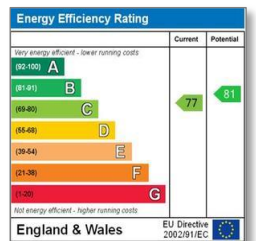




Central Norfolk Strategic Housing Market Assessment 2017

Report of Findings

June 2017





Opinion Research Services | The Strand, Swansea SA1 1AF
Jonathan Lee | Nigel Moore | Trevor Baker | Scott Lawrence
enquiries: 01792 535300 · info@ors.org.uk · www.ors.org.uk

© Copyright June 2017

Contents

1. Introducing the Study	6
Background to the project and wider policy context	
Government Policy	8
The Effects of Brexit	10
Overview of the SHMA	10
Duty to Co-operate.....	10
2. Demographic Projections	12
The starting point for Objectively Assessed Need	
Process for Establishing Objectively Assessed Need.....	12
Official Population and Household Projections	13
Population and Household Projections based on Local Circumstances	14
Population Trends and Projections for Breckland	16
Population Trends and Projections for Broadland.....	21
Population Trends and Projections for North Norfolk.....	25
Population Trends and Projections for Norwich.....	29
Population Trends and Projections for South Norfolk.....	33
Establishing Population Projections for Central Norfolk.....	37
Service Families in the Demographic Projections	38
Economic Activity Projections	38
Labour Market Participation Projections	40
Older People.....	40
Female Participation	42
Young People.....	44
Projecting Future Economic Activity for Central Norfolk.....	44
Establishing Household Projections	45
Household Population and Communal Establishment Population	45
Household Representative Rates	46
Household Projections	48
Conclusions.....	48
3. Affordable Housing Need	49
Identifying households who cannot afford market housing	
Past Trends and Current Estimates of the Need for Affordable Housing	50
Local Authority Data: Homeless Households and Temporary Accommodation.....	50
Census Data: Concealed Households and Overcrowding	51
English Housing Survey Data	55
Housing Register Data	58
Households Unable to Afford their Housing Costs	60

Establishing Affordable Housing Need	62
Current Unmet Need for Affordable Housing	62
Projected Future Affordable Housing Need	65
Assessing the Overall Need for Affordable Housing	72
Conclusions.....	74
4. Objectively Assessed Need	75
Analysing the evidence to establish overall housing need	
National Context for England	76
Household Growth	76
International Migration.....	76
Market Signals.....	77
Converting to Dwellings	77
Establishing Objectively Assessed Need for Central Norfolk	78
CLG Household Projections	78
Adjustments for Local Demography and Long-term Migration	79
Affordable Housing Need	79
Need for Older Person Housing	80
Market Signals.....	80
House Prices.....	81
Affordability	85
Private Rent.....	86
Housing Development.....	88
Overcrowding.....	89
Summary of Market Signals	90
Employment Trends	92
Jobs and Workers	92
East of England Forecasting Model (EEFM)	92
The Broads Authority Executive Area	95
Housing Backlog	97
Student Housing and the OAN	98
Housing Mix: Size and Tenure	100
The Private Rented Sector.....	118
Conclusions.....	122
5. Housing Requirements	124
Considering the policy response to identified housing need	
The City Deal and Housing Requirements	125
The City Deal and the need for additional workers and dwellings	129
Affordable Housing Need	131
Older People in Residential Institutions (Use Class C2)	134
Gypsies and Travellers.....	135

Appendix 1: Defining the HMA.....137
 Defining the three stage Central Norfolk HMA 137
 Geographic Basis of the Core and Central Norfolk HMA 138

Appendix 2: Target Rents139

Appendix 3: Broads Executive Authority Area 2015 and 2017149

Table of Figures.....152

1. Introducing the Study

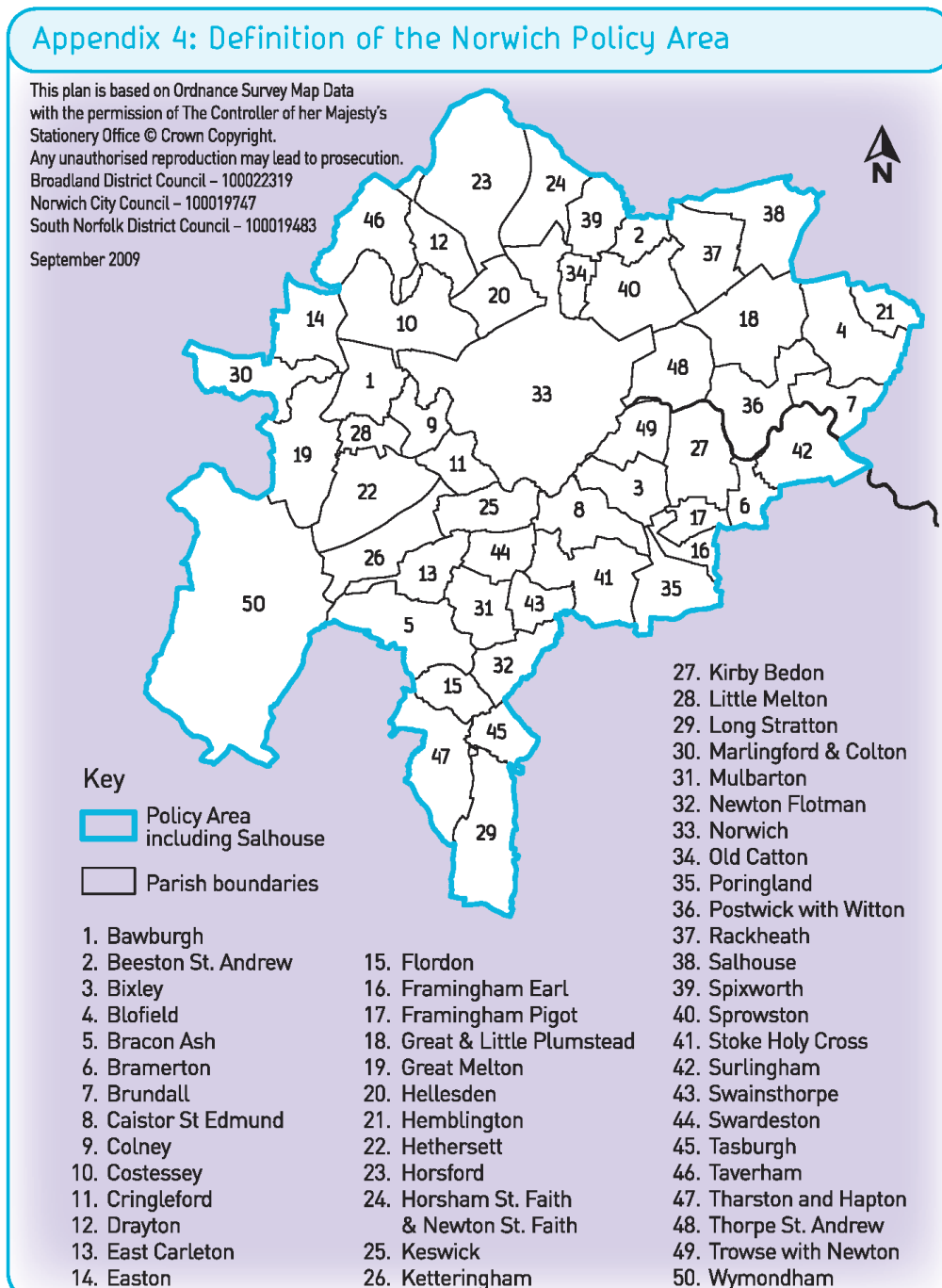
Background to the project and wider policy context

- 1.1 In 2015, 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 Executive Area) 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 is also a non-commissioning Partner.
- 1.2 This study builds on the work of the Central Norfolk SHMA 2015 to produce new estimates for OAN and affordable housing need across Central Norfolk. In summary, this new SHMA provides a new OAN for Central Norfolk to consider, taking account of the impact of 2014 based CLG household projections, 2015 ONS mid-year population estimates and more general updates to best practice in relation to the calculation of OAN. This study also produces new estimates for affordable housing need across Central Norfolk.
- 1.3 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 July 2015.
- 1.4 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.

Reporting

- 1.5 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.
- 1.6 The study also builds on the work undertaken in Central Norfolk SHMA 2015 which identified a three stage Central Norfolk HMA and each level of geography is reported in this study:
 - » **Norwich Policy Area (NPA)** – a longstanding policy construct previous used by the Greater Norwich authorities in the JCS and illustrated in Figure 2.
 - » **Core Market Area** – the area with the strongest functional connection to the Norwich Urban Area; illustrated in Figure 1. The Core Market Area has a strong similarity to the Norwich Policy Area (except the settlements of Acle, Aylsham and Loddon).
 - » **Greater Norwich** – All of Norwich, Broadland and South Norfolk and an area over which joint planning takes place; illustrated in Figure 1.
 - » **Functional HMA** – established as a result of the previous SHMA including all of Norwich City and Broadland administrative areas, most of South Norfolk, Breckland and North

Figure 2: Norwich Policy Area (Source: Broadland, Norwich and South Norfolk Joint Core Strategy, Page 108)



Government Policy

- ^{1.7} 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

- 1.8 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

- 1.9 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.
- 1.10 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.

The Effects of Brexit

- 1.11 The economic and social effects of the UK leaving the EU will not be clear for some time, and may take longer at the local level than the national level, depending on local factors such as receipt of EU monies. Within this study we have not speculated on the possible effects of leaving the EU unless it is possible to make a meaningful comment.

Overview of the SHMA

- 1.12 All the Norfolk planning authorities participate in a member-led strategic planning forum which is currently co-ordinating the production of a Strategic Framework for Norfolk (the “Norfolk Strategic Framework”, or NSF) pulling together shared priorities and agreed evidence into a single document. The NSF is expected to be subject to consultation in early summer 2017 and be formally adopted by all authorities before the end of the year.
- 1.13 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.
- 1.14 The methodology was based on secondary data, and sought to:
- » 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; and
- 1.15 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

- 1.16 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.
- 1.17 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

- ^{1.18} 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

- ^{1.19} 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.

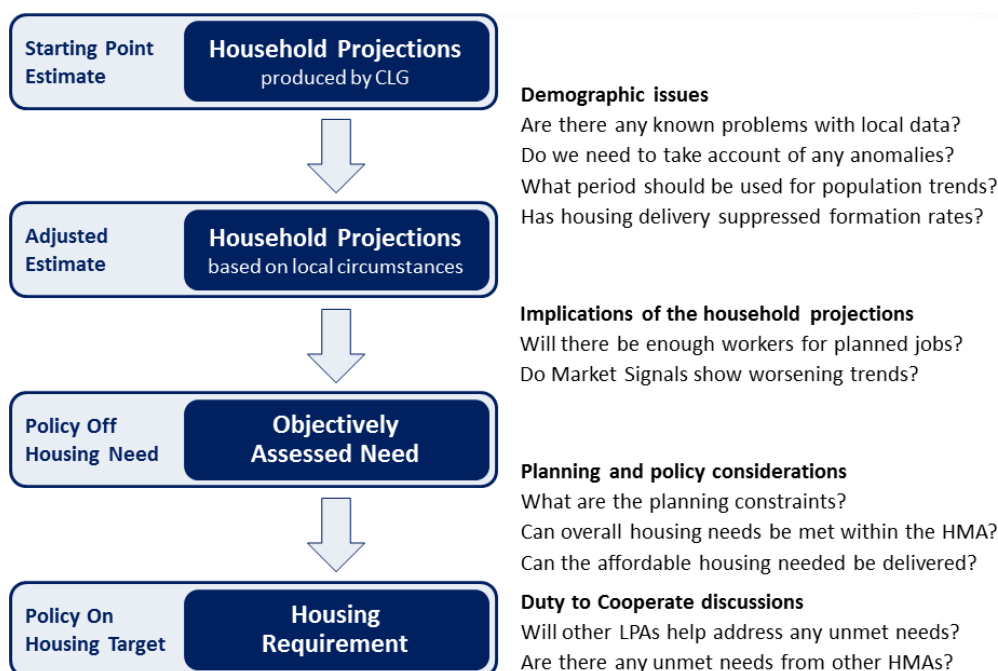
2. Demographic Projections

The starting point for Objectively Assessed Need

Process for Establishing Objectively Assessed Need

- 2.1 The Objective Assessment of Need (OAN) identifies the total amount of housing needed in the Housing Market Area (HMA). This evidence assists with the production of the Local Plan (which sets out the spatial policy for a local area).
- 2.2 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 3: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



- 2.3 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 by the Council 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 (March 2014), ID 2a-004

Official Population and Household Projections

- ^{2.4} Planning Practice Guidance places emphasis on the role of **CLG Household Projections** as the appropriate starting point in determining objectively assessed need. PPG was updated in February 2015 following the publication of the 2012-based Household Projections, but has yet to be updated to reflect the publication of the 2014-based Household Projections.

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 (March 2014), ID 2a-015

The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth.

Planning Practice Guidance (March 2015), ID 2a-016

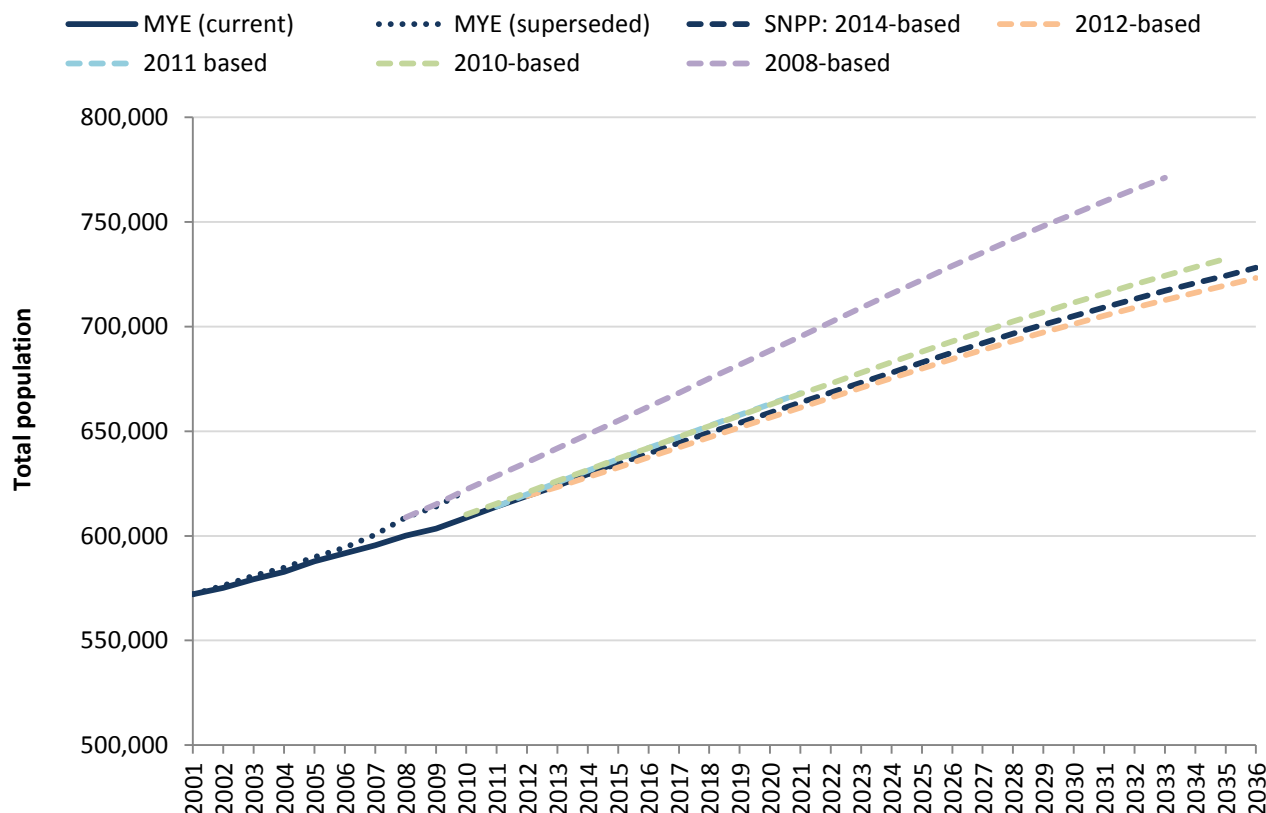
- ^{2.5} Given this context, Figure 4 sets out the 2014-based and 2012-based **household** projections, together with previous household projections that CLG has produced for the HMA. It is clear that the projections have varied over time, with the projected increase in households in the local authorities in Central Norfolk ranging from 2,400 up to 4,000 additional households each year. 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.

Figure 4: CLG Household Projections for Central Norfolk Local Authorities (Source: CLG Household Projections - Note: Figures may not sum due to rounding)

CLG Household Projections	10-year period			25-year period		
	Period	Total Change	Annual Average	Period	Total Change	Annual Average
2014-based	2014-24	26,300	2,600	2014-39	60,100	2,400
2012-based	2012-22	26,600	2,700	2012-37	62,000	2,500
Interim 2011-based	2011-21	28,000	2,800	-	-	-
2008-based	2008-18	40,000	4,000	2008-33	96,000	3,800

- ^{2.6} The CLG 2014-based household projections show an increase of 2,400 households each year over the 25-year period 2014-39, and a marginally higher rate (2,600 p.a.) in the initial 10-year period. These figures project forward over the normal 25-year period and supersede the 2012-based household projections (which projected a household growth of 2,500 per year from 2012-37). The small differences are due to changes in the ONS population projections (Figure 5) on which the CLG household projections are based and changes to household representative rates (considered later in this chapter).

Figure 5: ONS Mid-Year Estimates and Sub-National Population Projections for Central Norfolk (Source: ONS)



- 2.7 Figure 5 shows the outputs from the latest (2014-based) SNPP 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). It is evident that the 2014-based projections follow a similar trajectory to the 2012-based projections, though slightly higher, being higher by around 5,000 people by 2036.
- 2.8 Differences in the projected increase in population between the different projections are largely associated with the assumed migration rates, which are typically based on recent trends using 5-year averages – so short-term changes in migration patterns can significantly affect the projected population growth.

Population and Household Projections based on Local Circumstances

- 2.9 Whilst PPG identifies CLG household projections as the starting point for establishing housing need, it also recognises the need to consider sensitivity testing this data and take account of local evidence.

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 (March 2014), ID 2a-017

- 2.10 Given that the demographic projections are trend-based, one of the most critical factors is the period over which those trends are based. The PAS OAN technical advice note considers this issue in relation to the ONS population projections (first edition, paragraphs 5.12-5.13):

“To predict migration between local authorities within the UK, the ONS population projections carry forward the trends of the previous five years. This choice of base period can be critical to the projection, because for many areas migration has varied greatly over time. ... The results of a demographic projection for (say) 2011-31 will be highly sensitive to the reference period that the projection carries forward.”

- 2.11 This issue has also been reinforced in PAS advice to Local Authorities¹, where it has been emphasised that whilst the CLG household projections provide the starting point, these official projections can be very unstable given that they are based on migration trends covering only five years:

“For migration the base period is only five years:

- *Makes the official projections very unstable*
- *And recent projections lock in the recession”*

- 2.12 The second version of the PAS OAN technical advice note (July 2015)² has also strengthened the recommendation on the relevant period for assessing migration (second edition, paragraph 6.24):

“In assessing housing need it is generally advisable to test alternative scenarios based on a longer reference period, probably starting with the 2001 Census (further back in history data may be unreliable). Other things being equal, a 10-to-15 year base period should provide more stable and more robust projections than the ONS’s five years. But sometimes other things will not be equal, because the early years of this long period included untypical one-off events as described earlier. If so, a shorter base period despite its disadvantages could be preferable.”

- 2.13 The relevant period for assessing migration trends was considered by an article by Ludi Simpson (Professor of Population Studies at the University of Manchester) and Neil MacDonald (previously Chief Executive of the National Housing and Planning Advice Unit) published in Town and Country Planning (April 2015)³.

“The argument for using a five-year period rather than a longer one is that the shorter the period, the more quickly changes in trends are picked up. The counter-argument is that a shorter period is more susceptible to cyclical trends, an argument that has particular force when the five-year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation. ... A large number of local authority areas are affected by this issue. For 60% of authorities the net flow of migrants within the UK in 2007-12 was different by more than 50% from the period 2002-07. While this is comparing a boom period with a recession, it serves to indicate the impact of the choice of reference period for trend projections.”

¹ “SHLAA, SHMA and OAN aka ‘Pobody’s Nerfect’”, PAS presentation at Urban Design London (July 2015)

<http://learningspace.urbandesignlondon.com/course/view.php?id=339>

² <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvice/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

³ “Making sense of the new English household projections”, Town and Country Planning (April 2015)

2.14 The issue has also been referenced by Inspectors examining numerous Local Plans, for example the following comments provided by the Cornwall Inspector in the letter setting out his preliminary findings (June 2015)⁴:

“3.6 Migration. The demographic model used in the SHMNA and the more recent ONS projection uses migration flows from the previous 5 years only. Given the significance of migration as a component of change for Cornwall and to even-out the likely effect of the recent recession on migration between 2008-2012 a longer period than 5 years would give a more realistic basis for projecting this component. A period of 10-12 years was suggested at the hearing and I consider that this would be reasonable, rather than the 17 year period used in ID.01.CC.3.3. I also consider that the ONS’ Unattributable Population Change component should be assigned to international migration for the reasons given by Edge Analytics in ID.01.CC3.3. This approach was not disputed at the hearing.”

2.15 On balance, we consider that:

- » 5-year trend migration scenarios are less reliable: 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.
- » 10-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. For this study we have used the period 2005-15 as the basis for the migration data for all authorities.**

2.16 This SHMA has, therefore, produced additional projections based on long-term migration trends as part of the analysis. Whilst no one scenario will provide a definitive assessment of the future population; considering demographic projections where migration is based on long-term trends provides a more appropriate basis on which to consider future housing need.

Population Trends and Projections for Breckland

2.17 Figure 6 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 we believe that this figure is accurate.

⁴ <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

Figure 6: 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)

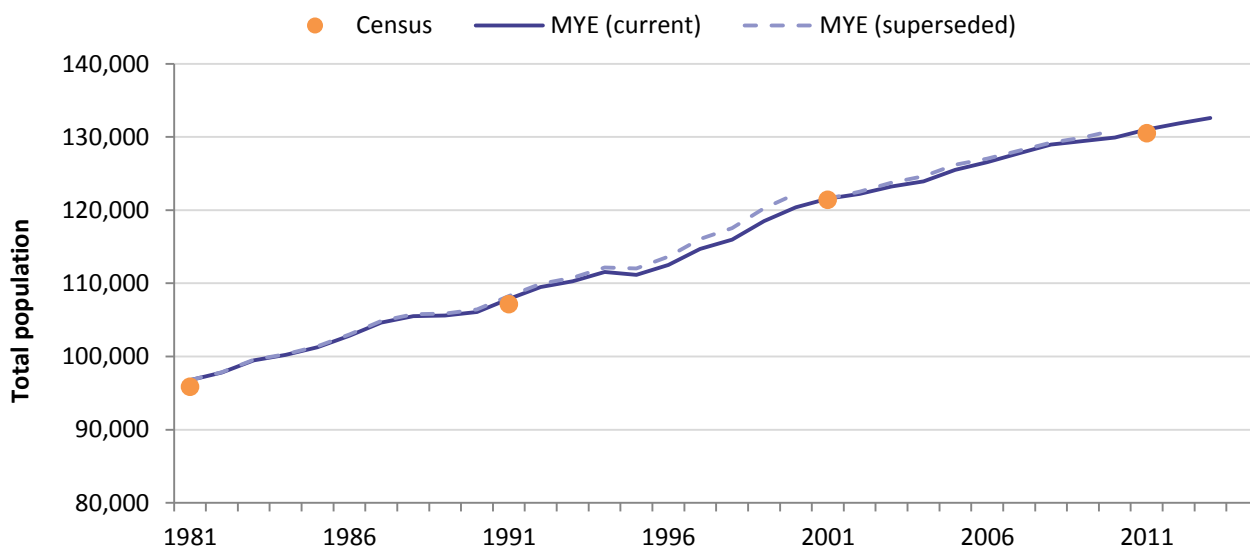
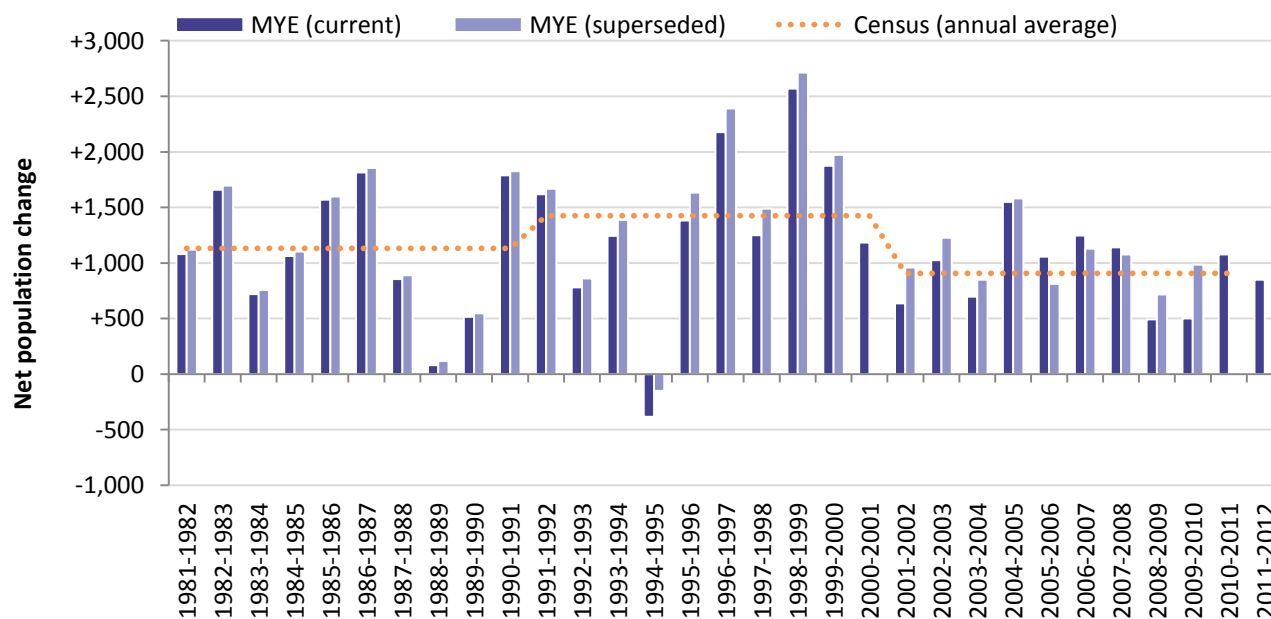


Figure 7: Breckland annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

2.18 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.

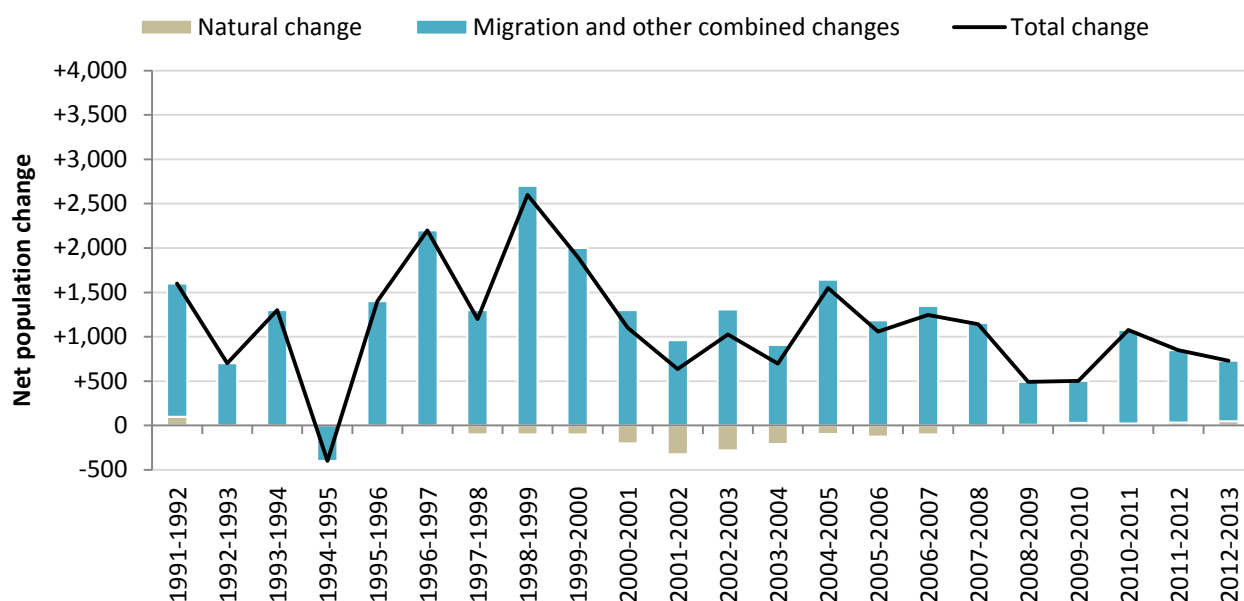
2.19 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often “**Unattributable Population Change**”. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are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

^{2.20} Figure 8 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 8: 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 2001-13	1,335	1,419	-84	6,205	5,429	746	399	-122	1,001	917

Figure 9: Breckland components of population change (Source: ONS Mid-Year Population Estimates, revised)



- 2.21 It is evident from Figure 9 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 people recorded for 1994-95 up to a net gain of 2,600 people recorded for 1998-99 due to migration on ONS Mid-Year Population Estimates.

Establishing Population Projections for Breckland

- 2.22 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.
- 2.23 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.
- 2.24 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 based on longer term trend data are considered more robust. The SHMA has therefore developed population projections using migration trends based on a 10-year period 2005-2015.
- 2.25 Figure 10 compares the 2012-based and 2014-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 2015-36. The 2014-SNPP projections suggest that the population will increase to 153,700 by 2036, whilst the 10-year trend projects 154,100 people (21-year increases of 18,200 people and 18,700 people respectively).

Figure 10: Breckland population projection based on migration trends

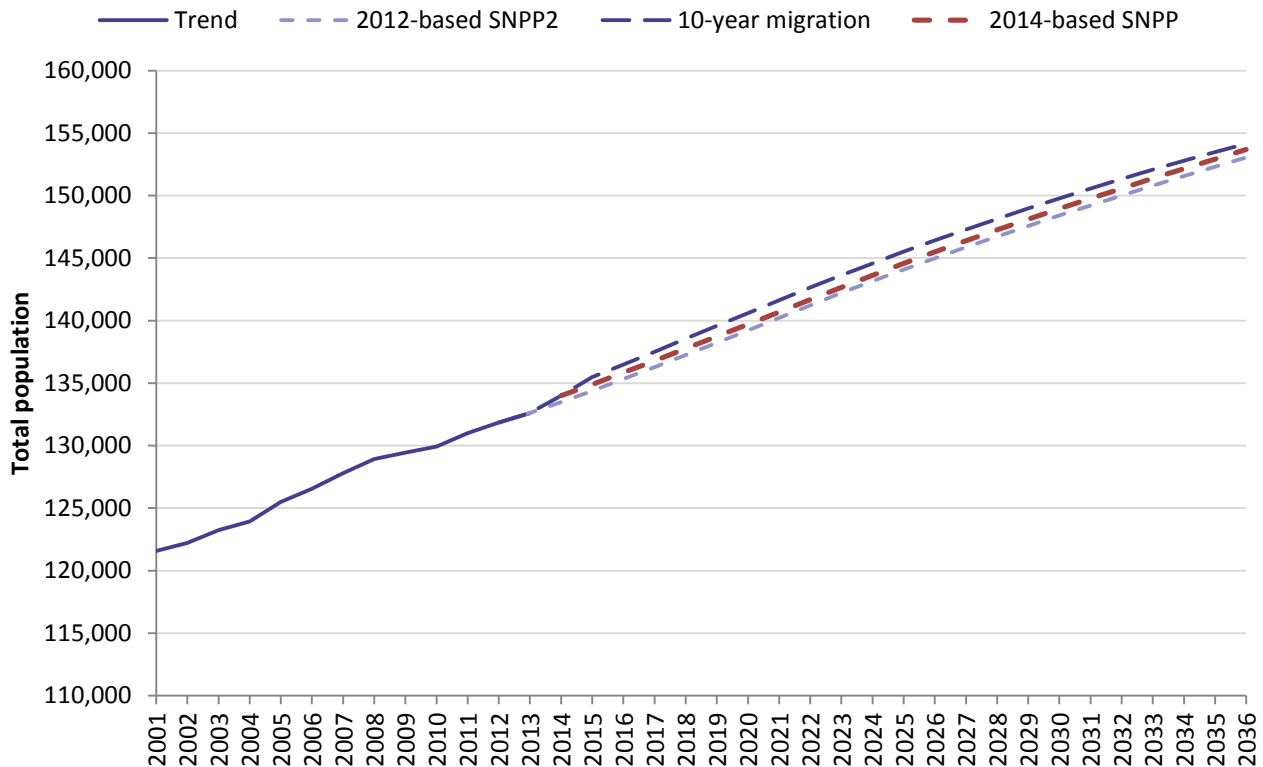


Figure 11: Breckland population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2015			2036					
	M	F	Total	2014-based SNPP			10-year migration trend		
				M	F	Total	M	F	Total
Aged 0-4	3,894	3,705	7,599	3,811	3,575	7,387	3,819	3,577	7,396
Aged 5-9	3,992	3,660	7,652	4,046	3,714	7,760	4,068	3,724	7,792
Aged 10-14	3,476	3,263	6,739	4,222	3,858	8,080	4,254	3,873	8,127
Aged 15-19	3,874	3,603	7,477	4,204	3,721	7,925	4,244	3,738	7,982
Aged 20-24	3,655	3,235	6,890	3,878	3,197	7,075	3,926	3,189	7,115
Aged 25-29	4,022	3,695	7,717	4,183	3,557	7,740	4,236	3,545	7,781
Aged 30-34	3,816	3,712	7,528	3,783	3,370	7,153	3,855	3,378	7,233
Aged 35-39	3,534	3,537	7,071	3,975	3,661	7,636	4,039	3,666	7,705
Aged 40-44	4,096	4,096	8,192	4,320	4,087	8,406	4,362	4,101	8,462
Aged 45-49	4,628	4,816	9,444	4,422	4,342	8,764	4,441	4,358	8,800
Aged 50-54	4,899	4,822	9,721	4,290	4,453	8,743	4,327	4,467	8,794
Aged 55-59	4,157	4,360	8,517	4,180	4,383	8,564	4,190	4,368	8,558
Aged 60-64	4,059	4,424	8,483	4,555	4,878	9,433	4,583	4,868	9,451
Aged 65-69	4,857	5,168	10,025	5,383	5,707	11,091	5,371	5,693	11,065
Aged 70-74	3,843	3,777	7,620	5,489	5,598	11,087	5,498	5,595	11,094
Aged 75-79	2,916	3,147	6,063	4,474	4,559	9,033	4,499	4,525	9,023
Aged 80-84	2,013	2,383	4,396	3,393	3,756	7,150	3,399	3,748	7,146
Aged 85+	1,595	2,751	4,346	4,657	5,994	10,651	4,662	5,960	10,622
Total	67,326	68,154	135,480	77,265	76,413	153,678	77,773	76,373	154,146

Population Trends and Projections for Broadland

^{2.26} Figure 12 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 12), 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 12: 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)

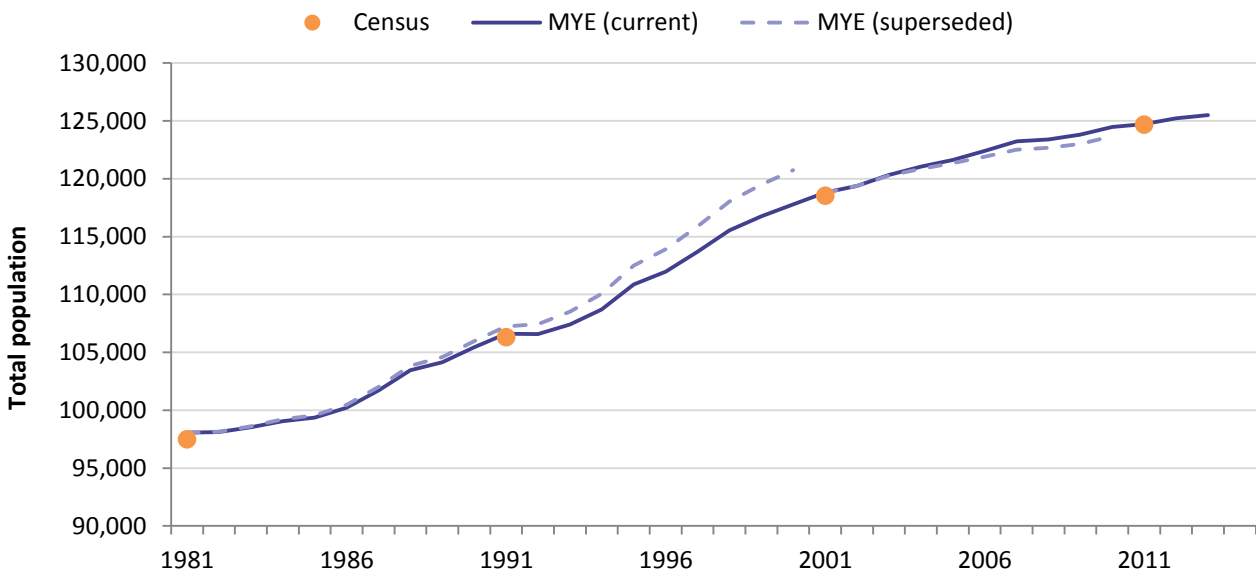
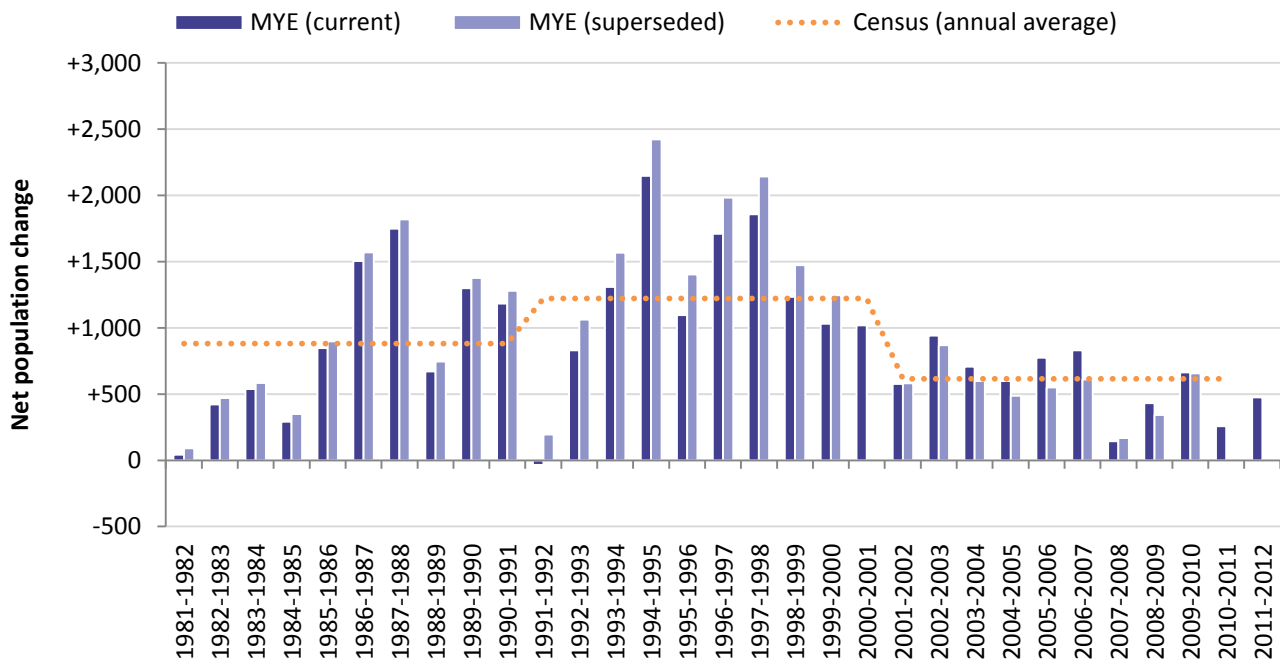


Figure 13: Broadland annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

2.27 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.

