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# Five-Year Supply of Housing Land 2023 - 2028

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NORTH  
NORFOLK  
DISTRICT  
COUNCIL

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# Five Year Supply of Housing Land 2023-2028

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## 1. Introduction

- 1.1 This Statement sets out North Norfolk District Council's residential land supply position as of 31 March 2023. It compares the **requirement** for new homes in the district, with the deliverable **supply** to establish the number of years of supply that are available.
- 1.2 The National Planning Policy Framework (NPPF) seeks to ensure that the planning system delivers a flexible, responsive supply of housing development land to meet all identified objectively assessed needs for new homes. It requires that Local Planning Authorities identify, in their Local Plans and via the grant of planning permissions, sufficient specific deliverable sites to provide for the next five years of their housing requirement. As part of this, the national Planning Practice Guidance (PPG) advises that such assessments should be carried out annually, be based on up to date and sound evidence, taking into account the anticipated need and demand for new housing and consideration of the factors that are likely to influence future delivery rates. Assessments should be realistic and be made publicly available.
- 1.3 To establish how many new homes are likely to be required in the future the National Planning Policy Framework requires the use of a national standard methodology. National advice is clear that departures from this standard approach should only occur if there are exceptional circumstances which are justified by robust evidence.
- 1.4 In preparing this statement the Council has resolved **not** to follow the national standard methodology to establish how many homes are likely to be required in the future. The reasons for this are outlined in a Housing Background Paper which is separately published on the Local Authority's web site ([Home | 4: Evidence base and supporting documents \(north-norfolk.gov.uk\)](#)). In short, the Authority considers that the 2014 based Household Projections, which form the foundation of the standard methodology, project forward a rate of growth which has been shown not to have occurred. These flawed projections are therefore an unreliable basis upon which to establish future requirements. Instead, the Authority uses the 2016 based Household Projections as the starting point for applying the remainder of the standard methodology as these are considered to be a more reliable basis for establishing future needs.
- 1.5 This statement provides details of all the sites where it is considered there is a realistic prospect of development over the next five-year period (**Appendix B**). It answers the following questions:
  - What is the five-year housing land requirement and how has this been calculated?
  - How much deliverable housing land is there in North Norfolk including details of individual sites?
  - How many years of deliverable housing land supply exist?
  - What will be the impact on land supply when the new North Norfolk Local Plan is adopted?
- 1.6 The rate at which new homes are delivered in the future is influenced by many factors some of which lie outside of the influence of planning authorities. In preparing this Statement the Council has carefully considered future delivery rates but acknowledges that such matters are subject to periodic change. For example, in this year's Statement the authority has taken account of the likely impacts of new nutrient neutrality requirements on the pace of home delivery as this was a factor not previously considered and has separately illustrated the five-year land supply position in the event that the new North Norfolk Local Plan is adopted and new sites are made available for development within the five year period covered by this Statement.

## 2. Context

- 2.1 For many years the district has attracted high levels of in-migration particularly for retirement. This is the principal driver of the need for new homes although dwelling affordability, age longevity, second and holiday home rates and household sizes are also factors.
- 2.2 A new Local Plan covering the period 2016-2036 is being prepared by the Council. The currently adopted Plan aims to deliver a minimum of 400 dwellings per year whilst the new Local Plan, when adopted, will aim to increase this to around 480 dwellings per year. This Statement uses this figure of 480 dwellings per year as the basis for assessing the adequacy of future supply.
- 2.3 On March 16th, 2022, a Written Ministerial Statement (WMS) on Nutrient Levels in River Basin Catchments was issued. It signalled changes in the approach to the assessment of development proposals in catchments where water bodies that are protected sites under the Habitats Regulations are in unfavourable condition due to nutrient pollution. The WMS stated that *“Local Planning Authorities can only approve a project if they are certain, it will have no negative effect on the protected site”*.
- 2.4 At the same time, the Chief Planner sent a letter to the affected local planning authorities (LPAs) on nutrient pollution issues.
- 2.5 Natural England also published advice and a nutrient neutral methodology on how to evidence that nutrient neutrality can be achieved for relevant new development in order to mitigate impacts on the protected habitats. Supporting documentation (catchment maps) identified that relevant development in large parts of Norfolk would result in impacts on protected water bodies of the River Wensum and The Broads Special Areas of Conservation (SACs) and in the Broadland Ramsar.
- 2.6 As a result of new Nutrient Neutrality requirements, the Norfolk Authorities including North Norfolk have been unable to grant new planning permissions pending the identification of measures (mitigations) to ensure new housing development does not add additional nutrients to designated water courses. In North Norfolk alone this has resulted in permissions for around 1,400 new dwellings not being permitted, notwithstanding that the issue only impacts part of the district. As a result, last year saw a slowing down in both planning applications and the granting of permission for housing, to levels well below what would be required to keep pace with the requirement. The Authority has therefore adjusted its expectations in relation to housing delivery to take account of the inevitable delays.

