,336	**36,116**	+642	+742	**+1,384**
Aged 55-59	15,485	13,938	**29,423**	16,839	15,582	**32,421**	+1354	+1,644	**+2,998**
Aged 60-64	11,823	7,613	**19,436**	14,080	12,668	**26,749**	+2257	+5,056	**+7,313**
Aged 65-69	5,317	3,180	**8,497**	8,963	7,979	**16,941**	+3646	+4,799	**+8,445**
Aged 70-74	1,576	764	**2,341**	3,505	2,857	**6,362**	+1928	+2,092	**+4,021**
Aged 75+	446	367	**813**	1,412	1,256	**2,669**	+967	+889	**+1,856**
Total	**165,597**	**141,309**	**306,906**	**183,126**	**159,999**	**343,125**	**+17,528**	**+18,690**	**+36,219**

3.69 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

3.70 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.[20]

3.71 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.

3.72 Figure 60 shows the breakdown between the household population and the population living in Communal Establishments.

[20] 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'.*

Figure 60: Population projections 2012-36 by 5-year age cohort (Note: Communal Establishment population held constant for population aged under 75 (light blue cells), and held proportionately constant for each relationship status for population aged 75 or over (orange cells). Note: figures may not sum due to rounding)

Age	2012			2036			Net change 2012-36		
	Household	Communal Establishment	Total	Household	Communal Establishment	Total	Household	Communal Establishment	Total
Aged 0-4	33,626	38	**33,664**	34,090	38	**34,128**	+464	-	**+464**
Aged 5-9	30,840	24	**30,864**	35,401	24	**35,425**	+4,561	-	**+4,561**
Aged 10-14	31,224	548	**31,772**	36,594	548	**37,142**	+5,370	-	**+5,370**
Aged 15-19	33,169	2,814	**35,983**	36,165	2,814	**38,979**	+2,996	-	**+2,996**
Aged 20-24	36,285	1,973	**38,258**	38,582	1,973	**40,555**	+2,297	-	**+2,297**
Aged 25-29	35,006	772	**35,778**	38,128	773	**38,901**	+3,122	+1	**+3,123**
Aged 30-34	34,339	479	**34,818**	35,251	479	**35,730**	+912	-	**+912**
Aged 35-39	34,258	396	**34,654**	37,627	396	**38,023**	+3,369	-	**+3,369**
Aged 40-44	41,402	406	**41,808**	40,658	406	**41,064**	-744	-	**-744**
Aged 45-49	43,252	436	**43,688**	42,358	436	**42,794**	-894	-	**-894**
Aged 50-54	40,146	358	**40,504**	41,258	358	**41,616**	+1,112	-	**+1,112**
Aged 55-59	37,764	280	**38,044**	39,956	280	**40,236**	+2,192	-	**+2,192**
Aged 60-64	41,209	308	**41,517**	42,311	307	**42,618**	+1,102	-1	**+1,101**
Aged 65-69	41,707	280	**41,987**	48,254	280	**48,534**	+6,547	-	**+6,547**
Aged 70-74	30,224	284	**30,508**	47,335	284	**47,619**	+17,111	-	**+17,111**
Aged 75-79	25,429	493	**25,922**	38,481	786	**39,267**	+13,052	+293	**+13,345**
Aged 80-84	19,196	861	**20,057**	30,217	1,256	**31,473**	+11,021	+395	**+11,416**
Aged 85+	16,283	2,998	**19,281**	42,223	6,853	**49,076**	+25,940	+3,855	**+29,795**
Total	**605,357**	**13,747**	**619,104**	**704,891**	**18,298**	**723,184**	**+99,534**	**+4,551**	**+104,080**
Breckland	128,942	2,915	**131,857**	148,625	4,422	**153,046**	+19,683	+1,507	**+21,189**
Broadland	123,459	1,756	**125,215**	137,394	2,905	**140,299**	+13,935	+1,149	**+15,084**
North Norfolk	99,279	2,510	**101,790**	111,568	3,419	**114,986**	+12,289	+909	**+13,196**
Norwich	129,520	4,744	**134,264**	152,421	5,052	**157,471**	+22,901	+308	**+23,207**
South Norfolk	124,157	1,822	**125,978**	154,883	2,500	**157,382**	+30,726	+678	**+31,404**

Class C2 usage

3.73 It is important to recognise the growth of the 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**

3.74 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.

3.75 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

3.76 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.

3.77 The proportion of people in any age cohort who will be household representatives varies 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.

3.78 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."*

3.79 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."*

3.80 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."*

3.81 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."*

3.82 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) considered the CLG household 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."*

3.83 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).

3.84 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.

3.85 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

3.86 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 61. Further explanation of the use of the CLG Household Projections is given below at CLG Household Projections.

3.87 Figure 61 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 61: 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)

Scenario	2012	2036	Net change 2012-36	Average annual change
HOUSEHOLDS				
Breckland	55,273	67,903	**+12,631**	+526
Broadland	53,837	63,348	**+9,510**	+396
North Norfolk	46,357	54,128	**+7,771**	+324
Norwich	60,791	76,084	**+15,293**	+637
South Norfolk	53,742	68,778	**+15,036**	+626
Central Norfolk	**270,000**	**330,241**	**+60,241**	**2,509**
DWELLINGS				
Breckland	58,232	71,539	**+13,307**	+554
Broadland	55,401	65,187	**+9,787**	+408
North Norfolk	53,603	62,588	**+8,985**	+374
Norwich	64,035	80,144	**+16,109**	+671
South Norfolk	55,585	71,137	**+15,552**	+648
Central Norfolk	**286,856**	**350,595**	**+63,740**	**2,655**

Conclusions

3.88 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.

3.89 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 households in North Norfolk and 626 households in South Norfolk (both lower than the CLG 2012-based projections) 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.

3.90 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.

4.5 We would note at the outset that at the time of writing the Government are consulting on changing the definition of affordable housing to include a wider range of Low Cost Home Ownership (LCHO) products which they are not subject to 'in perpetuity' restrictions or where the subsidy is recycled for alternative affordable housing provision. This would represent a fundamental revision of the

definition of affordable housing. It is also likely to require a complete revision of PPG sections relating to affordable housing as changing the definition for the supply of affordable housing will also change the nature of households who qualify for affordable housing. Therefore, while affordable housing supply may rise under the new definitions, the number of households who qualify as being in affordable housing need will also rise.

Past Trends and Current Estimates of the Need for Affordable Housing

Local authority data: Homeless Households and Temporary Accommodation

4.6 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 62). The current rate represents 0.2 presentations per 1,000 households, less than half the equivalent rate for England (0.5 per 1,000).

4.7 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 62: Households accepted as homeless and in priority need (Source: CLG P1E returns March 2001 and March 2011)

		Central Norfolk			England
		2001	2011	Net change 2001-11	2011
CENTRAL NORFOLK					
Number accepted homeless and in priority need during quarter		**379**	**133**	**-246**	**-**
Rate per 1,000 households		*1.5*	*0.5*	*-1*	*0.5*
Households in temporary accommodation	Bed and breakfast	86	28	-58	-
	Hostels	42	6	-36	-
	Local Authority or RSL stock	299	24	-275	-
	Private sector leased (by LA or RSL)	6	12	6	-
	Other (including private landlord)	15	33	18	-
	TOTAL	**448**	**103**	**-345**	**-**
	Rate per 1,000 households	*1.8*	*0.4*	*-1.4*	*2.2*
Households accepted as homeless but without temporary accommodation provided		***159***	***70***	***-89***	**-**

4.8 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 are at risk of becoming homeless. Housing advice services provided by the councils may prevent homelessness, thereby limiting the number of homeless presentations and housing allocation policies might avoid the need to provide temporary housing if permanent housing is available sooner. Further, many homeless households are now offered homes in the private rented sector (see below).

4.9 Homelessness 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. 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 of a suitable offer of accommodation results in the loss of priority need status.

4.10 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

4.11 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

4.12 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 63), an increase of 978 families (90%).

Figure 63: Concealed families in Central Norfolk by age of family representative (Source: Census 2001 and 2011. Note: figures may not sum due to rounding)

	2001	2011	Net change 2001-11
Aged under 25	169	560	+391
Aged 25 to 34	372	624	+252
Aged 35 to 44	145	177	+33
Aged 45 to 54	62	165	+103
Sub-total aged under 55	**748**	**1,527**	**+778**
Aged 55 to 64	91	149	+59
Aged 65 to 74	151	207	+56
Aged 75 or over	92	177	+85
Sub-total aged 55 or over	**334**	**533**	**+200**
All Concealed Families	**1,082**	**2,060**	**+978**

4.13 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

4.14 The number of **sharing households** fell from 289 to 287 over the 10-year period 2001-11 (Figure 64).

Figure 64: Shared Dwellings and Sharing Households in Central Norfolk (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Number of shared dwellings	115	85	-30
Number of household spaces in shared dwellings	385	370	-15
All Sharing Households	**289**	**287**	**-2**
Household spaces in shared dwellings with no usual residents	96	83	-13

4.15 Figure 65 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**.

Figure 65: Multi-adult Households in Central Norfolk (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Owned	9,130	9,462	+332
Private rented	7,635	13,097	+5,462
Social rented	1,260	1,831	+571
All Households	**18,025**	**24,390**	**+6,365**

4.16 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.

4.17 Nevertheless, shared facilities are 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 under 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.

4.18 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

4.19 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.

4.20 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).

4.21 Figure 66 shows the information about overcrowding available from Census data.

Figure 66: 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)

	Occupancy rating (rooms)						Occupancy rating (bedrooms) 2011	
	2001		2011		Net change 2001-11			
	N	%	N	%	N	%	N	%
Breckland								
Owned	680	1.8%	591	1.6%	-89	-14%	449	1.2%
Private rented	378	6.0%	921	9.9%	543	+65%	512	5.5%
Social rented	621	8.5%	847	11.3%	226	+33%	446	5.9%
All Households	**1,679**	**3.3%**	**2,359**	**4.3%**	**680**	**+31%**	**1,407**	**2.6%**
Broadland								
Owned	472	1.1%	368	0.9%	-104	-24%	311	0.7%
Private rented	216	5.0%	329	5.4%	113	+8%	151	2.5%
Social rented	233	5.6%	348	7.6%	115	+35%	169	3.7%
All Households	**921**	**1.8%**	**1,045**	**2.0%**	**124**	**+6%**	**631**	**1.2%**
North Norfolk								
Owned	446	1.4%	444	1.4%	-2	-5%	338	1.0%
Private rented	372	5.8%	556	7.3%	184	+26%	233	3.0%
Social rented	402	6.7%	535	9.1%	133	+35%	280	4.7%
All Households	**1,220**	**2.8%**	**1,535**	**3.3%**	**315**	**+19%**	**851**	**1.8%**
Norwich								
Owned	609	2.3%	648	2.4%	39	+6%	291	1.1%
Private rented	1,241	15.3%	2,084	15.2%	843	-1%	603	4.4%
Social rented	1,666	8.4%	1,859	9.4%	193	+12%	780	4.0%
All Households	**3,516**	**6.4%**	**4,591**	**7.6%**	**1,075**	**+18%**	**1,674**	**2.8%**
South Norfolk								
Owned	462	1.3%	425	1.1%	-37	-16%	317	0.8%
Private rented	273	5.7%	424	6.3%	151	+10%	170	2.5%
Social rented	325	6.1%	514	8.6%	189	+41%	267	4.5%
All Households	**1,060**	**2.3%**	**1,363**	**2.6%**	**303**	**+13%**	**754**	**1.4%**
CENTRAL NORFOLK								
Owned	2,669	1.5%	2,476	1.4%	-193	-11%	1,706	0.9%
Private rented	2,480	8.3%	4,314	9.9%	1,834	+20%	1,669	3.8%
Social rented	3,247	7.6%	4,103	9.4%	856	+23%	1,942	4.4%
All Households	**8,396**	**3.4%**	**10,893**	**4.1%**	**2,497**	**+19%**	**5,317**	**2.0%**
All Households								
ENGLAND	**-**	**7.1%**	**-**	**8.7%**	**-**	**+23%**	**-**	**4.6%**
Greater Ipswich	-	3.9%	-	4.8%	-	+23%	-	2.2%
Greater Lincoln	-	3.4%	-	3.7%	-	+9%	-	2.0%
Greater Exeter	-	4.8%	-	5.3%	-	+10%	-	2.1%

4.22 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 66). 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.