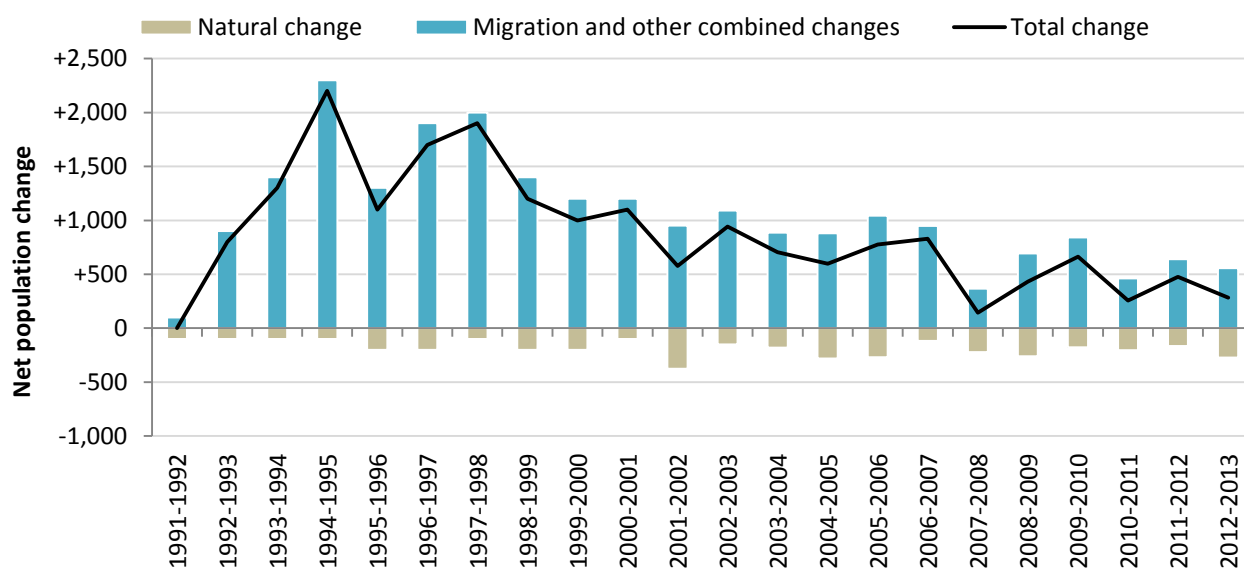
2.28 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **“Unattributable Population Change”**. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are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

2.29 Figure 14 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 14: 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 2001-13	1,131	1,353	-222	6,234	5,559	224	159	40	779	557

Figure 15: Broadland components of population change (Source: ONS Mid-Year Population Estimates, revised)



^{2.30} It is evident from Figure 15 that natural change remained relatively consistent over the period 1991-2013, averaging a reduction of 185 people each year. Migration and other changes vary much more – ranging from a gain of 100 people recorded for 1991-92 up to a net gain of around 2,200 people recorded for 1994-1995 (based on ONS Mid-Year Population Estimates).

Establishing Population Projections for Broadland

^{2.31} Following from the analysis for Broadland, Figure 16 compares the 2012-based and 2014-based sub national population projections (based on short-term migration trends) with the projections based on longer-term migration trends over the period 2015-36. The 2014-SNPP projections suggest that the population will increase to 140,100 by 2036, whilst the 10-year trend projects 138,500 people (21-year increases of 13,500 people and 11,800 people respectively).

Figure 16: Broadland population projection based on migration trends

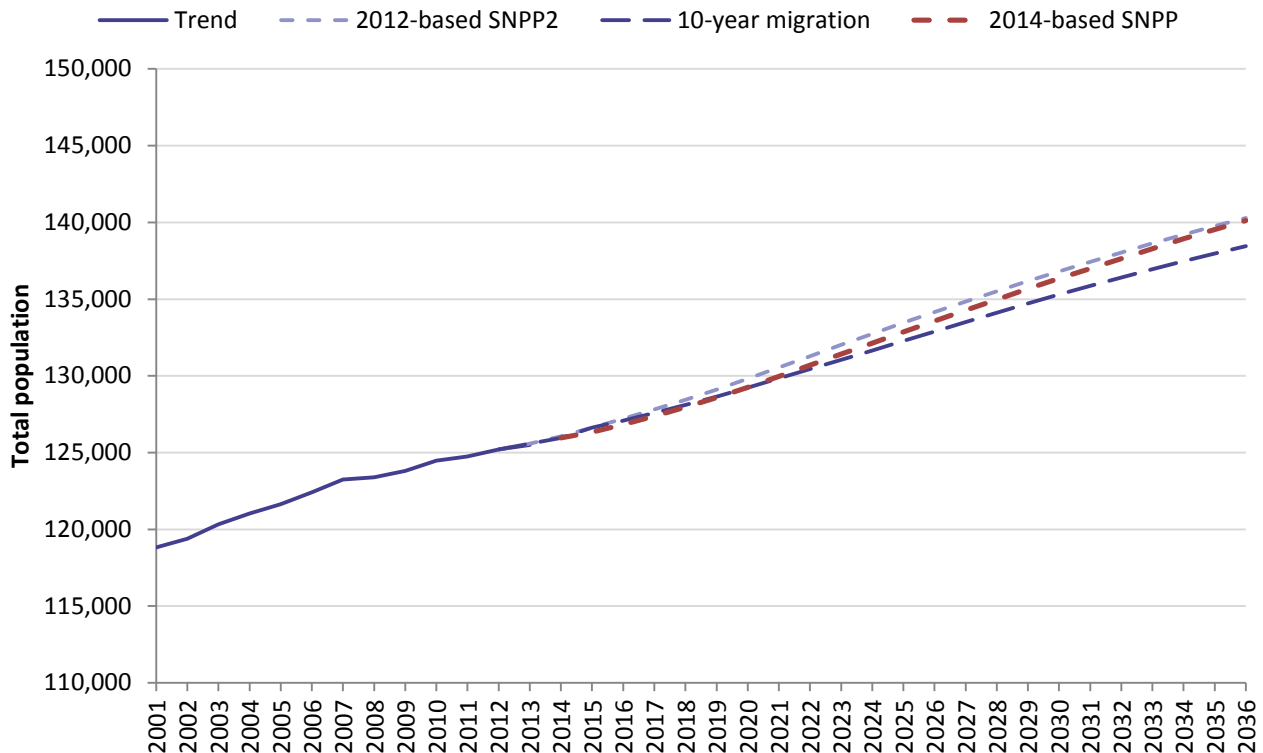


Figure 17: Broadland population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2015			2036					
	M	F	Total	2014-based SNPP			10-year migration trend		
				M	F	Total	M	F	Total
Aged 0-4	3,111	2,935	6,046	3,131	3,008	6,139	3,076	2,955	6,031
Aged 5-9	3,388	3,151	6,539	3,482	3,367	6,849	3,425	3,313	6,738
Aged 10-14	3,404	3,192	6,596	3,719	3,590	7,309	3,666	3,540	7,206
Aged 15-19	3,526	3,488	7,014	3,579	3,392	6,971	3,542	3,355	6,897
Aged 20-24	2,964	2,604	5,568	2,907	2,539	5,446	2,892	2,496	5,388
Aged 25-29	2,953	2,850	5,803	3,175	3,001	6,175	3,129	2,941	6,070
Aged 30-34	2,870	3,225	6,095	3,018	3,094	6,112	2,972	3,041	6,013
Aged 35-39	3,284	3,382	6,666	3,629	3,632	7,261	3,566	3,563	7,129
Aged 40-44	4,153	4,381	8,534	4,255	4,227	8,482	4,183	4,153	8,336
Aged 45-49	4,811	4,946	9,757	4,330	4,441	8,771	4,259	4,380	8,639
Aged 50-54	4,793	4,857	9,650	4,128	4,362	8,490	4,083	4,340	8,423
Aged 55-59	4,179	4,409	8,588	3,979	4,230	8,209	3,940	4,198	8,138
Aged 60-64	3,844	4,286	8,130	4,265	4,544	8,809	4,224	4,500	8,724
Aged 65-69	4,712	4,976	9,688	4,893	5,185	10,078	4,859	5,133	9,993
Aged 70-74	3,562	3,748	7,310	4,848	5,075	9,923	4,820	5,014	9,834
Aged 75-79	2,787	3,060	5,847	3,974	4,285	8,260	3,929	4,268	8,197
Aged 80-84	1,951	2,444	4,395	3,105	3,580	6,685	3,089	3,556	6,645
Aged 85+	1,555	2,847	4,402	4,346	5,815	10,161	4,301	5,751	10,053
Total	61,847	64,781	126,628	68,762	71,367	140,129	67,956	70,499	138,455

Population Trends and Projections for North Norfolk

2.32 Figure 18 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 18). 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 18: 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)

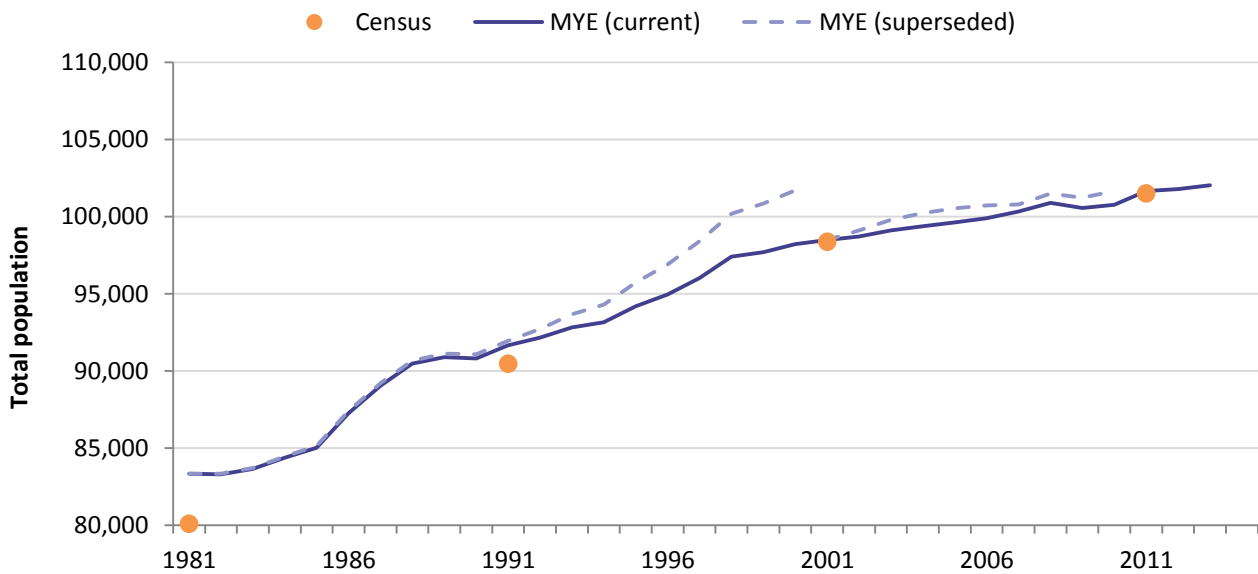
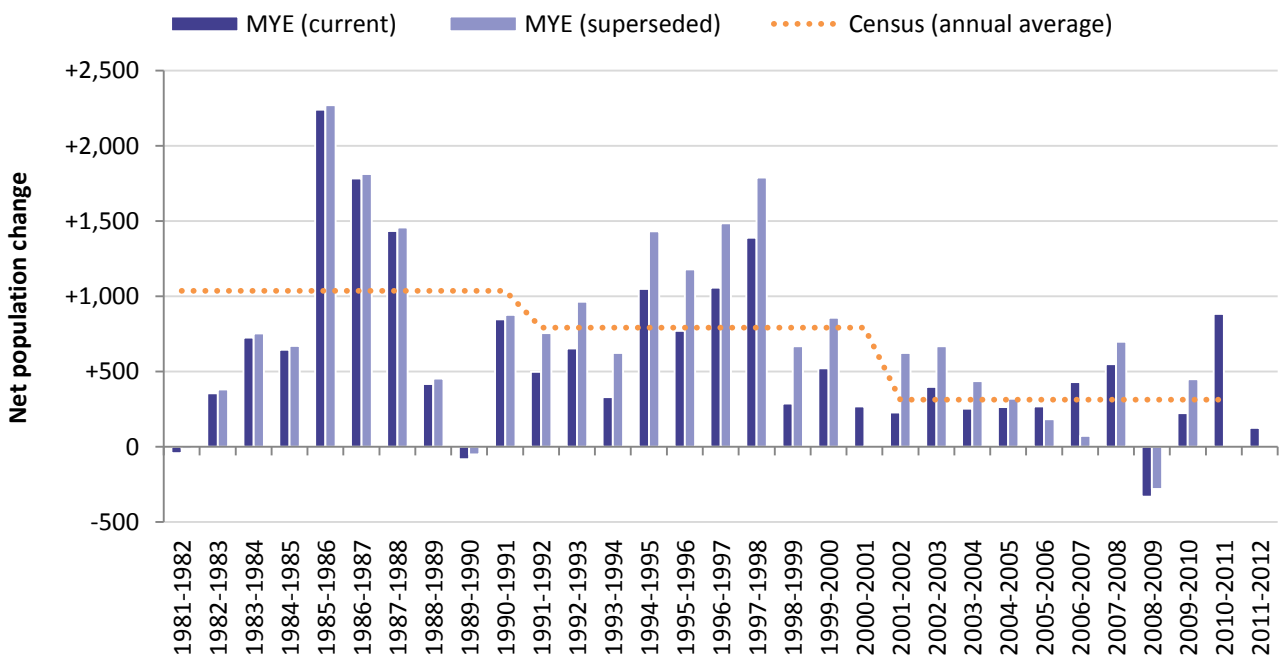


Figure 19: North Norfolk annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

2.33 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.

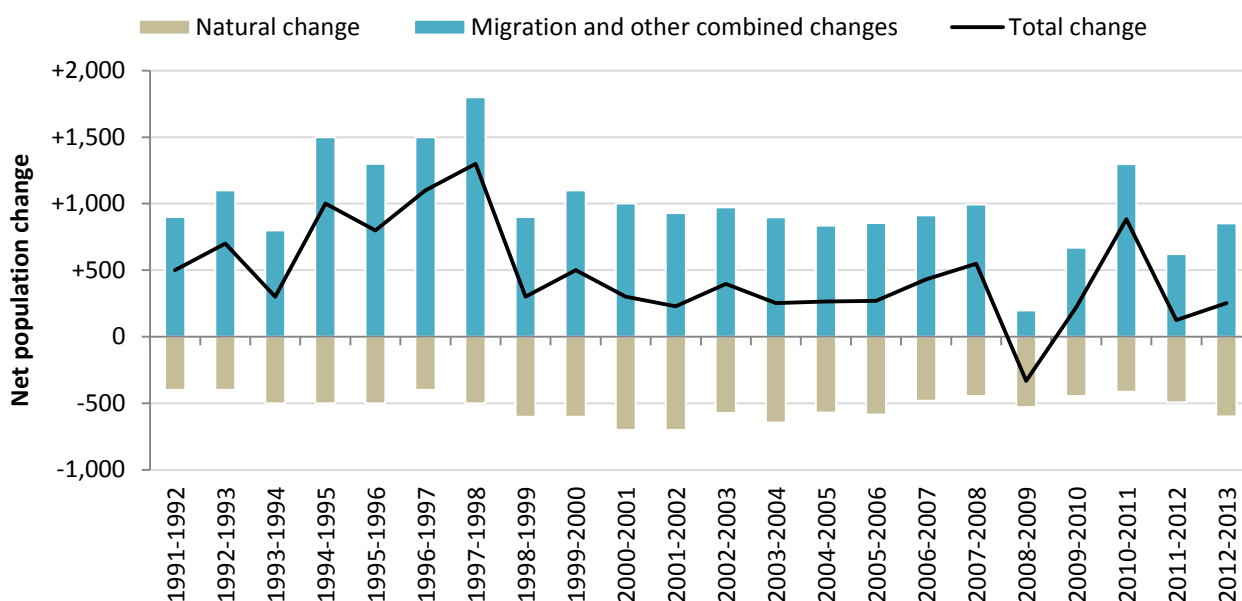
2.34 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **“Unattributable Population Change”**. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are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

2.35 Figure 20 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 20: 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 2001-13	801	1,341	-540	4,768	3,949	351	151	-183	835	296

Figure 21: North Norfolk components of population change (Source: ONS Mid-Year Population Estimates, revised)



^{2.36} It is evident from Figure 21 that natural change has remained relatively consistent, averaging around a loss of around 500 people each year. Migration and other changes vary much more – ranging from a net gain of 200 people recorded for 2008-09 up to a net gain of more than 1,000 people 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

^{2.37} Figure 22 compares the 2012-based and 2014-based sub national population projections (based on short-term migration trends) with the projections based on longer-term migration trends over the period 2015-36. The 2014-SNPP projections suggest that the population will increase to just under 116,000 by 2036, whilst the 10-year trend projects 112,700 people (21-year increases of 12,500 people and 9,400 people respectively).

Figure 22: North Norfolk population projection based on migration trends

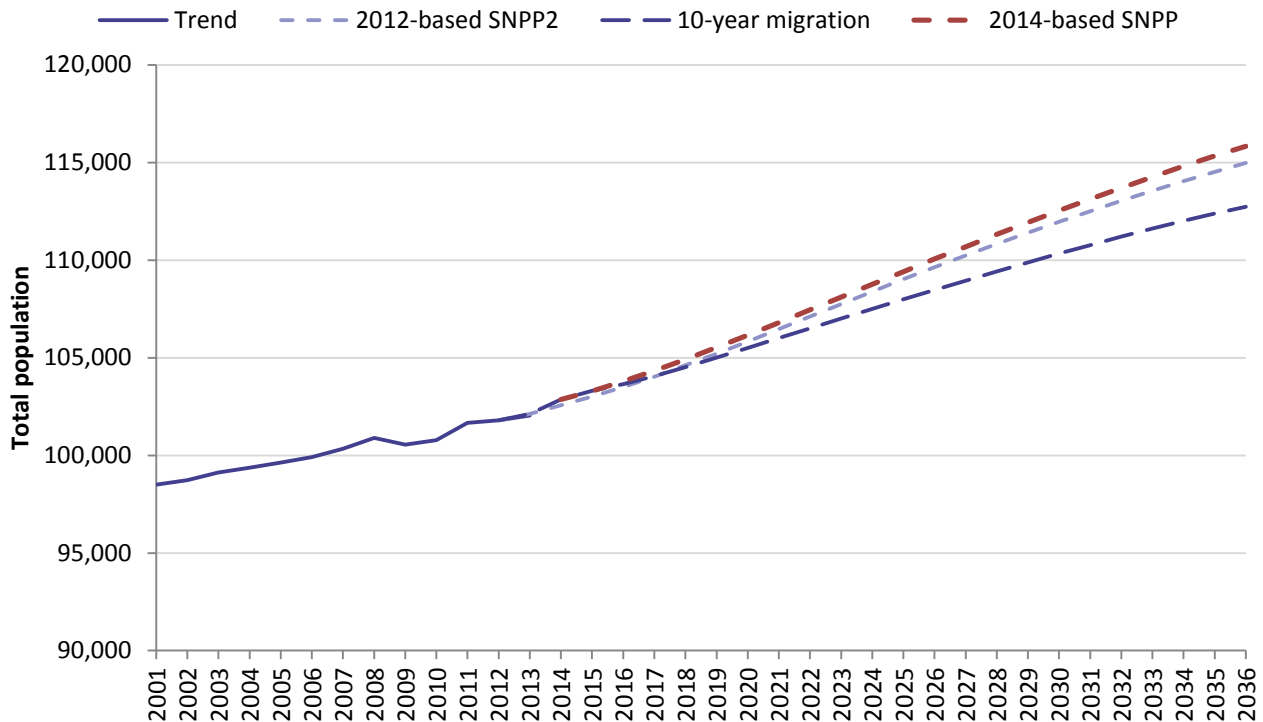


Figure 23: North Norfolk population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2015			2036					
	M	F	Total	2014-based SNPP			10-year migration trend		
				M	F	Total	M	F	Total
Aged 0-4	2,233	2,139	4,372	2,224	2,106	4,330	2,146	2,032	4,178
Aged 5-9	2,358	2,247	4,605	2,466	2,335	4,801	2,392	2,261	4,654
Aged 10-14	2,363	2,168	4,531	2,703	2,595	5,298	2,634	2,518	5,152
Aged 15-19	2,552	2,526	5,078	2,658	2,472	5,130	2,599	2,402	5,001
Aged 20-24	2,233	2,038	4,271	2,145	1,939	4,084	2,085	1,865	3,950
Aged 25-29	2,313	2,223	4,536	2,344	2,154	4,498	2,275	2,066	4,341
Aged 30-34	2,206	2,145	4,351	2,196	2,062	4,259	2,142	1,988	4,130
Aged 35-39	2,043	2,048	4,091	2,345	2,323	4,668	2,286	2,241	4,527
Aged 40-44	2,607	2,708	5,315	2,813	2,753	5,567	2,746	2,675	5,421
Aged 45-49	3,213	3,341	6,554	3,029	3,067	6,095	2,937	2,978	5,915
Aged 50-54	3,508	3,786	7,294	3,146	3,319	6,466	3,065	3,207	6,272
Aged 55-59	3,621	3,918	7,539	3,343	3,550	6,893	3,254	3,437	6,691
Aged 60-64	3,860	4,208	8,068	3,920	4,215	8,135	3,805	4,085	7,890
Aged 65-69	4,744	5,054	9,798	4,907	5,124	10,031	4,787	4,968	9,754
Aged 70-74	3,761	3,842	7,603	5,011	5,108	10,118	4,888	4,975	9,863
Aged 75-79	2,834	3,152	5,986	4,216	4,319	8,535	4,123	4,234	8,357
Aged 80-84	2,130	2,545	4,675	3,295	3,578	6,873	3,256	3,520	6,776
Aged 85+	1,646	2,995	4,641	4,261	5,788	10,049	4,188	5,679	9,867
Total	50,225	53,083	103,308	57,022	58,807	115,829	55,609	57,130	112,739

Population Trends and Projections for Norwich

^{2.38} Figure 24 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 24: 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)

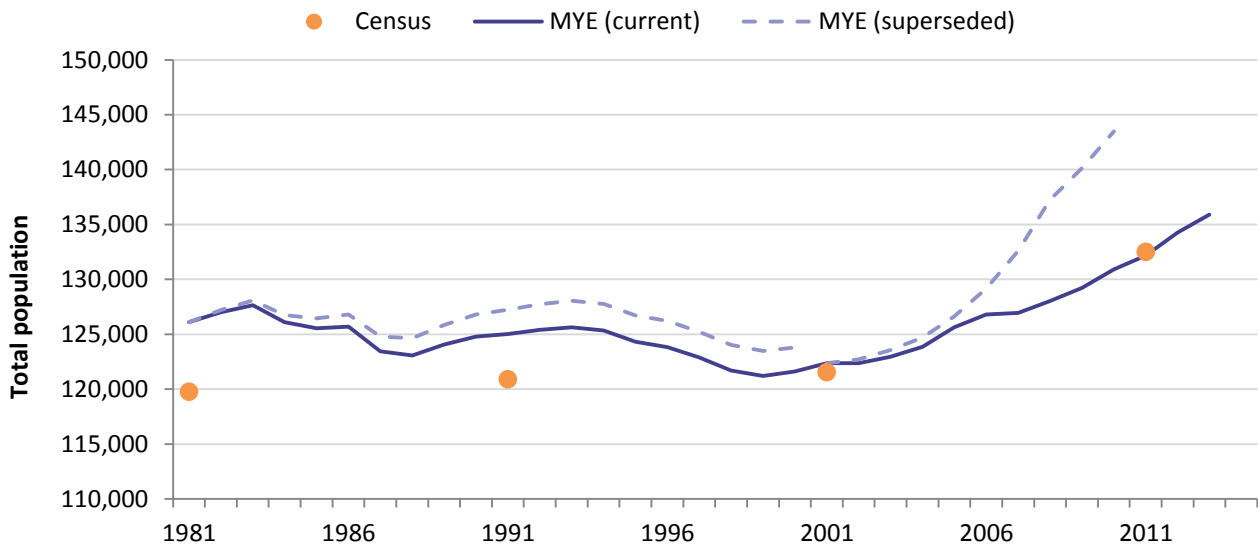
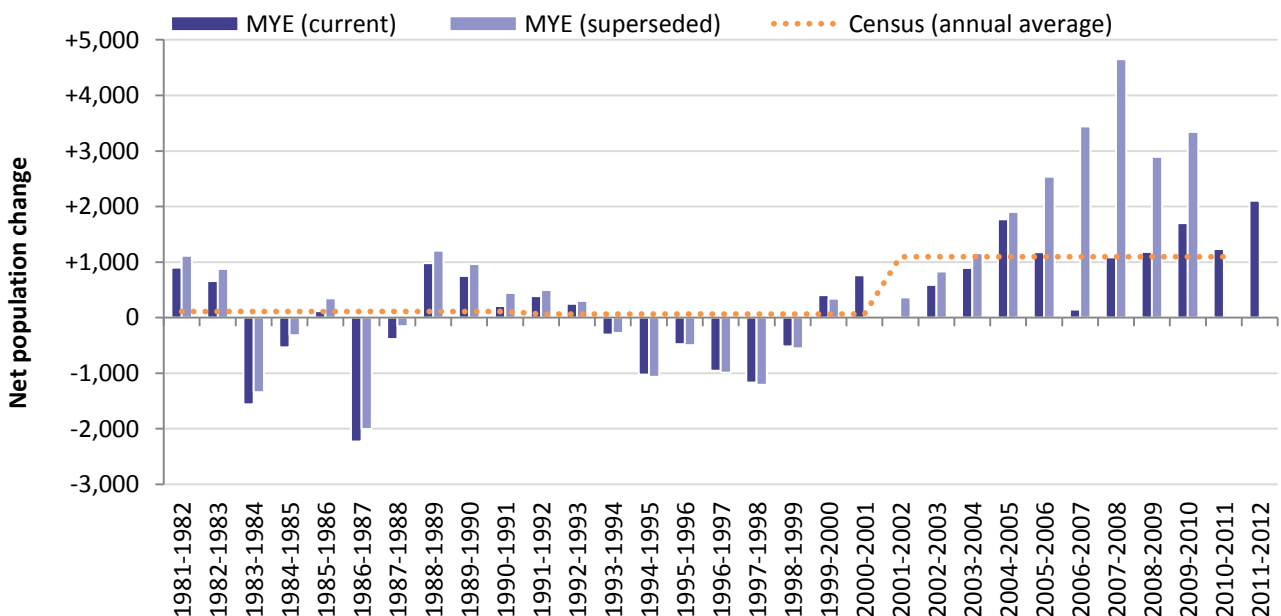


Figure 25: Norwich annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

2.39 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.

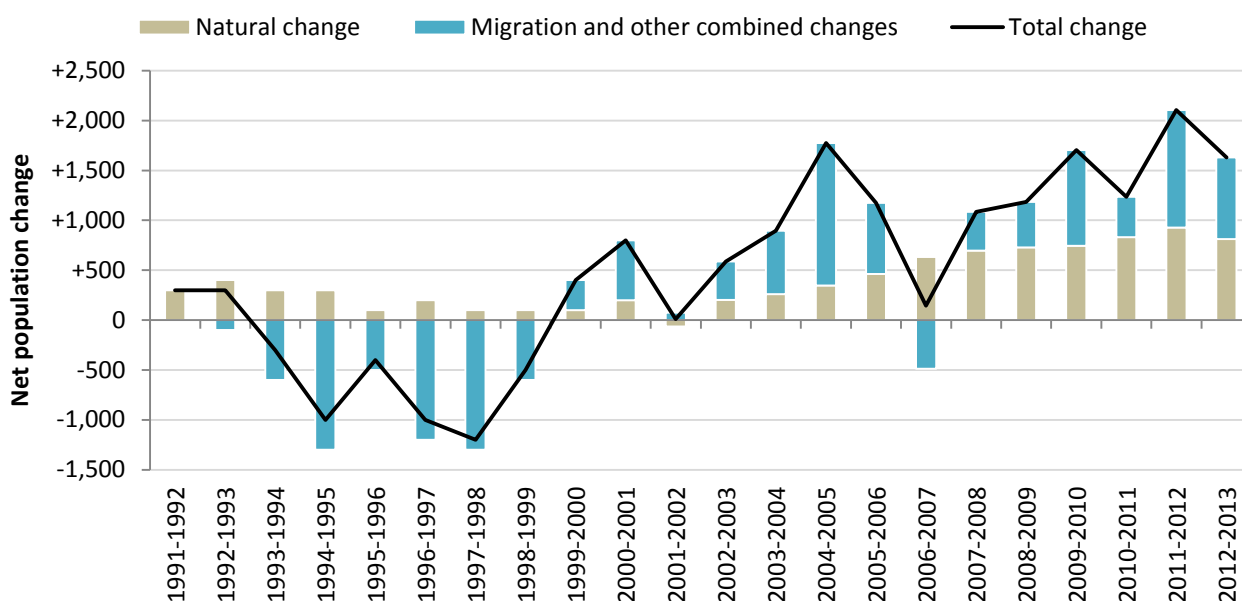
2.40 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often “**Unattributable Population Change**”. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are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

2.41 Figure 26 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 26: 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	2,375	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 2001-13	1,674	1,125	549	10,269	10,462	2,288	1,292	-223	579	1,127

Figure 27: Norwich components of population change (Source: ONS Mid-Year Population Estimates, revised)



2.42 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 people recorded for 1994-95 up to a net gain of more than 1,800 people recorded for 2004-05 due to migration based on ONS Mid-Year Population Estimates.

Establishing Population Projections for Norwich

2.43 Figure 28 compares the 2012-based and 2014-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 2015-36. The 2014-SNPP projections suggest that the population will increase to 158,900 by 2036, whilst the 10-year trend projects 164,400 people (21-year increases of 20,000 people and 25,500 people respectively).