## 3. Methodology

- 3.1 The Council undertakes four stages in the process of preparing this Statement:
  - STAGE 1 - Identifying the five-year period;
  - STAGE 2 - Identify the requirement - the scale of housing provision to be delivered and applying buffers to extend choice;
  - STAGE 3 - Identify the housing land supply - sites with a realistic prospect of being built over the applicable five-year period;
  - STAGE 4 - Calculating the years of supply that are deliverable.

### Stage 1: Identifying the Five Year Period

- 3.2 These statements are prepared annually and look forwards over a five-year period commencing on the 1<sup>st</sup> of April of the current year. The five-year period covered by this Statement is the 1st April 2023 to the 31st March 2028.

## Stage 2: The Requirement - Identifying the scale of housing provision to be delivered.

- 3.3 Local Plans include targets for the minimum number of dwellings to be delivered over the period covered by the Plan and for land supply purposes are typically expressed as annual average requirements. North Norfolk's adopted Core Strategy requires the delivery of a minimum of **400** dwellings per year. Where a Local Plan is less than five years old the starting point for establishing the future requirement is the adopted Local Plan.
- 3.4 Where a Plan is more than five years old, as is the case with the North Norfolk Core Strategy, five-year requirements should be calculated in accordance with the governments standard national housing requirement methodology. The standard methodology requires the use the next ten years growth projections contained in the 2014 based national household projections together with the latest available published affordability ratios to derive a minimum housing requirement. In its proposed new Local Plan, the Authority uses projected growth in the period 2021 -2031 derived from the 2016 Household Projections together with the 2020 published affordability ratios to calculate the requirement.
- 3.5 Using the 2016 based Household Projections and then applying the remaining aspects of the standard methodology produces a minimum requirement of **9,140** over a 20 year period between 2020-2040 or **457dpa**. For land supply purposes the NPPF requires the addition of a 5% delivery buffer which increases this requirement to **480** dwellings per year or **2,400** dwellings over each 5 year period.

**Table 1. Calculating Five Year Requirement 2023-2028**

Ref	Calculation	Dwellings
A	Annual household growth using annual average growth projected between 2021-2031 from 2016 based National Household Projections published by ONS	347
B	Projected household growth plus affordability uplift as required by standard national methodology using the 2020 published affordability ratio	457
C	Projected growth plus affordability uplift plus 5% delivery buffer required by NPPF*	480
D	Total minimum Plan requirement over 20 years (C x 20 years)	9,600
E	Five Year Requirement (C x 5years)	<b>2,400</b>

\*North Norfolk passes the Housing Delivery Test (HDT) so is required by the Test/NPPF to apply a 5% delivery buffer when calculating its future requirement.

## Stage 3: Deliverable Supply

- 3.6 The NPPF sets out which sites may be included within the five-year supply. It states that for a site to be included in the five-year supply it must be deliverable. This is defined as:
- **Available** - the site should be *available* for development now.
  - **Suitable** – the site should offer a *suitable* location for development now.
  - **Achievable** – there should be a *realistic prospect* that housing will be delivered on the site within the applicable five year period.
- 3.7 Small sites, and sites with detailed planning permission, should be considered deliverable until permission expires unless evidence suggests that such sites are unlikely to deliver within the applicable period. Sites with outline planning permission, permission in principle, and those allocated for

development or identified in brownfield registers should only be considered deliverable where there is clear evidence to justify their inclusion.

3.8 In this Assessment the Council has included homes from three main sources of supply in the next five years. Each source, and in the case of larger sites - each site, has been tested to ensure that there is a realistic prospect of delivery. The Council considers that sites with planning permission, those which are allocated in the Local Plan and those identified on the brownfield register are *suitable* and *available* for development. The three potential sources of deliverable housing supply in the district over the next five years are:

- Large sites – These include all sites which can deliver ten or more dwellings including those with planning permission, pending applications, those allocated in the adopted Local Plan, and other potential sources where there is a realistic prospect of delivery. Full details of each site and the conclusions that the Council has reached in relation to delivery are provided in Appendix B.
- Small sites with planning permission - On small sites it is not practicable to appraise the delivery of each site individually, due in part to the number of small-scale sites which have the benefit of planning permission. The evidence shows that in excess of 90% of small site planning permissions are completed within five years of planning permission being granted. The Council therefore applies a 10% lapse rate to this source of future housing.
- Windfall development – This is an allowance for sites which do not yet have planning permission and are not specifically identified for development in the Local Plan but nevertheless have a realistic prospect of providing new homes over the period. The approach taken in relation to windfall is explained further in Appendix A.