4.23 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%).

4.24 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 a 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

4.25 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.

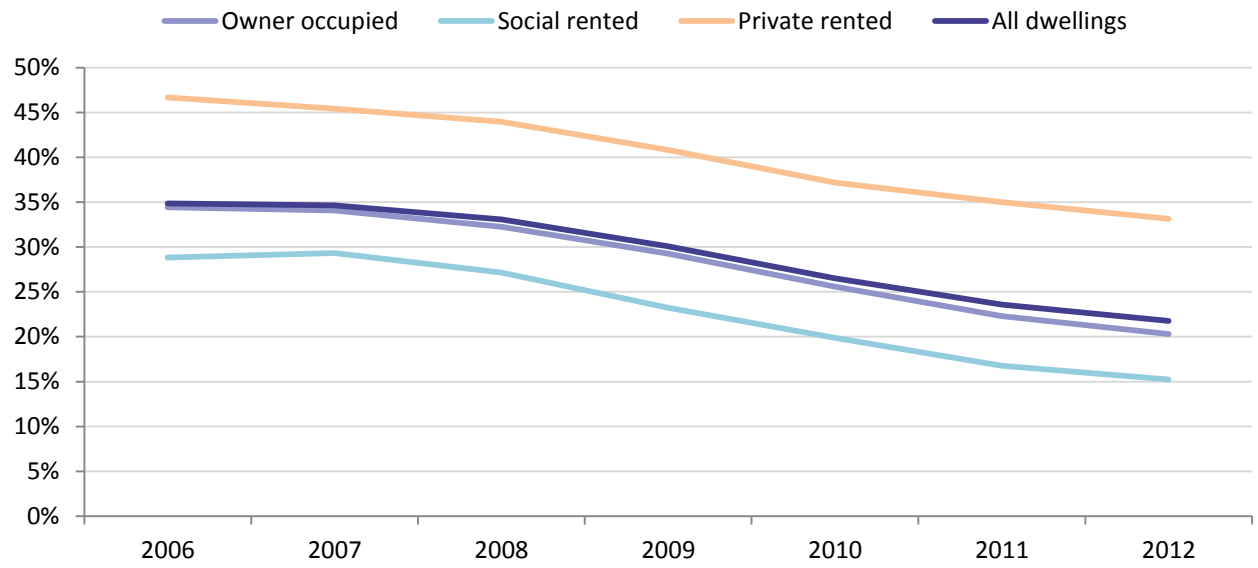
4.26 The Decent Homes Standard provides a broad measure of **housing condition**. It was intended to be a minimum standard that all housing should meet and that to do so should be easy and affordable. It was determined that in order to meet the standard a dwelling must achieve all of the following:

- 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).

4.27 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.

4.28 Figure 67 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 67: Trend in non-decent homes by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)



Overcrowding

4.29 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[21] 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):

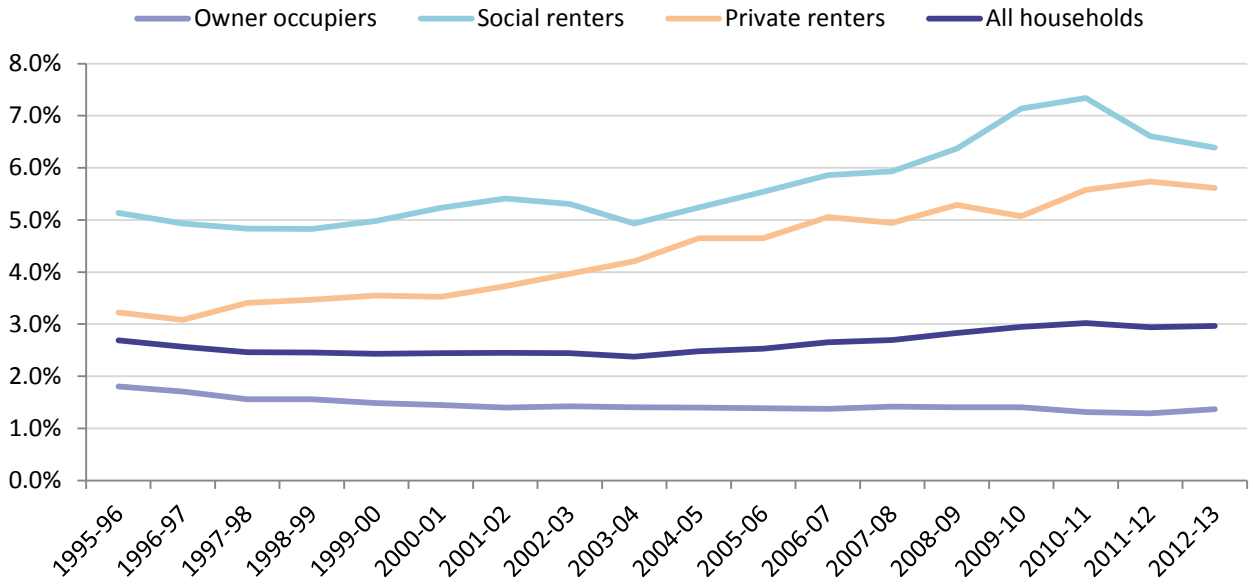
> *The 'bedroom standard' is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting 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.*

[21] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284648/English_Housing_Survey_Headline_Report_2012-13.pdf

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 notional needed.

4.30 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 68: 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)



4.31 Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement more closely reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance[22] 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).

4.32 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

[22] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf

4.33 The bedroom standard therefore provides the most appropriate basis for assessing overcrowding. **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 69 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 69: 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)

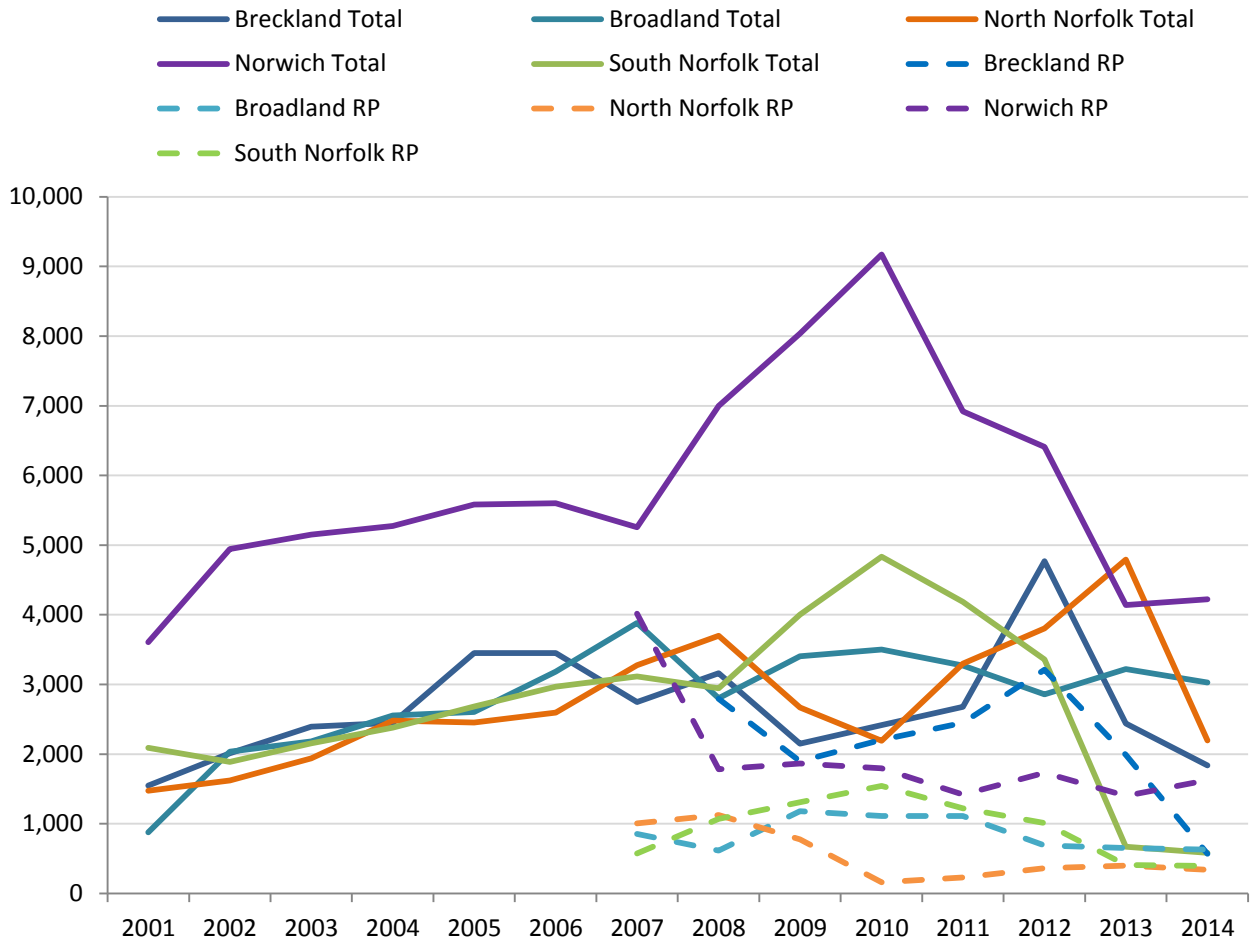
		Owned	Private Rented	Social Rented	All Households
England	Percentage of households overcrowded [A]	1.4%	5.6%	6.4%	3.0%
Census occupancy rating (bedrooms)					
England	Percentage of households overcrowded [Bb]	2.3%	8.8%	8.9%	4.6%
	Proportion of these overcrowded households based on bedroom standard [Cb = A ÷ Bb]	59%	64%	72%	64%
Central Norfolk	Number of overcrowded households based on Census occupancy rating (bedrooms) [Db]	1,706	1,669	1,942	5,317
	Estimate of overcrowded households based on the bedroom standard [Eb = Cb × Db]	1,007	1,068	1,398	3,403
Census occupancy rating (rooms)					
England	Percentage of households overcrowded [Br]	3.3%	20.2%	16.9%	8.7%
	Proportion of these overcrowded households based on bedroom standard [Cr = A ÷ Br]	42%	28%	38%	34%
Central Norfolk	Number of overcrowded households based on Census occupancy rating (rooms) [Dr]	2,476	4,314	4,103	10,893
	Estimate of overcrowded households based on the bedroom standard [Er = Cr × Dr]	1,040	1,208	1,559	3,704
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 through which Households can apply for a home, including homeless households.