Figure 28: Norwich population projection based on migration trends

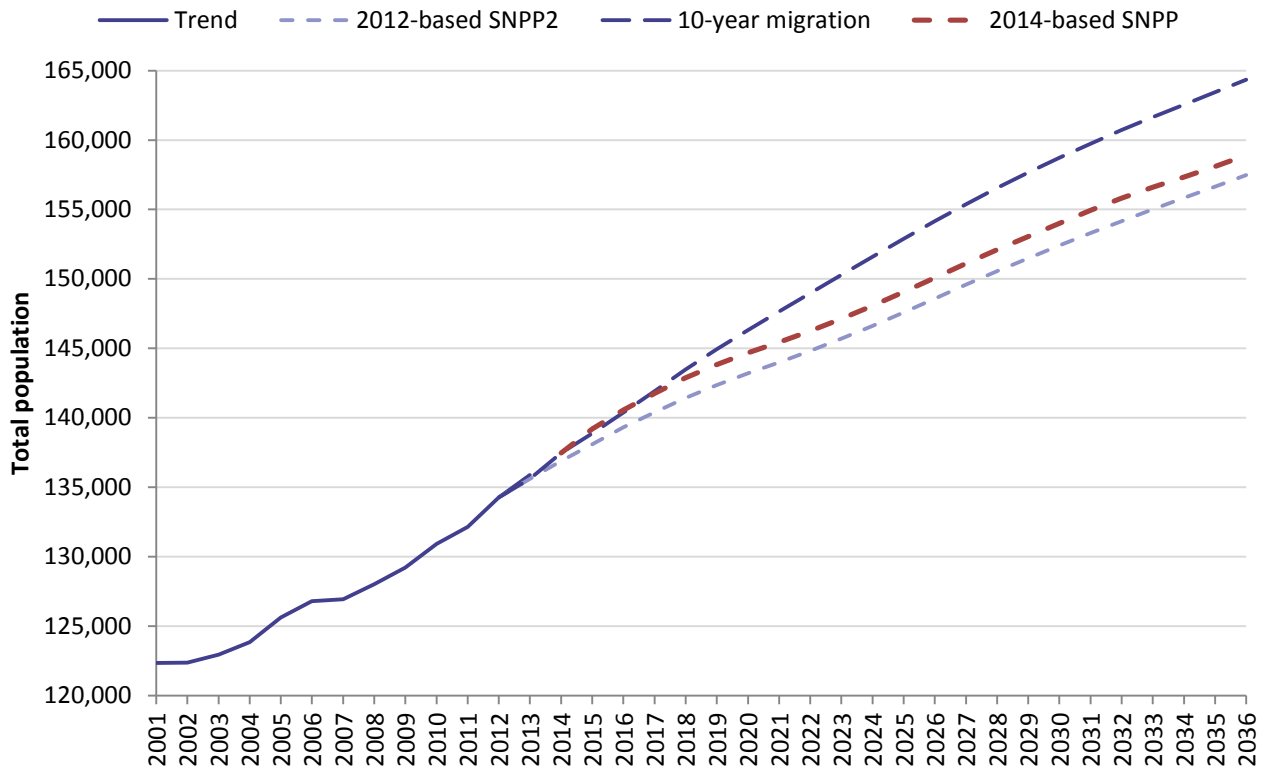


Figure 29: Norwich population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2015			2036					
	M	F	Total	2014-based SNPP			10-year migration trend		
				M	F	Total	M	F	Total
Aged 0-4	4,447	4,215	8,662	4,712	4,409	9,121	4,907	4,587	9,494
Aged 5-9	3,912	3,814	7,726	4,205	3,936	8,141	4,400	4,108	8,508
Aged 10-14	3,074	2,902	5,976	3,994	3,694	7,688	4,174	3,847	8,021
Aged 15-19	3,865	4,141	8,006	4,955	5,205	10,160	5,135	5,360	10,496
Aged 20-24	8,341	9,047	17,388	9,013	9,812	18,825	9,392	10,130	19,521
Aged 25-29	6,506	6,522	13,028	7,321	7,055	14,376	7,691	7,331	15,022
Aged 30-34	6,043	5,545	11,588	6,204	5,417	11,621	6,542	5,651	12,194
Aged 35-39	4,684	4,325	9,009	5,421	4,693	10,114	5,695	4,889	10,584
Aged 40-44	4,454	3,940	8,394	5,065	4,545	9,610	5,290	4,718	10,008
Aged 45-49	4,335	3,985	8,320	4,677	4,348	9,025	4,861	4,482	9,343
Aged 50-54	3,963	3,712	7,675	4,224	3,998	8,222	4,361	4,109	8,469
Aged 55-59	3,227	3,291	6,518	3,744	3,580	7,324	3,853	3,655	7,508
Aged 60-64	2,954	3,160	6,114	3,522	3,374	6,896	3,596	3,412	7,008
Aged 65-69	2,831	3,176	6,007	3,468	3,452	6,919	3,530	3,518	7,048
Aged 70-74	2,164	2,379	4,543	3,026	3,212	6,238	3,062	3,259	6,322
Aged 75-79	1,653	2,028	3,681	2,369	2,682	5,051	2,405	2,709	5,115
Aged 80-84	1,234	1,705	2,939	1,745	2,270	4,015	1,766	2,291	4,057
Aged 85+	1,175	2,123	3,298	2,295	3,258	5,553	2,335	3,303	5,638
Total	68,862	70,010	138,872	79,958	78,941	158,898	82,996	81,359	164,355

Population Trends and Projections for South Norfolk

2.44 Figure 30 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 30: 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)

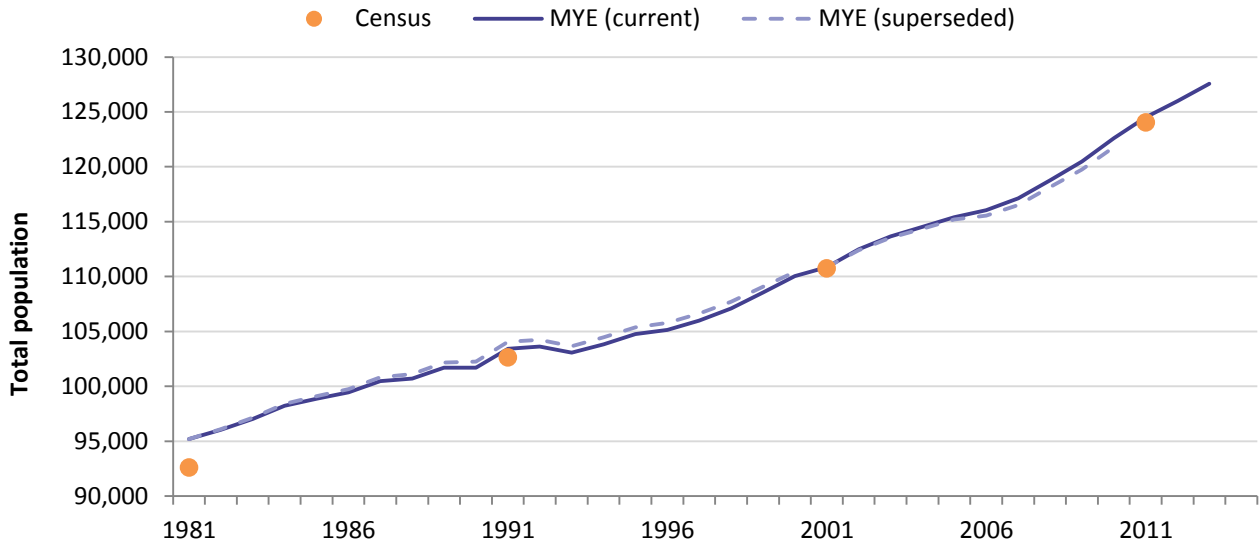
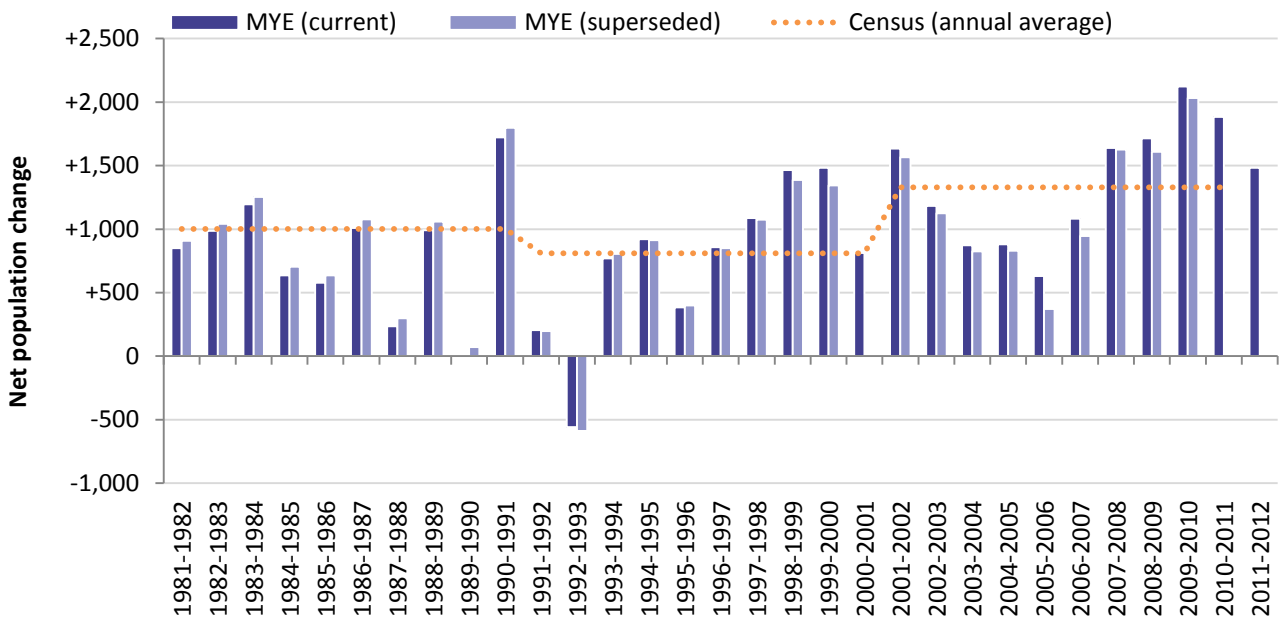


Figure 31: South Norfolk annual net change in population based on official population estimates for the period 1981-2013 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Components of Population Change

2.45 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.

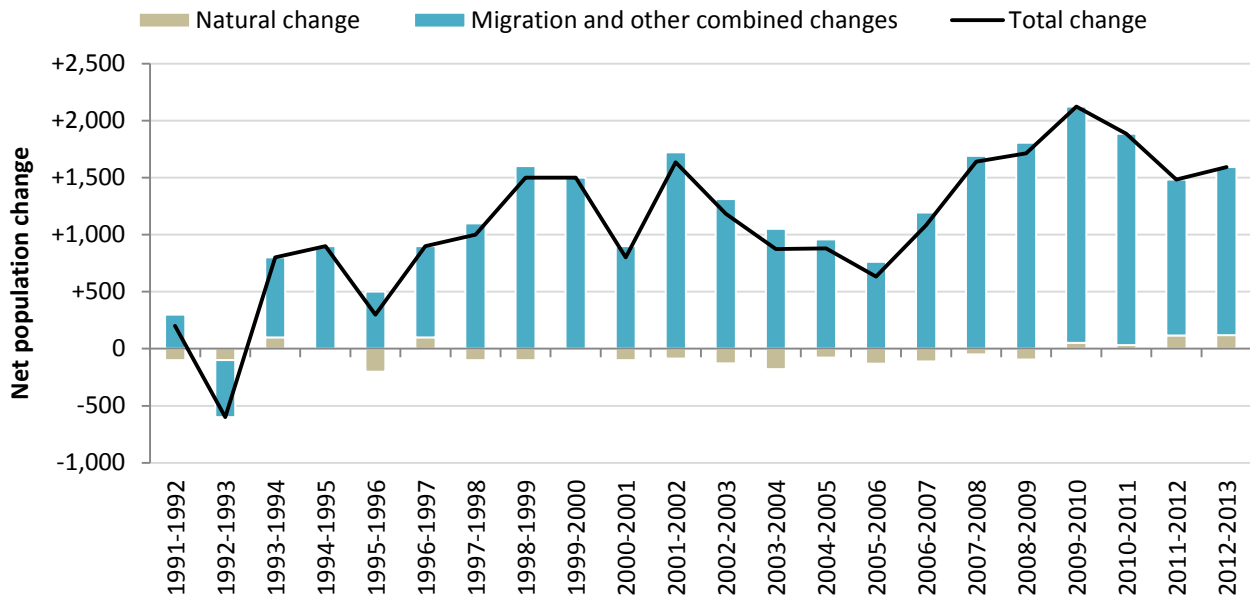
2.46 In addition to these changes, the ONS Mid-Year Estimates include adjustments for other changes, the largest of which is often **“Unattributable Population Change”**. This is an accountancy adjustment that enables the final population estimate to be constrained to external data sources which are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

2.47 Figure 32 presents the underlying data from the components of annual population change over the period 1991 to 2013.

Figure 32: 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 33: South Norfolk components of population change (Source: ONS Mid-Year Population Estimates, revised)



- 2.48 It is evident from Figure 33 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 people recorded for 1992-93 up to a net gain of more than 1,500 people recorded for 2007 onwards due to migration.

Establishing Population Projections for South Norfolk

- 2.49 Figure 34 compares the 2012-based and 2014-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 2015-36. The 2014-SNPP projections suggest that the population will increase to 159,600 by 2036, whilst the 10-year trend projects 160,100 people (21-year increases of 28,600 people and 29,100 people respectively).

Figure 34: South Norfolk population projection based on migration trends

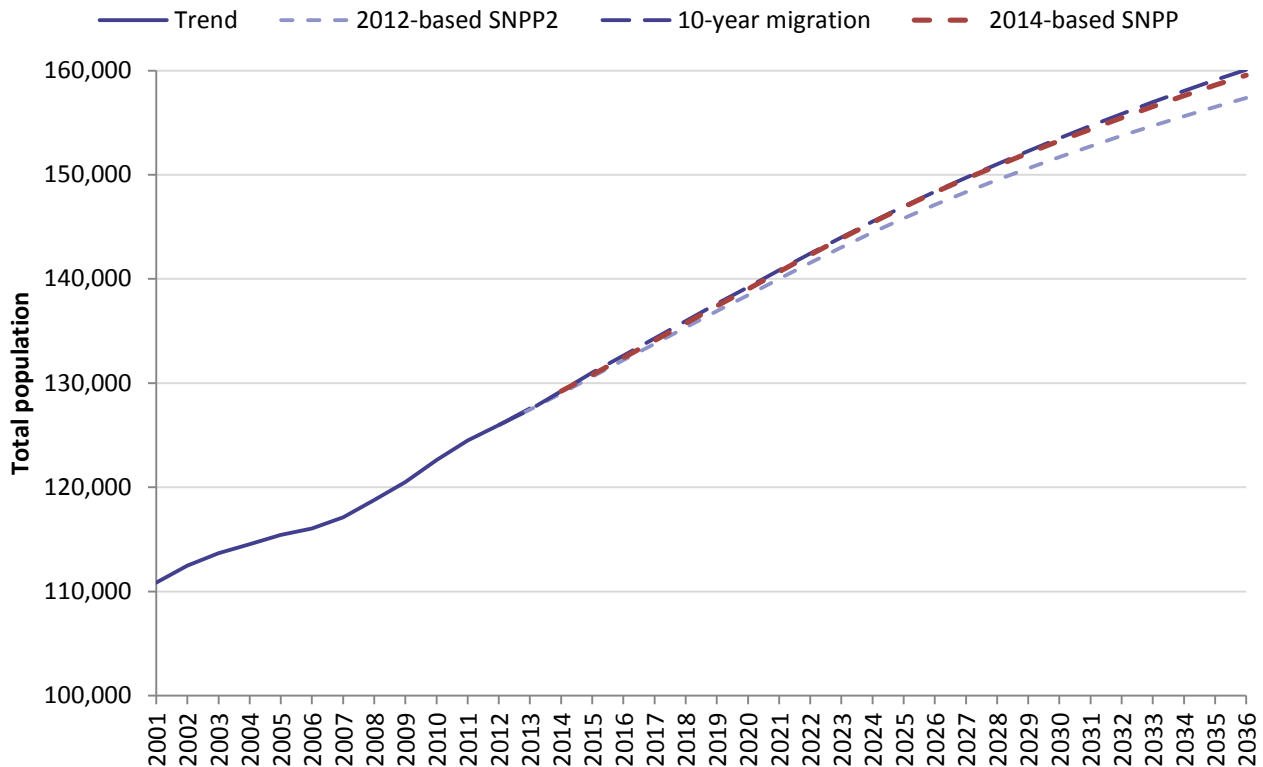


Figure 35: South Norfolk population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2015			2036					
	M	F	Total	2014-based SNPP			10-year migration trend		
				M	F	Total	M	F	Total
Aged 0-4	3,529	3,554	7,083	4,057	3,836	7,892	4,074	3,846	7,920
Aged 5-9	3,946	3,646	7,592	4,539	4,247	8,785	4,561	4,253	8,814
Aged 10-14	3,646	3,528	7,174	5,001	4,725	9,726	5,023	4,727	9,751
Aged 15-19	3,891	3,587	7,478	4,711	4,334	9,045	4,741	4,345	9,086
Aged 20-24	2,780	2,720	5,500	3,042	2,780	5,821	3,057	2,793	5,850
Aged 25-29	2,985	3,359	6,344	3,496	3,579	7,075	3,520	3,592	7,112
Aged 30-34	3,316	3,566	6,882	3,501	3,722	7,223	3,542	3,736	7,279
Aged 35-39	3,471	3,693	7,164	4,172	4,354	8,526	4,207	4,359	8,567
Aged 40-44	4,132	4,529	8,661	4,751	5,034	9,784	4,783	5,032	9,814
Aged 45-49	4,725	4,892	9,617	4,864	5,181	10,045	4,888	5,206	10,094
Aged 50-54	4,668	5,027	9,695	4,708	5,063	9,771	4,742	5,060	9,802
Aged 55-59	4,208	4,376	8,584	4,510	4,829	9,340	4,534	4,828	9,362
Aged 60-64	4,005	4,211	8,216	4,708	4,973	9,681	4,726	5,009	9,735
Aged 65-69	4,681	4,938	9,619	5,303	5,557	10,860	5,325	5,559	10,884
Aged 70-74	3,643	3,826	7,469	5,120	5,479	10,599	5,134	5,457	10,591
Aged 75-79	2,847	2,905	5,752	4,224	4,512	8,736	4,231	4,512	8,742
Aged 80-84	1,845	2,268	4,113	3,173	3,656	6,829	3,189	3,670	6,860
Aged 85+	1,511	2,556	4,067	4,337	5,492	9,829	4,347	5,479	9,826
Total	63,829	67,181	131,010	78,215	81,353	159,568	78,624	81,465	160,089

Establishing Population Projections for Central Norfolk

- ^{2.50} Considering the projections for the five local authorities together suggests that the 2014-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 635,300 to 728,100 over the 21-year period 2015-36, whilst the 10-year migration trend scenario projects that the population will be 729,800 by the end of the same period (21-year increases of 92,800 people and 94,500 people respectively).
- ^{2.51} As previously noted when deriving the projections for each area, longer-term projections based on longer term trend data are considered more robust – so the 10-year migration trend provides the principal projection for further SHMA analysis.

Figure 36: Central Norfolk population projection based on migration trends

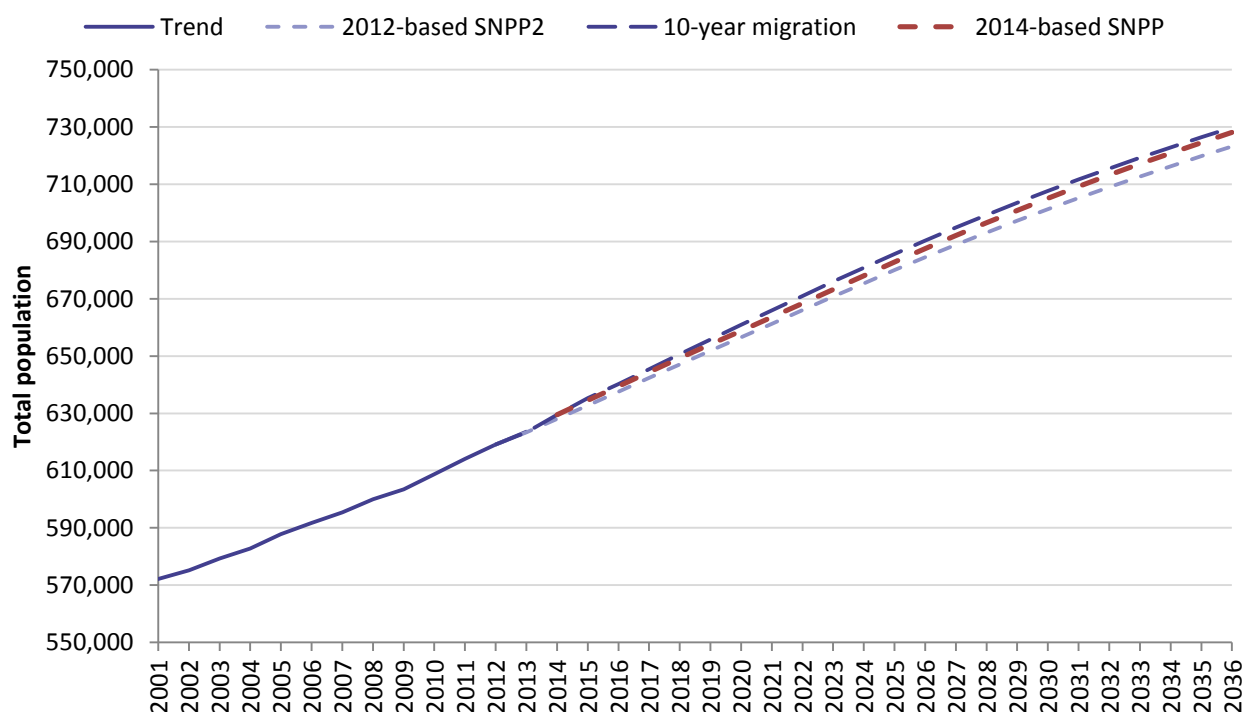


Figure 37: Central Norfolk population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)

Age	2015			2036					
	M	F	Total	2014-based SNPP			10-year migration trend		
				M	F	Total	M	F	Total
Breckland	67,326	68,154	135,480	77,265	76,413	153,678	77,773	76,373	154,146
Broadland	61,847	64,781	126,628	68,762	71,367	140,129	67,956	70,499	138,455
North Norfolk	50,225	53,083	103,308	57,022	58,807	115,829	55,609	57,130	112,739
Norwich	68,862	70,010	138,872	79,958	78,941	158,898	82,996	81,359	164,355
South Norfolk	63,829	67,181	131,010	78,215	81,353	159,568	78,624	81,465	160,089
Total	312,089	323,209	635,298	361,221	366,881	728,101	362,958	366,826	729,784

Service Families in the Demographic Projections

^{2.52} Considering service families in Central Norfolk, Figure 38 shows the number of residents employed in the Armed Forces. There were a total of 1,828 service personnel living in the area at the time of the 2011 Census, the majority of these living in households.

Figure 38: Central Norfolk residents employed in the Armed Forces (Source: 2011 Census)

	Central Norfolk
Usual residents employed in the Armed Forces	
Living in a household	1,558
Living in a communal establishment	270
TOTAL	1,828
<i>Percentage of population aged 16+</i>	<i>0.4%</i>

^{2.53} A consideration for this study is that RAF Coltishall closed in 2006 with a significant loss of jobs and armed forces personnel in North Norfolk. However, part of the base reopened as HMP Bure, which had 523 places as of 2010 (and 624 as of 2013) – so the reduction in service personnel in the communal establishment population would be offset against the gain in prison population at the time of the Census.

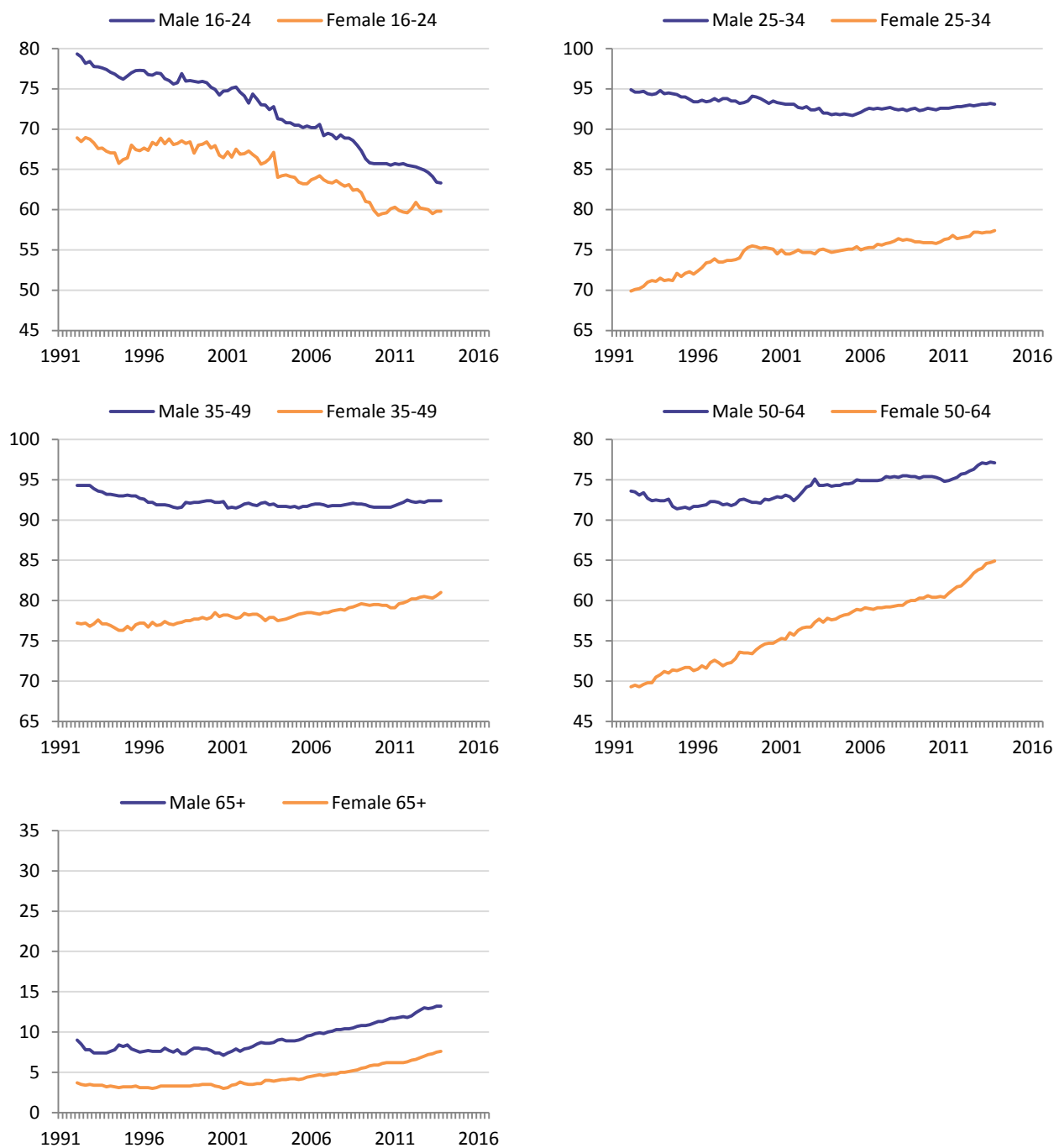
^{2.54} There is no evidence of a change in migration patterns to and from North Norfolk at the time of closure for RAF Coltishall. Therefore, it does not appear to have had any impact on the demographic projections for the area with the population being replaced by a different communally housed population. Therefore, the needs of these families are already included within the overall level of housing need identified for the Central Norfolk HMA.

Economic Activity Projections

^{2.55} Forecasting future economic activity rates (EAR) 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.

^{2.56} 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 39 shows economic activity rates 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 39: Economic Activity Rate long-term UK trends (Source: Labour Market Statistics based on Labour Force Survey)



^{2.57} 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.

^{2.58} 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.

^{2.59} The most recent economic activity rate projections produced by ONS were published in January 2006 and covered the period to 2020⁵; 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 trends⁶.

Labour Market Participation Projections

^{2.60} 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.”

^{2.61} 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 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.

Older People

^{2.62} 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 London⁷ concluded that:

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

^{2.63} 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;

⁵ Projections of the UK labour force, 2006 to 2020 by Vassilis Madouros; published in ONS Labour Market Trends, January 2006

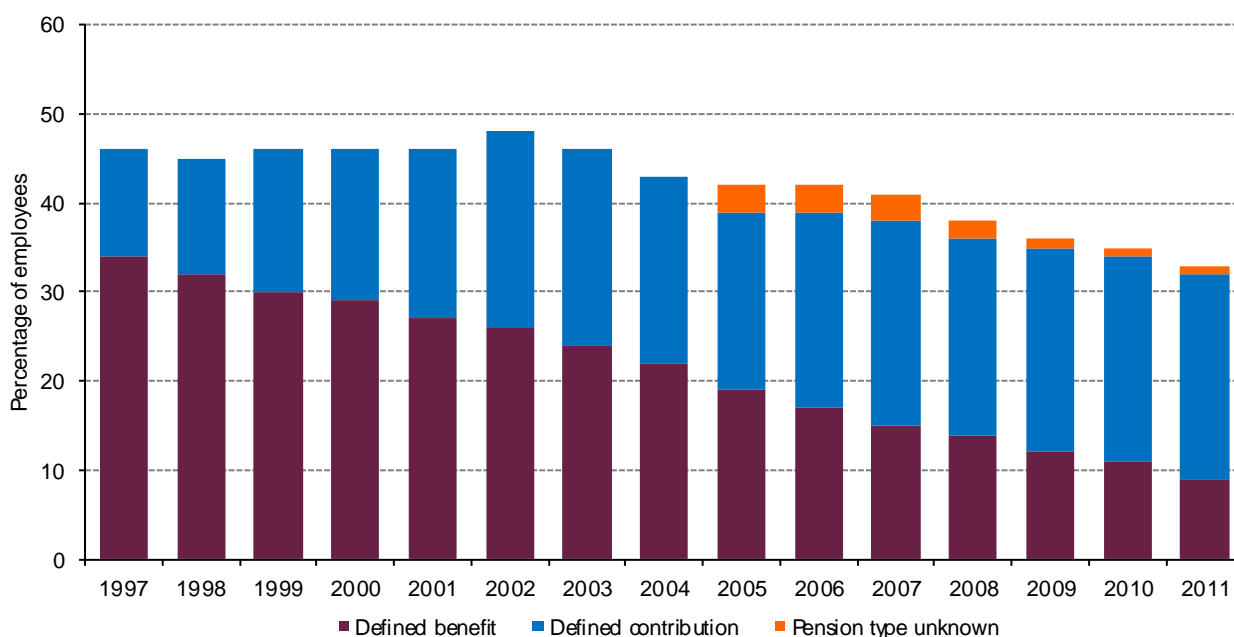
⁶ OBR Fiscal Sustainability Report, July 2014: <http://cdn.budgetresponsibility.org.uk/41298-OBR-accessible.pdf>

⁷ http://www.ifs.org.uk/pr/spa_pr_0313.pdf

- » **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 employees⁸.

^{2.64} Nevertheless, the financial drivers are particularly important to the decision of when to retire, and changes to the State Pension age coupled with reduced membership of private schemes (Figure 40) will inevitably lead to higher economic activity rates amongst the older population.

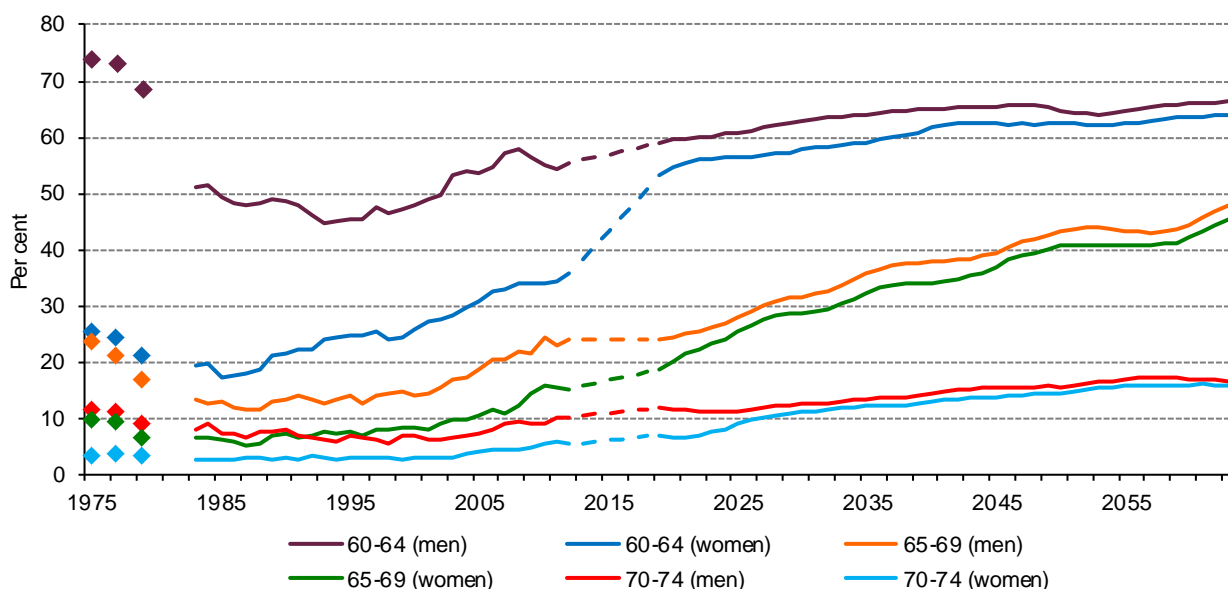
Figure 40: Membership of private sector defined benefit and defined contribution schemes (Source: NAO)



^{2.65} Figure 41 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.

⁸ <https://www.gov.uk/retirement-age>

Figure 41: 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)



^{2.66} In summary, for those:

- » **Aged 60-64:** employment rates for women are projected to continue increasing rapidly over the short-term as the SPA is equalised. Rates for both men and women are then projected to increase more marginally over the longer-term, although the projected rates for men remain notably lower than those actually observed in the late 1970s;
- » **Aged 65-69:** the gap between rates for men and women is projected to reduce over the short-term, with rates for both expected to increase progressively over the longer-term; and
- » **Aged 70-74:** the rates for these older men and women are projected to converge, although only marginal increases in the rates are otherwise expected – fewer than 1-in-8 people in this age group are expected to be working until at least the 2030s.

Female Participation

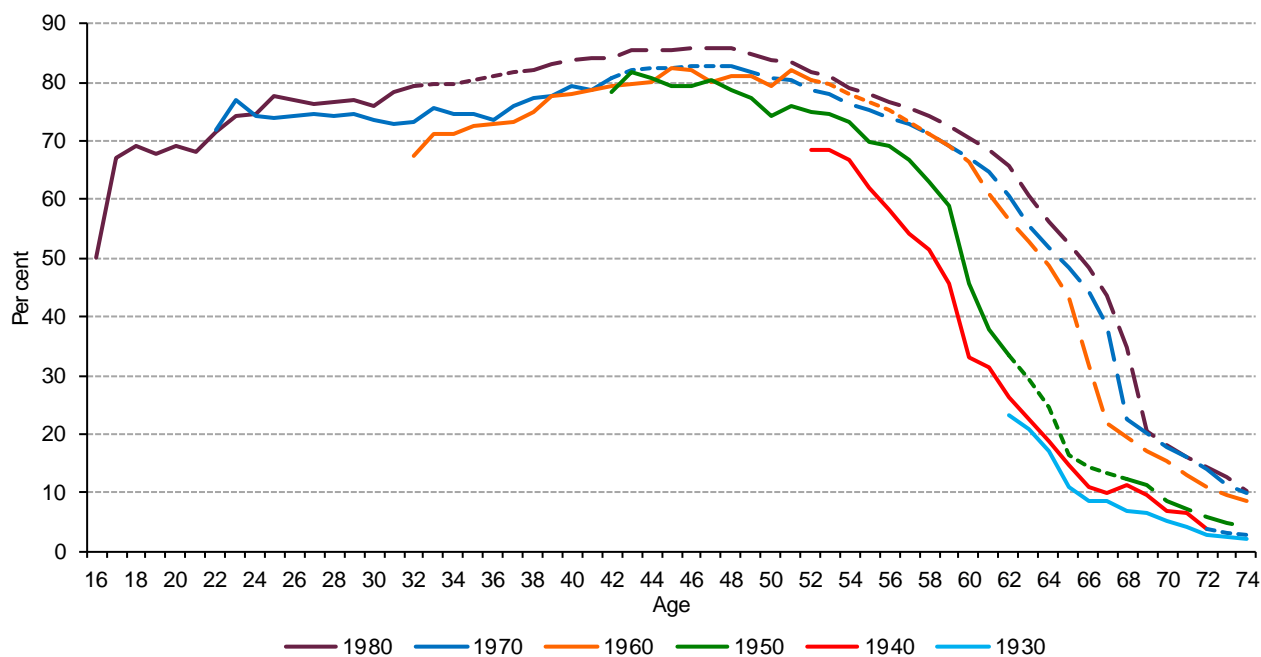
^{2.67} Women's participation in the labour force has increased, particularly since the 1970s, for a complex range of societal and economic reasons:

- » **Childbirth:** decisions regarding children are changing. More women choose childlessness, or childbirth is delayed until women are in their 30s or 40s. Post childbirth decisions on return to the workforce 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.

- 2.68 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”⁹ 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.
- 2.69 Historic data clearly shows that women born in the 1950s (who are now approaching retirement) have been less likely to be economically active than those born more recently, based on the comparison of data for individual ages. Participation rates for women have progressively increased over time: women born in the 1960s had higher rates than those born in the 1950s, women born in the 1970s had higher rates again, and women born in the 1980s have had the highest rates. The OBR projections take account of these historic differences between cohorts, but they do not assume that female cohorts yet to enter the labour market have even higher participation rates.
- 2.70 Figure 42 shows the trends in female economic participation rates by year of birth together with the OBR projections, which show how this cohort effect is likely to contribute towards higher economic activity rates in future.