3.9 In preparing the Statement care is taken to ensure that the same site does not appear in two separate categories as this would amount to double counting.

#### Stage 4: Calculating the years of supply.

3.10 The table below shows how the overall land supply position in the district is calculated.

**The land supply position as at 1 April 2023 is 4.13 years, calculated as follows:**

North Norfolk District Council Five Year Housing Supply		
a	5-year baseline requirement 2023 - 2028 (457dpa x 5years)	2,285
b	Additions required under duty to co-operate	0
c	Additions required to address NPPF buffer (a)+(b) x 5%	114
d	Additional buffer required by Housing Delivery Test	0
e	Total Five-Year Requirement 2023-2028	2,400
f	Annual Requirement over next five years (e/5)	480
g	Total deliverable supply over five years (See Appendix B)	1,983
h	<b>Supply in years (f/e)</b>	<b>4.13</b>

## 4. Conclusion

- 4.1 The deliverable supply of housing sites has reduced in the last two years. This can be attributed to a number of factors but most significantly relates to the previous completion of larger development sites in the district and secondly the impacts of new requirements to demonstrate nutrient neutrality before new planning permissions can be granted in large parts of the district. Consequently, the Authority is only currently able to demonstrate **4.13** years of deliverable housing supply.
- 4.2 The Authority expects to adopt a new Local Plan within the five-year period covered by this Statement and the housing delivery trajectory prepared to support the Plan demonstrates that many of the newly allocated sites will deliver dwellings with the five-year period covered by this Statement. As the Local Plan is currently being examined these emerging sites (proposed allocations) have not currently been included in the deliverable supply. If the deliverable supply on these sites were to be included the land supply position improves to **6.45** years.

## 5. Monitoring the Five-Year Supply

- 5.1 The Council monitors the five year supply of deliverable sites on a regular basis and publishes an updated position statement at least once a year. This statement will be updated regularly to take account of any significant changes. New planning permissions and completions are recorded on a continuous basis. Dwelling completions are recorded annually. The Annual Monitoring Report also includes a housing trajectory, illustrating expected future delivery rates.

## 6. Information Sources

- 6.1 Housing related data is monitored annually by the Planning Authority for the period commencing the 1st of April and ending on the 31st of March each year. Data is published as follows:
- **Housing and Employment Land Availability Assessment (HELAA)** (previously known as the Strategic Housing Land Availability Assessment). This study identifies all reasonable potential sources of dwelling completions in the District and makes an assessment of the suitability of sites, their availability, and when development could be delivered in the event of such sites being released for housing. Whilst these studies identify a large amount of theoretical capacity they are not policy documents and do not reach any conclusions in relation to whether this capacity should be made available for development through allocation in a Development Plan document or by the grant of planning permission.
  - **Five Year Housing Land Supply Statements** (this document) – these have been published by the Council in most years since 2007 and relate the amount of housing that has been provided and is expected to be provided over the next 5 years, with the levels of required growth. In addition to dwelling completions and planning permissions these statements also include an assessment of when identified development sites will be built.
  - **Housing Land Availability (HLA)** – published by the Council in most years since 1995 these provide a summary of the number of dwellings completed in each Parish of the District. These statements are available on the Councils web site.
- 6.2 Whilst these are prepared by the District Council they are the result of discussions with landowners, developers, Housing Associations and others with an interest in housing development in North Norfolk. The HELAA in particular is primarily derived from information supplied by public and private sector housing providers.