4.35 Figure 70 shows the trend in household applicants over the period since 2001. The overall number of households has been very variable, with the number registering for affordable housing having fallen by 22% in Central Norfolk over the last decade. This is mainly because of changes in eligibility criteria in Norwich and South Norfolk, while the numbers in Broadland have continued to rise.

Figure 70: 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 70 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.

4.37 Figure 71 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. As shown in Figure 70, in 2012 there were 7,000 households with a reasonable preference, compared to 7,400 in 2008. By 2014 this number had fallen to 3,600.

Figure 71: Number of households on the local authority housing register at 1st April (Source: LAHS returns to CLG. Note: "*" denotes that the data was imputed to allow totals to be constructed and should not be seen as an estimate for the local authority)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk	Central Norfolk
	2012	2012	2012	2012	2012	2012
Total households on the housing waiting list	4,769	2,860	3,803	6,410	3,360	21,202
Total households in a reasonable preference category	**3,212**	**688**	**362**	**1,734**	**1,012**	**7,008**
People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)	-	22	12	15	-	49
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	69	44	24	52	80	269
People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions	1,209	282	153	449*	200	2,293*
People who need to move on medical or welfare grounds, including grounds relating to a disability	1,529	275	64	316*	80	2,264*
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)	405	69	-	44*	-	518*

4.38 The number of people recorded by the housing register as homeless or owed a duty under the Housing Act 1996 appears to be higher than is shown by the local authority data about homelessness.

4.39 Nevertheless, we previously estimated that there were around 3,553 overcrowded households in Central Norfolk, based on the bedroom standard (Figure 69) – 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.

4.40 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 applications 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:

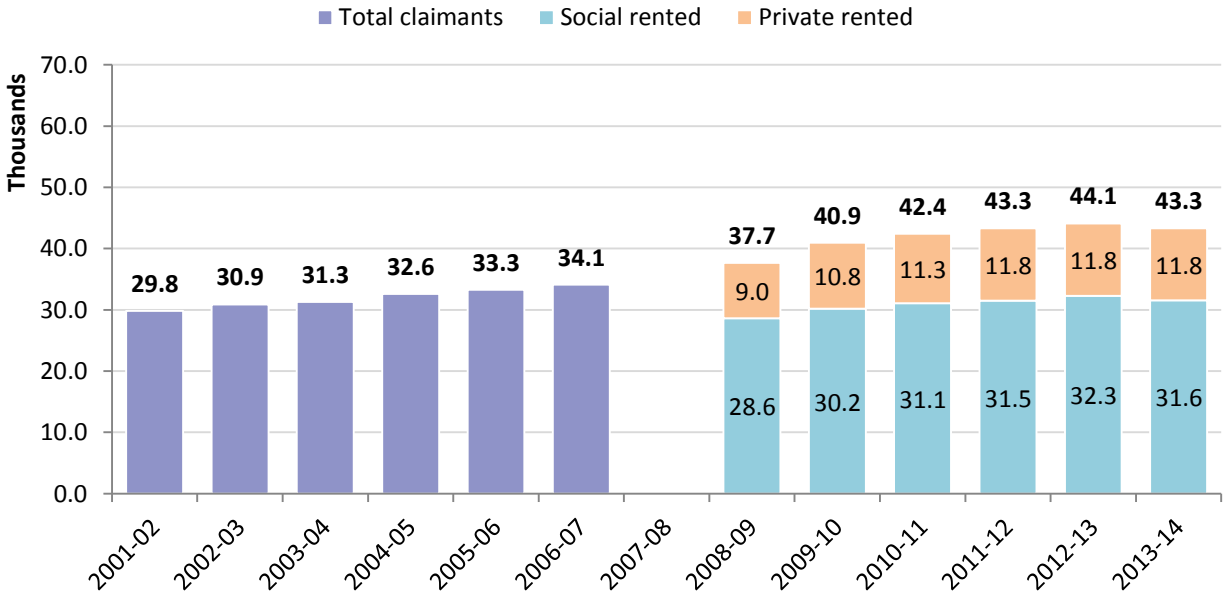
> *Plan makers … will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market (paragraph 022, emphasis added)*
>
> *Plan makers should establish unmet (gross) need for affordable 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. More detailed information has been available since 2008-09 which includes more information about both the claimants and the tenure of their home.

Housing benefit claimants in Central Norfolk

4.46 Figure 72 shows the trend in the number of housing benefit claimants in Central Norfolk.

Figure 72: 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 on average 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, provided 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 73 sets out the assessment of current affordable housing need for Central Norfolk.

Figure 73: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing		Increase in Overall Housing Need
	Gross Need	Supply	
Homeless households in priority need (see Figure 62)			
Currently in temporary accommodation in communal establishments (Note: this is the sum of Bed and breakfast and Hostels)	34		34
Currently in temporary accommodation in market housing (Note: this is the sum of Private sector leased and Other, including Private landlord)	45		
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	24	24	
Households accepted as homeless but without temporary accommodation provided	70		70
Concealed households (see Figure 63)			
Growth in concealed families from 2001-11 with family representatives aged under 55	778		778
Overcrowding based on the bedroom standard (see Figure 69)			
Households living in overcrowded private rented housing	1,138		
Households living in overcrowded social rented housing	1,479	1,479	
Other households living in unsuitable housing that cannot afford their own home (see Figure 71)			
People who need to move on medical or welfare grounds, including grounds relating to a disability	2,264	245	
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)	518	57	
TOTAL	**6,350**	**1,805**	**882**

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).

4.63 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).

4.64 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**.

4.65 Providing new affordable housing for those households who currently occupy affordable housing which is not suitable for their needs will release some affordable housing (see above). Providing the net additional affordable housing needed will **release back into the market dwellings which are mainly in the private rented sector (and occupied by households that are currently in affordable housing need and unable to afford their own housing). These total 3,663 households (4,545 less 882**) **currently in affordable housing need who are unable to afford their own housing**. These dwellings will be available for other households, mainly in the private rented sector.

Projected future affordable housing need

4.66 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

4.67 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.

4.68 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.

4.69 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

4.70 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.

4.71 The affordability percentages in Figure 74 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.

Figure 74: Assessing affordability by household type and age (Source: ORS Housing Model based on Census 2011 and DWP)

	Under 25	25-34	35-44	45-54	55-64	65+
BRECKLAND: Percentage unable to afford market housing						
Single person household	33%	16%	25%	29%	26%	24%
Couple with no dependent children	11%	4%	8%	8%	8%	10%
Couple family with 1 or more dependent children	54%	28%	15%	12%	13%	31%
Lone parent family with 1 or more dependent children	93%	86%	61%	41%	43%	61%
Other household type	33%	30%	23%	17%	18%	11%
BROADLAND: Percentage unable to afford market housing						
Single person household	25%	9%	15%	19%	17%	15%
Couple with no dependent children	9%	3%	5%	6%	4%	6%
Couple family with 1 or more dependent children	71%	21%	9%	6%	6%	20%
Lone parent family with 1 or more dependent children	82%	65%	41%	31%	26%	43%
Other household type	38%	17%	18%	14%	12%	6%
NORTH NORFOLK: Percentage unable to afford market housing						
Single person household	23%	10%	24%	25%	22%	21%
Couple with no dependent children	15%	7%	10%	9%	8%	13%
Couple family with 1 or more dependent children	66%	33%	19%	13%	14%	35%
Lone parent family with 1 or more dependent children	85%	75%	54%	40%	36%	66%
Other household type	26%	51%	32%	22%	19%	11%
NORWICH: Percentage unable to afford market housing						
Single person household	40%	26%	41%	44%	47%	50%
Couple with no dependent children	16%	10%	17%	26%	22%	32%
Couple family with 1 or more dependent children	75%	52%	32%	25%	28%	23%
Lone parent family with 1 or more dependent children	94%	92%	71%	55%	59%	78%
Other household type	13%	17%	34%	40%	34%	30%
SOUTH NORFOLK: Percentage unable to afford market housing						
Single person household	33%	14%	20%	22%	20%	22%
Couple with no dependent children	18%	6%	6%	6%	5%	8%
Couple family with 1 or more dependent children	59%	25%	10%	7%	8%	21%
Lone parent family with 1 or more dependent children	91%	79%	43%	31%	38%	33%
Other household type	37%	26%	25%	16%	14%	10%

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 75 shows the individual components of annual household growth.

Figure 75: Components of average annual household growth by 5-year projection period (Source: ORS Housing Model Note: figures may not sum due to rounding)

	Annual average based on 5-year period					Annual average 2012-36
	2012-17	2017-22	2022-27	2027-32	2032-37	
New household formation	5,838	5,860	5,902	6,096	6,282	5,981
Household dissolution following death	4,764	4,812	5,037	5,415	5,894	5,147
Net household growth within Central Norfolk	**+1,074**	**+1,048**	**+865**	**+681**	**+388**	**+834**
Household migration in	14,146	14,526	14,811	15,202	15,662	14,829
Household migration out	12,422	12,856	13,161	13,542	13,981	13,152
Net household migration	**+1,724**	**+1,669**	**+1,649**	**+1,661**	**+1,682**	**+1,676**
Total household growth	**2,798**	**2,717**	**2,515**	**2,341**	**2,069**	**2,510**

4.75 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.

4.76 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.

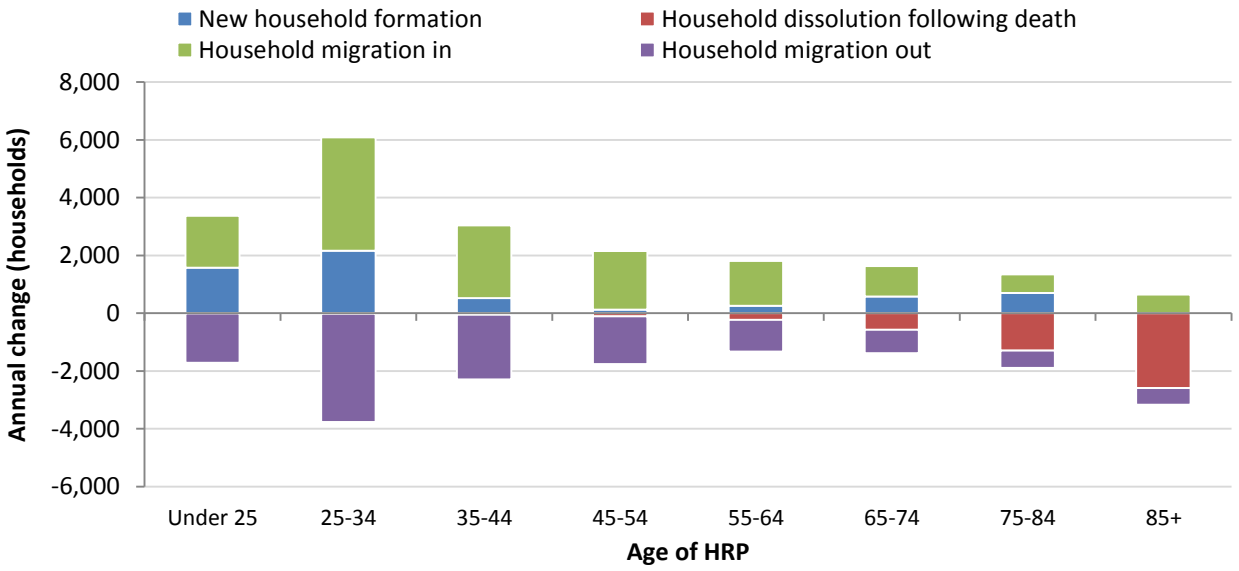
4.77 Over the 24-year period 2012-36, therefore, total **household growth averages 2,510 households** each year.