Figure 42: Female participation rates by Cohort (Source: ONS, OBR)



⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/371955/Women_in_the_workplace_Nov_2014.pdf

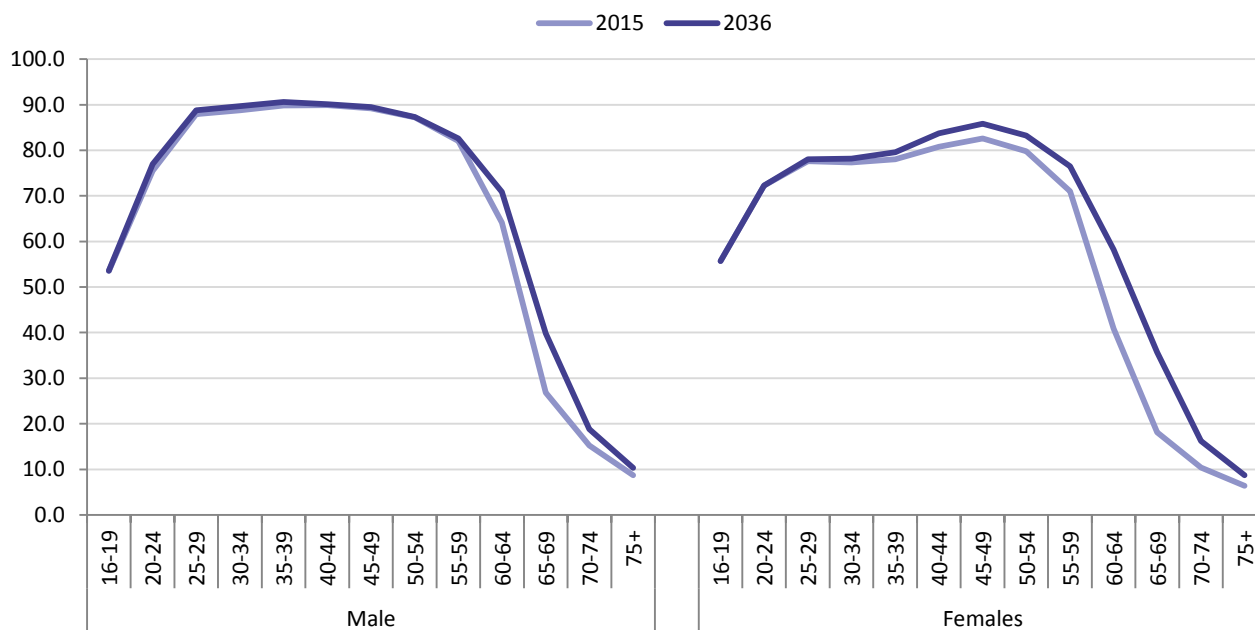
Young People

- 2.71 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 education¹⁰. There have been similar (though less pronounced) declining trends for 18-20 year olds.
- 2.72 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 education¹¹.
- 2.73 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

- 2.74 Figure 43 shows the estimated economic activity rates for 2015 and the projected rates for 2036 based on Census and Annual Population Survey (APS) data for Central Norfolk and the OBR labour market participation projections.

Figure 43: Economic activity rates in 2015 and 2036 by age and gender based on OBR Labour Market Participation Projections



- 2.75 Participation rates for men under 55 are forecast to remain constant whereas there is increased in participation projected for men aged 55 and over. These changes are relatively marginal, with the exception of rates for men aged 60 to 69. Participation rates for women are projected to change due

¹⁰ <http://www.hefce.ac.uk/pubs/year/2015/201503/>

¹¹ <http://www.bbc.co.uk/news/education-25236341>

to the cohort effects previously discussed. The rates for those aged under 40 increase marginally, but there are increased participation rates projected for all older age groups.

- 2.76 Figure 44 shows the estimated economically active population for Central Norfolk in 2015 and the projected economically active population in 2036 based on the SHMA population projections previously shown.

Figure 44: Projected economically active population 2015-36 (Note: All figures presented unrounded for transparency)

Age	2015			2036		
	M	F	Total	M	F	Total
Aged 16-19	7,669	7,904	15,573	8,696	8,553	17,249
Aged 20-24	15,078	14,196	29,274	16,442	14,809	31,251
Aged 25-29	16,501	14,475	30,976	18,526	15,197	33,723
Aged 30-34	16,212	14,062	30,274	17,096	13,919	31,015
Aged 35-39	15,278	13,252	28,529	17,938	14,900	32,838
Aged 40-44	17,487	15,873	33,361	19,251	17,308	36,559
Aged 45-49	19,374	18,146	37,520	19,131	18,359	37,490
Aged 50-54	19,034	17,721	36,755	17,973	17,620	35,593
Aged 55-59	15,896	14,444	30,340	16,326	15,681	32,007
Aged 60-64	12,003	8,294	20,297	14,835	12,734	27,569
Aged 65-69	5,850	4,220	10,070	9,498	8,871	18,369
Aged 70-74	2,581	1,824	4,405	4,397	3,929	8,326
Aged 75+	2,597	2,483	5,080	5,515	5,507	11,022
Total	165,560	146,893	312,453	185,624	167,387	353,011
<i>Total Change 2015-2036</i>	-	-	-	+20,064	+20,494	+40,558

- 2.77 The economically active population is likely to increase by 40,600 people over the 21-year period 2015-36 given the population projections based on 10-year migration trends 2005-15.

Establishing Household Projections

Household Population and Communal Establishment Population

- 2.78 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 (institutional population). The methodology used by the SHMA is consistent with the CLG approach¹²:

“For the household projections, the assumption is made that the institutional population stays constant at 2011 levels by age, sex and marital status for the under 75s and that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s. The rationale here is that ageing population will lead to greater level of population aged over 75 in residential care homes that would not be picked up if levels were held fixed but holding the ratio fixed will.” (page 12)

¹² Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

^{2.79} Figure 45 shows the breakdown between the household population and the population living in Communal Establishments for both of the scenarios.

Figure 45: Population projections 2015-36 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	2015			2036			Net change 2015-36		
	Household	Communal Establishment	Total	Household	Communal Establishment	Total	Household	Communal Establishment	Total
Aged 0-4	33,724	38	33,762	34,981	38	35,019	+1,257	0	+1,257
Aged 5-9	34,090	24	34,114	36,481	24	36,505	+2,391	0	+2,391
Aged 10-14	30,475	541	31,016	37,716	541	38,257	+7,241	0	+7,241
Aged 15-19	32,177	2,877	35,053	36,584	2,877	39,461	+4,407	0	+4,408
Aged 20-24	37,640	1,977	39,617	39,848	1,977	41,825	+2,208	0	+2,208
Aged 25-29	36,660	768	37,428	39,558	768	40,326	+2,898	0	+2,898
Aged 30-34	35,959	485	36,444	36,363	485	36,848	+404	0	+404
Aged 35-39	33,614	387	34,001	38,125	387	38,512	+4,511	0	+4,511
Aged 40-44	38,688	407	39,096	41,634	407	42,041	+2,946	0	+2,945
Aged 45-49	43,261	431	43,692	42,359	431	42,790	-902	0	-902
Aged 50-54	43,678	357	44,035	41,403	357	41,760	-2,275	0	-2,275
Aged 55-59	39,473	273	39,746	39,984	273	40,257	+511	0	+511
Aged 60-64	38,709	302	39,011	42,507	302	42,809	+3,798	0	+3,798
Aged 65-69	44,860	277	45,137	48,467	277	48,744	+3,607	0	+3,607
Aged 70-74	34,263	282	34,545	47,422	282	47,704	+13,159	0	+13,159
Aged 75-79	26,824	505	27,329	38,645	790	39,435	+11,821	+285	+12,106
Aged 80-84	19,665	853	20,518	30,224	1,260	31,484	+10,559	+407	+10,966
Aged 85+	17,582	3,172	20,754	39,618	6,389	46,006	+22,036	+3,217	+25,252
Total	621,341	13,957	635,298	711,920	17,865	729,785	+90,577	+3,909	+94,485
Breckland	132,529	2,951	135,480	149,919	4,228	154,146	+17,390	+1,277	+18,666
Broadland	124,823	1,805	126,628	135,652	2,803	138,455	+10,829	+998	+11,827
North Norfolk	100,776	2,532	103,308	109,483	3,257	112,739	+8,707	+725	+9,431
Norwich	134,094	4,778	138,872	159,302	5,053	164,355	+25,208	+275	+25,483
South Norfolk	129,119	1,891	131,010	157,565	2,525	160,089	+28,446	+634	+29,079

^{2.80} It is important to recognise the growth of population aged 75 or over living in communal establishments when considering the needs for older person housing, which is considered further in Chapter 5 of this SHMA.

Household Representative Rates

^{2.81} 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.

- ^{2.82} The proportion of people in any age cohort who will be household representatives vary between people of different ages, and the rates also vary over time. HRRs are published as part of the household projections produced by CLG. 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.”*
- ^{2.83} 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.”*
- ^{2.84} Prior to the publication of CLG 2012-based household projections, Inspectors had been keen to avoid perpetuating any possible “recessionary impact” associated with the lower formation rates suggested by the interim data. 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 published in February 2015 incorporated far more data from the 2011 Census which has now been incorporated into the 2014-based household projections, which provide data for the 25-year period 2014-39 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).
- ^{2.85} 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.”*
- ^{2.86} 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.

^{2.87} The 2014-based household projections supersede the 2012-based projections (which in turn superseded both the 2008-based projections and the interim 2011-based 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

^{2.88} Through applying the CLG 2014-based household representative rates to the household population, we established the projected number of additional households. The projected increase in households for Central Norfolk is summarised in Figure 46.

^{2.89} Figure 46 also provides an estimate of dwelling numbers, which takes account of vacancies and second homes.

Figure 46: Projected households and dwellings over the 21-year period 2015-36 (Note: Dwelling numbers all assume 4.9% vacancy rate derived from CLG Live Table 615 converted)

	Total		Net change 2015-36	
	2015	2036	21-year change	Annual average
CLG 2014-based projection				
Households	278,061	329,768	51,707	2,462
Dwellings	295,420	350,267	54,847	2,612
SHMA 10-year trend (2005-15)				
Households	278,489	330,323	51,835	2,468
Dwellings	295,865	350,718	54,853	2,612

^{2.90} Whilst the CLG 2014-based household projection identifies an increase of 2,462 households per year (which represents a need for 2,612 dwellings per annum), the increase based on the SHMA 10-year trend is a higher 2,468 extra households annually (2,612 dpa).

Conclusions

^{2.91} PPG identifies that the starting point for estimating housing need is the CLG household projections, and the latest data is the 2014-based projection. For the 21-year period 2015-36, these projections suggest an overall growth of 51,707 households, equivalent to an average of 2,462 households per year.

^{2.92} ORS have reviewed and assessed household projections as part of this study, considering the migration based on 10-year trend 2005-15. On this basis, the population data show household numbers across the study area would increase over the 21-year period 2015-36 by an average of 2,468 per year.

^{2.93} The long-term migration trends based on the inter-censal period normally provide the most robust and reliable basis for projecting the future population. Given this context, **we have based the further analysis of overall housing need on migration trends from the 10-year period 2005-15.**

3. Affordable Housing Need

Identifying households who cannot afford market housing

- 3.1 Demographic projections provide the basis for identifying the Objectively Assessed Need for all types of housing, including both market housing and affordable housing.
- 3.2 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 (March 2014), ID 2a-023

- 3.3 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.
- 3.4 The following section considers each of these sources in turn, alongside other relevant statistics and information that is available.

Past Trends and Current Estimates of the Need for Affordable Housing

Local Authority Data: Homeless Households and Temporary Accommodation

- 3.5 Local authorities hold data on the number of homeless households and those in temporary accommodation. In Central Norfolk, the annual number of households accepted as being **homeless** and in priority need has seen a downward trend over the period 2006 to 2016. There were 679 such households in 2006 which reduced to 377 households by 2016, a net reduction of 302 households (Figure 47). The current annual rate represents 1.3 presentations per 1,000 households, which is lower than the equivalent rate for England (2.5 per 1,000).
- 3.6 There has also been a reduction in households living in **temporary accommodation** from Quarter 1 2006 to Quarter 1 2016 (net reduction of 196 households). Of the households in temporary accommodation in Quarter 1 2016, 106 were accommodated in bed & breakfast accommodation or hostels, 27 were accommodated in Local Authority or RSL Stock and a further 60 were in private sector leased stock or other. In Central Norfolk there were 11 households accepted as homeless without temporary accommodation provided in Quarter 1 2016.

Figure 47: Households accepted as homeless and in priority need (Source: CLG P1E returns March 2006 and March 2016, Note: * denotes missing data)

		Central Norfolk			England 2016
		2006	2016	Net change 2006-16	
Number accepted homeless and in priority need during year		679	377	-302	-
<i>Rate per 1,000 households</i>		2.7	1.3	-1.4	2.5
Households in temporary accommodation	Bed and breakfast	50	91	+41	-
	Hostels	47	15	-32	-
	Local Authority or RSL stock	200	27	-173	-
	Private sector leased (by LA or RSL)	66	37	-29	-
	Other (including private landlord)	26	23	-3	-
	TOTAL	389	193	-196	-
	<i>Rate per 1,000 households</i>	1.5	0.7	-0.8	3.1
Households accepted as homeless but without temporary accommodation provided		*	11	*	-

- 3.7 It is evident that homelessness has not become significantly worse in Central Norfolk over the last decade, and might be significantly better, but this does not necessarily mean that fewer households risk becoming homeless. Housing advice services provided by the council limit the number of homeless presentations, through helping people threatened with homelessness find housing before they become homeless. Housing allocation policies can also avoid the need for temporary housing if permanent housing is available sooner; however, many households facing homelessness are now offered private rented housing.
- 3.8 Changes to the Law in 2011 means private sector 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 7 of the Housing Act 1996) but the applicant was entitled to refuse it. The Localism Act 2011 means refusal is no longer possible providing the offer is suitable. While the

change aims 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 seek to house homeless households.

Census Data: Concealed Households and Overcrowding

3.9 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 are very precisely defined households in the 2011 Census in that the 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

3.10 The number of **concealed families** living with households in Central Norfolk increased from 1,082 to 2,060 over the 10-year period 2001-11 (Figure 48), an increase of 978 households (90%).

3.11 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. 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, four-fifths (778) have family representatives aged under 55, with substantial growth amongst those aged under 35 in particular (in line with national trends).

Figure 48: Concealed families in Central Norfolk by age of family representative (Source: Census 2001 and 2011)

	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

Sharing Households

3.12 The number of **sharing households** reduced from 289 to 287 over the 10-year period 2001-11 (Figure 49), a reduction of 2 households (1%).

Figure 49: Shared Dwellings and Sharing Households in Central Norfolk (Source: Census 2001 and 2011)

	2001	2011	Net change
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

3.13 Figure 50 shows that the number of **multi-adult households** living in the area increased from 8,601 to 11,918 households over the same period, an increase of 3,317 (39%). These people 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 50: Multi-adult Households in Central Norfolk (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Owned	4,906	5,651	+745
Private rented	2,615	5,135	+2,520
Social rented	1,080	1,132	+52
All Households	8,601	11,918	+3,317

3.14 The growth in multi-adult households was focused particularly in the private rented sector, with an increase in single people choosing to live with friends together with others living in HMOs. This growth accounts for 2,520 households (an increase from 2,615 to 5,135 households over the period).

3.15 Nevertheless, shared facilities is a characteristic of HMOs and many people living in this type of housing will only be able to afford shared accommodation (either with or without housing benefit support). Extending the Local Housing Allowance (LHA) Shared Accommodation Rate (SAR) allowance to cover all single people up to 35 years of age has meant that many more young people will only be able to afford shared housing, and this has further increased demand for housing such as HMOs.

3.16 There is therefore likely to be a continued (and possibly growing) role for HMOs in housing under 35's, 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 an affordable housing need).

Overcrowding

- 3.17 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.”

- 3.18 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).

- 3.19 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 51). This represents a percentage growth of 19%, which is higher than comparator authorities; Greater Lincoln (9%) and Greater Exeter (10%). However it is lower than comparator area Greater Ipswich (23%) and it is also lower than the national increase for England (23%).

- 3.20 When considered by tenure, overcrowding has reduced by 193 households in the owner occupied sector and increased by 856 households in the social rented sector; however the largest growth has been 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. The percentage of overcrowded households in the private rented sector has also increased from 8.3% to 9.9% (a percentage increase of 20%).

Figure 51: 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%

English Housing Survey Data

Overcrowding

3.21 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.

3.22 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 EHS approach¹³ is based on a “*bedroom standard*” which assumes that adolescents aged 10-20 of the same sex will share a bedroom, and only those aged 21 or over are assumed to require a separate bedroom (whereas the approach used by the ONS for the Census assumes a separate room for those aged 16 or over):

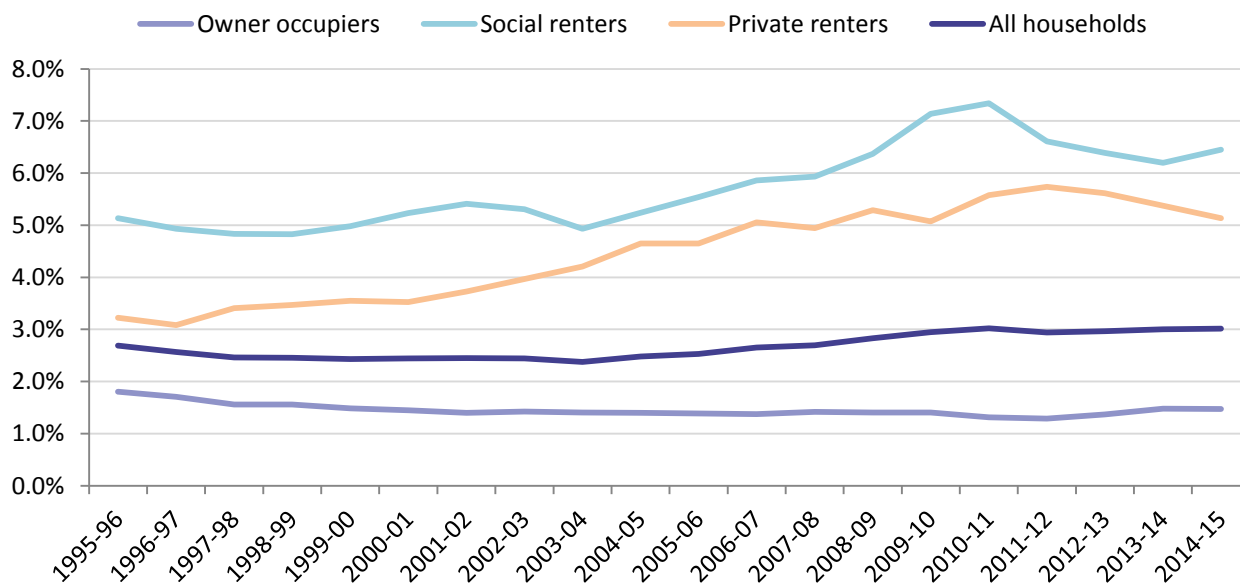
“The ‘bedroom standard’ is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

“Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the notional needed.”

3.23 Nationally, overcrowding rates increased for households in both social and private rented housing, although the proportion of overcrowded households has declined in both sectors since 2011. Overcrowding rates for owner occupiers have remained relatively stable since 1995.

¹³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/501065/EHS_Headline_report_2014-15.pdf

Figure 52: 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)



3.24 Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement closer reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance¹⁴ 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).

3.25 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

3.26 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 Central Norfolk, we can estimate overcrowding using the bedroom standard. Figure 53 sets out this calculation based on the Census occupancy rating for both rooms and bedrooms. Based on the bedroom standard, it is estimated that **946 owner occupied, 737 private rented and 1,364 social rented households were overcrowded** in Central Norfolk in 2015. Student households in the private rented sector have been excluded from this calculation given that their needs are assumed to be transient.

¹⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf

Figure 53: Estimate of the number of overcrowded households in Central Norfolk by tenure based on the bedroom standard
(Source: EHS; UK Census of Population 2011)

	Owned		Private Rented		Social Rented		Totals
ENGLAND							
EHS bedroom standard 2011							
Percentage of households overcrowded [A]	1.3%		5.6%		7.3%		-
Census occupancy rating	<i>Bed rooms</i>	<i>Rooms</i>	<i>Bed rooms</i>	<i>Rooms</i>	<i>Bed rooms</i>	<i>Rooms</i>	
Percentage of households overcrowded [B]	2.3%	3.3%	8.8%	20.2%	8.9%	16.9%	-
Proportion of these overcrowded households based on bedroom standard [C = A ÷ B]	57%	40%	64%	28%	83%	43%	-
CENTRAL NORFOLK							
Census occupancy rating	<i>Bed rooms</i>	<i>Rooms</i>	<i>Bed rooms</i>	<i>Rooms</i>	<i>Bed rooms</i>	<i>Rooms</i>	
Number of overcrowded households [D]	1,706	2,476	1,669	4,314	1,942	4,103	-
Full-time student households [E]	313	252	657	908	200	243	-
Overcrowded households (excluding students) [F = D - E]	1,393	2,224	1,012	3,406	1,742	3,860	-
Estimate of overcrowded households based on the bedroom standard [G = C × F]	794	890	648	954	1,446	1,660	-
Estimate of overcrowded households in 2011 based on the bedroom standard (average)		842		801		1,553	3,196
EHS bedroom standard							
Change in overcrowding from 2011 to 2015		+12%		-8%		-12%	-
Estimate of overcrowded households in 2015 based on the bedroom standard		946		737		1,364	3,047

Housing Condition and Disrepair

3.27 The EHS also provides useful information about **housing condition**. The Decent Homes Standard provides a broad measure which 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:

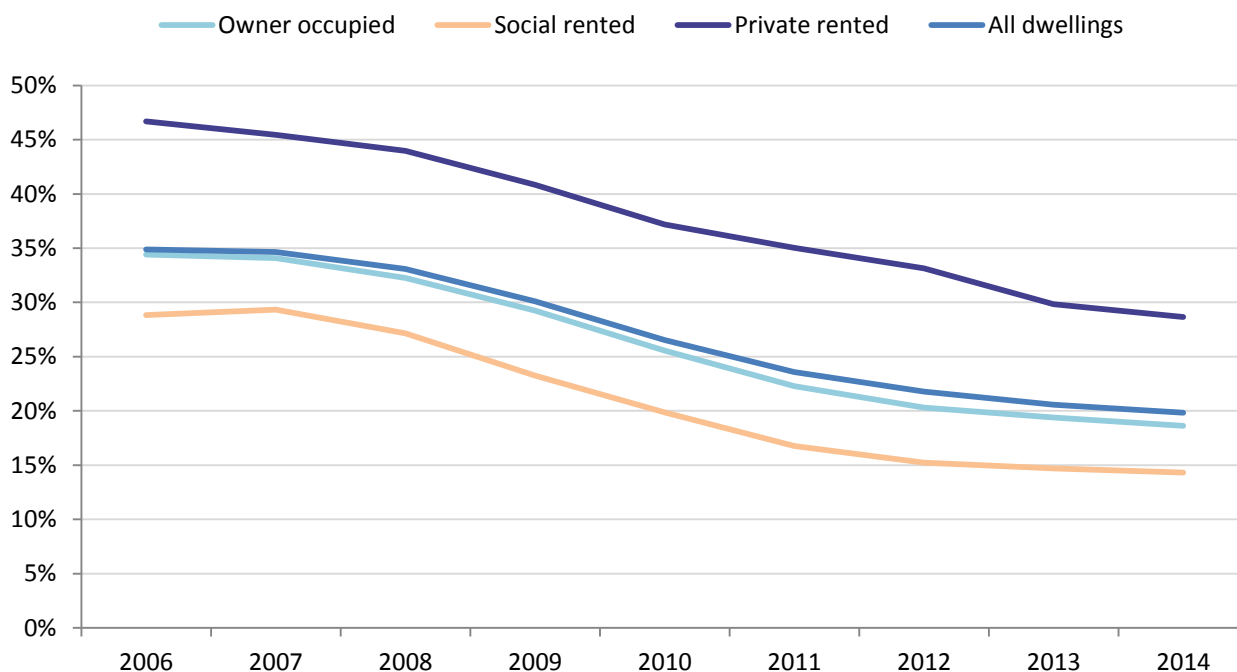
- » Be above the legal minimum standard for housing (currently the Housing Health and Safety Rating System, HHSRS); and
- » Be in a reasonable state of repair; and
- » Have reasonably modern facilities (such as kitchens and bathrooms) and services; and
- » Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).

3.28 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.

3.29 Figure 54 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, over a quarter of the private rented sector (28.6%) currently remains 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 54: Trend in non-decent homes by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)



Housing Register Data

^{3.30} Most of the local authorities' **housing register** and **transfer lists** are managed through Choice Based Lettings schemes administered through a different organisation for each authority. Households apply for a move and 'bid' for homes along with applicants from various sources, including homeless households, housing register and transfer applicants. The exception is Broadland, which manages its own housing options without a Choice Based scheme.

^{3.31} Figure 55 shows the trend in households on the housing register over the period since 2001. Whilst the overall number of households on the housing register has varied over the period, often reducing significantly following a review of the housing register. For example in Norwich in 2010 there were 9,169 applicants on the register which had decreased to 4,139 applicants by 2013.

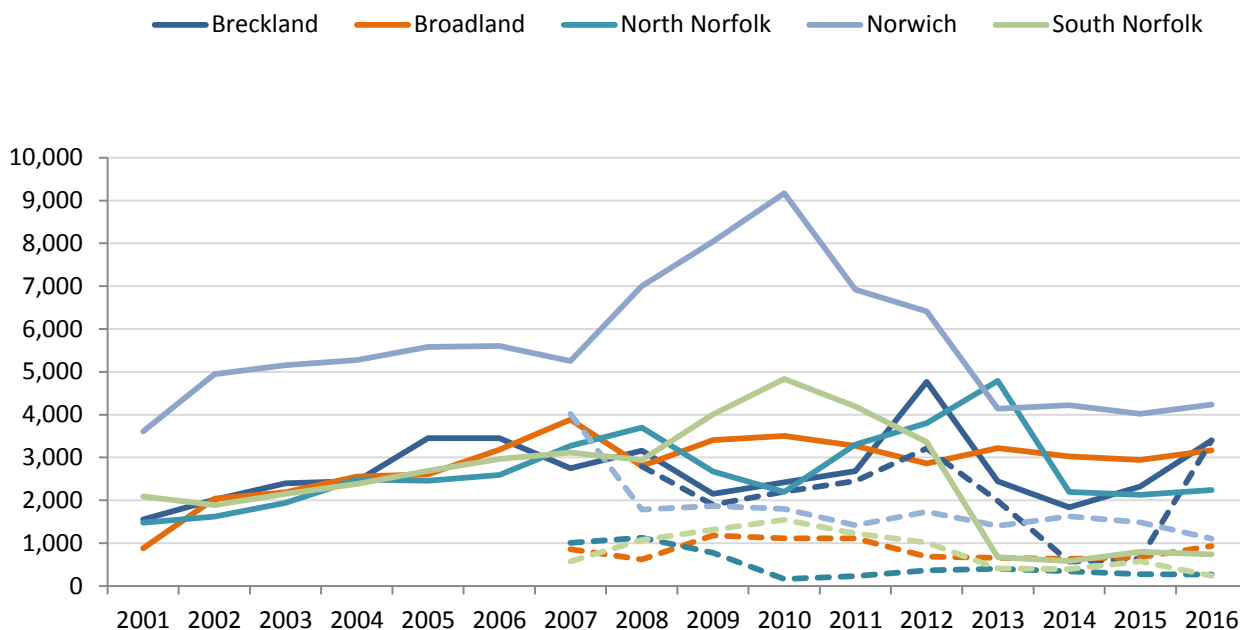
^{3.32} Figure 55 also shows the number recorded in a reasonable preference category since 2007 as dashed lines. Reasonable preference categories are defined in the Housing Act 1996, which requires "reasonable preference" for housing to be given to people who are:

- » 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.

^{3.33} In most authorities, the number in a reasonable preference category has been somewhat lower in the last few years than it was pre-2013. The total across all five authorities peaked in 2012 (7,008 in a

reasonable preference category), compared with 2015 (3631 total in a reasonable preference category). There has been a spike in the total in 2016 (5944 total) and this seems to be primarily due to a significant increase in the numbers in reasonable preference categories in Breckland between 2015 and 2016 as all households on the housing register are counted as being in a reasonable preference category.

Figure 55: Number of households on the local authority housing register 2001-16 (Source: LAHS and HSSA returns to CLG)



^{3.34} Figure 56 provides further detailed information for the last five years.

Figure 56: Number of households on the local authority housing register at 1st April (Source: LAHS returns to CLG)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk	Central Norfolk
	2016	2016	2016	2016	2016	2016
Total households on the housing waiting list	3,398	3,168	2,238	4,234	741	13,779
Total households in a reasonable preference category	3,398	932	270	1,106	238	5,944
People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)	75	30	16	8	3	132
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	420	60	24	28	3	535
People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions	1,030	382	121	846	103	2,482
People who need to move on medical or welfare grounds, including grounds relating to a disability	1,870	373	109	325	132	2,809
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)	21	93	0	3	0	117

- 3.35 The number of people recorded by the housing register as homeless or owed a duty under the Housing Act appears to be broadly consistent with the local authority data about homelessness.
- 3.36 The number of people recorded as “*occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions*” in 2016 was 2,482. We previously estimated that there were around 3,047 overcrowded households in Central Norfolk, based on the bedroom standard (Figure 53) – therefore, there are likely to be many households who are 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.
- 3.37 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.
- 3.38 In 2016 there were 2,809 people registered “*who need to move on medical or welfare grounds, including grounds relating to a disability*” with 117 registered “*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)*”. However, some of these households are seeking to move within the social housing sector and hence will also be included in the supply of dwelling vacated.

Households Unable to Afford their Housing Costs

- 3.39 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 (ID 2a-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 (ID 2a-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 (ID 2a-025, emphasis added)

Planning Practice Guidance (March 2014), ID 2a-022-025

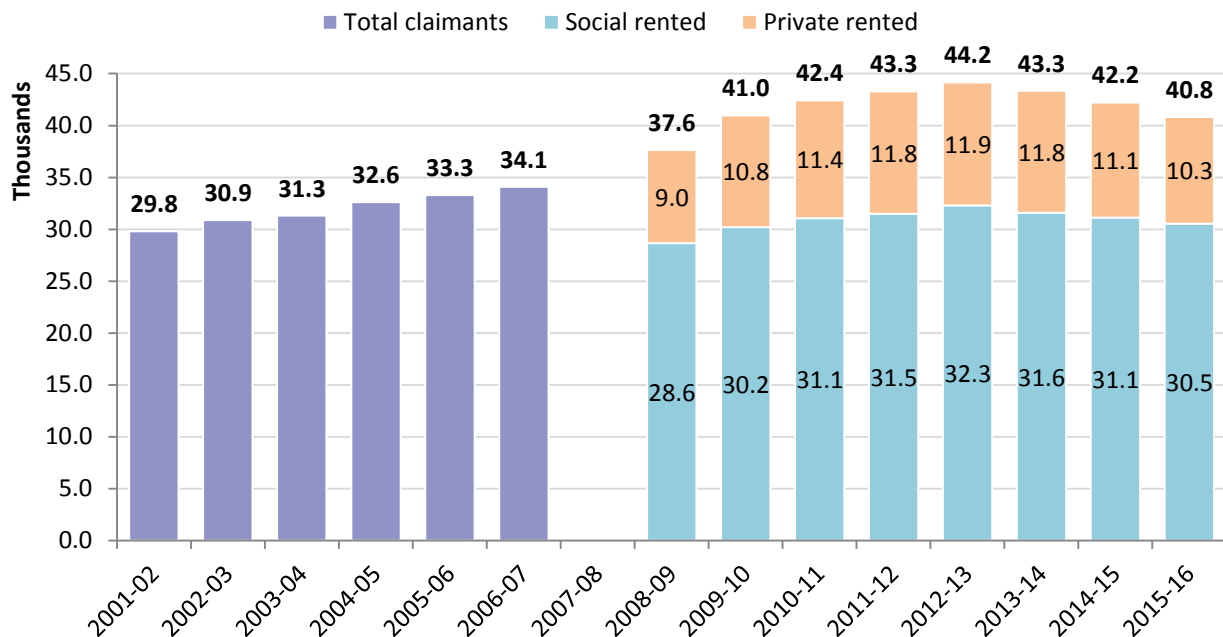
- 3.40 Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more detailed information has been

available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

Housing Benefit Claimants in Central Norfolk

^{3.41} Figure 57 shows the trend in the number of housing benefit claimants in Central Norfolk.

Figure 57: Number of claimants in receipt of housing benefit in Central Norfolk by tenure (Source: DWP. Note: No breakdown by tenure is available for the period 2001-07 and data for 2007-08 was not published)



^{3.42} Considering the information on tenure, it is evident that the number of claimants in social rented housing increased from 28,600 to 30,500 over the period 2008-09 to 2015-16 – an increase of 1,900 families (7%). Over the same period the number of claimants in private rented housing also increased from 9,000 to 10,300 families – an increase of 1,300 families (14%). These numbers are however lower than the peak in 2012-13, when 32,300 social rented and 11,900 private renting families claimed housing benefit.

^{3.43} This increase in housing benefit claimants, in particular those living in private rented housing, coincides with the increases observed on the housing register in Central Norfolk during the period 2009 to 2012. Indeed, 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.

^{3.44} The information published by DWP provides the detailed information needed for understanding the number of households unable to afford their housing costs. Of course, there will be other households occupying affordable housing who do not need housing benefit to pay discounted social or affordable rents but who would not be able to afford market rents. Similarly there will be others who are not claiming housing benefit support as they have stayed living with parents or other family or friends and not formed independent households. However, providing that appropriate adjustments 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

- 3.45 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.
- 3.46 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 (March 2014), ID 2a-022

Current Unmet Need for Affordable Housing

- 3.47 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 (March 2014), ID 2a-024

- 3.48 Earlier sections of this chapter set out the past trends and current estimates for relevant households based on the data sources identified by PPG (using the start of the Plan period in 2011 as a reference that corresponds with census data, and the most up to date evidence where possible). 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

- 3.49 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.
- 3.50 Only a share of the households currently living in **overcrowded** housing (based on the bedroom standard) is 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.
- 3.51 **Our analysis 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). Student households living in private rented housing are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Central Norfolk.
- 3.52 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household, and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council has a range of statutory enforcement powers to improve housing conditions.
- 3.53 When considering **concealed families**, it is important to recognise that some will not want separate housing. For example, concealed families with older family representatives may 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 be experiencing affordability difficulties or other constraints (although not all will want to live independently).
- 3.54 **Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55** (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 3.55 The long term increase in concealed households aged under 55 is used in place of the total number of concealed households aged under 55 as this increase in need is a likely consequence of housing affordability problems. PPG identifies that this among other indicators “*demonstrate un-met need for housing*” and that “*longer term increase in the number of such households may be a signal to consider increasing planned housing numbers*” (ID 2a-019).

3.56 Therefore 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.**

3.57 Figure 58 sets out the assessment of current affordable housing need for Central Norfolk.

Figure 58: Assessing current unmet gross need for affordable housing in Central Norfolk (CLG returns, Census, EHS; Note: totals may not sum due to rounding)

	Affordable Housing		Increase in Overall Housing Need
	Gross Need	Supply	
Homeless households in priority need (see Figure 47)			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	106		106
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	60		
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	27	27	
Households accepted as homeless but without temporary accommodation provided	11		11
Concealed households (see Figure 48)			
Growth in concealed families with family representatives aged under 55	778		778
Overcrowding based on the bedroom standard (see Figure 53)			
Households living in overcrowded private rented housing	737		
Households living in overcrowded social rented housing	1,364	1,364	
Other households living in unsuitable housing that cannot afford their own home (see Figure 56)			
People who need to move on medical or welfare grounds, including grounds relating to a disability	2,809	304	
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)			
TOTAL	6,009	1,704	895

3.58 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 **6,009 households are in affordable housing need in Central Norfolk and 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).

3.59 Of these households, 1,704 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 4,305 households** (6,009 less 1,704 = 4,305) **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).

3.60 This number includes 895 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 transactional vacancies. Data provided through the 2011 Census identifies a vacancy

rate of 0.74% for affordable housing in Central Norfolk; therefore adding an additional allowance for vacancies this increases the need for overall housing provision by 902 dwellings.

- 3.61 Providing the net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of 3,410 households (6,009 less 1704 + 895) that are currently in affordable housing need who are unable to afford their own housing.

