

Report to Norfolk Strategic Planning Member Forum
1st October 2020

Report of Norfolk Strategic Planning Group

Subject Update on the production of the Central and East Norfolk
Housing Needs Assessment

Purpose

The purpose of this report is to provide an update to members on the preparation of a new local housing needs assessment (the Central and East Norfolk Housing Needs Assessment (CENHNA)), to note progress undertaken to date, and to outline next steps for progressing the project.

Recommendation

It is recommended that members note the contents of this report on the preparation of the Central and East Norfolk Housing Needs Assessment.

Financial implications

Each of the six partner authorities will be required to contribute up to £16,500 each to the costs of producing the HNA.

Contact officers

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Further Information

N/a

Report

1. The purpose of this report is to provide an update to members on the preparation of a new local housing needs assessment: the Central and East Norfolk Housing Needs Assessment (CENHNA). It notes progress to date, and outlines the next steps for progressing the project.
2. As part of this it explains what a local housing needs assessment is and why it is needed, and how it relates to local plan-making in Norfolk.

Background

3. A local housing needs assessment (previously referred to as a Strategic Housing Market Assessment (SHMA)) is an assessment of future housing requirements in an area. It provides an overall housing need figure, as well as information on the need for housing of particular tenures, sizes, affordability ranges and for specialist housing needs (e.g. housing for older people).
4. As part of planning for future growth, government guidance requires local planning authorities to undertake an assessment of their housing need to inform their local plans and planning decision-making. The local housing needs assessment (LHNA) is therefore a key local plan evidence study.
5. As part of changes to national planning policy in July 2018, the Government introduced a standard method for assessing housing need which each local authority is required to use to calculate their housing need, unless exceptional circumstances apply¹. The current standard method identifies the minimum number of homes expected to be planned for, and is the starting point for the local plan housing requirement. Local planning authorities are also required to consider whether local circumstances may justify a higher housing figure than that calculated by the standard methodology.
6. The government has made clear in guidance that it still expects local planning authorities to plan for the right mix of home types and tenures to reflect local needs. The evidence base for this information is only currently available in the SHMAs and is not derived through the standard method. Therefore there is a continuing need to produce local housing needs assessments to produce this information and to support planning for current and future housing need across Norfolk.
7. There are three distinct housing market areas in Norfolk, based on Norwich, King's Lynn, and Great Yarmouth. The current Norfolk Strategic Planning Framework (June 2019) includes Agreement 4: to produce and maintain an assessment of housing needs covering the three contiguous and non-overlapping broad market areas of Great Yarmouth, Central Norfolk, and West Norfolk.

¹ PPG Para 003 Reference ID: 2a-003-20190220: <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

8. A housing needs assessment for King’s Lynn and West Norwich has been published recently so provides up-to-date evidence of housing need for the borough. However the remainder of the Norfolk local authorities are reliant on housing needs evidence that is becoming increasingly dated. Table 1 below shows how the remaining authorities are at differing stages in their local plan preparation processes, supported by housing need evidence which varies in detail and age.

Table 1

Authority	Local Plan Stage	Evidence
Great Yarmouth Borough Council	Local plan part 2 submitted for examination summer 2020	Supported by evidence from the Great Yarmouth 2013 SHMA ²
Breckland District Council	Adopted local plan	Supported by evidence from the Central Norfolk SHMA 2017 ³
North Norfolk District Council	Preparation for Regulation 19 version of new local plan	Supported by evidence from Central Norfolk SHMA 2017 and North Norfolk Local Housing Needs Assessment 2019 ⁴
Broadland District Council, Norwich City Council and South Norfolk District Council	Regulation 19 consultation anticipated early 2021.	Supported by evidence from Central Norfolk SHMA 2017

Progress to date

9. In order to inform local plan progress across Norfolk a decision was taken by the Norfolk Strategic Planning officers group in early 2020 to progress a new joint local housing needs assessment for all Norfolk authorities except for King’s Lynn and West Norfolk given their recently published LHNA.
10. Preparation on the commissioning of a new LHNA is already underway. Norwich City Council, Broadland District Council, South Norfolk District Council, Breckland District Council, North Norfolk District Council, Great Yarmouth Borough Council, Norfolk County Council and the Broads Authority have formed a steering group consisting of both planning and housing

² <https://www.great-yarmouth.gov.uk/CHttpHandler.ashx?id=1241>

³ https://gnlp.oc2.uk/docfiles/46/reg.18_shma-june-2017.pdf

⁴ <https://www.north-norfolk.gov.uk/media/5528/shma-local-housing-needs-assessment-2019.pdf>

officers. Following discussions, the steering group has developed a brief for the Central and East Norfolk Housing Needs Assessment (CENHNA) 2020. The brief will be the basis for procurement of consultants to produce a new LHNA to ensure that Norfolk local planning authorities have the most up to date evidence for the preparation of any new local plans, and to comply with the requirements of the standard method for assessing housing need.

11. Norwich City Council is providing procurement and project management services on this project. Each of the six commissioning councils will equally share the cost of commissioning the evidence.
12. The final version of the brief has been subject to extensive input from all districts, but some minor amendment will need to be made, for example to update timescales. An addendum to the brief has also been prepared as North Norfolk District Council require some further evidence as to whether there are exceptional circumstances in the district which justify deviation from the standard methodology.
13. The government indicated some months ago that the current standard method would be revised, mainly as it was not considered capable of delivering the government's target of delivering 300,000 new homes annually. The intention of the steering group has been to move to procure the CENHNA as soon as practicable to inform the local plan process, although it was hoped that it would be able to take account of a revised methodology for assessing need.
14. In August the government published a consultation seeking views on the acceptability of a revised method⁵ of assessing housing need (the deadline for responses is 1st October). The Planning White Paper (also subject to current consultation ending on 29th October) proposes that the standard method will generate a local housing need figure which will then be adjusted further by councils taking into account various constraints in their areas, which would be a 'binding figure' on local authorities.
15. The revised methodology will, if implemented, have a significant impact on local housing need across the county compared to the current method, and it is anticipated that there may be a further revision made to the method following the consultation. This uncertainty is unhelpful for local plan-making however the white paper does allow for transitional arrangements to enable local authorities to progress plans under the existing system. It should be noted that the local housing need figure is only one of the outputs of the LHNA and it is essential that local planning authorities have the evidence they need to plan for the right mix of home types and tenures to reflect local needs.
16. Whilst the steering group partners are keen to progress the CENHNA, they acknowledge the current uncertainty around the proposed revision to the standard method and its implications for local plan-making. For this reason partners have agreed to give further consideration to their individual evidence

⁵ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system>

requirements in relation to housing need in order to inform the timescales for procurement of the CENHNA.

Conclusions and next steps

17. The Norfolk Strategic Planning Framework provides a structure for addressing cross-boundary planning issues across the county. It is therefore well-placed to commission evidence on housing need for the partner authorities, which is identified as a requirement in Agreement 4. This approach also offers the opportunity for the local authorities to be resource-efficient by sharing the costs of commissioning the evidence.
18. As noted above the partner authorities are currently considering issues that may affect the timing of the procurement of the CENHNA. It is hoped that agreement can be reached on this issue soon, to enable the steering group to commence procurement of this important evidence study at the earliest opportunity.