Change in household numbers by age cohort

4.78 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 75) alongside the detailed information about household affordability (Figure 74).

4.79 Figure 76 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.

Figure 76: Annual change in household numbers in each age cohort by age of HRP (Source: ORS Housing Model)



4.80 **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.**

4.81 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 77). The figure of 27% derives from the use of detailed information contained in Figure 74 to Figure 76. 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.**

Figure 77: Affordability of new households over the initial 5-year period 2012-17 (Source: ORS Housing Model. Note: figures may not sum due to rounding)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,838	4,281	1,557	27%
Households migrating in to the area	14,146	10,802	3,344	24%
All new households	**19,984**	**15,083**	**4,901**	**25%**

4.82 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**.

4.83 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 market housing but are not allocated affordable housing.

4.84 **In these cases, and others, the gross need will need adjusting.**

4.85 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.

4.86 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 following household dissolutions through death, which will release the dwellings back for other households to occupy.

4.87 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. Others will not vacate a social rented property but their needs will have been counted either 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 78: Components of average annual household growth by 5-year projection period 2012-17 (Source: ORS Housing Model. Note: figures may not sum due to rounding)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,838	4,281	1,557	27%
Households migrating in to the area	14,146	10,802	3,344	24%
All new households	**19,984**	**15,083**	**4,901**	**25%**
Household dissolutions following death	4,764	3,797	967	20%
Households migrating out of the area	12,422	9,251	3,171	26%
All households no longer present	**17,186**	**13,047**	**4,139**	**24%**
Total household growth	**+2,798**	**+2,036**	**+763**	**27%**

4.88 **Figure 78 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 74 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 74 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 79 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 79: Components of average annual household growth in Central Norfolk 2012-17 (Source: ORS Housing Model. Note: figures may not sum due to rounding)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,838	4,281	1,557	27%
Households migrating in to the area	14,146	10,802	3,344	24%
All new households	**19,984**	**15,083**	**4,901**	**25%**
Household dissolutions following death	4,764	3,797	967	20%
Households migrating out of the area	12,422	9,251	3,171	26%
All households no longer present	**17,186**	**13,047**	**4,139**	**24%**
Total household growth	**+2,798**	**+2,036**	**+763**	**27%**
Existing households falling into need	-	-836	+836	100%
Existing households climbing out of need	-	+986	-986	0%
Change in existing households	**-**	**+150**	**-150**	**-**
Total future need for market and affordable housing	**+2,798**	**+2,185**	**+613**	**22%**

4.94 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 Central Norfolk (as they have moved to live elsewhere) **thereby reducing the new need to a net total of 763 households.**

4.95 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.**

4.96 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

4.97 Figure 80 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.

Figure 80: Assessing total need for market and affordable housing 2012-2036 (Source: ORS Housing Model. Note: figures may not sum due to rounding)

	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
Current need for affordable housing (see Figure 73)			
Total unmet need for affordable housing	-	6,350	6,350
Supply of housing vacated	3,663	1,805	5,468
Overall impact of current affordable housing need	**-3,663**	**4,545**	**882**
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	45,320	14,921	60,241
Total need for market and affordable housing	**41,657**	**19,466**	**61,123**
Average annual need for housing	1,736	811	2,547
Proportion of need for market and affordable housing	**68.2%**	**31.9%**	**100.0%**

4.98 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 31.9% of the total household growth projected based on demographic trends.

4.99 To address the **current unmet need** for affordable housing. Figure 73 showed that there were currently 6,350 households in need of affordable housing. However, as 1,805 of these households 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**.

4.100 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.

4.101 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 **31.9% of the overall housing need** identified.

4.102 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 **832 affordable dwellings per annum**.

4.103 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

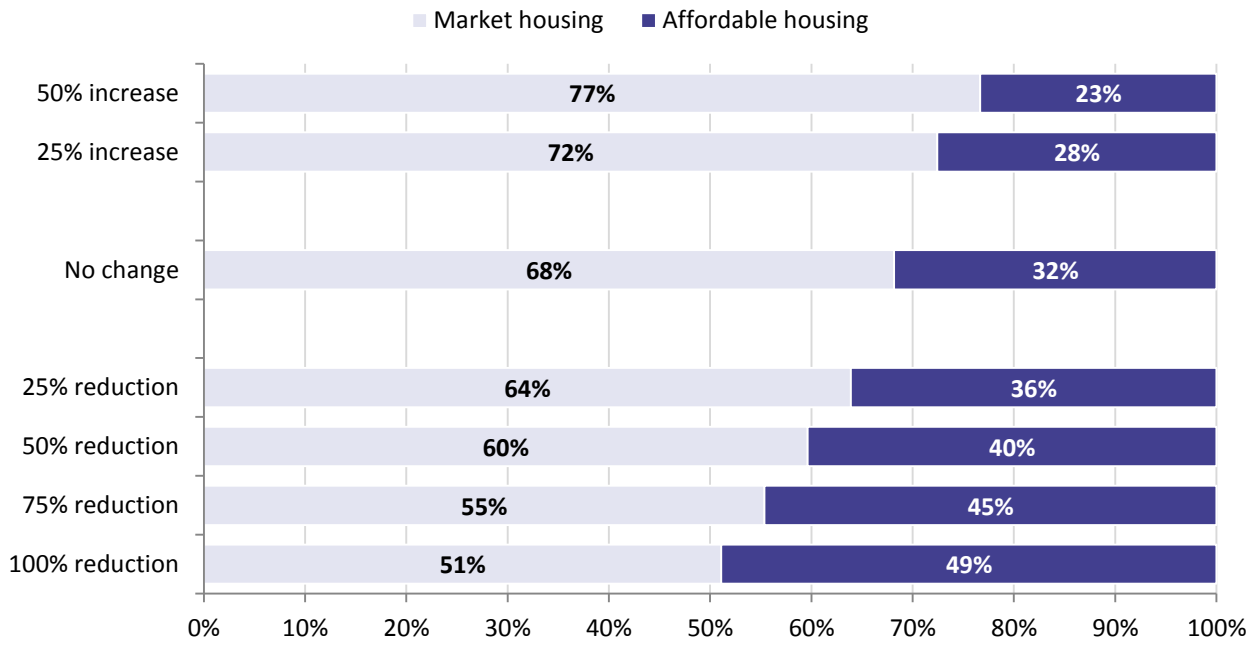
4.104 The Model also recognises **the importance of housing benefit and the role of the private rented sector**. The Model assumes that the number of housing benefit supported households living in the private rented sector will remain constant from the baseline date of 2012; however this is a policy decision not in the control of the Councils.

4.105 **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.

4.106 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.

4.107 To sensitivity test this position, Figure 81 shows the impact of reducing (or increasing) the number of households receiving housing benefit to live in the private rented sector.

Figure 81: 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



4.108 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

4.109 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.

4.110 The housing mix analysis identified that affordable housing need represented 31.9% 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.

4.111 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, provided that 31.9% 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

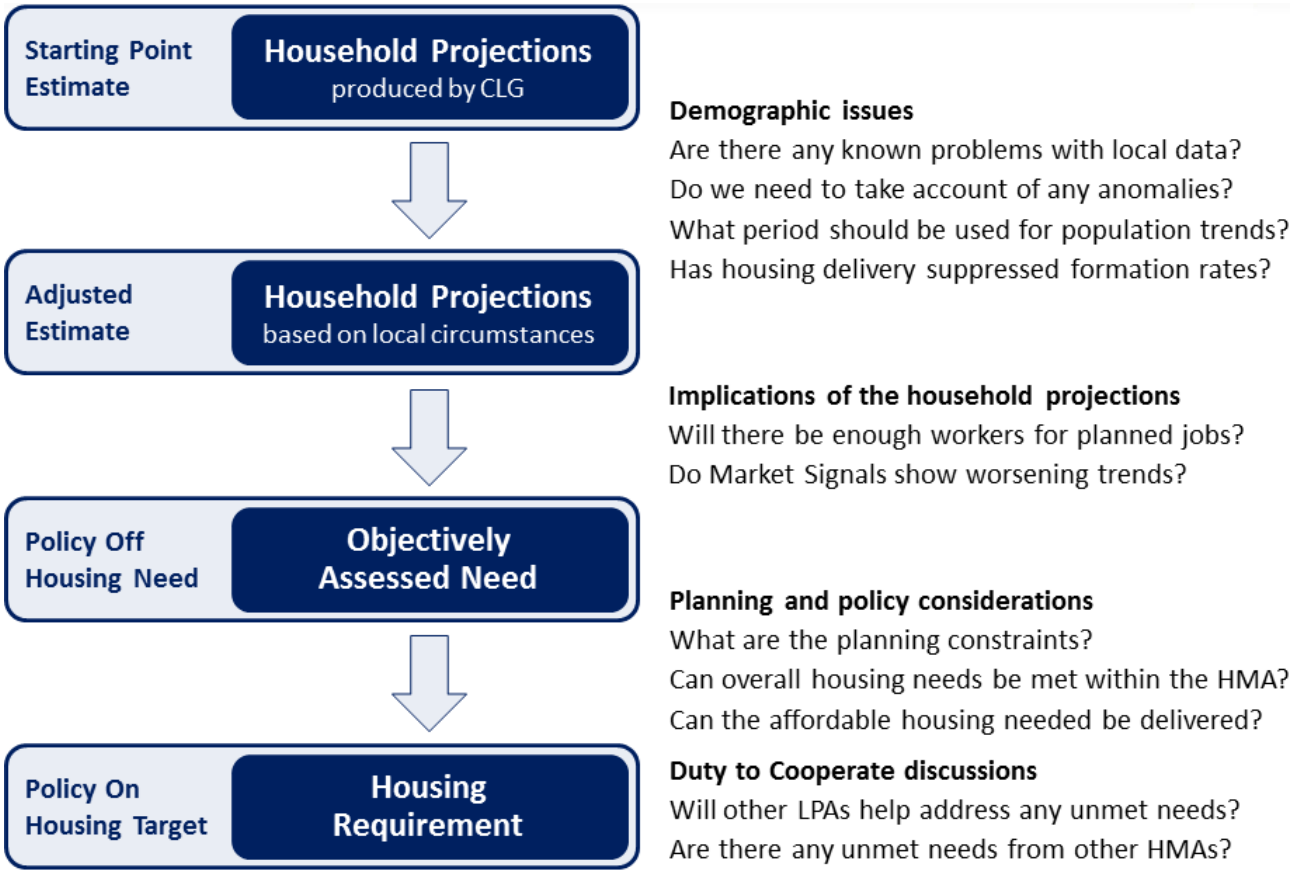
Analysing the Evidence to Establish Overall Housing Need

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 82 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.