Projected Future Affordable Housing Need

- 3.62 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 (March 2014), ID 2a-025

- 3.63 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.
- 3.64 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.
- 3.65 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

- 3.66 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” (ID 2a-025); **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.
- 3.67 The affordability percentages in Figure 59 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 59: Assessing affordability by household type and age in Central Norfolk (Source: ORS Housing Model based on Census 2011 and DWP)

	Under 25	25-34	35-44	45-54	55-64	65+
Percentage unable to afford market housing						
Single person household	34%	19%	28%	30%	29%	26%
Couple family with no dependent children	13%	6%	10%	9%	8%	12%
Couple family with 1 or more dependent children	58%	31%	16%	12%	13%	28%
Lone parent family with 1 or more dependent children	82%	79%	56%	42%	46%	65%
Other household type	14%	17%	27%	22%	22%	12%

Components of Projected Household Growth

- 3.68 PPG identifies that the CLG household projections “should provide the starting point estimate for overall housing need” (ID 2a-015). **However, when considering the number of newly arising households likely to be in affordable housing need,** the PPG recommends a “gross annual estimate” (ID 2a-025) suggesting that “the total need for affordable housing should be converted into annual flows” (ID 2a-029).
- 3.69 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 5-year age cohorts, it is appropriate to annualise the data using 5-year periods.

3.70 Figure 60 shows the individual components of annual household growth.

Figure 60: Components of average annual household growth by 5-year projection period in Central Norfolk (Source: ORS Housing Model) Note: figures may not sum due to rounding

	Annual average based on 5-year period				Remaining Period 2035-36	Annual average 2015-36
	2015-20	2020-25	2025-30	2030-35		
New household formation	5,936	5,941	6,144	6,322	6,421	6,102
Household dissolution following death	4,846	4,968	5,253	5,694	5,990	5,228
Net household growth within Central Norfolk	+1,090	+973	+891	+628	+431	+873
Household migration in	15,488	15,820	16,171	16,629	16,886	16,068
Household migration out	13,774	14,224	14,616	15,099	15,361	14,473
Net household migration	+1,714	+1,595	+1,555	+1,530	+1,525	+1,595
Total household growth	+2,804	+2,569	+2,446	+2,157	+1,957	+2,468

3.71 Over the initial 5-year period (2015-20) the model shows that:

- » There are projected to be 5,936 new household formations each year; but this is offset against 4,846 household dissolutions following death – so there is an **average net household growth of 1,090 households** locally in Central Norfolk;
- » There are also projected to be 15,488 households migrating to Central Norfolk offset against 13,774 households migrating away from the area – which yields an **increase of 1,714 households attributable to net migration**;
- » The total household growth is therefore **projected to be 2,804** (1,090 plus 1,714 - figures do not sum exactly due to rounding) **households each year** over the initial 5-year period of the projection.

3.72 During the course of the full 21 year projection period, annual net household growth is projected to decrease (from a gain of 2,804 households in 2015-20 to a gain of 1,957 households in 2035-36. This coincides with a larger number of household dissolutions in later years (consistent with a larger number of deaths). Net household migration is projected to also reduce over the full period.

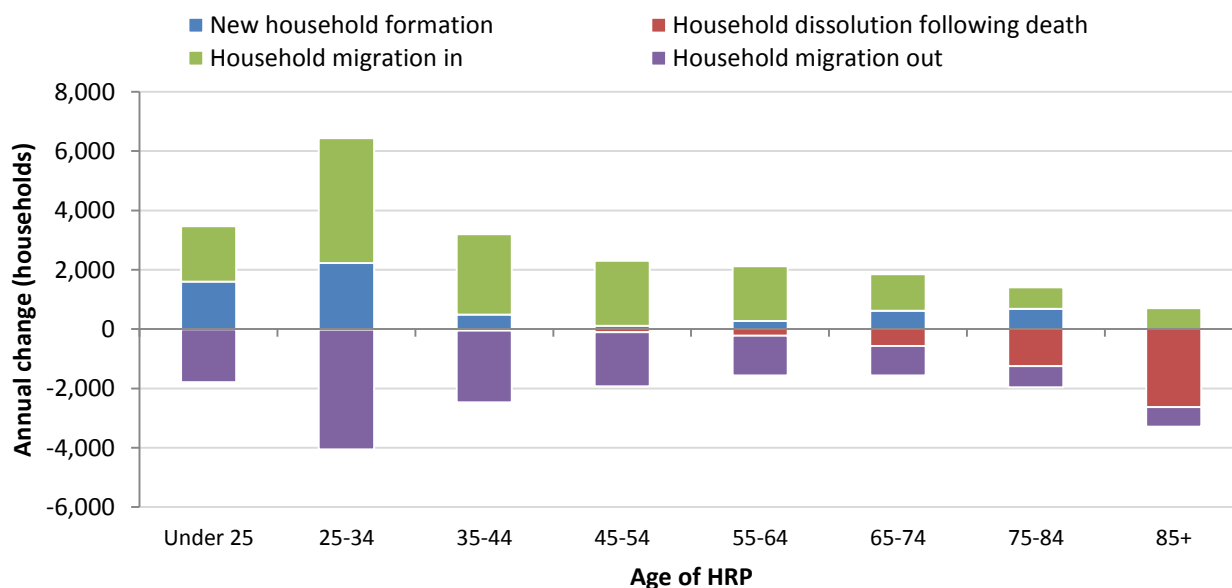
3.73 Over the 21-year period 2015-36, total **household growth averages 2,468 households** each year.

Change in Household Numbers by Age Cohort

3.74 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 2,804 new households projected to form in Central Norfolk each year over the initial 5-year period 2015-20 (Figure 60) alongside the detailed information about household affordability (Figure 59).

3.75 Figure 61 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 61: Annual change in household numbers in each age cohort by age of HRP in Central Norfolk (Source: ORS Housing Model)



3.76 **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.**

3.77 The Model identifies that 25% of all newly forming households are unable to afford their housing costs, which represents 1,512 households each year (Figure 62). The Model shows that a smaller proportion of households migrating to the area are unable to afford (23%), which represents 3,559 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 5,071 new households each year who are unable to afford their housing costs.**

Figure 62: Affordability of new households over the initial 5-year period 2015-20 in Central Norfolk (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,937	4,422	1,512	25%
Households migrating in to the area	15,488	11,930	3,559	23%
All new households	21,423	16,351	5,071	24%

3.78 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” (ID 2a-029), **but this over-simplifies what is a very complex system.**

3.79 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 their housing costs at a later date – for example:

- » Two newly formed single person households may both be unable to afford housing, but together they might create a couple household that can afford suitable housing;
- » Similarly, not all households that are unable to afford housing are allocated affordable housing;

- » Some will choose to move to another housing market area and will therefore no longer require affordable housing.

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

3.81 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.

3.82 Considering those components of household change which reduce the number of households resident in the area, the Model identifies **4,847 households are likely to dissolve** following the death of all household members. Many of these households will own their homes outright; however 20% are unable to afford market housing: most living in social rented housing.

3.83 When considering **households moving away** from Central Norfolk, the Model identifies that an average of 13,775 households will leave the area each year including 3,400 who are unable to afford their housing costs. Some will be leaving social rented housing, which will become available for another household needing affordable housing. Whilst others will not vacate a social rented property, those unable to afford their housing costs will have been counted in the estimate of current need for affordable housing or at the time they were a new household (either newly forming or migrating in to the area). Whilst some of these households might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available, given that these households are likely to move from the HMA it is appropriate that their needs are discounted to ensure consistency with the household projections used to establish overall housing need.

3.84 Figure 63 summarises the total household growth. This includes the 5,071 new households on average each year who are unable to afford their housing costs, but offsets this against the 4,374 households who will either vacate existing affordable housing or who will no longer constitute a need for affordable housing in Central Norfolk (as they have moved to live elsewhere).

Figure 63: Components of average annual household growth 2015-20 in Central Norfolk (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	5,937	4,422	1,512	25%
Households migrating in to the area	15,488	11,930	3,559	23%
All new households	21,423	16,351	5,071	24%
Household dissolutions following death	4,847	3,872	976	20%
Households migrating out of the area	13,775	10,374	3,400	25%
All households no longer present	18,621	14,246	4,374	23%
Average annual household growth 2015-36	2,804	2,104	698	25%

3.85 Overall, the Model projects that household growth will yield a net increase of 698 households on average each year (over the period 2015-20) that are unable to afford their housing, which represents 25% of the 2,804 overall annual household growth for this period.

Projecting Future Needs of Existing Households

- 3.86 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” (ID 2a-025). 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 **901 established households fall into need each year** in Central Norfolk. This represents a rate of 3.2 per 1,000 households falling into need each year.
- 3.87 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 59 showed that for those aged 25 to 34, the proportions were 19% and 6% 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 59 showed that 31% of couple families aged 25 to 34 with dependent children could not afford housing, compared to 16% of such households aged 35 to 44.
- 3.88 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 966 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 3.5 per 1,000 households climbing out of need each year.
- 3.89 Therefore, considering the overall changing needs of existing households, **there is an average net reduction of 64 households** (966 less 901 = 64. N.B. not 65 as these are rounded figures) **needing affordable housing each year**.

Projecting Future Affordable Housing Need (average annual estimate)

^{3.90} Figure 64 provides a comprehensive summary of all of the components of household change that contribute to the projected level of affordable housing need. More detail on each is provided earlier in this Chapter.

Figure 64: Components of average annual household growth 2015-20 in Central Norfolk (Source: ORS Housing Model) Note: Columns 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	5,937	4,422	1,512	25%
Households migrating in to the area	15,488	11,930	3,559	23%
All new households	21,423	16,351	5,071	24%
Household dissolutions following death	4,847	3,872	976	20%
Households migrating out of the area	13,775	10,374	3,400	25%
All households no longer present	18,621	14,246	4,374	23%
Average annual household growth 2015-20	2,804	2,104	698	25%
Existing households falling into need	-	-901	901	100%
Existing households climbing out of need	-	966	-966	0%
Change in existing households	-	64	-64	-
Average annual future need for market and affordable housing 2015-20	2,804	2,169	634	23%

^{3.91} Overall, there is a projected need from 5,071 new households who are unable to afford their housing costs (1,512 newly forming households and 3,559 households migrating to the area); however, 4,374 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 698 households.

^{3.92} Considering the needs of existing households, there are 901 households expected to fall into need each year (a rate of 3.2 per 1,000 households) but this is offset against 966 households whose circumstances are projected to improve. There is, therefore, an **average net reduction of 64 existing households that need affordable housing each year.**

^{3.93} Based on the needs of new households and existing households, there is a projected increase of 634 households each year on average for the initial period 2015-2020 who will need affordable housing (698 less 64).

^{3.94} Using the approach outlined above for the initial 5-year period of the projection, the Model considers the need for affordable housing over the full period 2015-36. The Model identifies that **the number of households in need of affordable housing will increase by 17,252 households over the period 2015-36**, equivalent to an annual average of 821 households per year. This represents 32.7% = 17,252/52,730) of the total household growth projected based on demographic trends.

Assessing the Overall Need for Affordable Housing

^{3.95} Figure 65 brings together the information on assessing the unmet need for affordable housing in 2015 and the future affordable housing need arising over the 21-year period 2015-36.

Figure 65: Assessing total need for market and affordable housing in Central Norfolk (Source: ORS Housing Model)

	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
Unmet need for affordable housing in 2015 (see Figure 58)			
Total unmet need for affordable housing	-	6,009	6,009
Supply of housing vacated	3,410	1,704	5,114
Overall impact of current affordable housing need	-3,410	4,305	895
Projected future housing need 2015-36			
Newly forming households	95,418	32,716	128,135
Household dissolutions following death	87,960	21,837	109,794
Net household growth within Central Norfolk	7,458	10,881	18,339
Impact of existing households falling into need	-21,757	21,757	-
Impact of existing households climbing out of need	22,168	-22,168	-
Impact of households migrating to/from the area	31,016	2,478	33,494
Future need for market and affordable housing 2015-36	38,888	12,947	51,835
Total need for market and affordable housing			
Overall impact of current affordable housing need	-3,410	4,305	895
Future need for market and affordable housing 2015-36	38,888	12,947	51,835
Total need for market and affordable housing	35,478	17,252	52,730
Average annual need for housing	1,690	821	2,511
Proportion of overall need for market and affordable housing	67.28%	32.72%	100.00%

^{3.96} Figure 58 estimated there to be **6,009 households in need of affordable housing at the start of the period in 2015**. However, as 1,704 of these already occupied an affordable home, our previous conclusion was therefore a net need from 4,305 households (6,009 less 1,704 = 4,305) who need affordable housing and do not currently occupy affordable housing.

^{3.97} The 21-year projection period 2015-36 then adopts the approach that was previously outlined for the initial 5-year period of the projection. The Model identifies that **the number of households in need of affordable housing will increase by 12,947 households over the period 2015-36**, alongside an increase of 38,888 households able to afford market housing.

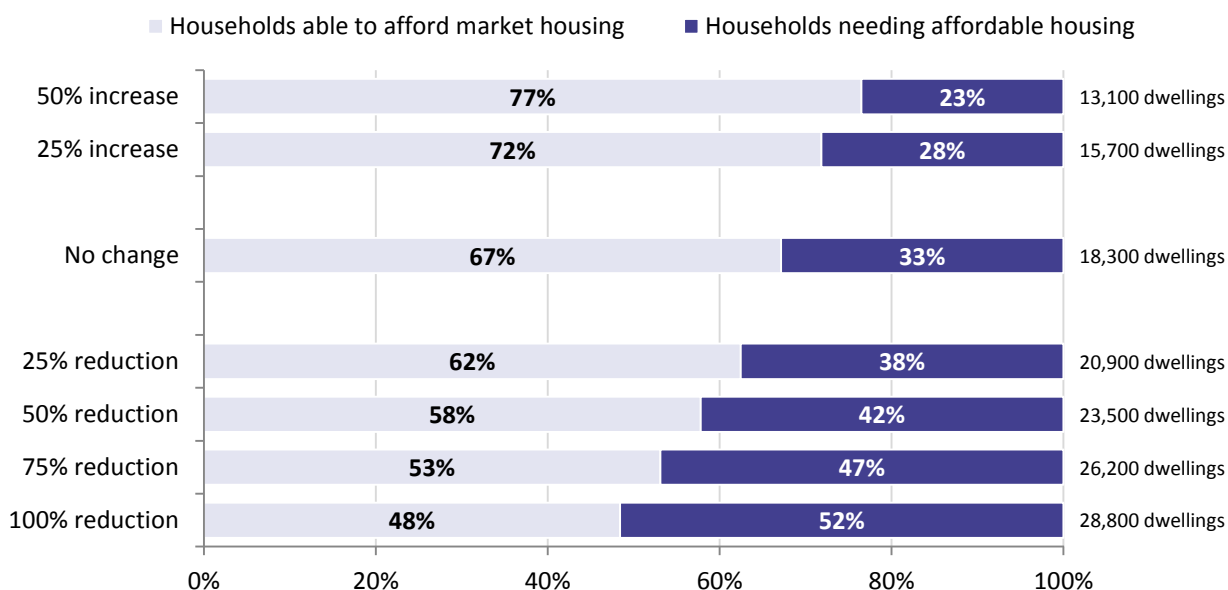
^{3.98} Overall, there will be a **need to provide additional affordable housing for 17,252 households** over the Plan period 2015-36 (32.7% of the projected household growth). This is equivalent to an average of **821 households** per year.

^{3.99} As previously noted, data from the Census identifies a vacancy rate of 0.74% for affordable housing in Central Norfolk, therefore adding an additional allowance for vacancies this identifies a total affordable housing need of **17,450 dwellings** in addition to the current stock, an average of **830 dwellings** per year. 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

- 3.100 The Model recognises **the importance of housing benefit and the role of the private rented sector**. The Model assumes that the level of housing benefit support provided to households living in the private rented sector will remain constant; however, this is a national policy decision which is not in the control of the Council.
- 3.101 It is important to note 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 housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 3.102 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 housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.
- 3.103 To sensitivity test this position, Figure 66 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector.
- 3.104 If no households were to receive housing benefit support in the private rented sector households in around 10,500 more dwellings would need affordable housing compared to the 'no change' scenario. 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 that are difficult to predict.

Figure 66: Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2015-36 and associated number of affordable dwellings



Conclusions

- 3.105 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 895 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 51,835 to 52,730 households (53,123 dwellings) over the remainder of the Plan period (2015-36); equivalent to an average of 2,511 households and 2,529 dwellings per year.**
- 3.106 **The housing mix analysis identified a need to provide 17,450 additional affordable homes over the remaining Plan period 2015-36 (an average of 830 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.
- 3.107 Providing sufficient affordable housing for all households that would otherwise be living in the private rented sector with housing benefit support would increase the need to around 28,800 affordable homes over the Plan period (1,371 each year); but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.

4. Objectively Assessed Need

Analysing the evidence to establish overall housing need

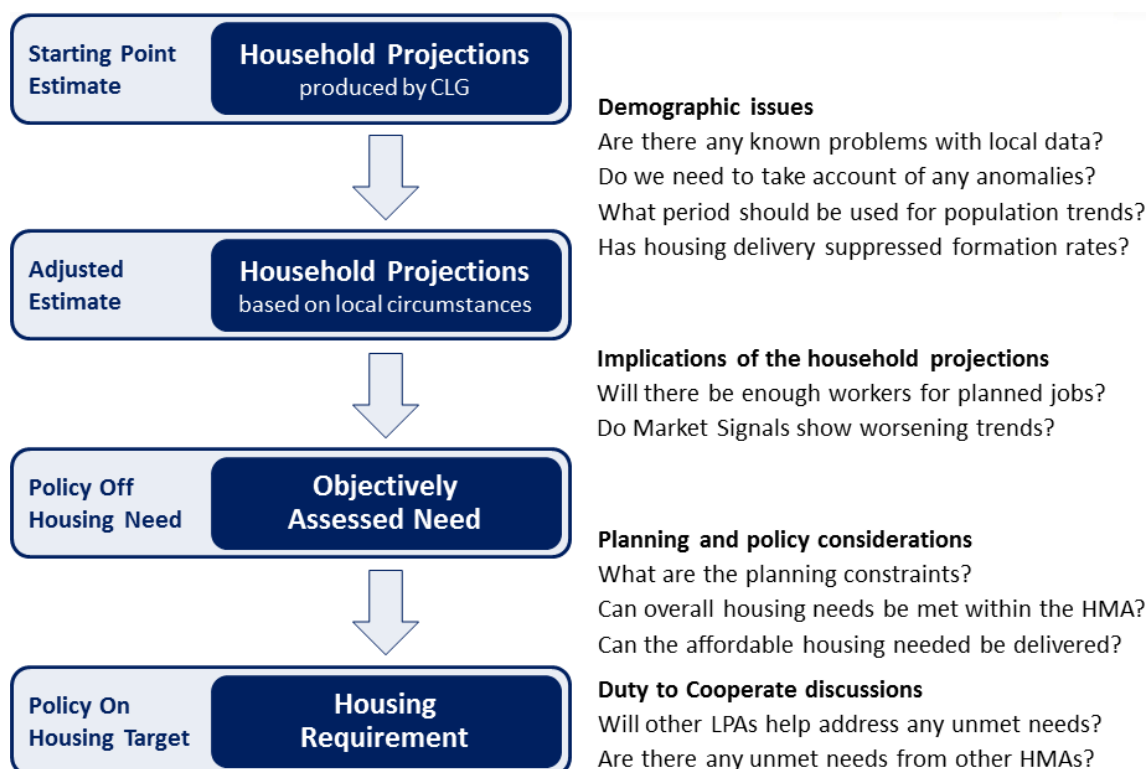
4.1 The primary objective of this study is to establish the Objectively Assessed Need (OAN) for housing. The OAN identifies the future quantity of housing that is likely to be needed (both market and affordable) in the Housing Market Area over future plan periods. It is important to recognise that the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

4.2 Figure 67 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 3 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 67: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG)



National Context for England

- 4.3 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).
- 4.4 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” (ID 2a-015 to 016).

Household Growth

- 4.5 The 2014-based CLG household projections show that the number of households in England will increase from 22.7 million to 28.0 million over the 25-year period 2014 to 2039. This represents a growth of 5.3 million households over 25 years, equivalent to an annual average of 210,300 households each year, and this provides the starting point estimate of overall housing need for England.
- 4.6 It should be noted that the annual average of 210,300 households is already much higher than current housing delivery: provisional data for England published by CLG for the period April 2015 to March 2016 identifies that construction started on 139,700 dwellings and 139,700 dwellings were also completed during the year. Therefore, to build sufficient homes to meet annual household growth would require housebuilding to increase by over 50% – so providing for household growth in itself would require a significant step-change in the number of homes currently being built.

International Migration

- 4.7 The 2014-based CLG household projections are based on the ONS 2014-based sub-national population projections. These projections identify an average net gain of 182,400 people each year due to international migration, and a net loss of 6,200 people each year from England to other parts of the UK. Therefore, the 2014-based projections are based on net migration averaging 176,100 people each year.
- 4.8 However, these estimates for future international migration may be too low. Oxford University research (March 2015) showed net international migration to be 565,000 people over the 3-year period 2011-14, an average of 188,300 per annum; and net migration to England averaged 211,200 people annually between the Census in 2001 and 2011. Both figures suggest that the 2014-based SNPP may underestimate international migration, which would have knock-on implications for projected population growth.
- 4.9 As previously noted, longer-term projections typically benefit from longer-term trends and therefore ORS normally 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 people each year: 35,100 people higher than assumed by the 2014-based SNPP, which represents an additional 15,400 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 210,300 households to 225,700 households each year on average.

Market Signals

- 4.10 The NPPF also sets out that *“Plans should take account of market signals, such as land prices and housing affordability”* (ID 2a-017) and PPG identifies that *“the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals”*.
- 4.11 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 *“longer term increase in the number of such households may be a signal to consider increasing planned housing numbers”* (ID 2a-019).
- 4.12 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.
- 4.13 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 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.
- 4.14 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 2014-39 (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 229,200 each year.

Converting to Dwellings

- 4.15 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 229,200 households would require the provision of **239,500 dwellings each year across England**. This is the average number of dwellings needed every year over the 25-year period 2014-39 and represents a 1.0% increase in the dwelling stock each year.
- 4.16 This takes account of household growth based on CLG 2014-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.

- 4.17 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 239,500 dwellings requires current housebuilding rates to increase by 71%** (based on dwelling starts in 2015-16).
- 4.18 Development industry campaigners (such as Homes for Britain¹⁵) are supporting a position which requires 245,000 homes to be built in England every year, a figure derived from the Barker Review (2004)¹⁶. 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 is consistent with 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

- 4.19 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 Central Norfolk. Essentially, therefore, this section is concerned with:
- » CLG 2014-based household projections (the starting point);
 - » Migration adjustments, based on 10-year 2005-15 longer-term migration trends;
 - » Market signals, including an uplift for concealed families;
 - » Converting from household growth to a requirement for dwellings, taking account of vacancies and second homes.
- 4.20 In addition, we consider employment trends and the relationship between the jobs forecast and projected number of workers.

CLG Household Projections

- 4.21 The “starting point” estimate for OAN is the CLG household projections, and the latest published data is the 2014-based projections for period 2015-36. These projections suggest that household numbers across the study area will increase by 51,707 over the 21-year period 2015-36, an average of 2,462 per year.
- 4.22 However, the notes accompanying the CLG Household Projections explicitly state that:
- The 2014-based household projections are linked to the Office for National Statistics 2014-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.***
- 4.23 The ONS 2014-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 2009-2014. Short-term migration trends are generally not appropriate for long-term planning, as they risk rolling-forward rates that are

¹⁵ <http://www.homesforbritain.org.uk>

¹⁶ http://webarchive.nationalarchives.gov.uk/+/http://www.hmtreasury.gov.uk/barker_review_of_housing_supply_recommendations.htm

unduly high or unduly low. Projections based on long-term migration trends are likely to provide a more reliable estimate of future households.

Adjustments for Local Demography and Long-term Migration

- 4.24 ORS have calculated household projections using 10-year migration trends, based on information from recent mid-year estimate data for the period 2005-15. This scenario shows that household numbers across the study area would increase by an average of 2,468 per year (based on trends for the period 2005-15) over the 21-year Plan period 2015-36.
- 4.25 It is essential that the demographic projections are based on accurate estimates of past trends if they are to provide a robust basis on which to plan future housing need; therefore, consistent with PPG, the SHMA takes full account of these “*factors affecting local demography*” through developing independent household and population projections.
- 4.26 The long-term migration trends normally provide the most robust and reliable basis for projecting the future population. Given this context, we have based the analysis of overall housing need on migration trends from the 10-year period 2005-15.
- 4.27 On the basis of 10-year migration trends based on the period 2005-2015, **household numbers across the study area are projected to increase by 51,835 households over the 21-year period 2015-36, an average of 2,468 per year. Providing for an annual increase of 2,468 households yields a housing need of 2,612 dwellings each year.**

Affordable Housing Need

- 4.28 The SHMA has undertaken a comprehensive analysis of the existing unmet need for affordable housing. 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 895 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 51,835 to 52,730 households (53,123 dwellings) over the remainder of the Plan period (2015-36); equivalent to an average of 2,511 households and 2,657 dwellings per year.**
- 4.29 **The housing mix analysis identified a need to provide 17,450 additional affordable homes over the remaining Plan period 2015-36 (an average of 830 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. Figure 83 provides a breakdown of properties required by size and tenure.
- 4.30 Providing sufficient affordable housing for all households that would otherwise be living in the private rented sector with housing benefit support would increase the need to around 28,800 affordable homes over the Plan period (1,371 each year); but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.

Need for Older Person Housing

- 4.31 The SHMA has identified that the institutional population is likely to increase by around 3,909 people over the period 2015-36 (Figure 45). This increase in institutional population is a consequence of the CLG approach to establishing the household population¹⁷, which assumes “that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s” on the basis that “ageing population will lead to greater level of population aged over 75 in residential care homes”.
- 4.32 However, it does not necessarily follow that all of the increase in institutional population should be provided as additional bedspaces in residential institutions in Use Class C2; some of the specialist older person housing may be more appropriate for their needs.

Market Signals

- 4.33 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 (ID 2a-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 (ID 2a-020)

Planning Practice Guidance (March 2014), ID 2a-019/020

- 4.34 The Market Signals include:
- » Land and house prices;
 - » Rents and affordability;
 - » Rate of development; and
 - » Overcrowding.
- 4.35 Furthermore, there are other issues that should be considered, for example the macro-economic climate (PAS OAN technical advice note, para 5.22). There are also wider market trends and drivers to consider. A full range of market signals are reviewed and their implications are considered especially where these may indicate undersupply relative to demand and the need to deviate from household projections.
- 4.36 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.

¹⁷ Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

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.

Planning Practice Guidance (March 2014), ID 2a-020

- 4.37 To identify areas with similar demographic and economic characteristics to Central Norfolk, we have analysed a range of comparative data. The data identified that Greater Ipswich (Babergh, Ipswich, Mid Suffolk and Suffolk Coastal), Greater Lincoln (Lincoln, North Kesteven and West Lindsey) and Greater Exeter (East Devon, Exeter, Mid Devon, Teignbridge and West Devon) have demographic and economic characteristics that are similar to Central Norfolk; therefore, in considering market signals, we have considered these areas as appropriate comparators and compared them against Central Norfolk.

House Prices

- 4.38 House prices in the UK have been relatively volatile in the past 10 years. Prices increased by 8.7% in the 12 months to June 2016¹⁸; prices rose fastest in the East of England (14.3%), London (12.6%), and the South East (12.3%).
- 4.39 The average UK house price was £214,000 in June 2016 compared to the peak of the previous high of £190,000 in the three months August to October 2007, which was overtaken in 2014. Average house price trends 2006 - 2016 as demonstrated by the House Price Index (HPI) show the price divergence between London and the rest of the UK.

Figure 68: Annual house price rates of change, UK all dwellings 2004-2016 (Source: Regulated Mortgage Survey. Note: Not seasonally adjusted)

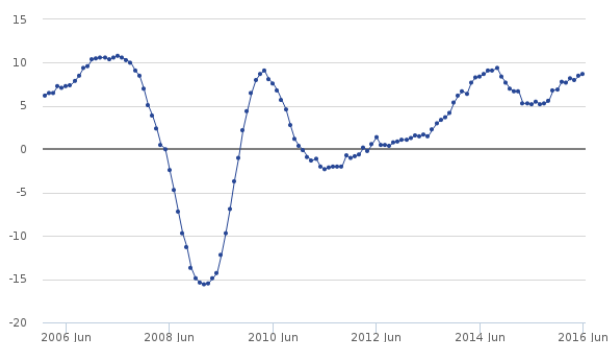
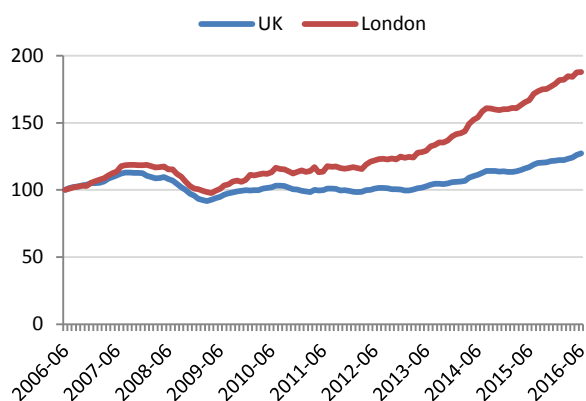


Figure 69: UK and London House Price Index 2008-2016 (Source: ONS)



- 4.40 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:

¹⁸ <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/june2016>

“The underlying dynamic of the housing market reflects a chronic shortage of housing supply, which the Bank of England can’t tackle directly.

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.”

- 4.41 These concerns remain. The Financial Policy Committee (FPC) Financial Stability Report July 2016¹⁹ states:

“The FPC is alert to risks arising from household indebtedness. Survey evidence on the housing market has been difficult to interpret in recent months because of the impact of the pre-announced increase in stamp duty, which boosted activity in March and has dampened activity in April and May. Nevertheless, in advance of the referendum, there was evidence that uncertainty about the outcome was contributing to a slowdown in housing activity. For example, the May RICS survey of chartered surveyors reported a sharp decline in new buyer enquiries ... to their lowest level since 2008. In the period since the referendum, the average share price of the largest home construction firms has declined by 25%, compared with a 2% rise in the FTSE All-Share index”

- 4.42 The FPC also states concern about the effects of rapid growth in the buy-to-let sector:

“The stock of buy-to-let lending grew by 12.3% in the year to 2016 Q1. Activity fell off sharply in April, such that buy-to-let mortgage lending for house purchase was 85% lower than in March.”

- 4.43 The risk centres on the possibility of buy-to-let investments *“amplifying cycles in the housing market as a whole”* which *“could put upward pressure on household indebtedness in an upswing and have an impact on consumption and broader economic activity in a downturn.”*

- 4.44 The RICS UK Residential Market Survey²⁰ is updated monthly. While there are many uncertainties following the June 2016 referendum, the July 2016 Survey gives an early indication of the direction of prices in the short to medium term, and reports an increase in optimism among respondents:

“the net balance of those expecting prices to increase over the year ahead rising from zero to +23%. Even so, this still represents a significant softening compared to six months ago, when +66% more surveyors anticipated rising prices. For the second month running, the regional breakdown shows London and East Anglia are the only areas in which prices are expected to fall over the year ahead.”

¹⁹ <http://www.bankofengland.co.uk/publications/Pages/fsr/2016/jul.aspx>

²⁰ <http://www.rics.org/uk/knowledge/market-analysis/rics-residential-market-survey/>

- 4.45 Overall respondents to the Survey expect prices to rise over the medium term, with higher rises in London compared to the UK:

“London exhibits amongst the strongest projections over the medium term (three-month average), with respondents pencilling in around 4% growth, per annum, over the next five years. On the same basis, prices are expected to rise by close to 3% nationally.”

- 4.46 The Survey suggests that, currently, an “acute shortage of property for sale” could be underpinning prices.

Local House Prices

- 4.47 House price trends (2001-2016) are shown in Figure 70 based on lower quartile house prices. Of course, the value of money has also changed during this period, therefore Figure 71 shows data adjusted to take account of the impact of inflation. Therefore, the values in Figure 71 reflect real changes which have occurred since 2001 when removing the impact of background inflation.

Figure 70: House Price Trends: Lower Quartile Prices (Source: ONS. Note: HMA figures derived using population weighted average of Local Authority data)

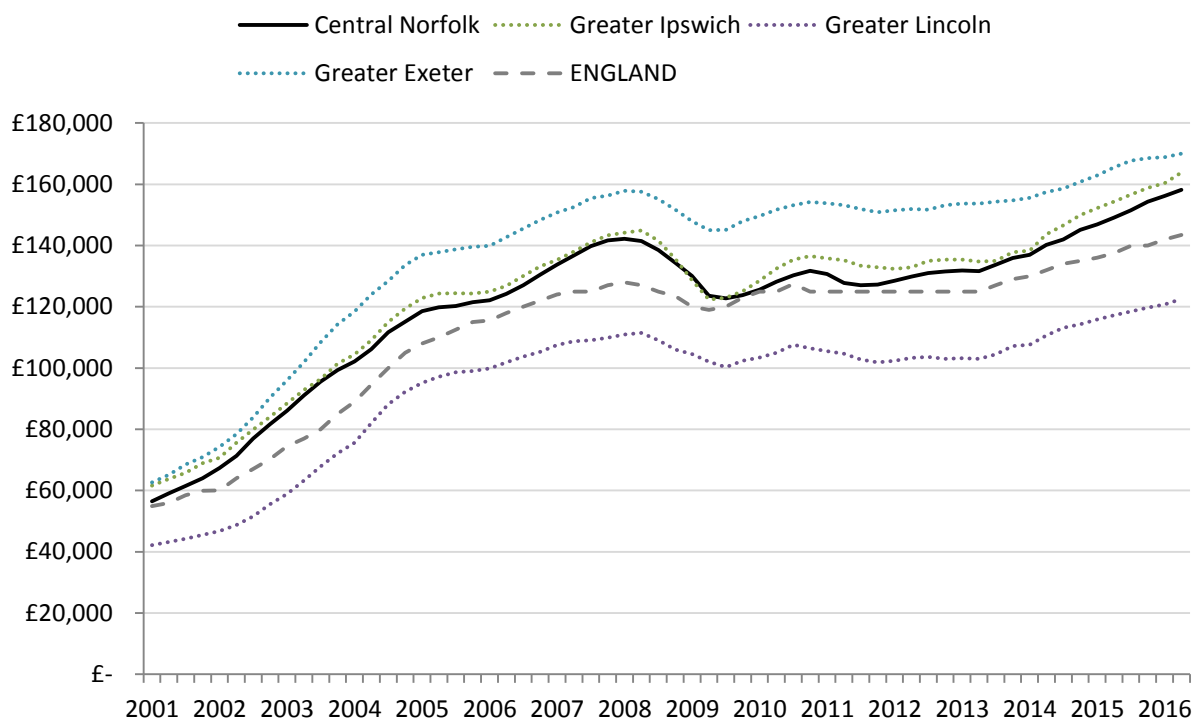
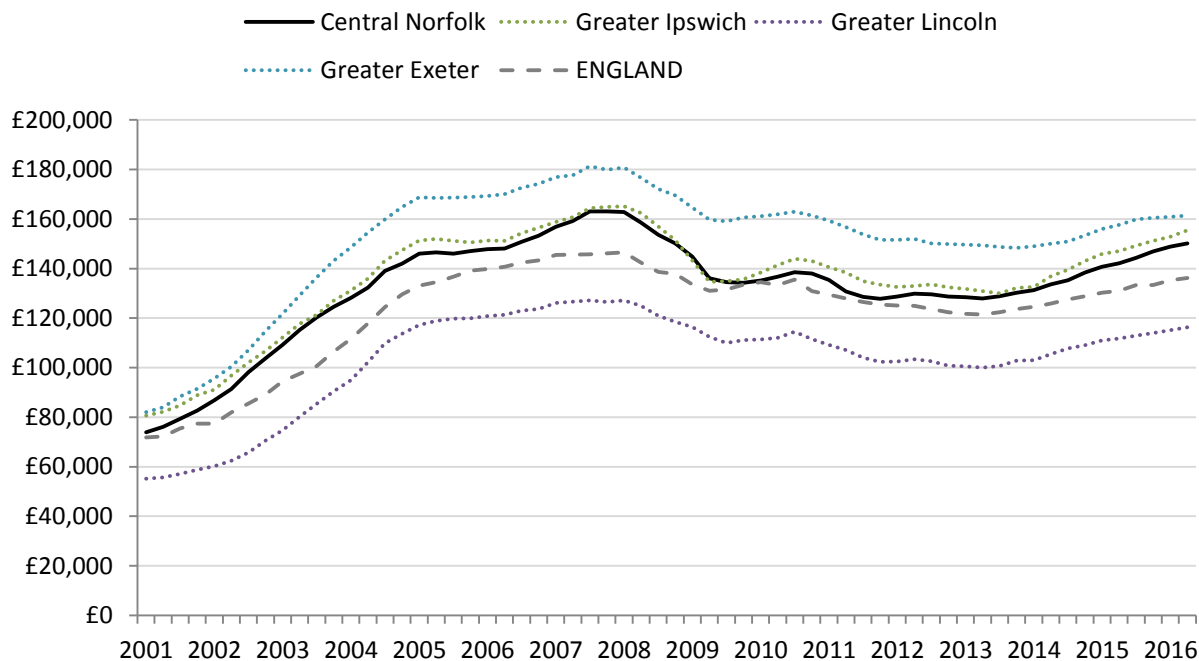


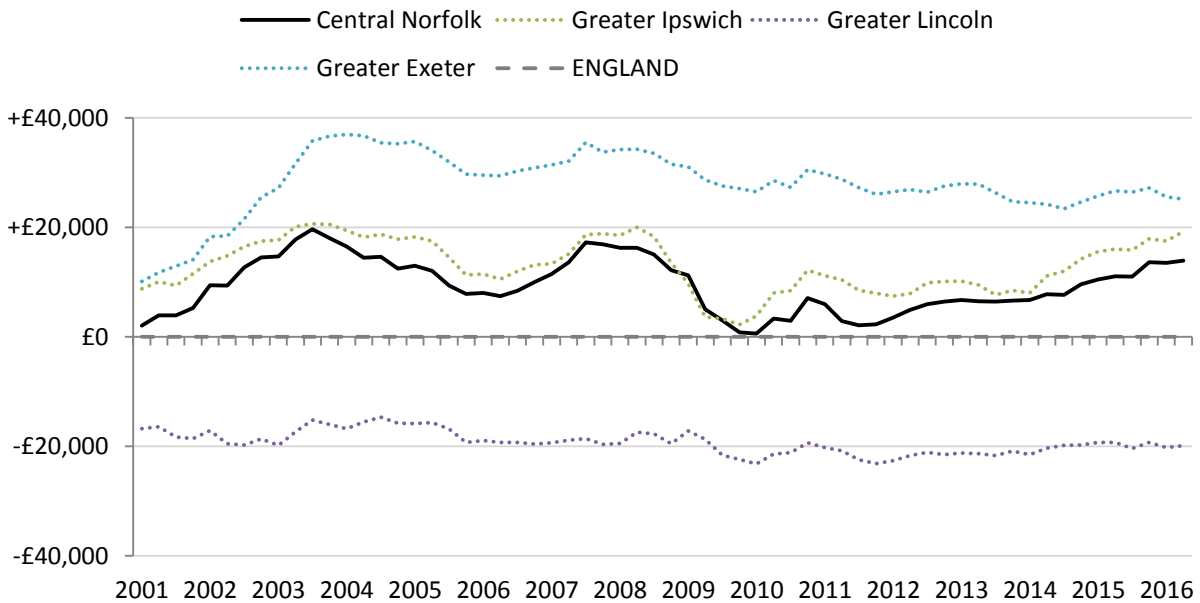
Figure 71: Real House Price Trends: Lower Quartile Prices adjusted to 2012 values using CPI (Source: ONS; Bank of England. Note: HMA figures derived using population weighted average of Local Authority data)



4.48 It is evident that real house prices across Central Norfolk increased substantially in the period 2001-2008 (from £73,900 to £162,800 at 2015 values, a real increase of 120%). Nevertheless, values reduced to £134,300 by the end of 2009 and further to £127,750 by the end of 2011, rising since then to £150,100.