## Appendix A - Specific Approach to Windfall

- A1.1 Windfall sites are those which are not allocated for development in the Local Plan and do not yet have planning permission. Local Authorities may make an allowance for development coming forward as windfall within the five year period. The NPPF states that a windfall allowance may be justified in the five year supply if a local planning authority has compelling evidence to justify its inclusion. Any windfall allowance should be realistic having regard to the Housing Land Availability Assessments, historic windfall delivery rates and expected future trends.
- A1.2 Windfall development has been a consistent and substantial contributor towards housing supply in North Norfolk for many years. In fact, before 2013 all development in the District took place on windfall sites as the adopted Local Plan at that time included no allocated development sites. Since the adoption of the Site Allocation Development Plan Document in 2011 windfall has continued to form a consistent part of development coming forward. Average annual windfall delivery rates typically exceed 250 dwellings per year and between 2016 and 2023 averaged 295 dpa.
- A1.3 In general it is widely assumed that it is likely to be the case that windfall represents a diminishing source of future housing supply. This is because once a site has been developed it is unlikely to come forwards again and there is argued to be a limited supply of suitable, policy compliant, windfall sites. In practice there is little evidence that this is the case in North Norfolk. In considering if it is appropriate to include a windfall allowance and the size of such allowance the Council has adopted the following approach.
- **Stage 1:** Considering previous delivery rates for windfall developments
  - **Stage 2:** Identifying the potential future sources of windfall supply and quantifying their realistic contribution.
  - **Stage 3:** Applying a discount to ensure potential contributions are not over –estimated.
  - **Stage 4:** Deducting the allowance for year one of the five year period to allow for potential delays in delivery.
- A1.4 The result is a windfall allowance over the next five years of 540 dwellings. This equates to an average of 108 dwellings per year compared to 295 per year which was average annual delivery from this source between 2016 and 2023.
- A1.5 This statement considers five key sources of windfall developments in the District:
- **Infill developments, redevelopment of previously developed sites, changes of use** - In 2008 the Council adopted the North Norfolk Core Strategy. This identified those settlements in the District where infill development would be permitted. Whilst it reduced the number of such settlements from 77 settlements (as identified in the Local Plan 1998) to 26, these 26 retained settlements included all of the larger villages and all 7 of the market towns in the District which had collectively been delivering around 80% of new housing supply. In essence the ‘removed’ settlements had been making very little contribution to windfall totals. Since this date infill and redevelopment has continued to provide a significant source of new homes in the District. In the proposed new Local Plan the policies will continue to be supportive of these types of development and will increase the opportunities for this type of growth.
  - **Rural exceptions proposals** - NNDC is committed to delivering affordable housing on rural exception sites. Policy HO3 of the Core Strategy supports such development and adopts a flexible

and permissive approach across the District. Adopted and proposed policies place no upper limit on the delivery of rural exceptions developments but accepting that these sites do not have planning permission and there is no cast iron guarantee that they will be developed, **a very conservative allowance is made of just 10 dwellings per annum from this source.**

- **Rural Building Conversions** – This source includes planning permission for conversion of rural buildings, removal of holiday occupancy only conditions on holiday lets and permitted development rights allowing agricultural buildings to be converted to dwelling houses without the need for planning permission (Part 3, Class Q). The conversion of rural buildings to alternative uses has been a consistent feature of adopted planning policies for many years. The adopted Core Strategy includes a permissive approach to residential conversion. Following publication of the NPPF the Council amended this adopted approach to allow for residential conversion throughout the District irrespective of location and to allow for the removal of holiday only restrictions in some circumstances. Alongside this, changes to national policy for agricultural conversions have been in place since April 2014, the numbers of applications for prior approval of these types of development have increased in recent years.

- A1.9 The historical trend is cited as evidence that windfall has contributed substantial growth over a sustained period, however the Councils approach is to identify the main sources of windfall in North Norfolk and answer the question – is there compelling evidence that these sources are likely to continue in the future and if so how much development are they likely to yield? In short, the Council has looked both backwards (considered the trend) and forwards (assessed the future sources of supply) in arriving at a windfall allowance.
- A1.10 The Council recognises that relying on historical trends alone is not sufficient to comply with the ‘compelling evidence’ test of the National Planning Policy Framework. Previous delivery rates of windfall development do not, in themselves, provide compelling evidence that this source will continue to provide homes in future years. A wide range of factors will influence actual rates of future delivery including prevailing local and national planning policies, market conditions, developer confidence, availability of suitable sites, and so on. Nevertheless, the Council considers that windfall will continue to be a reliable source of a substantial number of dwellings in the next five years and for the remaining plan period and adopts a realistic but cautious approach in the Housing Trajectory to this source of supply.
- A1.12 In order to provide a cautious approach to estimating future supply the following allowances for each source of windfall are made:
1. Infill and redevelopment = 100 dwellings per annum;
  2. Conversion of buildings and removal of restrictive conditions = 10 dwellings per annum;
  3. Rural exceptions developments (where sites are not yet identified) = 10 dwellings per annum;
  4. Permitted development = 15 dwellings per annum.
- A1.13 **This equates to a total of 135 dwellings per annum.** In comparison, the average historical position between 2016-2023 was 295 dwellings per annum. The allowance is only applied to the last four years of the five year period to allow for potential lags in implementation.

## **Appendix B - Schedule of Sites & Projected Delivery of Sites (2023-2028)**