Figure 82: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



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 (SNPP). 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 Britain[23]) are supporting a position which requires 245,000 homes to be built in England every year, a figure derived from the Barker Review (2004)[24]. 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:

[23] http://www.homesforbritain.org.uk
[24] http://webarchive.nationalarchives.gov.uk/+/http:/www.hmtreasury.gov.uk/barker_review_of_housing_supply_recommendations.htm

- » CLG 2012-based household projections (the starting point);
- » Migration adjustments, based on Census, for longer-term migration trends (which incorporate higher international migration rates and correct for errors in previous population estimates);
- » Market signals, including an uplift for concealed families;
- » Converting from household growth to a requirement for dwellings, taking account of vacancies and second homes.

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 are 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[25].**

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

[25] Includes taking account of vacancies and second homes at the rates shown in paragraph 3.87.

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.** Households convert to dwellings based upon an additional allowance for vacant and second homes.

5.27 The housing mix analysis identified that affordable housing need represented 31.9% 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.

Figure 83: Annual house price rates of change, UK all dwellings 2004-2014 (Source: Regulated Mortgage Survey. Note: Not seasonally adjusted)

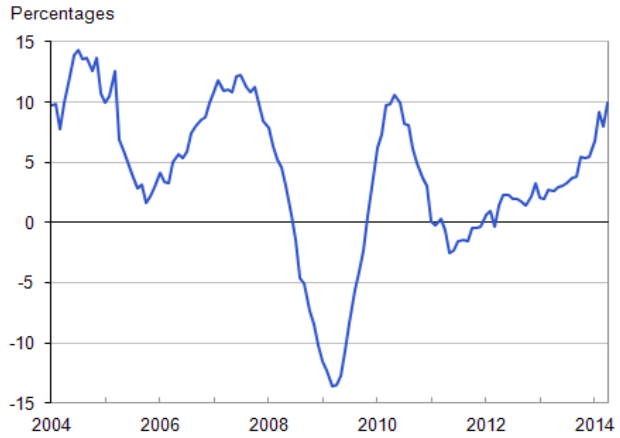
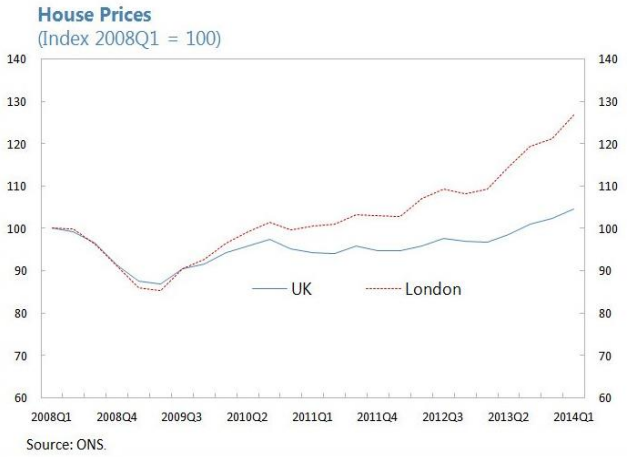


Figure 84: UK and London House Price Index 2008-2014 (Source: ONS)



5.37 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.*

5.38 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.*

5.39 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.*

5.40 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 have

been 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 achieving national economic recovery, and the role played in this by the Bank of England, indicates 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 85 and Figure 86 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 85: House Price Trends: Lower Quartile Prices (Source: CLG Live Tables. Note: HMA figure derived using population weighted average of Local Authority data)

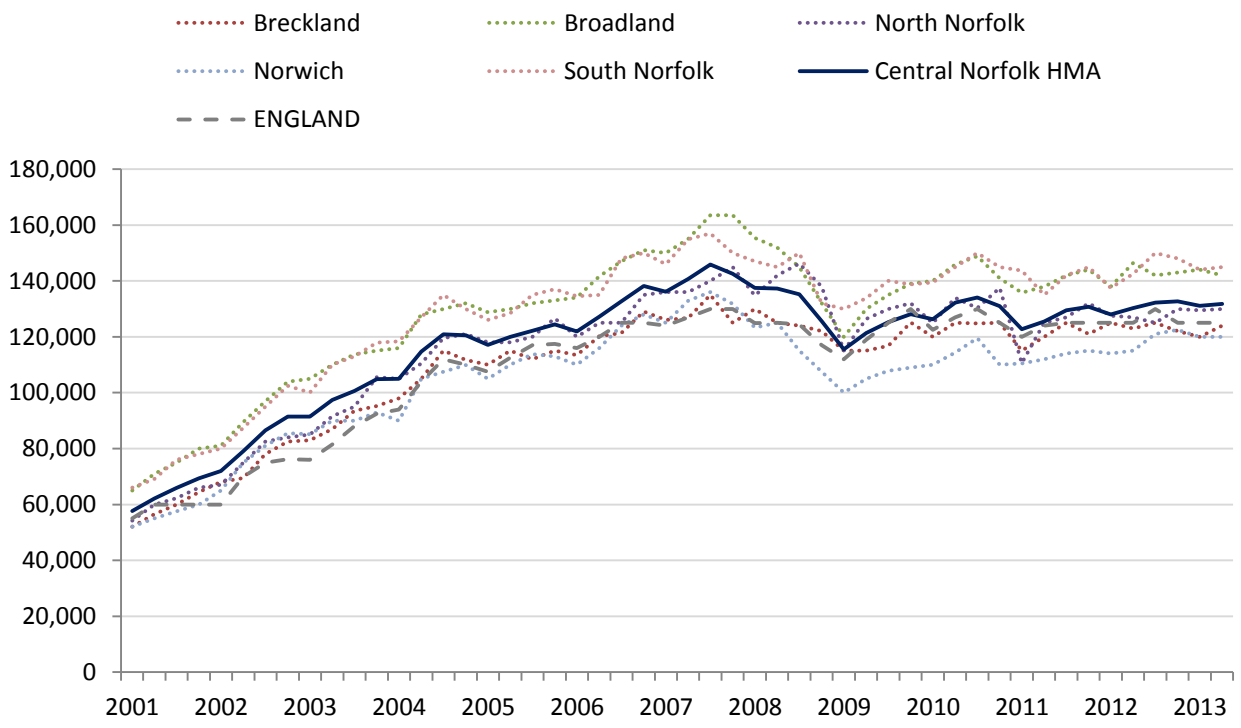
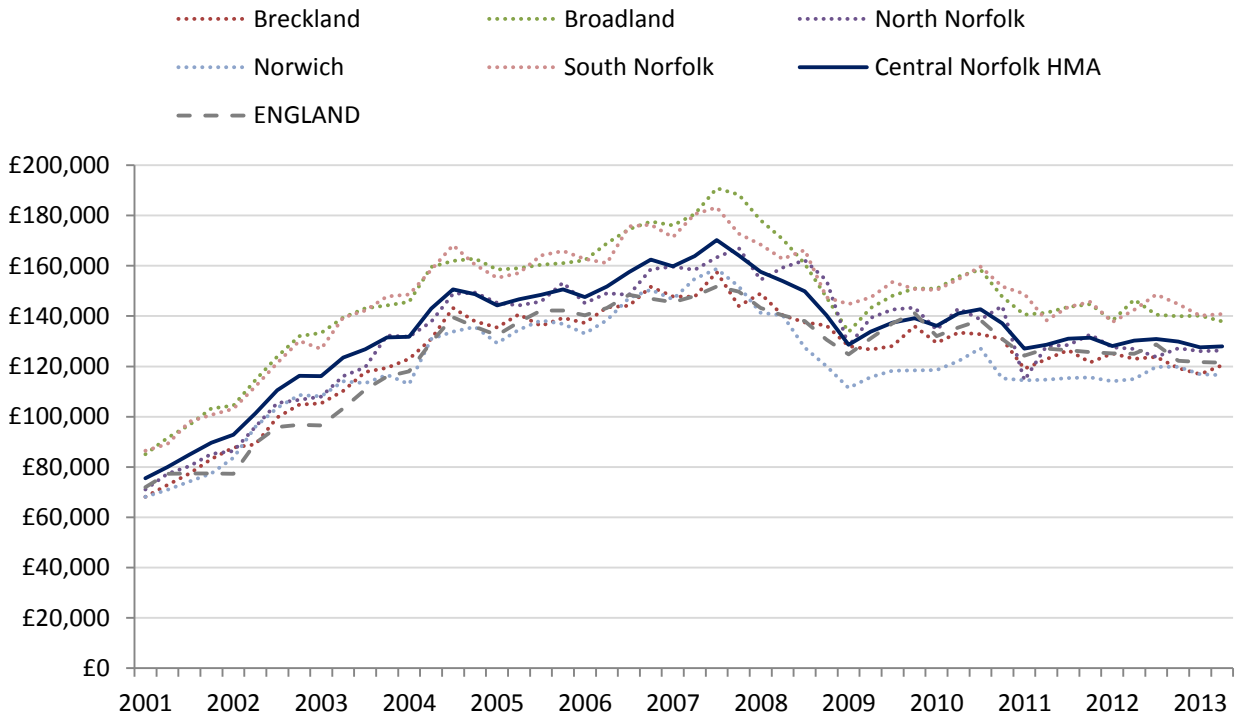
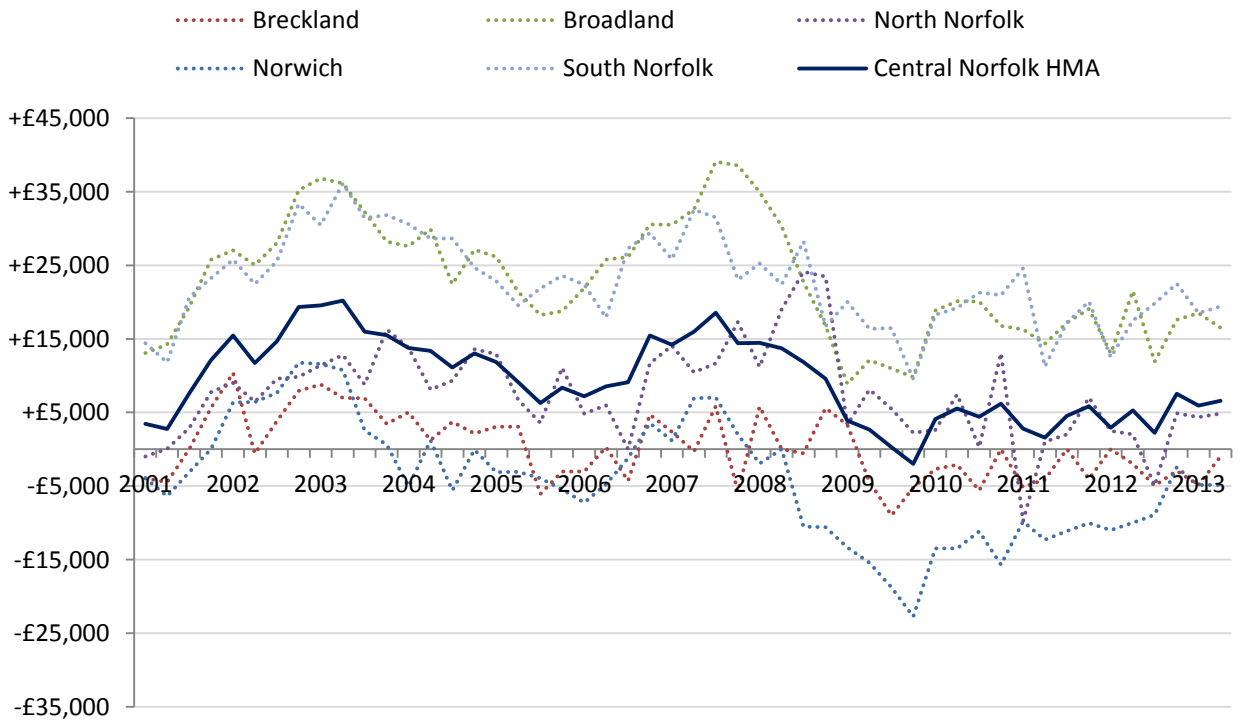