4.49 Figure 72 shows how real house prices in Central Norfolk and the comparator areas have varied when compared with the English average. This shows that real house prices in Central Norfolk have fluctuated from being above to the English average over the period 2001 to 2008, falling to around the English average in 2009 then rising consistently since.

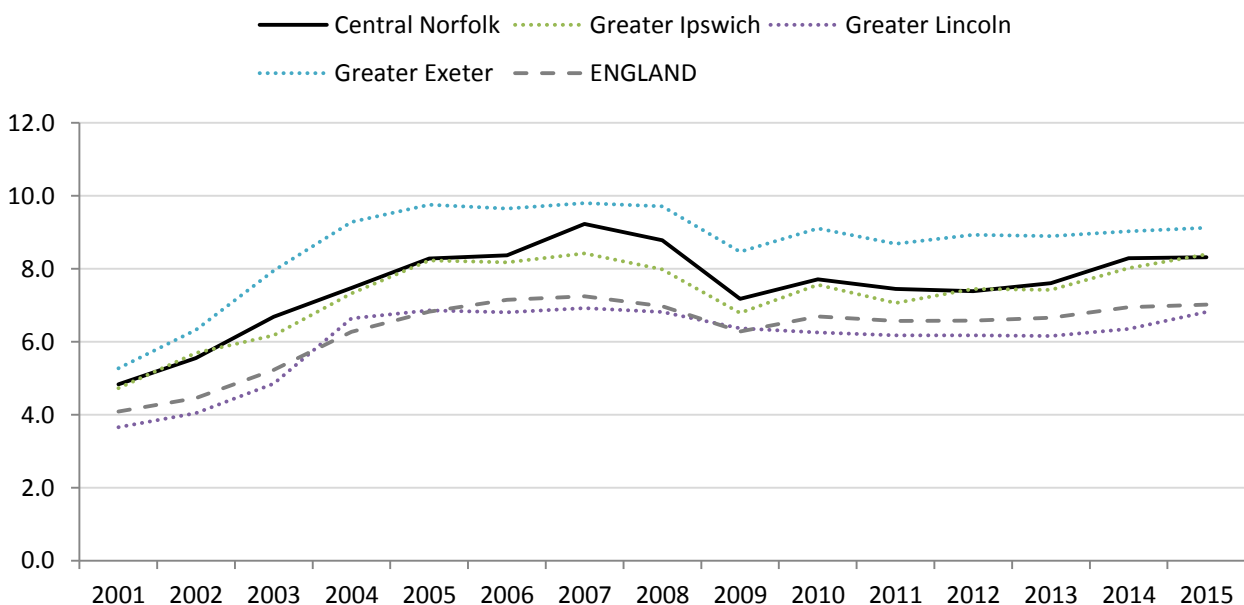
Figure 72: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2012 values using CPI (Source: ONS; Bank of England. Note: HMA figures derived using population weighted average of Local Authority data)



Affordability

^{4.50} Figure 73 below shows the ratio of lower quartile house price to lower quartile earnings in Central Norfolk and the comparator areas between 2001 and 2015. The shape of the long term trend over time for Central Norfolk is similar to comparator authorities with the multiplier for Central Norfolk fluctuating from 4.8 in 2001 to 9.2 in 2007, before reducing then increasing again to 8.3 in 2015.

Figure 73: Ratio of Lower Quartile House Price to Lower Quartile Earnings (Source: DCLG. Note: Ratios prior to 2013 are calculated using a different source of house price data, HMA figures derived using population weighted average of Local Authority data)



- 4.51 Of course, it is important to remember that affordability can be influenced by both supply side issues (e.g. lower housing delivery levels) and demand side issues (e.g. availability of mortgage finance).
- 4.52 It is generally recognised that the availability and affordability of mortgage finance in the early part of the last decade contributed to house price growth during this period. Borrowers were readily able to access mortgages with high Loan-to-value (LTV) rates (including rates of 100% or more) based on high income multipliers; with the associated interest rates being relatively low compared to previous years. Standard variable rate mortgages were typically around 8% in the late 1990s (having previously been much higher); but rates approached 5% by 2003 (when the Bank of England base rate was at 3.5%).

Private Rent

- 4.53 Private Rented Housing has become a significant part of the national housing offer; further, many households with housing need are now meeting those needs in the sector.
- 4.54 The English Housing Survey confirmed that more households in England rent from private landlords than councils or housing associations (4.3m cf. 3.9m in 2014-15). Given very limited new build private rent supply, sector growth is driven by conversion of existing owner occupied stock to private rent, either as individual homes or as Houses in Multiple Occupation (HMO).
- 4.55 The Institute of Mortgage Lenders Association (IMLA) forecasts suggest that the sector will continue to increase in size in coming years. More than a third of all households could rent privately within two decades – twice as many as today.

Figure 74: UK household tenure projections to 2032 (Source: DCLG/IMLA)

	Owner-occupied		Private rented		Social rented		Total units (thousands)
	units (thousan)	% of total	its (thousan	% of total	its (thousan	% of total	
2007	18,206	68.00%	3,606	13.50%	4,886	18.30%	26,698
2012	17,835	64.20%	4,920	17.70%	4,936	17.80%	27,691
2017f	17,445	61.10%	6,106	21.40%	4,996	17.50%	28,548
2022f	17,064	57.50%	7,578	25.50%	5,058	17.00%	29,700
2032f	16,326	49.20%	11,672	35.20%	5,182	15.60%	33,181

Private Rented Sector in Central Norfolk

- 4.56 Whilst the dominant form of housing tenure in Central Norfolk continues to be owner occupation, the sector has declined relatively by 3.1 percentage points since 2001. In the same period, the private rented sector has grown by 4.1 percentage points, a slightly lower relative rate than England. Affordable housing is also declining slightly relative to other tenures. Figure 75 shows each tenure with owner occupation as the darkest shade, private rent as the medium shade and social rent as the lightest shade.

Figure 75: Household Tenure by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free)



4.57 The rate of increase in the PRS is revealing: over the period 2001-11, the PRS sector in Central Norfolk has grown by 45%.

4.58 It is important to recognise that the private rented sector in Central Norfolk is growing via the conversion of other tenures rather than new build. PRS does not contribute significantly to new housing supply; there is, however, considerable current interest in attracting investment to boost new build PRS supply, particularly from Government²¹.

Private Sector Rents

4.59 Median rents have increased across most property sizes in Central Norfolk in the private rented sector over the period since 2013/14, suggesting that demand probably exceeds supply. For 2015-16, rents in Central Norfolk are lower than nationally across England and lower than the comparator area Greater Exeter. However they are higher than the comparator area Greater Lincoln and similar to comparator area Greater Ipswich. The upward trend would indicate that the sector still has growth potential both nationally and locally in Central Norfolk.

²¹ Review of the Barriers to Institutional Investment in Private Rented Homes; Montague Review

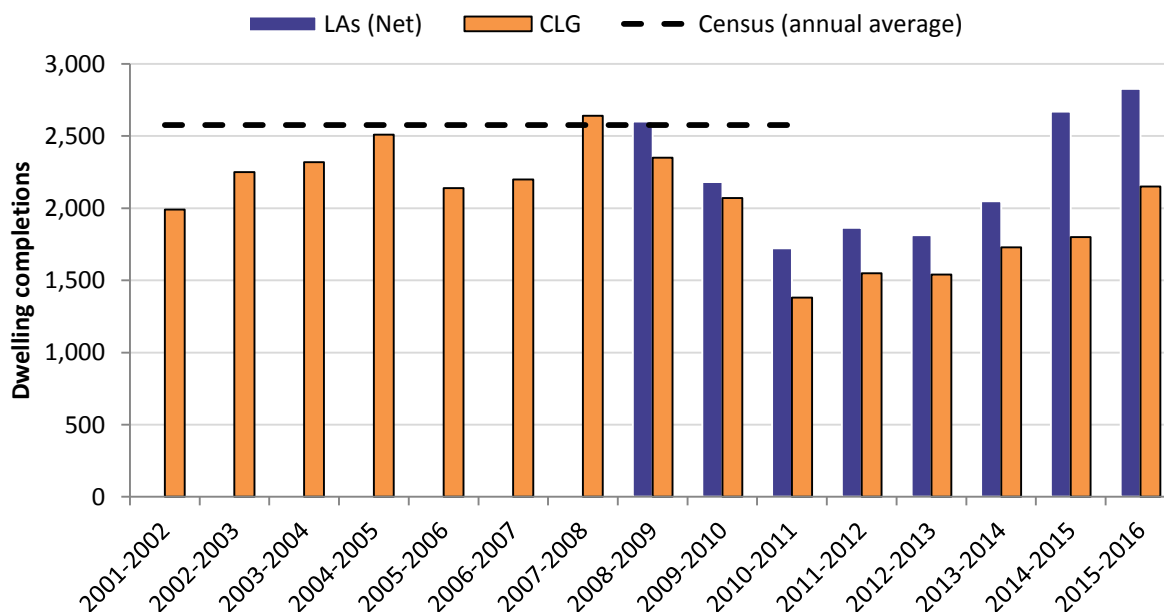
Figure 76: Median Monthly Rent Values (Source: Valuation Office Agency 2013-2016. Note: HMA figures derived using population weighted average of Local Authority data)

	April 2013- March 2014	April 2014- March 2015	April 2015- March 2016
Central Norfolk			
1 bedroom	£454	£458	£477
2 bedroom	£551	£559	£577
3 bedrooms	£662	£661	£683
4 or more bedrooms	£958	£909	£950
Greater Ipswich			
1 bedroom	£429	£449	£462
2 bedroom	£540	£560	£589
3 bedrooms	£637	£643	£698
4 or more bedrooms	£907	£929	£984
Greater Lincoln			
1 bedroom	£393	£401	£414
2 bedroom	£469	£461	£491
3 bedrooms	£540	£541	£555
4 or more bedrooms	£733	£726	£752
Greater Exeter			
1 bedroom	£491	£503	£497
2 bedroom	£621	£635	£628
3 bedrooms	£752	£754	£762
4 or more bedrooms	£1,146	£1,096	£1,189
England			
1 bedroom	£500	£525	£550
2 bedroom	£575	£595	£600
3 bedrooms	£650	£675	£695
4 or more bedrooms	£1,100	£1,175	£1,250

Housing Development

- ^{4.60} Census data shows that the number of unshared dwellings in Central Norfolk increased from 257,588 to 283,354 over the 10-year period 2001-11. This represents an increase of 25,766 dwellings, equivalent to 1% of the stock shown in the 2001 Census. However, these figures need to be treated with some caution.
- ^{4.61} Figure 77 compares the data from the Census against housing completions recorded in the data on housing completions published by CLG and data from Central Norfolk Local Authorities. The CLG data suggests an annual average of 2,041 additional dwellings over the period 2001-02 to 2015-16. The 2011 Census showed a growth of 2,577 dwellings per year since 2001.

Figure 77: Annual Housing Completions for Central Norfolk (Source: Central Norfolk Local Authorities Data; CLG Live Tables; Census 2001 and 2011)



4.62 In September 2016, The *Financial Times* reported that the official figures that the government uses for policymaking undercount construction. They reported that data drawn from local authorities' assessments for council tax purposes suggests that the official figures miss about 20 per cent of new construction. Data that records the number of energy performance certificates issued to newly-built homes suggests as many as a quarter of them may be missing from the official figures. **Therefore, reported completions should be treated with caution.**

Overcrowding

4.63 Overcrowding was considered in detail when establishing the need for affordable housing, and based on the bedroom standard we estimated that in 2015, 3,047 households were overcrowded in the HMA (Figure 53), including 946 owner occupiers, 737 households renting privately and 1,364 households in the social rented sector.

4.64 PPG also identifies a series of other factors to monitor alongside overcrowding, including concealed and sharing households, homelessness and the numbers in temporary housing:

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.

Planning Practice Guidance (March 2014), ID 2a-019

4.65 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

^{4.66} In terms of headline outputs, the market signals when compared to relevant comparator areas show:

Figure 78: Summary of Market Signals: Indicators Relating to Price (Note: Affordability Ratios prior to 2013 are calculated using a different source of house price data, HMA figures derived using population weighted average of Local Authority data)

		Central Norfolk	Greater Ipswich	Greater Lincoln	Greater Exeter	England
INDICATORS RELATING TO PRICE						
House prices						
Lower quartile house price	2015-16 price	£156,200	£160,400	£120,800	£168,800	£142,000
	Relative to England	+10%	+13%	-15%	+19%	-
	2010-11 price	£130,700	£135,800	£105,500	£153,800	£125,000
	5-year change	+19%	+18%	+15%	+10%	+14%
Affordability						
Lower quartile house price to earnings	2015 ratio	8.3	8.4	6.8	9.1	7.0
	Relative to England	+19%	+20%	-3%	+30%	-
	2010 ratio	7.7	7.6	6.3	9.1	6.7
	5-year change	+8%	+11%	+9%	+<1%	+5%
Rents						
Average monthly rent	2015-16 cost	£649	£650	£521	£720	£820
	Relative to England	-21%	-21%	-36%	-12%	-
	2010-11 cost	£580	£531	£491	£655	£694
	5-year change	+12%	+23%	+6%	+10%	+18%
INDICATORS RELATING TO QUANTITY						
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%	-
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%

^{4.67} 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 slightly higher than the national average, with a lower quartile price of £156,200 compared to England's £142,000 (based on 2015-16 prices). The current price in Central Norfolk is also higher than that for the comparator area of Greater Lincoln, but lower than comparator areas Greater Ipswich and Greater Exeter;
- » **Rents:** for average private sector rents in 2015-16, Central Norfolk is lower than the national average. It is also lower than the comparator area Greater Exeter. It is however higher than Greater Lincoln and at a similar rate to Greater Ipswich;

- » **Affordability** (in terms of the ratio between lower quartile house prices and lower quartile earnings) is higher in Central Norfolk than across England as a whole (8.3 cf. 7.0) and is also higher than the comparator area Greater Lincoln. It is however consistent with Greater Ipswich and at a lower rate than Greater Exeter. Affordability ratios have got “worse” since 2010, with the ratio in Central Norfolk increasing from 7.7 to 8.3, a change of 8%. This is a greater change than the equivalent rate for England, where the ratio increased from 6.7 to 7.0, a change of 5%;
- » **Rate of development** (in terms of increase in dwelling stock over the last 10 years) shows that rate of development in Central Norfolk has been around 20% higher than England (10.0% cf. 8.3%). This rate is also slightly higher than the comparator area Greater Exeter, however it is lower than comparator areas Greater Ipswich and Greater Lincoln;
- » **Overcrowding** (in terms of Census occupancy rates) shows that 4.1% of households in Central Norfolk are overcrowded based on an objective measure, which is lower than England (8.7%). The proportion of overcrowded households has increased over the last 10 years from 3.4% in 2001, a 19% change.

4.68 Given this context, it is apparent that the indicators generally indicate that housing market pressure in Central Norfolk are generally comparable to those in similar areas, with some being a little better and some a little worse. Overall, (and given that many of these areas show greater pressures than the national average - in particular the market signals relating to price), **conditions across Central Norfolk suggest that the level of Objectively Assessed Need for Central Norfolk should be higher than suggested by household projections.**

4.69 In terms of the 10% uplift that we have recommended this is consistent with responses that we have proposed across the country including:

- Cheshire East – 3%
- Bedford = 5%
- Luton and Central Bedfordshire = 10%
- Milton Keynes = 10%
- Stevenage and North Hertfordshire – 10%
- Buckinghamshire = 15%
- Outer North East London = 15%
- West Essex and East Herts = 20%
- Outer East London = 20%
- Camden = 20%

4.70 Of these figures, those for Cheshire East, Luton and Camden have been accepted through the Examination in Public of their Local Plans and the inspector’s report is due for the Stevenage Local Plan. The figures for Bedford, Central Bedfordshire and Uttlesford in West Essex have also been accepted at public inquiries in those areas.

4.71 **On balance, applying an uplift of 10% on the household projections would seem reasonable.** However, **the analysis of overcrowding** for the SHMA Update has already identified that the overall housing need should be increased by 953 dwellings to take account of **suppressed household formation rates, concealed families and homeless households** that would not be captured by the household projections.

- 4.72 **Having applied this specific adjustment of 953 dwellings as a response to market signals to take account of the identified un-met need for housing, the remaining uplift representing an uplift of 8.5% on the household projections.**

Employment Trends

- 4.73 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

Jobs and Workers

- 4.74 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.

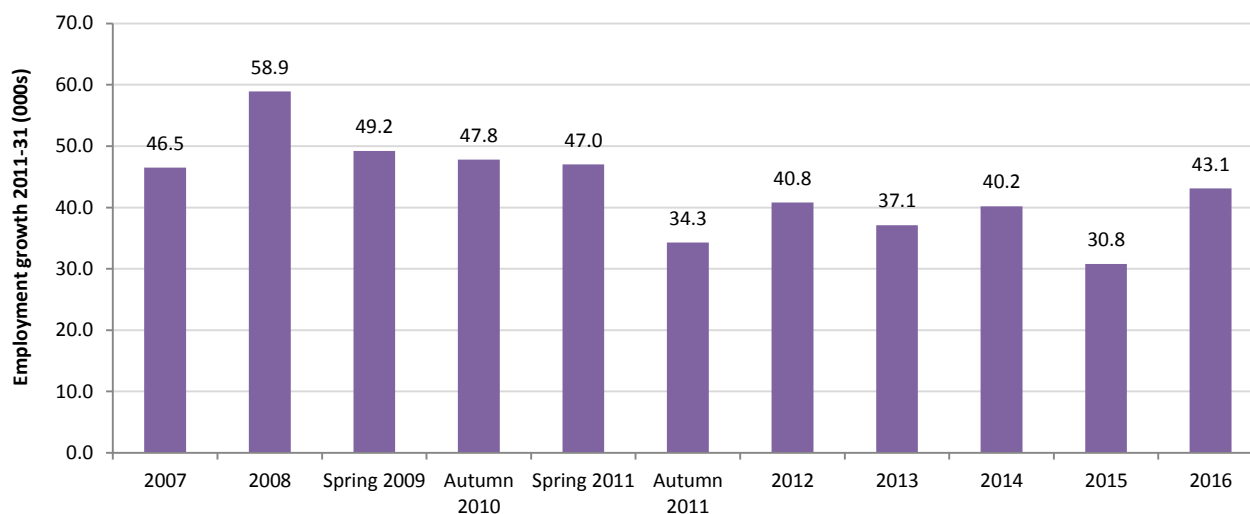
Planning Practice Guidance 2014, paragraph 18

East of England Forecasting Model (EEFM)

- 4.75 Forecasts of jobs growth have been regularly produced for each local authority in the East of England from the East of England Forecasting Model (EEFM). The EEFM was developed by Oxford Economics to project economic, demographic and housing trends in a consistent manner. It covers a wide range of variables, and is designed to be flexible so that alternative scenarios can be run. The model provides data at regional and sub-regional level, including counties, unitaries and district authorities. The most recent outputs (EEFM 2016) were published in January 2017.

4.76 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 79: Employment growth forecasts for Central Norfolk 2011-31 (Source: EEFM)



4.77 The EEFM (2016) forecast assumed that:

- » the **population** would increase from 633,200 to 728,000 people (an **increase of 94,800 people**);
- » the number of **households** would increase from 277,500 to 331,400 (an **increase of 53,900 households**);
- » the number of **dwellings** would increase from 291,600 to 348,200 (an **increase of 56,600 dwellings**);
- » all over the same 21-year period (2015-36).

4.78 These assumptions are very similar to **our principal projection** taken over 21 years which **suggested an increase of 55,807 dwellings** (800 lower than assumed by the EEFM).

4.79 As previously noted, the demographic analysis (based on 10-year migration trends) identified that on the basis of providing the 55,807 additional dwellings over 21 years, it is likely that the economically active population would increase by 40,558 people (around 1,930 per year on average). In addition, the number of unemployment benefit claimants recorded by DWP reduced by around 1,660 over the period March 2015 to March 2016, which also increases the number of available workers.

4.80 Taken together, these figures suggest that the number of available workers will increase by around 42,200 over the 21-year period 2015-36 (without any further reduction in unemployment), equivalent to an average of around 2,010 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 40,558 workers projected to live in the area over 21 years (based on demographic projections using long-term migration trends) and the 1,660 unemployed people that have returned to work during the period, we would expect that around 36,300 (88.8%) would work locally and around 4,700 (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 4,700 over the 21-year period 2015-36.

- » **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 28,900 (900 per annum from the EEFM for 21 years) is likely to draw in around 2,660 (9.2%) additional in-commuters; leaving around 26,200 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 2,040 workers.

- ^{4.81} 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 311,100 jobs in the HMA in 2015, the number of workplace employed people was 297,800. Given that the jobs number was 4.5% higher than the number of workers, we can conclude that 4.5% 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 26,200 additional jobs would need an extra 25,100 workers living in Central Norfolk.
- ^{4.82} When these factors are properly considered, we can conclude that the demographic projections (without any uplift for market signals) would provide 36,300 extra workers locally whereas 25,100 extra workers would be needed. **There is therefore a surplus of 11,200 workers based on the increase in jobs that is currently forecast by the EEFM.** However, we would note that the current Greater Norwich JCS has a jobs target which is more optimistic than the current EEFM forecast for Norwich, Broadland and South Norfolk. This would give a much lower surplus of workers and this is a point we will return to later in the report when considering the City Deal for Greater Norwich.
- ^{4.83} The impact of the uplifts is shown in Figure 80. As can be seen, uplifts are not cumulative because providing an additional dwelling for concealed families is responding to the same market signals as those covering affordability and overcrowding. Therefore, only one response is required for market signals.

Figure 80: Projected households and dwellings over the 21-year period 2015-36: policy-off, excluding 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)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk	Total for the 5 LAs
Demographic starting point: CLG household projections 2015-36	10,744	7,964	8,140	10,824	14,035	51,707
Baseline household projections taking account of local circumstances	10,588	7,254	6,746	13,120	14,127	51,835
Allowance for transactional vacancies and second homes: based on dwellings without a usually resident household	568	210	1,055	702	484	3,019
Dwellings	11,156	7,464	7,801	13,822	14,611	54,854
Adjustment for suppressed household formation rates: concealed families and homeless households	294 + 16 = 310	165 + 5 = 170	162 + 25 = 187	147 + 8 = 155	127 + 4 = 131	895 + 58 = 953
Baseline housing need based on demographic projections	11,466	7,634	7,988	13,977	14,742	55,807
Further adjustments needed...	In response to balancing jobs and workers:	0	0	0	0	0
	In response to market signals	1,116 – 310 = 806	746 – 170 = 576	780 – 187 = 593	1,382 – 155 = 1,227	1,461 – 131 = 1,330
Combined impact of the identified adjustments	806	576	593	1,227	1,330	4,532
Full Objectively Assessed Need for Housing 2015-36	12,272	8,210	8,581	15,204	16,072	60,339

The Broads Authority Executive Area

^{4.84} To this point the figures for the Broads Authority Executive Area 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.

^{4.85} 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 people per year. The population projections can then be converted to household projections by using the weighted average headship rates for the Central Norfolk area.

- 4.86 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 dwellings per annum. However, as is shown in Figure 81 the projected dwelling requirement for the Broads is 287 for the period 2015-36 using long-term migration trends. 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 Executive Area. When dealing with low figures such as these, a small change will have a relatively large impact.
- 4.87 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 people per annum who need around 12 dwellings per annum. They are very low numbers, but reflect the age profile of the population.
- 4.88 It is also possible to calculate the OAN for the Broads by local authority area. Some of the Broads Authority Executive Area falls in Great Yarmouth and Waveney, which are outside of the Central Norfolk area. Figure 81 shows the distribution of the OAN by local authority area. Taking an example of North Norfolk, 70 dwellings identified are being needed in the Broads Authority Executive Area within North Norfolk over the period 2015-36. 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 81: Projected Dwellings needed for the Broads by Local Authority: policy-off, excluding 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)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk	Great Yarmouth	Waveney
ORS Model Using Long-term migration trends	0	50	70	3	40	66	57

- 4.89 Figure 82 shows the OAN for different sub-geographies across the HMA, including The Core area, the NPA, Greater Norwich, The Broads and Central Norfolk functional HMA.

Figure 82: Projected Dwellings needed for Different Sub-Geographies: policy-off, excluding 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)

	Core	NPA	Greater Norwich	The Broads	Central Norfolk Functional HMA	5 LA Total
Demographic starting point: CLG household projections 2015-36	25,660	25,380	32,823	-	47,043	51,707
Baseline household projections taking account of local circumstances	26,968	26,675	34,501	195	47,479	51,835
Allowance for transactional vacancies and second homes: based on dwellings without a usually resident household	1,144	1,137	1,396	66	2,655	3,019
Dwellings	28,112	27,812	35,897	261	50,134	54,854
Adjustment for suppressed household formation rates: concealed families and homeless households	355 + 14 = 370	344 + 14 = 358	439 + 17 = 456	9 + 3 = 12	779 + 49 = 827	895 + 58 = 953
Baseline housing need based on demographic projections	28,482	28,170	36,353	273	50,961	55,807
Further adjustments needed...	In response to balancing jobs and workers:	0	0	0	0	0
	In response to market signals	2,811 – 370 = 2,441	2781 – 358 = 2,423	3,589 – 456 = 3,133	26 – 12 = 14	5,013 – 827 = 4,185
Combined impact of the identified adjustments	2,441	2,423	3,133	14	4,185	4,532
Full Objectively Assessed Need for Housing 2015-36	30,923	30,593	39,486	287	55,146	60,339

Housing Backlog

^{4.90} The Planning Advisory Service Good Plan Making Guide²² 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

²² <http://www.pas.gov.uk/documents/332612/6363137/Pages+from+FINAL+PAS+Good+Plan+Making+-6.pdf>

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)

- 4.91 This SHMA has fully considered the unmet needs of homeless and other households living in unacceptable accommodation (such as concealed families and sharing households) that existed in 2015. Furthermore, given that the SHMA also identifies all new housing need from the baseline date of 2015, all needs arising over the 21-year period 2015-36 have been identified and there will be no additional unmet need for housing to be counted for a new Plan with this base date.

Student Housing and the OAN

- 4.92 PPG was updated in March 2015 to include specific reference to identifying the needs of students:

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.

Planning Practice Guidance 2014, paragraph 21

- 4.93 The key Higher Education Providers (HEP) in Central Norfolk is the University of East Anglia. The University has a campus in Norwich and a total of over 14,500 students, with around 90% of UK national students being full time (academic year 2016-17) and the remainder being part time. The University currently maintains 4,300 bed spaces on campus. Norwich also contains the Norwich University of the Arts which has 1,900 full-time students, City College with 11,000 full and part-time students and Easton College with 300 students..
- 4.94 In establishing the OAN for the HMA, students would be included in the trend-based analysis; therefore the needs of student households are counted as part of the overall OAN. Full-time student numbers have grown by around 4,200 over the period 2005-15 at University of East Anglia and Norwich University of the Arts, so have grown on average by around 420 students per annum. This implicitly implies that the demographic projections assume that student numbers in Central Norfolk will continue to rise by 420 per annum for the 21 years from 2015 onwards.
- 4.95 At the time of the 2011 Census, there were a total of 1,471 all student households in Central Norfolk (almost all in Norwich) each containing at least 2 students and no one who was not a student. These contained a total of 6,143 people. There were another 781 students living on their own, again primarily in Norwich. Therefore, there were 6,824 students in households only containing students and a total of 2,252 of these households. Therefore, the average household size for a student household in the 2011 Census in Central Norfolk was just over 3 students per household. This

calculation does not count any students living in parental homes or as part of other household types, because these students would not be vacating a dwelling if they were to move to a student hall of residence.

- 4.96 The household projections assume that the number of students living in communal establishments (including university halls of residence and student housing provided by private sector providers) remains constant over the Plan period 2015-36. This follows the standard approach set out by CLG that the number of people in communal housing is held constant with the exception of the population aged over 75 years. Therefore, in summary, the population and household projections used in this SHMA assume that student numbers grow by around 420 per annum each year and that there is no increase in student bedspaces, so all students will occupy dwellings.
- 4.97 However, if more student bedspaces are to be provided in Central Norfolk then this will reduce the need for other forms of housing. In terms of the supply of student accommodation, Planning Practice Guidance for Economic Land Availability Assessment Paragraph provides the following statement:

How should local planning authorities deal with student housing?

All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market. Notwithstanding, local authorities should take steps to avoid double-counting.

PPG Paragraph 38

- 4.98 Therefore planning authorities are required to assess the need for future student accommodation as part of the Objectively Assessed Needs (OAN) in their area, and can then count any student accommodation forthcoming as part of their land supply calculations.
- 4.99 The link between student needs and land supply was further clarified in a Judicial Review in 2015, *Exeter City Council v. Secretary of State for Communities and Local Government*. In his decision, Justice Hickinbottom stated that:

43. ... Paragraph 3.38 does not allow – let alone require – all new student accommodation simply to be included towards the housing requirement, as Mr Whale suggests: rather, it allows an authority to reflect the release of accommodation units onto the general housing market as a result of new student accommodation (although, of course, in the unlikely event that the provision of student accommodation releases unit for unit to the general market, then the whole of the accommodation may effectively go to satisfy the requirement). That is clear from the words used; but also from the reference to communal student accommodation, which is not included in the housing requirement figure and (Mr Whale accepts) was in this case properly not included within the housing supply figure either...

44. Far from the Inspector's approach to student accommodation and housing supply in this case being wrong in law, in my view it was eminently correct. She was correct not to accede to the Council's submission that all student accommodation supplied should or could be set off against the housing requirement. She was correct not to be persuaded by the Developers' contention that she could not under any circumstances take into account student accommodation. She was correct to look at the facts of this case and determine whether, on the evidence before her, there was any basis for taking any of the new student accommodation into account. Given the evidence that a substantial number of additional general market dwellings had been occupied by students, she was clearly entitled to find that there was not. She properly accepted (in paragraph 47) that, although

there was currently no evidence to show that the provision of student accommodation has released housing into the general market in Exeter, the situation may in the future change if (e.g.) the delivery of student accommodation significantly exceeded the increase in student population.

- 4.100 Therefore, for a local planning authority to be able to count student accommodation as part of the land supply calculation, they must assess the impact of students on their housing requirement, and, also, demonstrate the impact of new student accommodation on the wider housing market. It is clearly advantageous for students to live in purpose built accommodation, rather than in dwellings which could be occupied by non-student families.
- 4.101 In the case of Central Norfolk, students have been counted in OAN figures provided that the growth in student numbers is below 420 per annum and therefore student bedspaces can be counted as part of the housing land supply on the basis of around 3 bedspaces equalling one dwelling. Each 3 bedspaces will effectively lead to one vacant property in the private housing stock which can be occupied by another household.

Housing Mix: Size and Tenure

- 4.102 Figure 83 identifies the future need (2015-36) for market housing and affordable housing of different types (in terms of flats and houses) and sizes (in terms of number of bedrooms) based on the ORS Housing Model. When considering future need for different types of housing, the model assumes that the housing mix needed by households of each household type and age will reflect current patterns. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age. On this basis, where such households continue to live in family housing despite no longer having a family living with them, this need for family housing will still be counted.
- 4.103 Overall, most of the market need is for houses as opposed to flats. The need for affordable housing is also predominantly for houses.

Figure 83: Housing mix of OAN for market and affordable housing: policy-off, excluding the City Deal (Source: ORS Housing Model. Note: Figures may not sum exactly due to arithmetic rounding)

		Market Housing	Affordable Housing	TOTAL
BROADLAND				
Flat	1 bedroom	48	164	212
	2+ bedrooms	18	39	57
House	2 bedrooms	854	1,000	1,854
	3 bedrooms	4,015	634	4,650
	4 bedrooms	1,043	145	1,188
	5+ bedrooms	225	25	250
TOTAL		6,203	2,007	8,210
NORWICH				
Flat	1 bedroom	1,049	2,086	3,136
	2+ bedrooms	1,159	1,216	2,375
House	2 bedrooms	1,128	647	1,775
	3 bedrooms	4,857	1,459	6,316
	4 bedrooms	989	351	1,339
	5+ bedrooms	193	70	263
TOTAL		9,376	5,828	15,204
SOUTH NORFOLK				
Flat	1 bedroom	188	475	663
	2+ bedrooms	175	149	324
House	2 bedrooms	1,245	1,216	2,461
	3 bedrooms	7,521	1,145	8,666
	4 bedrooms	2,950	165	3,115
	5+ bedrooms	797	45	842
TOTAL		12,877	3,195	16,072
GREATER NORWICH				
Flat	1 bedroom	1,285	2,725	4,011
	2+ bedrooms	1,352	1,404	2,756
House	2 bedrooms	3,227	2,863	6,090
	3 bedrooms	16,393	3,238	19,632
	4 bedrooms	4,982	661	5,642
	5+ bedrooms	1,215	140	1,355
TOTAL		28,456	11,030	39,486

		Market Housing	Affordable Housing	TOTAL
BRECKLAND				
Flat	1 bedroom	-34	472	438
	2+ bedrooms	-86	248	162
House	2 bedrooms	-13	1,495	1,481
	3 bedrooms	6,018	1,853	7,871
	4 bedrooms	1,474	276	1,749
	5+ bedrooms	506	64	570
TOTAL		7,864	4,408	12,272

NORTH NORFOLK				
Flat	1 bedroom	171	212	383
	2+ bedrooms	204	107	312
House	2 bedrooms	687	912	1,599
	3 bedrooms	4,333	579	4,912
	4 bedrooms	956	187	1,142
	5+ bedrooms	232	1	233
TOTAL		6,583	1,998	8,581
CENTRAL NORFOLK				
Flat	1 bedroom	1,422	3,409	4,832
	2+ bedrooms	1,470	1,759	3,230
House	2 bedrooms	3,901	5,270	9,170
	3 bedrooms	26,744	5,670	32,415
	4 bedrooms	7,412	1,124	8,533
	5+ bedrooms	1,953	205	2,158
TOTAL		42,903	17,436	60,339

		Market Housing	Affordable Housing	TOTAL
CORE HMA				
Flat	1 bedroom	1,193	2,485	3,678
	2+ bedrooms	1,270	1,331	2,601
House	2 bedrooms	2,528	2,154	4,682
	3 bedrooms	12,358	2,620	14,979
	4 bedrooms	3,485	563	4,047
	5+ bedrooms	820	116	935
TOTAL		21,656	9,267	30,923
NPA				
Flat	1 bedroom	1,193	2,482	3,676
	2+ bedrooms	1,273	1,331	2,604
House	2 bedrooms	2,484	2,096	4,579
	3 bedrooms	12,188	2,592	14,781
	4 bedrooms	3,466	555	4,019
	5+ bedrooms	819	115	934
TOTAL		21,424	9,168	30,593
CENTRAL NORFOLK FUNCTIONAL HMA				
Flat	1 bedroom	1,400	3,232	4,632
	2+ bedrooms	1,457	1,667	3,124
House	2 bedrooms	3,775	4,663	8,437
	3 bedrooms	24,174	5,021	29,196
	4 bedrooms	6,802	1,008	7,808
	5+ bedrooms	1,762	186	1,948
TOTAL		39,370	15,776	55,146

Affordable Housing Tenure

4.104 Within the overall need of an 17,436 affordable homes identified by the model between 2015-36, it is possible to consider the mix of different affordable housing products that would be appropriate based on the mix of households needing affordable housing.

4.105 Figure 84 sets out the weekly rents for different property sizes in Central Norfolk adjusted to 2016 levels, the most recent data available. This includes:

- » Median private rent;
- » Local Housing Allowance (LHA) maximum (previously based on the 30th percentile private rent, however more recent increases are based on Consumer Price index (CPI) and rates were frozen in the July 2015 Budget; and
- » Affordable rent, based on 80% of the median private rent;

Figure 84: Weekly rent thresholds in Central Norfolk (Source: Valuation Office Agency 2015-16; Homes and Communities Agency) (Note: Central Norfolk figure derived using population weighted average of Local Authority data)

Weekly Rent £	Median Private Rent	Maximum Local Housing Allowance	Affordable Rent (80% of median)
1 bedroom	£110.14	£92.98	£88.11
2 bedrooms	£133.08	£116.52	£106.46
3 bedrooms	£157.66	£135.36	£126.13
4+ bedrooms	£219.33	£184.11	£175.47

4.106 It is evident that across all property sizes, the median private rent is the highest followed in turn by the maximum LHA and affordable rent. As affordable rent (at 80% of median private rent) is generally lower than the maximum LHA rate for the equivalent property size, households would currently be able to claim housing benefit to cover the full cost of affordable rent (where they were entitled to do so based on their circumstances); although the relationship between these two rates could change in future.

4.107 Households claiming out-of-work benefits are also subject to a cap of £500 per week (for lone parents and couples) or £350 per week (for single people), which could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). These limits were reduced in the July 2015 Budget to a maximum of £20,000 per year (outside London) and this lower rate will affect more households. Nevertheless, households that qualify for Working Tax Credit and those that receive various disability related benefits or armed forces pensions are exempt from the cap.

Household Affordability

4.108 In order to profile the affordability of the mix of households needing affordable housing, income data from the English Housing Survey and ONS Survey of Personal Incomes has been combined and modelled to establish the income distribution by household type and age in the Central Norfolk area. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

- 4.109 Figure 85 sets out the affordable housing mix broken down by property size in Central Norfolk; identifying those who require affordable housing and those who can potentially afford LCHO products. We would note at this stage that Starter Homes are not yet considered to be affordable housing, so the needs of households who can afford Starter Homes are not counted in these figures. The analysis is based on three scenarios:
- » Spending up to 25% of gross household income (excluding housing benefit) on housing costs;
 - » Spending up to 30% of gross household income (excluding housing benefit) on housing costs;
 - » Spending up to 35% of gross household income (excluding housing benefit) on housing costs.
- 4.110 The three scenarios represent an upper and lower limit plus the mid-point value between the two.
- 4.111 The lower limit figure of 25% originated in the Strategic Housing Market Assessments Practice Guidance Version 2 (CLG August 2007, withdrawn March 2014)²³, which states:
- “A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income.” (page 42)*
- 4.112 The upper limit of 35% is used following the guidance of the Housing and Economic Development Needs Assessments PPG (CLG March 2015)²⁴ which sets out the types of households to be considered in housing need, the first of these is:
- “homeless households or insecure tenure (eg housing that is too expensive compared to **disposable** income)” (Paragraph: 023 Reference ID: 2a-023-20140306)*
- 4.113 The change in PPG means that we can now expect some households to pay more than 25% of gross income. Most of these households will be in need of support, either by being provided social housing or by being in receipt of Housing Benefit. For those households, particularly those with no state supported income, such as Housing Benefit, it seems unreasonable for them to pay more than half their disposable income. For many households paying more than half of disposable income would be *too expensive compared to disposable income* when taken together with other household expenditure and would therefore lead to those households falling into housing need. This is particularly relevant to households on low incomes but not in receipt of Housing Benefit.
- 4.114 Purely for illustration of the general principles, we can consider this this in terms of percentage of income based on a simple model after allowance is made for Tax and National Insurance (NI) paid, but excluding any pension payments as these would be dependent on individual employment and other circumstances. This modelling suggests that for a two-income household with a joint income of £23,000 to £24,000 (the range where Tax begins to be payable), 35% of gross income would furnish a rent of £670 to £700 pcm, leaving around £1,200 pcm for all remaining expenses. The average rent across the HMA at 2015-16 cost was £649 pcm (Figure 78). It can be seen that this reflects the real world; £670 pcm is higher than the 2015-16 based average rent across the HMA as a whole, and lower rents will be available some areas.
- 4.115 Further to this, the English Housing Survey (EHS) 2015-16²⁵ for England presents the percentage of total gross household income spent on housing costs²⁶:

²³ <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

²⁴ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

²⁵ <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

- » For the total income from all income earners in the household, irrespective of whether they contribute to the housing cost, and excluding HB, private renting households spent on average 41% of their gross income on rent, while social renting households spent 37% of their gross income on rent.
- » For the total income from the Household Reference Person and partner, and excluding HB, private renting households spent on average 48% of their gross income on rent, while social renting households spent 40% of their gross income on rent.

4.116 The EHS demonstrates that **irrespective of whether or not it is desirable**, many households pay more than 35% of gross income on their housing costs, including in social rented properties.

4.117 This leads to our judgement that **35% is a reasonable upper limit** at which households on lower incomes could afford rent without falling into housing need. While we have reached this conclusion by following the guidance and a logical process, it is a judgement and other percentages could be justified depending on housing costs and incomes in a local area.

4.118 Across Central Norfolk as a whole in all three scenarios, the majority of the households in need of affordable housing would require rented properties of the size needed.

4.119 Between 2,500 and 4,100 households in need of affordable housing (depending on the proportion of income assumed) could afford more than Affordable Rents, which implies that they can be considered for LCHO housing.

4.120 The situation is reflected in the Greater Norwich area; in all three scenarios, the majority of the households in need of affordable housing would be for rented properties:

4.121 Also in each of the individual local authority areas, in all three scenarios, the majority of the households in need of affordable housing would need **rented housing** for a property of the size needed:

- » Between 70% (Breckland and South Norfolk) and 84% (Norwich) of households based on up to 35% of income being spent on housing costs; and
- » Between 80% (South Norfolk) and 91% (Norwich) of households based on up to 25% of income being spent on housing costs.

²⁶ "Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit), by tenure, 2010-11 to 2015-16"

**Figure 85: Affordable housing mix by household affordability: policy-off, excluding the City Deal (Source: ORS Housing Model.
Note: Figures may not sum due to rounding)**

BROADLAND		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	160	4	164
	2+ bedrooms	33	6	39
House	2 bedrooms	858	143	1,000
	3 bedrooms	522	112	634
	4+ bedrooms	151	19	170
TOTAL		1,724	283	2,007
30% OF INCOME				
Flat	1 bedroom	160	4	164
	2+ bedrooms	32	7	39
House	2 bedrooms	812	188	1,000
	3 bedrooms	480	154	634
	4+ bedrooms	142	29	170
TOTAL		1,625	382	2,007
35% OF INCOME				
Flat	1 bedroom	160	5	164
	2+ bedrooms	30	9	39
House	2 bedrooms	776	225	1,000
	3 bedrooms	446	188	634
	4+ bedrooms	132	39	170
TOTAL		1,542	465	2,007

NORWICH		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	1,974	113	2,086
	2+ bedrooms	1,091	126	1,216
House	2 bedrooms	580	67	647
	3 bedrooms	1,253	207	1,459
	4+ bedrooms	387	34	421
TOTAL		5,283	546	5,828
30% OF INCOME				
Flat	1 bedroom	1,936	150	2,086
	2+ bedrooms	1,037	179	1,216
House	2 bedrooms	552	95	647
	3 bedrooms	1,173	287	1,459
	4+ bedrooms	371	50	421
TOTAL		5,067	762	5,828
35% OF INCOME				
Flat	1 bedroom	1,894	192	2,086
	2+ bedrooms	997	219	1,216
House	2 bedrooms	530	116	647
	3 bedrooms	1,098	361	1,459
	4+ bedrooms	351	70	421
TOTAL		4,872	957	5,828

SOUTH NORFOLK		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	450	25	475
	2+ bedrooms	118	32	149
House	2 bedrooms	955	260	1,216
	3 bedrooms	855	291	1,145
	4+ bedrooms	173	37	210
TOTAL		2,549	645	3,195
30% OF INCOME				
Flat	1 bedroom	445	31	475
	2+ bedrooms	110	39	149
House	2 bedrooms	899	318	1,216
	3 bedrooms	781	365	1,145
	4+ bedrooms	159	51	210
TOTAL		2,392	803	3,195
35% OF INCOME				
Flat	1 bedroom	434	41	475
	2+ bedrooms	104	45	149
House	2 bedrooms	847	369	1,216
	3 bedrooms	719	426	1,145
	4+ bedrooms	146	64	210
TOTAL		2,250	945	3,195

GREATER NORWICH		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	2,584	142	2,725
	2+ bedrooms	1,242	164	1,404
House	2 bedrooms	2,392	470	2,863
	3 bedrooms	2,630	610	3,238
	4+ bedrooms	711	90	801
TOTAL		9,556	1,474	11,030
30% OF INCOME				
Flat	1 bedroom	2,541	185	2,725
	2+ bedrooms	1,179	225	1,404
House	2 bedrooms	2,263	601	2,863
	3 bedrooms	2,434	806	3,238
	4+ bedrooms	672	130	801
TOTAL		9,084	1,947	11,030
35% OF INCOME				
Flat	1 bedroom	2,488	238	2,725
	2+ bedrooms	1,131	273	1,404
House	2 bedrooms	2,153	710	2,863
	3 bedrooms	2,263	975	3,238
	4+ bedrooms	629	173	801
TOTAL		8,664	2,367	11,030

NPA		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	2,352	130	2,482
	2+ bedrooms	1,183	149	1,331
House	2 bedrooms	1,771	324	2,096
	3 bedrooms	2,136	458	2,592
	4+ bedrooms	600	70	669
TOTAL		8,040	1,129	9,168
30% OF INCOME				
Flat	1 bedroom	2,312	171	2,482
	2+ bedrooms	1,124	207	1,331
House	2 bedrooms	1,678	419	2,096
	3 bedrooms	1,982	612	2,592
	4+ bedrooms	569	101	669
TOTAL		7,660	1,510	9,168
35% OF INCOME				
Flat	1 bedroom	2,263	219	2,482
	2+ bedrooms	1,080	252	1,331
House	2 bedrooms	1,599	497	2,096
	3 bedrooms	1,846	747	2,592
	4+ bedrooms	534	136	669
TOTAL		7,321	1,849	9,168

CORE HMA		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	2,356	130	2,485
	2+ bedrooms	1,184	149	1,331
House	2 bedrooms	1,823	330	2,154
	3 bedrooms	2,161	461	2,620
	4+ bedrooms	609	70	679
TOTAL		8,130	1,138	9,267
30% OF INCOME				
Flat	1 bedroom	2,315	170	2,485
	2+ bedrooms	1,125	206	1,331
House	2 bedrooms	1,727	427	2,154
	3 bedrooms	2,005	617	2,620
	4+ bedrooms	577	102	679
TOTAL		7,745	1,524	9,267
35% OF INCOME				
Flat	1 bedroom	2,267	219	2,485
	2+ bedrooms	1,079	251	1,331
House	2 bedrooms	1,646	508	2,154
	3 bedrooms	1,867	753	2,620
	4+ bedrooms	542	138	679
TOTAL		7,401	1,866	9,267

BRECKLAND		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	391	81	472
	2+ bedrooms	195	54	248
House	2 bedrooms	1,173	323	1,495
	3 bedrooms	1,546	307	1,853
	4+ bedrooms	311	29	340
TOTAL		3,616	793	4,408
30% OF INCOME				
Flat	1 bedroom	385	87	472
	2+ bedrooms	177	71	248
House	2 bedrooms	1,066	430	1,495
	3 bedrooms	1,419	435	1,853
	4+ bedrooms	292	47	340
TOTAL		3,338	1,070	4,408
35% OF INCOME				
Flat	1 bedroom	382	90	472
	2+ bedrooms	163	84	248
House	2 bedrooms	986	509	1,495
	3 bedrooms	1,298	555	1,853
	4+ bedrooms	273	67	340
TOTAL		3,103	1,305	4,408

NORTH NORFOLK		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	198	14	212
	2+ bedrooms	94	13	107
House	2 bedrooms	800	111	912
	3 bedrooms	512	67	579
	4+ bedrooms	178	11	188
TOTAL		1,782	216	1,998
30% OF INCOME				
Flat	1 bedroom	195	18	212
	2+ bedrooms	87	20	107
House	2 bedrooms	741	171	912
	3 bedrooms	478	101	579
	4+ bedrooms	170	19	188
TOTAL		1,669	329	1,998
35% OF INCOME				
Flat	1 bedroom	192	20	212
	2+ bedrooms	81	25	107
House	2 bedrooms	694	217	912
	3 bedrooms	445	134	579
	4+ bedrooms	161	28	188
TOTAL		1,573	425	1,998

CENTRAL NORFOLK		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	3,173	237	3,409
	2+ bedrooms	1,531	231	1,759
House	2 bedrooms	4,365	904	5,270
	3 bedrooms	4,688	984	5,670
	4+ bedrooms	1,200	130	1,329
TOTAL		14,953	2,483	17,436
30% OF INCOME				
Flat	1 bedroom	3,121	290	3,409
	2+ bedrooms	1,443	316	1,759
House	2 bedrooms	4,070	1,202	5,270
	3 bedrooms	4,331	1,342	5,670
	4+ bedrooms	1,134	196	1,329
TOTAL		14,091	3,346	17,436
35% OF INCOME				
Flat	1 bedroom	3,062	348	3,409
	2+ bedrooms	1,375	382	1,759
House	2 bedrooms	3,833	1,436	5,270
	3 bedrooms	4,006	1,664	5,670
	4+ bedrooms	1,063	268	1,329
TOTAL		13,340	4,097	17,436

CENTRAL NORFOLK FUNCTIONAL HMA		Affordable Housing to Rent	LCHO	TOTAL
25% OF INCOME				
Flat	1 bedroom	3,022	211	3,232
	2+ bedrooms	1,456	213	1,667
House	2 bedrooms	3,873	789	4,663
	3 bedrooms	4,141	882	5,021
	4+ bedrooms	1,076	119	1,195
TOTAL		13,568	2,214	15,776
30% OF INCOME				
Flat	1 bedroom	2,971	261	3,232
	2+ bedrooms	1,375	292	1,667
House	2 bedrooms	3,619	1,044	4,663
	3 bedrooms	3,826	1,195	5,021
	4+ bedrooms	1,016	179	1,195
TOTAL		12,807	2,971	15,776
35% OF INCOME				
Flat	1 bedroom	2,915	318	3,232
	2+ bedrooms	1,312	353	1,667
House	2 bedrooms	3,415	1,247	4,663
	3 bedrooms	3,544	1,477	5,021
	4+ bedrooms	953	243	1,195
TOTAL		12,139	3,638	15,776

^{4.122} In summary; the projected numbers of affordable rented and LCHO dwellings required above consider 25%, 30% and 35% of gross income being spent on housing costs. The legacy figure is 25% and figures at 25% were drawn out in the 2015 SHMA. However, the market signals show some pressure on incomes, such as increases in rents and overcrowding, and **we would recommend that 35% of gross income is a realistic current upper limit benchmark for affordability across the Central Norfolk Functional HMA**. However, we recognise that in formulating policy in some sub-areas within the HMA applying a lower figure of 30% would be more appropriate.

Low Cost Home Ownership

^{4.123} In addition to affordable housing for rent, a range of Low Cost Home Ownership (LCHO) products have also been developed to assist households into homeownership. Figure 86 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:

- » 40% equity share purchased by the occupier;
- » 5% of the equity purchased is available as a deposit;
- » Mortgage costs base based on a 25-year repayment mortgage at 6.0% interest;
- » Rent based on 2.75% of the retained equity paid each year; and

» Service charge of £10 per week.

^{4.124} Based on this model, it is evident that the weekly costs are lower than the equivalent median private rent for 1-bedroom and 2-bedroom properties, and higher for 3-bedroom and 4+ bedroom properties.

Figure 86: Shared ownership costs (Note: Mortgage costs based on a 25-year repayment mortgage at 6.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week)

	Property Value	40% Equity Share	5% Deposit	Weekly Costs			
				Mortgage	Rent	Service Charge	TOTAL
1 bedroom	99,950	39,980	1,999	56.98	31.63	10.00	98.61
2 bedrooms	130,000	52,000	2,600	74.11	41.14	10.00	125.25
3 bedrooms	200,000	80,000	4,000	114.02	63.29	10.00	187.31
4+ bedrooms	300,000	120,000	6,000	171.03	94.93	10.00	275.96

^{4.125} Figure 87 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. It would appear that the model considered here (based on 40% equity share) is appropriate for 1-bedroom and 2-bedroom properties in the area, but that shared ownership at any practical equity share may not be appropriate for 3+ bedroom properties which are more expensive than private rent.

^{4.126} There may be a role for LCHO products at higher equity shares targeted at households able to afford private rent but unable to afford home ownership. This would help “*widen opportunities for home ownership*” (NPPF paragraph 50), but would be in addition to the need to deliver 17,436 affordable homes in the HMA over the 21-year period.

Figure 87: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 25-year repayment mortgage at 6.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in brown are above the LHA rate but below median private rent, cells in red are above the equivalent median private rent. Cells which are not coloured are lower than the equivalent maximum LHA)

Total Weekly Cost £	Property Value	Equity Share					
		25%	30%	35%	40%	45%	50%
1 bedroom	99,950	85.15	89.63	94.12	98.61	103.10	107.58
2 bedrooms	130,000	107.74	113.58	119.41	125.25	131.08	136.92
3 bedrooms	200,000	160.37	169.35	178.33	187.31	196.28	205.26
4+ bedrooms	300,000	235.56	249.02	262.49	275.96	289.43	302.89

Starter Home Initiative

^{4.127} The NPPF identifies that local authorities should seek to “*widen opportunities for home ownership*” (paragraph 50). Given this context, the Housing and Planning Act 2015 furthers this policy of encouraging home ownership through promoting Starter Homes to provide properties that are more affordable for first time buyers. The Act includes clauses stating that local authorities will have a general duty to promote the supply of Starter Homes through planning.

^{4.128} The Act defines a Starter Home as a new dwelling, only available for purchase by qualifying first-time buyers, which is to be sold at a discount of at least 20% of the market value and for less than the price

cap (of £250,000 outside Greater London), and is subject to restrictions on sale or letting for the initial 5-year period of occupancy.

- 4.129 The Housing White Paper published in February 2017 further amended the proposed operation of the Starter Homes scheme to limit the purchase to those with combined incomes of less than £80,000, or £90,000 in London. Buyers will also require a mortgage to prevent cash buyer and some or all of the discount will have to be repaid if the property is resold within 15 years, "to reduce the risk of speculation".
- 4.130 A proposal that on larger development, 20% of all dwellings had to be starter homes is to be dropped and replaced with a "clear expectation" that at least 10% of developments will be "affordable home ownership units".
- 4.131 Figure 88 sets out the weekly costs based on the same property values considered when analysing low cost home ownership housing options.

Figure 88: Starter Home Initiative (Note: Mortgage costs based on a 25-year repayment mortgage at 6.0% interest)

	Property Value	80% Equity Share	10% Deposit	Weekly Costs		
				Mortgage	Service Charge	TOTAL
1 bedroom	99,950	79,960	7,996	107.96	10.00	117.96
2 bedrooms	130,000	104,000	10,400	140.42	10.00	150.42
3 bedrooms	200,000	160,000	16,000	216.03	10.00	226.03
4+ bedrooms	300,000	240,000	24,000	324.05	10.00	334.05

- 4.132 It is evident that the weekly costs associated with Starter Homes are higher than low cost home ownership and also, larger properties are much higher than median private sector rents. One bedroom properties are cheaper than median private sector rented and 2-bedroom marginally more expensive than median private sector rented, but 3-bedroom and 4-bedroom properties are potentially prohibitively more expensive than private sector rented. Therefore smaller properties may be affordable to those households identified as being unable to afford market housing, while larger properties are unlikely to be affordable. Nevertheless, the initiative could widen opportunities for homeownership for those households able to afford market rents but unable to afford to buy housing in the HMA.

Summary of Housing Costs

- 4.133 Figure 89 summarises the weekly costs for the range of different housing options discussed above for each property size adjusted to 2016 levels, the most recent data available.

Figure 89: Comparison of weekly housing costs by property size – Central Norfolk (Source: VOA 2015-2016. Note: HMA figure derived using population weighted average of Local Authority data)

	Starter Home Initiative (80% equity)	Shared ownership (40% equity)	Median Private Rent	Maximum Local Housing Allowance	Affordable Rent (80% median)
1 bedroom	98.61	117.96	£110.14	£92.98	£88.11
2 bedrooms	125.25	150.42	£133.08	£116.52	£106.46
3 bedrooms	187.31	226.03	£157.66	£135.36	£126.13
4+ bedrooms	275.96	334.05	£219.33	£184.11	£175.47

The Private Rented Sector

- 4.134 The English Housing Survey (EHS) 2014-15²⁷ identified that 19% (4.3 million) of households were renting from a private landlord, much higher than the rate of 12% a decade earlier in 2004-05. The EHS also shows that households aged 25-34 were more likely to be renting privately (46%) than buying a home, up from 24% in 2004-05. Owner occupation in this age group dropped from 57% to 37% over the same 10 year period.
- 4.135 Growth in the Sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
 - » Recent reductions in incomes (in real terms);
 - » Affordability of owner occupation reducing;
 - » Changing Bank lending practices: the number of Buy-to-Let (BTL) mortgages granted in 2014 (c.30,000 monthly average) is higher than those granted to First-time Buyers (c.25,000); and
 - » Pensions reform: pension drawdowns invested in BTL property.
- 4.136 The growth of the Sector has been acknowledged as both a growing and long term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032²⁸. On this basis, the number of households renting privately could double again over the next twenty years.
- 4.137 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

The private rented sector

Tenure data from the Office of National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. Market signals in the demand for private rented sector housing could be indicated from a change in rents.

Planning Practice Guidance (March 2014), ID 2a-021

- 4.138 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply²⁹ (including the Build to Rent investment scheme³⁰). The Government published *“Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities”* in March 2015³¹, and the Forward by the Minister stated:

“The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice,

²⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/501065/EHS_Headline_report_2014-15.pdf

²⁸ <http://news.rla.org.uk/rpi-rent-revolution/>

²⁹ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

³⁰ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

³¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue.”

4.139 The policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending. However, there have been a number of legislative changes affecting the calculation and payment of housing benefit in the private rented sector, and these are set out below:

Figure 90: Summary of legislative changes affecting private tenants' LHA (Source: HM Treasury, DWP)

Effective from	Change
April 2011	Introduction of absolute caps on the maximum rates that can be paid for each size of property
	Ending of the 5 bedroom rate – LHA restricted to 4 bedroom rate
	Stopping claimants being able to keep up to a £15 'excess' above their actual rent if it is below the LHA
	Increasing deductions for non-dependants living with HB claimants
	Increasing the Government's contribution to Discretionary Housing Payments
	Amending size criteria to allow an extra bedroom for disabled claimants with a non-resident carer
October 2011	Setting maximum LHA at the 30th percentile of local rents instead of the median
January 2012	Increasing age qualification for Shared Accommodation Rate from 25 to 35 years old
April 2013	Increasing LHA rates over time by the Consumer Price Index instead of referencing market rents – increase by 1% from April 2014 except in high rent areas
	Reducing LHA by 10% for those claiming JSA for over a year – not implemented
	Council Tax Benefit replaced by localised Council Tax Reduction schemes
	Parts of the Social Fund abolished, including Community Care grants and Crisis Loans
	Universal Credit implementation begins (with a pathfinder) to complete by 2017
	Spare room subsidy ('bedroom tax') introduced
June 2013	End of DLA, PIP begins for new claims
July 2013	Benefit cap implementation
	Universal Credit pathfinder expands
October 2013	Temporary Accommodation to have housing costs met in line with Local Housing Allowance rates
	Reassessment of existing Disability Living Allowance migration to Personal Independence Payment begins
	Universal Credit roll-out begins
	Incapacity benefit abolished; all claimants move to Employment Support Allowance (ESA) by late 2017
	Expansion of PIP/DLA reassessment for existing claimants
April 2014	Removal of access to Housing Benefit for EEA Jobseekers
	LHA uprating limited to 1 per cent
	Help to work scheme introduced for those unemployed 2 years +
April 2016	State Pensions Age increases begin
	Four year freeze to certain working age benefits (pensioner benefits, DLA, PIP not frozen)
	Four-year freeze to local housing allowance rates
	Lowering the benefit cap to £23,000 in London and £20,000 elsewhere
	Universal credit claims will be limited to two children from April 2017 (with some exceptions)
	Removing entitlement to housing support for those aged 21 or under (with some exemptions)
November 2016	Benefit Cap for families to £23,000 in London (£15,410 single claimants) and £20,000 elsewhere (£13,400 single claimants).
	Exemptions from the benefit cap for people getting Guardians Allowance, Carer's Allowance and the carers element of Universal Credit from the benefit cap from autumn 2016.

Effective from	Change
	Universal Credit to be a qualifying benefit for Healthy Start Food Voucher Scheme

4.140 It is therefore important for local authorities to consider the role of the private rented sector at a local level and recognise the way in which private rented housing will continue to provide housing options for households unable to afford their housing costs in future. Nevertheless, local authorities need to understand the range of different households in their areas that currently rent from private landlords and consider their policy responses accordingly.

Private Rented Sector in Central Norfolk

4.141 Considering the trends of tenure mix for Central Norfolk, it is evident that there have been some significant changes in the balance between owner occupiers and tenants renting their home.

- » **From 1981-1991:** the number of owner occupiers climbed (increasing from 107K to 146K households, a gain of thirty nine thousand). This was partly as a consequence of the Right to Buy, which led to a decline in the number of social tenants (reducing from 53K to 45K households, a loss of 8K). There was a slight increase in the number of private tenants (from 22K to 23K).
- » **From 1991-2001:** the number of owner occupiers continued to climb (increasing from 146K to 173K households, a gain of twenty seven thousand); however this was alongside a growth of private tenants (increasing from 23K to 30K households, a gain of seven thousand). The number of social tenants reduced further (from 45K to 43K households).
- » **From 2001-2011:** the number of owner occupiers increased further but to a lesser degree (increasing from 173K to 180K households) whilst the number of private tenants increased substantially (from 30K to 44K households, a gain of fourteen thousand). The number of social tenants increased slightly (increasing from 43K to 44K).

4.142 It is evident that the overall balance between owners and renters has changed in 2011 from the position in 1981, with 59% owning in 1981 and 67% owning in 2011. In addition, the balance between social rent and private rent has changed significantly: almost three out of ten tenants rented privately in 1981 (29% out of 41%) whereas half rented privately in 2011 (50% out of 33%).

Figure 91: Number of Households by Tenure 1981-2011
(Source: UK Census of Population)

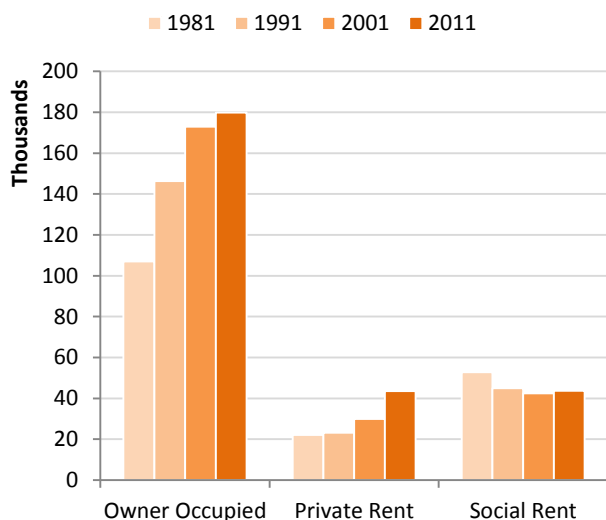


Figure 92: Percentage of Households by Tenure 1981-2011
(Source: UK Census of Population)

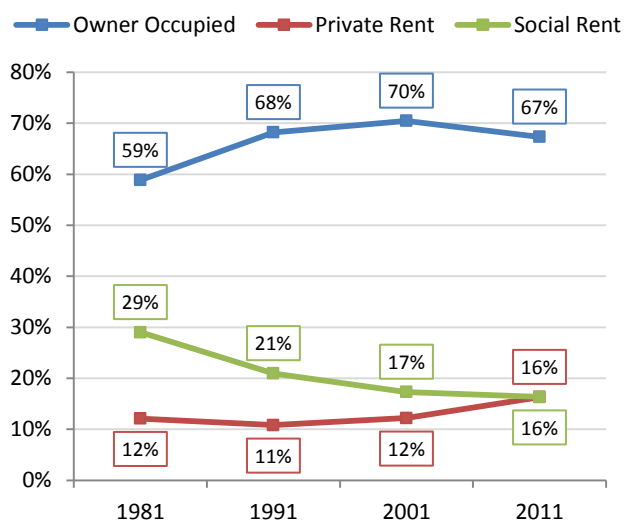


Figure 93: Households by Tenure 1981-2011 (Source: UK Census of Population)

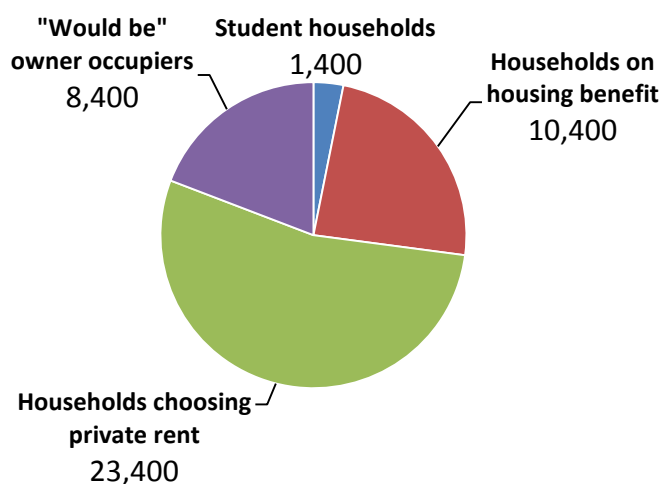
Tenure	Total Households			
	1981	1991	2001	2011
Owner occupied	107,100	146,400	173,000	179,800
Private rent	22,000	23,200	29,900	43,500
Social rent	52,800	45,000	42,500	43,600
TOTAL	181,900	214,500	245,400	267,000
Owner occupied	58.9%	68.2%	70.5%	67.3%
Private rent	12.1%	10.8%	12.2%	16.3%
Social rent	29.0%	21.0%	17.3%	16.3%

^{4.143} The Housing White Paper also introduced a new consultation on including some 'Build to Rent' properties as part of the affordable housing sector. These would be private rented dwellings at least 20% below market rents in perpetuity and would create a new source of affordable housing supply without impacting on the number of households considered to be in affordable housing need.

^{4.144} In terms of the wider role of the private rented sector, based on the range of information available about tenants currently renting privately in Central Norfolk, it is helpful to consider the mix of different types of household living in the area:

- » 1,400 properties are rented by households that are students, although this is only 3.2% of the sector;
- » 10,400 properties are rented by households in receipt of housing benefit, almost a quarter (24%) of the sector;
- » A further 31,700 households are renting privately; however if the proportion of owner occupiers had not changed between 2001 and 2011, 8,400 of these households would have owned their home. This represents 19% of all households renting privately; and
- » 23,400 households are therefore renting privately through choice, due to their current personal, family, employment or other circumstances.

Figure 94: Mix of household types living in the private rented sector (Source: UK Census of Population 2011 and DWP)



- 4.145 It is important to recognise that the 8,400 households identified as “would be” owner occupiers are not included within the need for affordable housing, as they are able to rent market housing without financial support through housing benefit even if they cannot afford to buy. As previously noted, the NPPF seeks to “*widen opportunities for home ownership*” (paragraph 50) and national schemes such as Help-to-Buy and the Starter Home Initiative aim to help people onto the housing ladder.
- 4.146 Looking forward, these households can be seen as being an important potential component of the affordable housing need. The Housing White Paper February 2017 includes a consultation on changing the definition of affordable housing to include Starter Homes as part of the supply of affordable homes. If that is that case then PPG will also require to be adjusted to count households in need of affordable housing.
- 4.147 While all 8,400 of these households may be seen as potential occupiers of Starter Homes, not all would qualify for the scheme and also not all would be able to provide a sufficient deposit to become mortgage buyers. However, there is a clear group of private renters in Central Norfolk who in the past would have been owner occupiers and they form an identifiable need to occupy the proposed delivery of at least 10% affordable home ownership units on larger sites as also set out in the Housing White Paper consultation.
- 4.148 Therefore, from April 2018 onwards it is likely that the affordable housing needs of Central Norfolk will be higher as households in need of Starter Homes are included, but that the supply of affordable homes will also rise as Starter Homes are included in the affordable housing supply. .