Figure 86: Real House Price Trends: Lower Quartile Prices adjusted to 2012 values using CPI (Source: CLG Live Tables; Bank of England. Note: HMA figure derived using population weighted average of Local Authority data



5.44 Figure 87 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.

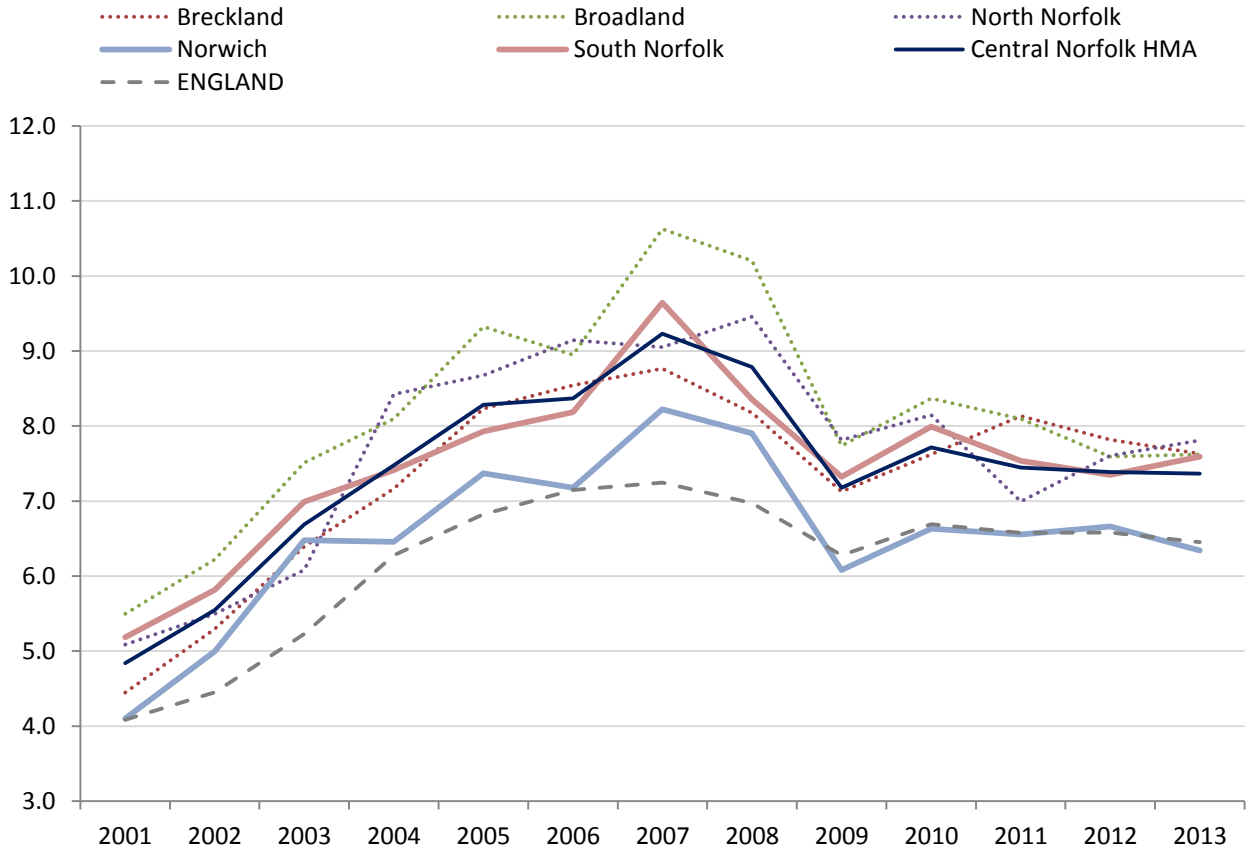
Figure 87: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2012 values using CPI (Source: CLG Live Tables; Bank of England. Note: HMA figure derived using population weighted average of Local Authority data)



Affordability

5.45 Figure 88 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 88: Ratio of Lower Quartile House Prices to Lower Quartile Earnings (Source: DCLG. Note: HMA figure derived using population weighted average of Local Authority data)



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 69), including 1,023 owner occupiers, 1,138 households renting privately and 1,479 households in the social rented sector. These figures feed through to the assessment of current unmet need for affordable housing in Figure 73, which includes both need/demand and supply factors and concludes that there is a net current unmet need for overcrowded and concealed households for 882 households.

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 89: Summary of Market Signals

		Central Norfolk	Similar demographic and economic areas			England
			Greater Ipswich	Greater Lincoln	Greater Exeter	
INDICATORS RELATIING TO PRICE						
House prices						
Lower quartile house price	2012-13 value	£131,600	£135,500	£103,900	£153,400	£126,200
	Relative to England	4%	7%	-18%	22%	-
	2007-08 value	£141,700	£144,200	£111,500	£157,900	£128,000
	5-year change	-7%	-6%	-7%	-3%	-1%
Rents						
Average monthly rent	2013-14 value	£627	£570	£507	£701	£720
	Relative to England	-13%	-21%	-30%	-3%	-
	2008 value	£422	£449	£362	£451	£501
	5-year change	49%	27%	40%	55%	44%
Affordability						
Lower quartile house price to earnings	2013 ratio	7.4	7.1	6.0	8.7	6.5
	Relative to England	14%	10%	-7%	34%	-
	2008 ratio	8.8	8.0	6.8	9.7	7.0
	5-year change	-16%	-11%	-12%	-11%	-7%
INDICATORS RELATIING TO QUANTITY						
Overcrowding						
Overcrowded households	2011 proportion	4.1%	4.8%	3.7%	5.3%	8.7%
	Relative to England	-53%	-45%	-57%	-39%	-
	2001 proportion	3.4%	3.9%	3.4%	4.8%	7.1%
	10-year change	19%	23%	9%	10%	23%
Rate of development						
Increase in stock	2001-11 change	10.0%	12.1%	14.7%	9.1%	8.3%
	Relative to England	20%	45%	77%	9%	-

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.

5.51 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 projections 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. Therefore, we consider that no uplift to the OAN is required for market signals except for an adjustment of 882 concealed and homeless households who do not form part of the household projections and who require affordable housing, and therefore also require housing in general.

5.52 ORS adopted the same approach in our Housing Development Study for Cheshire East and their inspector concluded[26] that:

26. At first sight, some of the comparisons used (such as Wiltshire, Somerset and East Yorkshire) may not appear to relate well to Cheshire East, and there has been no comparison with neighbouring areas (apart from Cheshire West & Chester), or with the wider housing markets in Greater Manchester and the Potteries. However, PPG [ID-2a-020] confirms that comparisons should be made with longer term trends in the housing market area and at national level, and with similar demographic and economic areas. CEC's consultants have

[26] Cheshire East Council Examination Of The Cheshire East Local Plan Strategy Inspector's Further Interim Views On The Additional Evidence Produced By The Council During The Suspension Of The Examination And Its Implications For The Submitted Local Plan Strategy

followed this guidance in comparing Cheshire East with areas with similar demographic and economic characteristics, which seems to represent a proportionate and justified approach. In any event, the proposed uplift applied to the OAN to help balance jobs, workers and housing should take account of any adjustments needed as a result of any adverse market signals.

5.53 The market signals for Central Norfolk are extremely similar to those for Cheshire East, so we consider that the same approach is justified here. It is also the case that, as in Cheshire East, uplifts based on the available evidence about jobs and workers are taken account of below. Any additional market signal uplift above those for jobs and workers would represent double counting.

Older People

5.54 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**

5.55 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[27]) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply.

5.56 It is important to recognise that the identified dwelling growth does not include the projected increase of the 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[28], 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 the "ageing population will lead to greater level of population aged over 75 in residential care homes".

5.57 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.

5.58 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

[27] 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.

[28] Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

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.

5.59 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 groups in the household population; which would yield more households than assumed when establishing the OAN.

5.60 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.

5.61 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

5.62 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 Part 2 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.

5.63 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.

5.64 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

5.65 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.*

5.66 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."*

5.67 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.

5.68 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

5.69 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**

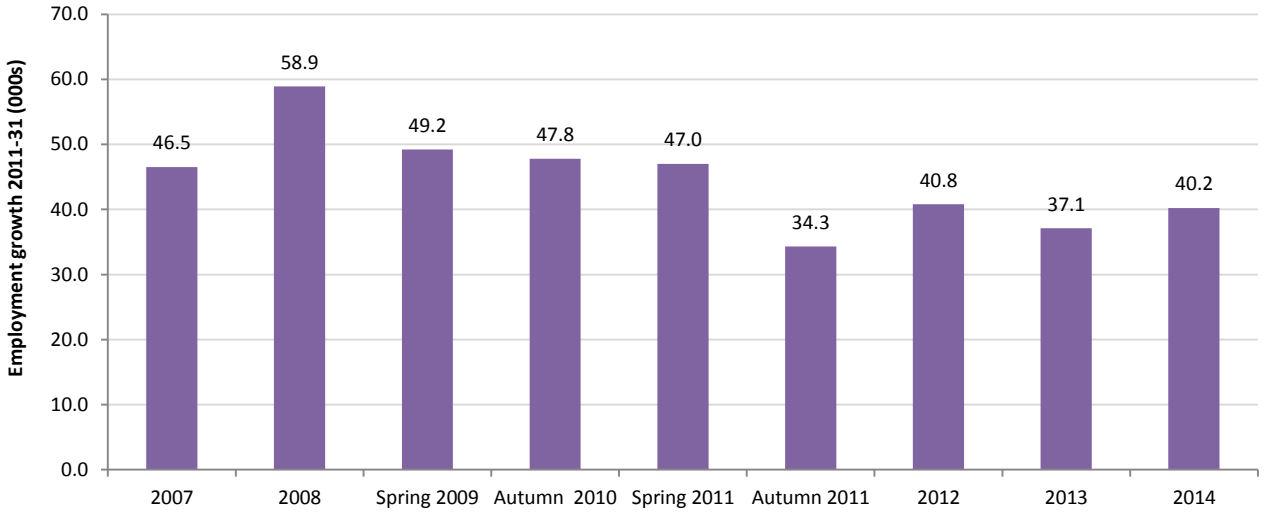
East of England Forecasting Model (EEFM)

5.70 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.

5.71 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.

5.72 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 90: Employment growth forecasts for Central Norfolk 2011-31 (Source: EEFM)



5.73 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).

5.74 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.

5.75 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.

5.76 It is also important to recognise that the jobs forecast by the EEFM includes 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.

5.77 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.**

5.78 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 91: 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)

Local Authority	Households Growth 2012-2036	Market Signals response for concealed families and homeless households	Household response to balance of planned jobs and workers	Total Dwelling Need (including vacancies and second homes)
Breckland	12,631	270	685	14,313
Broadland	9,510	150	653	10,613
North Norfolk	7,771	181	754	10,067
Norwich	15,293	155	493	16,792
South Norfolk	15,036	126	659	16,363
Central Norfolk	**60,241**	**882**	**3,245**	**68,148**

5.79 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.

5.80 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.

5.81 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.

5.82 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.

5.83 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.**

5.84 While this change is arguably 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.

5.85 Figure 92 repeats the calculation shown in Figure 91 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 92: 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)

Local Authority	Household Growth 2012-2036	Market Signals response for concealed families and homeless households	Household response to balance of planned jobs and workers	Response to the City Deal	Total Dwelling Need (including vacancies and second homes)
Breckland	12,631	270	685	-	14,313
Broadland	9,510	150	653	2,417	13,088
North Norfolk	7,771	181	754	-	10,067
Norwich	15,293	155	493	2,947	19,928
South Norfolk	15,036	126	659	2,698	19,153
The 5 Local Authorities	**60,241**	**882**	**3,245**	**8,060**	**76,549**
Norwich Policy Area	29,410	340	1,280	8,060	40,750
Greater Norwich	39,840	450	1,810	8,060	52,170
Functional Housing Market Area	**55,110**	**770**	**2,900**	**8,060**	**70,480**

Conclusions on Jobs and Workers

5.86 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.

5.87 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.

5.88 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 Authority Area

5.89 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.

5.90 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.

5.91 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 93 the projected dwelling requirement for the Broads is 296 for the period 2012-36 using long-term migration trends and 320 using jobs growth forecasts. This includes a very high second and holiday home rate of 25.4% to reflect the known high rates of vacant homes in the Broads Authority area. When dealing with low figures such as these, a small change will have a relatively large impact. For example, a jobs growth of 20 fewer jobs would make the two figures for dwellings almost equal. For this reason it is best to view the OAN figures for the Broads as a range of around 296 to 320 dwellings between 2012 and 2036.

5.92 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 93: 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)

	2012 -2036 population change	Household increase	Concealed Households	Dwellings
ORS Model Using Long-term migration trends	594	229	7	296
Jobs led growth	638	248	7	320

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.

5.93 Figure 94 shows the distribution of the OAN by local authority area. Taking an example of North Norfolk, 95 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 94: 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)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk	Great Yarmouth	Waveney
ORS Model Using Long-term migration trends	0	53	95	3	34	63	47
Jobs led growth	0	57	103	3	37	69	51

Size and Tenure Mix for Housing

5.94 Chapter Four identified that on the basis of providing for the ten year migration trend household projections a total of 31.9% future dwellings would require to be affordable housing. This equates to 19,900 affordable units across 24 years. **However, because the City Deal will attract more high value jobs and therefore more households who are able to afford market housing, the impact of the City Deal is that more dwellings are required in the market sector, so the proportion of affordable housing will fall to become 26% of the OAN figure.** There may also be a need later for a 'policy on' response to provide affordable housing, but at present this is supposition.

5.95

5.96 Figure 95 and Figure 96 provide more details on the affordable and market needs by dwelling size. They also show a significant requirement for detached housing. For affordable housing, the largest need is for two and three bedroom houses. The age profile and migration patterns suggest that the number of two bedroom flats in Breckland should decrease slightly, though at the same time there is a requirement for more two 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. We would note that the identified dwelling sizes for affordable housing are based on trend allocation polices from the period up to 2011. Therefore, they reflect how dwellings were allocated until 2011. The data may require a policy on response to reflect the impact of Welfare Reform where more households are now seeking smaller dwellings due to the bedroom tax or spare room subsidy.

Figure 95: Size and Tenure Mix for Objectively Assessed Need Dwellings 2012-2036 (Source: ORS Housing Model. Note: figures may not sum due to rounding)

Dwellings		The 5 Local Authorities	Norwich Policy Area	Core HMA	Greater Norwich	Functional Housing Market Area
MARKET HOUSING						
Flat	1 bedroom	1,920	1,640	4,030	1,770	1,900
	2 bedrooms	2,370	2,030	17,110	2,160	2,340
House	2 bedrooms	6,090	3,920	4,790	5,050	5,880
	3 bedrooms	34,390	16,740	1,110	22,200	31,380
	4 bedrooms	9,450	4,710	1,640	6,690	8,760
	5+ bedrooms	2,450	1,100	2,030	1,600	2,230
		56,700	**30,100**	**30,714**	**39,500**	**52,500**
AFFORDABLE HOUSING						
Flat	1 bedrooms	2,240	1,640	2,340	1,880	2,140
	2 bedroom	2,200	1,770	4,090	1,850	2,110
House	2 bedrooms	5,570	2,290	880	3,070	4,930
	3 bedrooms	8,190	4,050	1,640	4,870	7,320
	4+ bedrooms	1,660	870	1,770	1,030	1,490
Total Affordable Housing		**19,900**	**10,600**	**10,720**	**12,700**	**18,000**
Total Housing		**76,500**	**40,700**	**41,430**	**52,200**	**70,500**

Figure 96: 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)

Dwellings		Breckland	Broadland	North Norfolk	Norwich	South Norfolk
MARKET HOUSING						
Flat	1 bedroom	-	200	200	1,400	300
	2 bedrooms	-100	100	300	1,800	300
House	2 bedrooms	200	1,700	900	1,700	1,700
	3 bedrooms	6,900	6,600	5,200	6,600	9,100
	4 bedrooms	1,600	1,900	1,000	1,100	3,400
	5+ bedrooms	600	400	300	300	1,000
Total		**9,200**	**10,900**	**7,900**	**12,900**	**15,800**
AFFORDABLE HOUSING						
Flat	1 bedrooms	400	200	200	1,600	500
	2 bedroom	300	-	100	1,700	200
House	2 bedrooms	1,700	1,100	900	900	1,200
	3 bedrooms	2,500	800	900	2,500	1,300
	4+ bedrooms	200	100	100	300	200
Total Affordable Housing		**5,100**	**2,200**	**2,200**	**7,000**	**3,400**
Total Housing		**14,300**	**13,100**	**10,100**	**19,900**	**19,200**

Affordable Rent Levels and Housing Need

5.97 A key issue for an area such as Central Norfolk is how affordable housing let at an Affordable Rent[29] can help to meet the needs of those households who cannot afford to meet their own housing costs. Figure 97 shows median weekly private sector rents for 2013/14 for Central Norfolk. These can be used to calculate potential rents for housing let at an Affordable Rent.

Figure 97: Median Weekly Rent Values in Central Norfolk (Source: Valuation Office Agency)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk
1 bedroom	£95.31	£103.38	£98.08	£111.92	£103.85
2 bedroom	£121.15	£129.69	£121.15	£132.69	£126.92
3 bedrooms	£150.00	£150.00	£150.00	£160.38	£150.00
4 or more bedrooms	£219.23	£206.54	£190.38	£253.85	£201.92

5.98 Figure 98 shows potential Affordable Rents values in Central Norfolk by bedroom size, calculated using 80% of market rent. This shows that at 80% of market rents, a four bedroom property will still cost between £152 and £203 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 it 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 98: Potential Affordable rent Values in Central Norfolk (Source: Valuation Office Agency)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk
1 bedroom	£76.25	£82.71	£78.46	£89.54	£83.08
2 bedroom	£96.92	£103.75	£96.92	£106.15	£101.54
3 bedrooms	£120.00	£120.00	£120.00	£128.31	£120.00
4 or more bedrooms	£175.38	£165.23	£152.31	£203.08	£161.54

5.99 Figure 99 shows the level of gross income required to be able to afford rents which are set at 80% of market rents in Central Norfolk under an assumption that households devote 25% of their gross household income to housing costs based on experience and testing a range of percentages of household income being devoted to housing costs, such as 35%[30]. 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.

[29] https://www.gov.uk/guidance/definitions-of-general-housing-terms

[30] The proportion of income that it is reasonable to assume can be devoted to housing costs has been researched for a number of years without agreement over a specific figure being reached. Figures such as 30% of household income have been put forward as reasonable. However, the criticism raised against 30% is that 30% of income for households with lower income is less affordable than for households with higher incomes. Further, it has been argued that 30% is simply unaffordable for many low income households. By using 25% of household income and testing those results against 30% and 35%, we take account of these criticisms while considering other options should they prove more relevant to the HMA in point. In this report the figures for 25% and 35% of household income are shown, with 25% being the more relevant of the two.

Figure 99: Household Income Required to afford 80% Market Rents in Central Norfolk (Source: Valuation Office Agency and ORS)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk
1 bedroom	£15,859	£17,203	£16,320	£18,624	£17,280
2 bedroom	£20,160	£21,581	£20,160	£22,080	£21,120
3 bedrooms	£24,960	£24,960	£24,960	£26,688	£24,960
4 or more bedrooms	£36,480	£34,368	£31,680	£42,240	£33,600

5.100 From the above calculations it is clear that Affordable Rent properties with 1 to 3 bedrooms in Central Norfolk set at 80% of market rents are going to be affordable to anyone with relatively modest incomes[31], but that 4 bedroom properties are less affordable. However, to begin to address the needs of households who are identified as requiring affordable housing for rent it is also the case that the cost of the rents must fall within housing benefit thresholds for an area.

5.101 Figure 100 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 98 shows 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 100: Local Housing Allowance Rate in Central Norfolk BRMA, Kings Lynn and Bury St Edmunds BRMA in 2015 (Source: Valuation Office Agency)

	Central Norfolk	Bury St Edmunds	King's Lynn
1 bedroom	£92.98	£102.25	£90.64
2 bedroom	£116.52	£126.31	£112.21
3 bedrooms	£135.36	£150.36	£129.47
4 or more bedrooms	£184.11	£216.00	£163.16

5.102 It is possible to calculate the affordability of properties to households who require affordable housing. In Figure 101 we have made the following assumptions:

- Households can spend up to 25% of their gross incomes on rents in Figure 101, which assumption is tested against 35% of income in Figure 102;
- 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, e.g. Low Cost Home Ownership.

5.103 Figure 101 sets out the size and tenure type of affordable housing required to meet the needs identified. Two different categories of need can be identified, '*Affordable housing for rent*' and '*Low Cost Home*

[31] Norfolk Insight reports: annual gross pay in 2013 (using data from ASHE) varied from £19,979 in Breckland to £26,226 in South Norfolk, with £22,839 for Norfolk as a whole. http://www.norfolkinsight.org.uk/Custom/Resources/NorfolkStory.pdf

Ownership (LCHO). The overall results clearly indicate that the vast majority of households who require affordable housing will have their needs met by affordable rented housing, provided they are supported by housing benefit to do so. This should be the case provided that Affordable Rent levels are contained within the level covered by housing benefit and the benefit cap is not breached.

5.104 Within the '*affordable housing for rent*' category of need there are two groups of households who would benefit from housing at a lower rent than that charged for Affordable Rent properties, but their needs cannot be distinguished within the results at this time. This would take further, more detailed analysis. These two groups are:

- Households likely to be affected by the impact of the benefit cap, e.g. those requiring 3 or 4 bedroom accommodation.
- Low income working households who are not eligible for housing benefit because their income is just above the threshold.

5.105 The second category of need that can be identified is a group with sufficient income to meet their needs via Low Cost Home Ownership products such as shared ownership.

Figure 101: Affordability of Affordable Housing to 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)

Dwellings		Affordable housing for rent	LCHO	TOTAL
Breckland				
Flat	1 bedroom	300	100	400
	2 bedrooms	200	100	300
House	2 bedrooms	1,300	400	1,700
	3 bedrooms	2,200	300	2,500
	4 bedrooms	200	0	200
	Total	**4,200**	**900**	**5,100**
Broadland				
Flat	1 bedrooms	200	-	200
	2 bedroom	-	-	-
House	2 bedrooms	900	200	1,100
	3 bedrooms	700	100	800
	4+ bedrooms	100	-	100
	Total	**1,900**	**300**	**2,200**
North Norfolk				
Flat	1 bedrooms	200	-	200
	2 bedroom	100	-	100
House	2 bedrooms	800	100	900
	3 bedrooms	800	100	900
	4+ bedrooms	100	-	100
	Total	**2,000**	**200**	**2,200**

Norwich				
Flat	1 bedrooms	1,500	100	1,600
	2 bedroom	1,500	200	1,700
House	2 bedrooms	800	100	900
	3 bedrooms	2,200	300	2,500
	4+ bedrooms	300	-	300
Total		**6,300**	**700**	**7,000**
South Norfolk				
Flat	1 bedrooms	500	-	500
	2 bedroom	200	-	200
House	2 bedrooms	900	300	1,300
	3 bedrooms	900	300	1,300
	4+ bedrooms	100	100	200
Total		**2,700**	**700**	**3,400**
Central Norfolk Total		**17,100**	**2,800**	**19,900**

Figure 102: Affordability of Affordable Housing to 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)

Dwellings		Affordable housing for rent	LCHO	TOTAL
Breckland				
Flat	1 bedroom	300	100	400
	2 bedrooms	200	100	300
House	2 bedrooms	1,100	600	1,700
	3 bedrooms	1,800	700	2,500
	4 bedrooms	200	-	200
Total		**3,600**	**1,500**	**5,100**
Broadland				
Flat	1 bedrooms	200	-	200
	2 bedroom	-	-	-
House	2 bedrooms	800	300	1,100
	3 bedrooms	600	200	800
	4+ bedrooms	100	-	100
Total		**1,700**	**500**	**2,200**
North Norfolk				
Flat	1 bedrooms	200	-	200

	2 bedroom	100	-	100
House	2 bedrooms	700	200	900
	3 bedrooms	700	200	900
	4+ bedrooms	100	-	100
Total		**1,800**	**400**	**2,200**
Norwich				
Flat	1 bedrooms	1,500	100	1,600
	2 bedroom	1,400	300	1,700
House	2 bedrooms	800	200	1,000
	3 bedrooms	1,900	600	2,500
	4+ bedrooms	200	-	200
Total		**5,800**	**1,200**	**7,000**
South Norfolk				
Flat	1 bedrooms	400	-	400
	2 bedroom	100	-	100
House	2 bedrooms	900	400	1,300
	3 bedrooms	900	500	1,400
	4+ bedrooms	100	100	200
Total		**2,400**	**1,000**	**3,400**
Central Norfolk Total		**15,300**	**4,600**	**19,900**

Shared Ownership and Low Cost Home Ownership: Potential Market Size

5.106 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.

5.107 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'*

5.108 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.

5.109 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 103 shows the tenure pattern for Central Norfolk at the time of the 2011 Census.

5.110 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.

Figure 103: Tenure in 2011 (Source: UK Census of Population 2011)

	Owned	Shared Ownership	Affordable housing for rent	Private rented	Living rent free
Breckland	68.6%	0.6%	13.8%	15.2%	1.8%
Broadland	79.4%	0.6%	8.6%	10.3%	1.1%
North Norfolk	70.1%	0.4%	12.8%	14.5%	2.1%
Norwich	43.8%	0.7%	32.7%	21.7%	1.1%
South Norfolk	74.9%	1.0%	11.3%	11.2%	1.6%
England	63.3%	0.8%	17.7%	16.8%	1.3%

5.111 Figure 104 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.

Figure 104: Tenure Change from 2001 to 2011 (Source: UK Census of Population 2001 and 2011)

	Change in percentage owner occupied	Change in percentage private rented
Breckland	-4.2%	5.8%
Broadland	-3.2%	3.4%
North Norfolk	-1.0%	2.9%
Norwich	-4.6%	8.4%
South Norfolk	-2.8%	3.5%
England	-4.7%	6.9%

5.112 The composition of the private rented sector is also important in assessing the potential role of shared ownership and LCHO in helping households in to 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 in to 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.

5.113 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.

5.114 Figure 105 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 and would be natural households to occupy the Government's new Starter Homes scheme.

Figure 105: Size of the Private Rented Sector by Local Authority (Source: UK Census of Population 2011 and DWP Benefit Statistics May 2011)

	Total private rented sector	Student households in private rent	Housing benefit tenants in private rent	All other private rent households
Breckland	8,294	3	2,580	5,711
Broadland	5,519	2	1,590	3,927
North Norfolk	6,664	0	2,370	4,294
Norwich	13,089	1,356	2,980	8,753
South Norfolk	5,916	5	1,840	4,071
England	**3,715,924**	112,364	1,371,390	2,232,170

5.115 Figure 106 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. This is shown in the column in bold and headed 'Would-be owners'.

Figure 106: 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)

	Total private rented sector	Student households in private rent	Housing benefit tenants in private rent	Other private rent households	
				Would-be owners	Private rent through choice
Breckland	8,294	3	2,580	**2,179**	3,532
Broadland	5,519	2	1,590	**1,654**	2,273
North Norfolk	6,664	0	2,370	**377**	3,917
Norwich	13,089	1,356	2,980	**2,647**	6,106
South Norfolk	5,916	5	1,840	**1,295**	2,776
England	3,715,924	112,364	1,371,390	**1,002,519**	1,229,651

5.116 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

5.117 The Planning Advisory Service Good Plan Making Guide[32] 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)

5.118 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 be 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.

5.119 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

5.120 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.

5.121 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

[32] http://www.pas.gov.uk/documents/332612/6363137/Pages+from+FINAL+PAS+Good+Plan+Making+-6.pdf

need for affordable housing is met. If the OAN figures are delivered, affordable housing is 26% of the total across the 5 authorities.

5.122 Figure 107 shows the total and annual OAN by local authority and planning area. Figure 108 shows the size and tenure mix by local authority using 25% of gross income being spent on rents.

Figure 107: 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)

	Norwich Policy Area	Core HMA	Elsewhere in Greater Norwich	Elsewhere in Central Norfolk Functional HMA	Areas outside the Central Norfolk Functional HMA	OVERALL TOTAL	Greater Norwich Total	Central Norfolk Functional HMA Total
Total 2012-2036								
Norwich	19,928	19,928	-	-	-	**19,928**	19,928	19,928
Broadland	9,820	10,975	3,269	-	-	**13,088**	13,088	13,088
South Norfolk	10,998	10,528	8,156	-	-	**19,153**	19,153	19,153
Breckland	-	0	-	10,142	4,171	**14,313**	-	10,142
North Norfolk	-	0	-	8,171	1,896	**10,067**	-	8,171
Total	**40,746**	**41,431**	**11,425**	**18,313**	**6,067**	**76,549**	**52,170**	**70,482**
Annual Average by Authority								
Norwich	830	830	-	-	-	**830**	830	830
Broadland	409	457	136	-	-	**545**	545	545
South Norfolk	458	439	340	-	-	**798**	798	798
Breckland	-	0	-	423	174	**596**	-	423
North Norfolk	-	0	-	340	79	**419**	-	340
Total	**1,698**	**1,727**	**476**	**763**	**253**	**3,189**	**2,174**	**2,937**

Figure 108: Projected dwellings over the 24-year period 2012-36 Including the City Deal by Tenure and Bedroom Size by Local Authority Area Using 25% Gross Income on Housing Costs (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)

		Breckland	Broadland	North Norfolk	Norwich	South Norfolk	TOTAL
MARKET HOUSING							
Flat	1 bedroom	-	200	200	1,400	300	2,100
	2+ bedrooms	-100	100	300	1,800	300	2,400
House	2 bedrooms	200	1,700	900	1,700	1,700	6,200
	3 bedrooms	6,900	6,600	5,200	6,600	9,100	34,400
	4 bedrooms	1,600	1,900	1,000	1,100	3,400	9,000
	5+ bedrooms	600	400	300	300	1,000	2,600
Total Market Housing		**9,200**	**10,900**	**7,900**	**12,900**	**15,800**	**56 ,700**
AFFORDABLE HOUSING							
Flat	1 bedroom	400	200	200	1,600	500	2,900
	2+ bedrooms	300	-	100	1,700	200	2,300
House	2 bedrooms	1,700	1,100	900	900	1,200	5,800
	3 bedrooms	2,500	800	900	2,500	1,300	8,000
	4+ bedrooms	200	100	100	300	200	900
Total Affordable Housing		**5,100**	**2,200**	**2,200**	**7,000**	**3,400**	**19,900**
TOTAL		**14,300**	**13,100**	**10,100**	**19,900**	**19,200**	**76,500**
AFFORDABLE HOUSING FOR RENT (dwellings)							
Flat	1 bedroom	300	100	200	1,500	500	2,600
	2+ bedrooms	200	-	100	1,500	200	2,000
House	2 bedrooms	1,300	900	800	800	900	4,700
	3 bedrooms	2,200	700	800	2,200	900	6,800
	4+ bedrooms	200	200	100	300	200	1,000
Sub-total		**4,200**	**1,900**	**2,000**	**6,300**	**2,700**	**17,100**
% of affordable housing		***82%***	***86%***	***91%***	***90%***	***79%***	***86%***
LOW COST HOME OWNERSHIP HOUSING (dwellings)							
Flat	1 bedroom	100	-	-	100	-	200
	2+ bedrooms	100	-	-	200	-	300
House	2 bedrooms	400	100	100	100	300	1,000
	3 bedrooms	300	200	100	300	300	1,200
	4+ bedrooms	-	-	-	-	100	100
Sub-total		**900**	**300**	**200**	**700**	**700**	**2,800**
% of affordable housing		***18%***	***14%***	***9%***	***10%***	***21%***	***14%***

Table of Figures