Conclusions

- 4.149 The “*starting point*” estimate for OAN is the CLG household projections, and the latest published data is the 2014-based projections for period 2014-39. These projections suggest that household numbers across the study area will increase by 51,707 over the 21-year period 2015-36, an average of 2,462 per year.
- 4.150 Consistent with PPG, the SHMA takes full account of these “*factors affecting local demography*” through developing independent household and population projections based on 10-year migration

trends using robust Census data. These projections identify that **household numbers across the study area are projected to increase by 51,835 households over the 21-year period 2015-36.**

- 4.151 In addition to the baseline number of households from the projections, we have identified that the baseline household projections should be **increased** by 895 households to take account of **concealed families** and **homeless households** that would otherwise not be captured due to suppressed household formation rates.
- 4.152 On the basis of adding the concealed families and homeless households, the number of households in the area is likely to increase by 52,830 households over the 21-year period 2015-36. This adjustment responds to identified un-met need for affordable housing and addresses suppressed household formation rates. **Providing for an increase of 52,830 households yields a baseline housing need of 55,807 dwellings; an average of 2,660 dwellings per year over the 21-year period 2015-36.**
- 4.153 While demographic projections form the starting point for Objectively Assessed Need calculations, it is necessary to consider whether a higher rate of housing delivery may be needed to help address housing market problems. Further adjustments may be needed in response to balancing jobs and workers, market signals or any backlog of housing provision. However, it is important to recognise that these adjustments are not necessarily cumulative: it is necessary to consider them collectively.
- 4.154 The evidence from planned jobs and workers identifies that there will be sufficient extra workers for the EEFM forecast increase in jobs, so there is no need to increase housing delivery to provide any additional workers.
- 4.155 **A 10% uplift is proposed to take account the market signal across the HMA.** The overall housing need is increased 4,532 dwellings.
- 4.156 Of course, it is important to remember that *“establishing future need for housing is not an exact science”* (PPG ID 2a-014). Whilst the OAN must be underwritten by robust evidence that is based on detailed analysis and informed by reasonable assumptions, the final conclusions should reflect the overall scale of the housing needed in the housing market area without seeking to be spuriously precise.
- 4.157 **The SHMA therefore identifies the Full Objective Assessed Need for Housing in Central Norfolk to be 60,350 dwellings over the 21-year period 2015-36, equivalent to an average of 2,873 dwellings per year. This includes the Objectively Assessed Need of Affordable Housing for 17,450 dwellings over the same period, equivalent to an average of 830 per year.**
- 4.158 The OAN takes full account of household growth based on CLG 2014-based projections (the starting point); adjusts for long-term migration trends (which assume a higher rate of net migration to England); responds to suppressed household formation through providing for the growth of concealed families; responds to market signals and takes account of vacant and second homes.
- 4.159 The average number of dwellings needed every year over the period 2015-36 (2,873) represents a 1% increase in the dwelling stock each year across the study area (based on stock in 2015), in line with the 1.0% growth required across England to deliver 239,500 dwellings annually. The OAN is notably higher than rates of housing delivery over the 10-year inter-censal period 2001-11, which have consistently averaged around 2,580 dwellings each year; although more recently average rates have been lower based on CLG data

5. Housing Requirements

Considering the policy response to identified housing need

5.1 The SHMA has established the Full Objectively Assessed Need for Housing in Central Norfolk to be 60,350 dwellings over the 21-year period 2015-36, however this figure will need to be tested through the statutory Plan-making process.

5.2 This is confirmed by Planning Practice Guidance for housing and economic land availability assessment, which states that *“housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five year supply”* (ID 2a-030). This point was further emphasised in a letter from the Housing Minister to the Planning Inspectorate in December 2014:

“Many councils have now completed Strategic Housing Market Assessments either for their own area or jointly with their neighbours. The publication of a locally agreed assessment provides important new evidence and where appropriate will prompt councils to consider revising their housing requirements in their Local Plans. We would expect councils to actively consider this new evidence over time and, where over a reasonable period they do not, Inspectors could justifiably question the approach to housing land supply.

“However, the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidate housing numbers in existing Local Plans.

“Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement. They also need to consider whether there are opportunities to co-operate with neighbouring planning authorities to meet needs across housing market areas. Only after these considerations are complete will the council’s approach be tested at examination by an Inspector. Clearly each council will need to work through this process to take account of particular local circumstances in responding to Strategic Housing Market Assessments.”

5.3 All the local authorities are currently in the process of preparing Local Plans with start dates of 2016 with the exception of Breckland who are proposing to have their plan running 2011-36. This therefore requires that the OAN for the period 2011-16 is added to the Breckland figures for the period 2016-36. To do this we have used the CLG household projections from 2011-14 as a measure in actual growth in households in Breckland. We then modelled household growth figures from 2014 to 2016 to assess how many extra households have arisen in the period up to 2016. The consequences of these additions are that the OAN for Breckland for 2011-36 is 15,298, or 612dpa (Figure 95). This is higher than for the period 2016-36 because the household projections indicated that strong household growth has already occurred in the period 2011-16.

Figure 95: Projected households and dwellings over the 25-year period 2011-36 for Breckland: policy-off, excluding the City Deal

		Breckland
Demographic starting point: CLG household projections 2011-36		13,053
Baseline household projections taking account of local circumstances		13,200
Allowance for transactional vacancies and second homes: based on dwellings without a usually resident household		707
Dwellings		13,907
Adjustment for suppressed household formation rates: concealed families and homeless households		294 + 16 = 310
Baseline housing need based on demographic projections		14,217
Further adjustments needed...	In response to balancing jobs and workers:	-
	In response to market signals	1,391 - 310 = 1,081
Combined impact of the identified adjustments		1,081
Full Objectively Assessed Need for Housing 2011-36		15,298

- 5.4 In establishing the OAN as shown in Figure 80, the SHMA has taken full account of all unmet need for housing that is likely to exist at the start of the new Plan period with the exception of any shortfall in delivery between 2015-16 or from 2011-16 for Breckland; therefore any under-delivery against current housing targets need not be counted again. However, whilst the OAN identified by the SHMA will be a key part of the evidence base, the Local Plans will be the mechanism through which the SHMA evidence will be assessed against environmental and policy constraints to identify a sustainable and deliverable plan requirement.
- 5.5 The Local Plans will also consider the spatial distribution of the OAN across the functional housing market area for Central Norfolk.

The City Deal and Housing Requirements

- 5.6 While the OAN considered the role of jobs and workers across the HMA in light of the most recent EEFM forecast, we would also note that three authorities in the HMA (Broadland, Norwich, South Norfolk) have agreed a City Deal with ambitious plans for an additional 13,000 jobs and 3,000 homes by 2026, making their JCS target 27,000 additional jobs, plus those 13,000 City Deal jobs, over the period 2008-26. These figures are considered to be aspirational by the local authorities and therefore do not form part of the OAN for the area, but they can be considered to form part of the potential housing requirements. Therefore, the 3,000 additional homes have not been added to the OAN

figures set out in Chapter 4 and instead form part of a wider potential housing requirement across the HMA.

- 5.7 We would note that in the Central Norfolk SHMA 2015, the potential impact of the City Deal was considered part of the OAN, but greater clarity now indicates that it is an aspirational jobs target which should be treated as part of the housing requirement, not the OAN.
- 5.8 In summary, for the OAN, we considered the role of the EEFM forecast and concluded that there was a potential surplus of workers in the Central Norfolk HMA. However, for this section we are considering the impact of the City Deal and its potential uplift of the jobs target set out in the JCS.
- 5.9 Repeating the calculation set out in Chapter 4, we can conclude that the demographic projections would require a significant uplift in dwelling delivery to accommodate the extra workers required for the City Deal forecasts.
- 5.10 The number of workers in both the JCS and the City Deal are in excess of the EEFM figures, with the City Deal being the higher of the two. For this SHMA we seek to balance the number of jobs and workers on the EEFM figures. Therefore the aspirational figure for additional jobs in the JCS is not discounted against the aspirational figure for additional jobs from the City Deal. If we had sought to balance jobs and workers on the JCS figures, rather than the EEFM, the surplus would have been smaller.
- 5.11 When considering whether there is a need for an uplift to the housing requirement above the OAN figures, two distinct groups of local authorities can be identified in Central Norfolk; those within the JCS (Broadland, Norwich and South Norfolk), and those external to the JCS (Breckland and North Norfolk). We would note that the City Deal does have an impact on Breckland and North Norfolk because of the impact of in-commuters from these authorities to Greater Norwich. However, the impact from a 10% market signals uplift is larger and therefore there is no need to uplift the housing requirements for Breckland and North Norfolk above their OAN figures
- 5.12 In Broadland, Norwich and South Norfolk, the increase in jobs leads to an increased need for dwellings. Therefore, the uplift is driven by the job numbers. In Breckland and North Norfolk, we propose uplift in response to the market signals.
- 5.13 The uplifts are shown in Figure 80, which shows the **policy off** position including the need to uplift to balance jobs and workers shown as zero for each of the five local authorities. In contrast, Figure 96 shows the **policy on position** of adjusting the projections in response to balancing jobs and workers that are due to the City Deal and which are shown in bold. As can be seen, in each case only the larger of the two uplifts is applied to each authority; they are not cumulative because providing more dwellings for one reason also leads to more dwellings being available for other reasons.

Figure 96: Projected households and dwellings over the 21-year period 2015-36 Including the Policy-on 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)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk	Total for the 5 LAs
Demographic starting point: CLG household projections 2015-36	10,744	7,964	8,140	10,824	14,035	51,707
Baseline household projections taking account of local circumstances	10,588	7,254	6,746	13,120	14,127	51,835
Allowance for transactional vacancies and second homes: based on dwellings without a usually resident household	568	210	1,055	702	484	3,019
Dwellings	11,156	7,464	7,801	13,822	14,611	54,854
Adjustment for suppressed household formation rates: concealed families and homeless households	294 + 16 = 310	165 + 5 = 170	162 + 25 = 187	147 + 8 = 155	127 + 4 = 131	953
Baseline housing need based on demographic projections	11,466	7,634	7,988	13,977	14,742	55,807
Further adjustments needed...	In response to balancing jobs and workers (due to the City Deal):					
	In response to market signals	1,116 – 310 = 806	746 – 170 = 576	780 – 187 = 593	1,382 – 155 = 1,227	1,461 – 131 = 1,330
Combined impact of the identified adjustments	806	2,591	593	3,097	2,673	9,760
Total Projected Dwellings required 2015-36 (including response to City Deal)	12,272	10,225	8,581	17,074	17,415	65,567

	Core	NPA	Greater Norwich	The Broads	Central Norfolk Functional HMA	5 LA Total	
Demographic starting point: CLG household projections 2015-36	25,660	25,380	32,823	-	47,043	51,707	
Baseline household projections taking account of local circumstances	26,968	26,675	34,501	195	47,479	51,835	
Allowance for transactional vacancies and second homes: based on dwellings without a usually resident household	1,144	1,137	1,396	66	2,655	3,019	
Dwellings	28,112	27,812	35,897	261	50,134	54,854	
Adjustment for suppressed household formation rates: concealed families and homeless households	355+14=370	344+14=358	439 + 17 = 456	9 + 3 = 12	779 + 49 = 827	895 + 58 = 953	
Baseline housing need based on demographic projections	28,482	28,170	36,353	273	50,961	55,807	
Further adjustments needed...	In response to balancing jobs and workers:	6,739	6,576	8,361	23	9,231	9,505
	In response to market signals	2,811-370 =2,441	2,781-358 =2,423	3,589-456 = 3,133	27-6 = 21	5,013-827 = 4,185	5,485-953 = 4,532
Combined impact of the identified adjustments	6,739	6,576	8,361	28	9,231	9,760	
Full Objectively Assessed Need for Housing 2015-36	35,221	34,746	44,714	301	60,375	65,567	

5.14 The totals in the 5 LA Total column are each the sum of the corresponding row for the five local authorities. For example, the demographic starting point (51,707) is the sum of the top row for the five local authorities. However, the Combined impact of the identified adjustments (9,760) is the sum of the Combined impact of the identified adjustments for each of the local authorities, and those use whichever is the greater of the market signals adjustment and jobs and workers uplift.

5.15 The projected dwellings needed for the Broads by Local Authority comparing the ORS model based on long-term migration trends, and on a jobs-led growth scenario are shown in Figure 97.

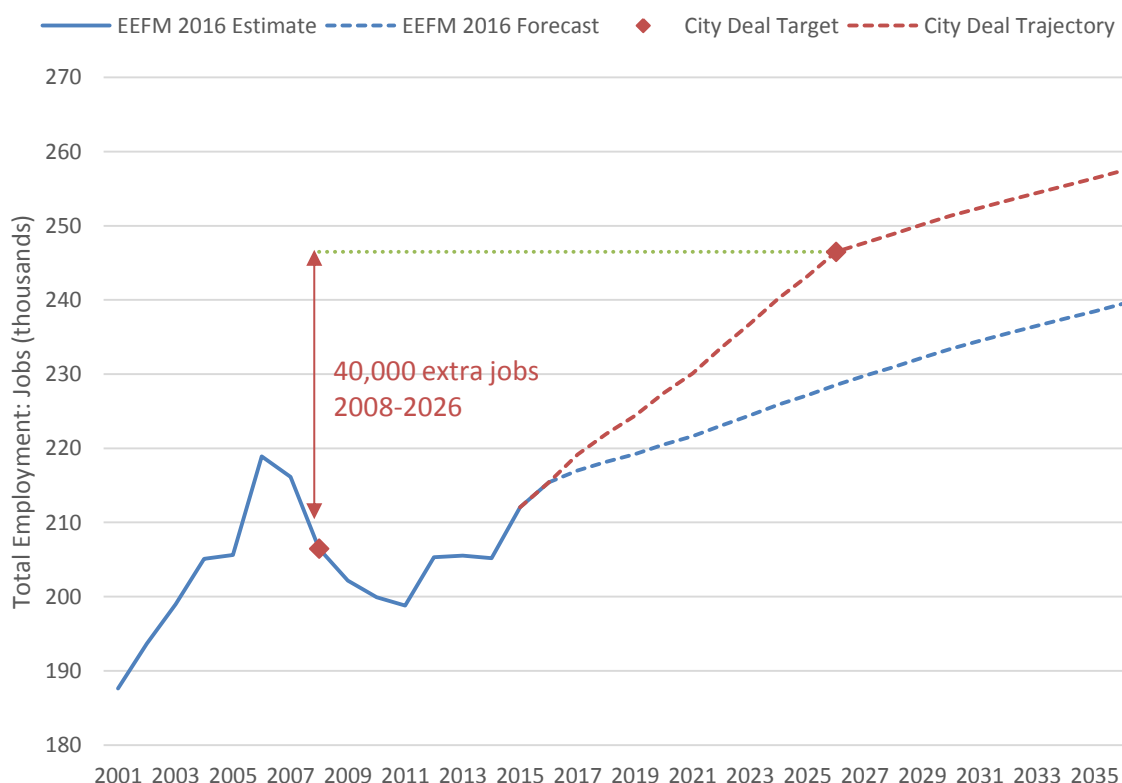
Figure 97: Projected Dwellings needed for the Broads by Local Authority Including the Policy-on City Deal (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census. Note: figures may not sum due to rounding)

	Breckland	Broadland	North Norfolk	Norwich	South Norfolk	Great Yarmouth	Waveney
ORS Model Using Long-term migration trends	0	50	70	3	40	66	57
Jobs led growth	0	55	76	4	43	66	57

The City Deal and the need for additional workers and dwellings

- 5.16 Broadland, Norwich and South Norfolk have a Joint Core Strategy (JCS) that plans for 27,000 jobs to be created between 2008 and 2026, the City Deal requires a further uplift of 13,000 jobs, leading to a total of an extra 40,000 jobs within these three local authorities.
- 5.17 Figure 98 below illustrates the difference in number of jobs in the JCS and City Deal target and trajectory compared to the EEFM current estimate and forecast.

Figure 98: Greater Norwich jobs forecasts and targets (Source: EEFM, Broadland, Norwich and South Norfolk Joint Core Strategy)



- 5.18 Figure 99 below demonstrates the difference required in jobs growth between the current EEFM estimate and forecast compared to the City Deal, including the JCS. Note that the City Deal is to 2026 only and we assume that the EEFM growth will then take place between 2026 and the end of the study period in 2036.

Figure 99: Greater Norwich jobs forecasts and targets – unrounded figures (Source: EEFM, Broadland, Norwich and South Norfolk Joint Core Strategy)

Jobs	Broadland, Norwich and South Norfolk
2008-26	
JCS Target	27,000
City Deal	13,000
2008-26 Total Jobs	40,000
Jobs Growth between 2008-15	5,588
2015-26 Jobs Required	34,412
2026 – 2036 jobs growth from EEFM	10,978
2015-36 Jobs Required	45,390
In commute at 9.2%	4,176
2015-36 Jobs to be fulfilled locally	41,214
Double Jobbing at 5.8%	2,259
2015-36 Workers needed	38,955

- 5.19 The total number of jobs 2008-26 in the JCS and City Deal targets is 40,000. Discounting the growth of 5,600 jobs between 2008-15, this leaves a total of 34,400 still to be provided to 2026. The EEFM forecast 2026-36 does not include the City Deal jobs and therefore the EEFM projection is added to the JCS and City Deal target to give a total figure to 2036 (45,400 jobs). After accounting for commuting and double jobbing, 39,000 workers are required to fill the jobs.
- 5.20 Figure 100 shows the growth in number of workers projected to be living and working in the Broadland, Norwich and South Norfolk area between 2015-36 excluding the JCS and City Deal targets.

Figure 100: Greater Norwich workers projections (Source: ORS model)

Workers	Broadland, Norwich and South Norfolk
2015-36	
ORS model predictions for workers	30,700
Unemployment change 2015-16	-1,100
2015-36 Total Workers	31,800
Out commuting at 11.2%	3,600
2015-36 Working and living in area	28,200

- 5.21 **There is a shortfall of 10,755 workers between the number of workers projected to live and work in the area and the number required to fill the jobs in the JCS and City Deal targets (38,955-28,200 = 10,755).**
- 5.22 As previously stated, Breckland and North Norfolk have no need for a jobs led uplift as the 10% Market signals and modelled growth provide enough workers for these areas. These two local authorities require an increase of 1,144 dwellings above the projections to provide enough workers for the EEFM predictions, whilst the response to market signals gives a dwelling increase of 1,399.
- 5.23 But it is necessary to take account of the fact that Breckland and North Norfolk are within the Functional Housing Market Area and as such will provide some workers for the shortfall identified above. This is because some workers taking any new jobs from the City Deal may either already live in

Breckland or North Norfolk, or will migrate into the area and choose to live in Breckland or North Norfolk. Overall the growth in workers within Breckland and North Norfolk will provide 820 workers to the three Greater Norwich local authorities.

5.24 **This leads to a shortfall of 9,935 workers that will require housing.**

5.25 The number of dwellings required to house these additional workers is shown below. The housing needed is produced by the ORS Model. In basing housing need on a target number of workers, as in this case, the Model works through a process to find the amount of additional housing which would be required to house the target number of workers, taking into account the in-migration needed to supply that target number of workers. **After taking account of vacancies and second homes, a total of 8,361 additional dwellings will be required to house the additional workers;** the numbers shown Figure 101.

Figure 101: Greater Norwich workers and dwellings required (Source: EEFM, Broadland, Norwich and South Norfolk Joint Core Strategy)

	Broadland	Norwich	South Norfolk	TOTAL
Workers Required	3,359	3,502	3,074	9,935
Housing Needed	2,518	2,940	2,584	8,042
Second homes and vacancies (%)	2.8%	5.1%	3.4%	4.0%
Dwellings Needed	2,591	3,097	2,673	8,361

5.26 It should be noted that adding the uplifts for Breckland and North Norfolk in response to balancing jobs and workers brings the total for the five authorities to 9,505 dwellings, but Breckland and North Norfolk use the larger uplift from market signals, giving the larger total of 9,760 dwellings for the five authorities.

Affordable Housing Need

5.27 The SHMA has identified a substantial need for additional affordable housing: a total of 17,450 dwellings across Central Norfolk over the 21-year period 2015-36. Given the level of affordable housing need identified, it will be important to maximise the amount of affordable housing that can be delivered through market housing led developments. Key to this is the economic viability of such developments, as this will inevitably determine (and limit) the amount of affordable housing that individual schemes are able to deliver.

5.28 As part of their strategic planning and housing enabling functions, the Council will need to consider the most appropriate affordable housing target in order to provide as much affordable housing as possible without compromising overall housing delivery. This target should provide certainty to market housing developers about the level of affordable housing that will be required on schemes, and the Council should ensure that this target is achieved wherever possible in order to increase the effective rate of affordable housing delivery.

5.29 PPG identifies that the Council should also consider “an increase in the total housing figure” where this could “help deliver the required number of affordable homes”; although this would not be an adjustment to the OAN, but a policy response to be considered in the Local Plan:

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.

Planning Practice Guidance (March 2014), ID 2a-029

- 5.30 It will therefore be important for the Council to consider the need for any further uplift once the affordable housing target has been established. However, as confirmed by the Inspector examining the Cornwall Local Plan in his preliminary findings³² (paragraphs 3.20-21):
- “National guidance requires **consideration** of an uplift; it does not automatically require a mechanistic increase in the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites. The realism of achieving the intended benefit of additional affordable housing from any such uplift is relevant at this stage, otherwise any increase may not achieve its purpose.*
- Any uplift on the demographic starting point ... would deliver some additional affordable housing and can be taken into account in judging whether any further uplift is justified.”*
- 5.31 Given that the identified OAN already incorporates an uplift from the baseline household projections in response to take account of suppressed household formation, with no uplift required in response to market signals. This will contribute to increasing the supply of affordable homes through market housing led developments. The Council will need to consider whether there is sufficient justification for any further increase in the total housing figures included in their Local Plan (beyond the identified OAN) as part of their policy response to meeting the identified need for affordable housing; although it will be important to consider the implications of providing a higher level of market housing than identified by the OAN, in particular the consequences on the balance between jobs and workers.
- 5.32 The contribution towards affordable housing delivery that can be achieved through market housing led developments shouldn't be considered in isolation. The Government has launched a series of new initiatives in the past 5 years to attempt to boost the supply of homes, including affordable homes. The key Homes and Communities Agency (HCA) investment programmes include:
- » **Affordable Homes Programme:** the flagship HCA investment programme(s) for new affordable homes – the 2015-18 programme intends to support the building of 43,821 new affordable homes across 2,697 schemes in England
 - » **Affordable Homes Guarantees Programme:** guaranteeing up to £10bn of housing providers' debt in order to bring schemes forward
 - » **Care and Support Specialised Housing Fund:** funding used to accelerate the development of the specialised housing market such as Older People and those with disabilities
 - » **Community Right to Build:** (Outside London) including some provision for affordable homes
 - » **Empty Homes programme**
 - » **Estate Regeneration Programme:** often creating mixed tenure communities

³² <https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf>

- » **Get Britain Building:** aiming to unlock locally-backed stalled sites holding planning permission and including affordable homes

5.33 However, there are currently a number of constraints that are affecting the delivery of new affordable housing; although there is also a range of other initiatives that may help increase delivery in future.

Constraints affecting the delivery of new affordable housing	Other initiatives potentially increasing the delivery of new affordable housing
<p>Welfare reform Most stakeholders (including private landlords, house builders, local authorities and RPs) are concerned at the impact of benefit reform and the risk to their revenue. Credit rating agency have also signalled concerns.</p> <p>Registered Providers Many RPs have become more risk averse in their approach to developing new homes. The move to Affordable Rent as opposed to Social Rent housing and the resultant reduction in grant rates has made delivery and viability issues more pronounced. Grant level reductions in the AHP 2015-18 have, arguably, increased risk perceptions further.</p> <p>Stock rationalisation by Registered Providers The new regulatory framework for RPs continues the emphasis on economic regulation. This could, potentially, reduce current supply of affordable housing. Already, sector trends indicate many associations are identifying under-performing stock with a view to rationalisation.</p> <p>Extension of Right to Buy (RTB) to Registered Providers The Government pledge to introduce an RTB for RP tenants mean many associations will need to assess the risk to their Business Plans and this might reduce appetite for new development.</p>	<p>Councils building more new homes Many Councils are now trying to bring new rental schemes forward following reform of the HRA system.</p> <p>New 'for profit' providers Over 30 'for profit' providers to deliver AHP homes have so far registered with the HCA, mainly in order to deliver non-grant affordable housing. There is arguably potential for increased supply of affordable homes for rent by 'for profit' providers.</p> <p>Co-operative Housing Given current delivery constraints, co-operative housing has been identified as a further alternative supply for households unable to access ownership or affordable housing. The Confederation of Co-operative Housing, working with RPs, is currently trying to bring schemes forward. The HCA has held back funding for Co-operative Housing in the previous AHP.</p>

5.34 The Government also sees the growth in the private rented sector as positive. Whilst private rented housing (with or without housing benefit) does not meet the definitions of affordable housing, it offers a flexible form of tenure and meets a wide range of housing needs. The sector also has an important role to play given that many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. If there isn't sufficient private rented housing available at a price these households can afford, the need for affordable housing would be even higher.

5.35 A Government task force was established in 2013 to encourage and support build-to-let investment³³. The HCA also has several investment programmes to help bring schemes forward. These include a £1 billion Build to Rent Fund, which will provide equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these new homes. New supply of private rented housing therefore seems likely from various sources, despite current volumes being relatively low:

- » **Registered Providers** are potential key players in the delivery of new PRS supply and recently several have begun to enter the market in significant scale³⁴, particularly in response to the Build to Rent Fund, although other institutional funding is also being

³³ <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>

³⁴ <http://www.insidehousing.co.uk/business/development/transactions/lq-to-launch-prs-subsiary/7009701.article>

sought. Overall, although interest is high, it remains unclear as to the scale of development which may deliver.

- » **Local Authorities** can also enable new PRS supply to come forward investing local authority land, providing financial support (such as loan guarantees), and joint ventures with housing associations, developers or private investors under the Localism Act. Whilst LA initiatives may contribute to new build PRS, these will take time to deliver significant numbers of units.
- » **Local Enterprise Partnerships** are another potential source of new build PRS homes³⁵. The Growing Places Fund provides £500 million to enable the development of local funds to promote economic growth and address infrastructure constraints in order to enable the delivery of jobs and houses. Any funding for housing, however, has to compete with other priorities e.g. skills and infrastructure. However, LEPs could potentially enable new PRS housing delivery and some attempts have been made in this regard to increase supply.
- » **Insurance companies** and **pension funds** have been expanding into property lending in recent years; especially schemes in London. Nearly a quarter of new UK commercial property finance came from non-bank lenders in 2013.

^{5.36} National Government policy is also focused on improving the quality of both management and stock in the private rented sector, and local councils also have a range of enforcement powers. This is particularly important given the number of low income households that rent from a private landlord.

^{5.37} Given the substantial need for affordable housing identified for Central Norfolk, the Council will need to consider the most appropriate affordable housing target as part of their strategic planning and housing enabling functions. However, it will also be important for the Council to consider all of the options available to help deliver more affordable homes in the area.

Older People in Residential Institutions (Use Class C2)

^{5.38} 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 (March 2014), ID 3-037

^{5.39} The identified OAN of 60,350 dwellings includes the housing needs of older people, but does not include the remaining growth of 3,909 people in care homes. On this basis, all self-contained older person housing should be counted within the housing supply; but the supply of bedspaces in residential institutions (Use Class C2) should not be counted. If 3,909 additional Class C2 bedspaces

³⁵ <https://www.gov.uk/government/publications/growing-places-fund-prospectus>

are not expected to be provided in the period 2015-36 in Central Norfolk then these people will not vacate dwellings and therefore more dwellings will be required.

Gypsies and Travellers

- 5.40 The Central Norfolk HMA local authorities are currently working on a new Gypsy and Traveller Accommodation Needs Assessment (GTAA) which will report separately. The relationship between the figures from the GTAA and the OAN is explained here.
- 5.41 Planning Policy for Traveller Sites (PPTS) came into force in March 2012 and was updated in August 2015. 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.

Planning Policy for Traveller Sites, paragraph 1

- 5.42 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."

- 5.43 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.

- 5.44 We would also note that a change introduced by the Housing and Planning Act 2016 is the removal of the 2 sections in the 2004 Housing Act that placed a statutory requirement on Councils to conduct a specific assessment of need for Travellers. However PPTS still sets out that local planning authorities should make their own assessment of need for the purposes of planning Traveller sites, but that this only relates to households who meet the new planning definition of travelling.
- 5.45 The Housing and Planning Act also introduces a new duty (under Section 8 of the 1985 Housing Act that covers the requirement for a periodical review of housing needs) for local authorities to consider the needs of people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed, or places on inland waterways where houseboats can be moored. Draft Guidance related to this section of the Act has been published setting out how the government want local housing authorities to undertake this assessment and it is essentially the same as the GTAA assessment process - referring specifically for example to concealed or doubled-up households and unauthorised encampments.
- 5.46 The implication of the policy changes is that the housing needs of any Gypsy and Traveller households who do not meet the new 'planning' definition of a Traveller will form a subset of any wider need arising from households residing in caravans. In practice this will almost certainly amount a small fraction of the total OAN (typically less than 0.1% in most local authorities), but it does represent an important need because Romany, Irish and Scottish Travellers can claim a right to be provided with culturally appropriate housing (caravans) based on their protected ethnic status contained in the Equalities Act 2010. It should also be noted that a separate 5 year land supply for this group is not required.

Appendix 1: Defining the HMA

Defining the three stage Central Norfolk HMA

- 1.1 This study builds on the work undertaken in Central Norfolk SHMA 2015 which identified a three stage Central Norfolk HMA. Each level of geography is reported in this study. The Central Norfolk SHMA 2015 included a detailed analysis of the Housing Market Areas. The conclusions of the 2015 study are extracted below as a summary of the analysis, while the full study can be viewed on the local authority and other websites³⁶:
- 1.2 “It is clear that all of the evidence considered suggests that there is a three stage Central Norfolk Housing Market Area:
- » The Core Market Area;
 - » Greater Norwich;
 - » Central Norfolk HMA.
- 1.3 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.
- 1.4 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.
- 1.5 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.
- 1.6 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

³⁶ <http://www.greaternorwichgrowth.org.uk/news/view/central-norfolk-shma-published>

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).

- 1.7 In conclusion, therefore, we consider the expanded Central Norfolk Housing Market Area to be supported by the evidence and able to withstand external scrutiny."

Geographic Basis of the Core and Central Norfolk HMA

- 1.8 The HMAs were defined using 2011 Output Areas as the lowest possible unit of definition. The OAs defining the Core and Central Norfolk HMA extend to 50 pages and are available in a supplementary note to this report.

Appendix 2: Target Rents

Affordability of Target Rents Compared to Affordable Rents

1. In order to profile the affordability of the mix of households needing affordable housing, income data from the English Housing Survey and ONS Survey of Personal Incomes has been combined and modelled to establish the income distribution by household type and age in the Central Norfolk area. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.
2. Figure 85 sets out the affordable housing mix broken down by property size in Central Norfolk; identifying those able to afford affordable rent and target rent (all without housing benefit subsidy) and those that would need financial support to afford target rent. The analysis is based on three scenarios:
 - » Spending up to 25% of gross household income (excluding housing benefit) on housing costs;
 - » Spending up to 30% of gross household income (excluding housing benefit) on housing costs;
 - » Spending up to 35% of gross household income (excluding housing benefit) on housing costs.
3. Across Central Norfolk as a whole in all scenarios, the majority of the households in need of affordable housing would not be able to afford the relevant Target Social Rent for a property of the size needed.
4. Providing new affordable rented housing based on Target Social Rents would enable around 1,730-1,810 more households to pay their rent without housing benefit support than would be able to do so if new housing was provided as Affordable Rent. If new affordable rented housing was provided with Affordable Rents (based on 80% of median private rent), these households would continue to depend on housing benefit.
5. Between 2,500 and 4,100 households in need of affordable housing (depending on the proportion of income assumed) could afford Affordable Rent (without housing benefit support). Some of these households may also be able to afford shared equity or other forms of low cost home ownership, if this can be delivered based on a model where the weekly costs are similar to Affordable Rent.
6. The situation is reflected in the Greater Norwich area; in all three scenarios, the majority of the households in need of affordable housing would not be able to afford the relevant Target Social Rent for a property of the size needed:
7. Also in each of the individual local authority areas, in all three scenarios, the majority of the households in need of affordable housing would **not be able to afford the relevant Target Social Rent** for a property of the size needed:
 - » Between 58% (Breckland) and 73% (Norwich) of households based on up to 35% of income being spent on housing costs; and
 - » Between 69% (Breckland) and 81% (Norwich) of households based on up to 25% of income being spent on housing costs.

Figure 102: Affordable housing mix by household affordability (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

BROADLAND		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	160	0	4	164
	2+ bedrooms	33	0	6	39
House	2 bedrooms	856	1	143	1,000
	3 bedrooms	450	72	112	634
	4+ bedrooms	116	35	19	170
TOTAL		1,616	108	283	2,007
30% OF INCOME					
Flat	1 bedroom	158	2	4	164
	2+ bedrooms	32	0	7	39
House	2 bedrooms	811	1	188	1,000
	3 bedrooms	411	69	154	634
	4+ bedrooms	105	37	29	170
TOTAL		1,517	108	382	2,007
35% OF INCOME					
Flat	1 bedroom	154	6	5	164
	2+ bedrooms	30	0	9	39
House	2 bedrooms	775	1	225	1,000
	3 bedrooms	378	68	188	634
	4+ bedrooms	95	37	39	170
TOTAL		1,432	110	465	2,007

NORWICH		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	1,918	56	113	2,086
	2+ bedrooms	995	96	126	1,216
House	2 bedrooms	529	51	67	647
	3 bedrooms	1,024	229	207	1,459
	4+ bedrooms	277	110	34	421
TOTAL		4,742	541	546	5,828
30% OF INCOME					
Flat	1 bedroom	1,855	81	150	2,086
	2+ bedrooms	945	92	179	1,216
House	2 bedrooms	503	49	95	647
	3 bedrooms	943	230	287	1,459
	4+ bedrooms	250	121	50	421
TOTAL		4,495	572	762	5,828
35% OF INCOME					
Flat	1 bedroom	1,779	115	192	2,086
	2+ bedrooms	897	100	219	1,216
House	2 bedrooms	477	53	116	647
	3 bedrooms	875	223	361	1,459
	4+ bedrooms	227	124	70	421
TOTAL		4,256	616	957	5,828

SOUTH NORFOLK		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	441	9	25	475
	2+ bedrooms	104	14	32	149
House	2 bedrooms	845	110	260	1,216
	3 bedrooms	714	141	291	1,145
	4+ bedrooms	129	44	37	210
TOTAL		2,232	317	645	3,195
30% OF INCOME					
Flat	1 bedroom	425	20	31	475
	2+ bedrooms	96	14	39	149
House	2 bedrooms	781	118	318	1,216
	3 bedrooms	643	138	365	1,145
	4+ bedrooms	115	44	51	210
TOTAL		2,059	333	803	3,195
35% OF INCOME					
Flat	1 bedroom	405	29	41	475
	2+ bedrooms	89	15	45	149
House	2 bedrooms	723	124	369	1,216
	3 bedrooms	584	135	426	1,145
	4+ bedrooms	104	42	64	210
TOTAL		1,904	346	945	3,195

GREATER NORWICH		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	2,519	65	142	2,725
	2+ bedrooms	1,132	110	164	1,404
House	2 bedrooms	2,230	162	470	2,863
	3 bedrooms	2,188	442	610	3,238
	4+ bedrooms	522	189	90	801
TOTAL		8,590	966	1,474	11,030
30% OF INCOME					
Flat	1 bedroom	2,438	103	185	2,725
	2+ bedrooms	1,073	106	225	1,404
House	2 bedrooms	2,095	168	601	2,863
	3 bedrooms	1,997	437	806	3,238
	4+ bedrooms	470	202	130	801
TOTAL		8,071	1,013	1,947	11,030
35% OF INCOME					
Flat	1 bedroom	2,338	150	238	2,725
	2+ bedrooms	1,016	115	273	1,404
House	2 bedrooms	1,975	178	710	2,863
	3 bedrooms	1,837	426	975	3,238
	4+ bedrooms	426	203	173	801
TOTAL		7,592	1,072	2,367	11,030

NPA		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	2,291	61	130	2,482
	2+ bedrooms	1,079	104	149	1,331
House	2 bedrooms	1,656	115	324	2,096
	3 bedrooms	1,772	364	458	2,592
	4+ bedrooms	438	162	70	669
TOTAL		7,236	804	1,129	9,168
30% OF INCOME					
Flat	1 bedroom	2,218	94	171	2,482
	2+ bedrooms	1,024	100	207	1,331
House	2 bedrooms	1,560	118	419	2,096
	3 bedrooms	1,621	361	612	2,592
	4+ bedrooms	395	174	101	669
TOTAL		6,816	844	1,510	9,168
35% OF INCOME					
Flat	1 bedroom	2,127	136	219	2,482
	2+ bedrooms	971	109	252	1,331
House	2 bedrooms	1,474	125	497	2,096
	3 bedrooms	1,494	352	747	2,592
	4+ bedrooms	358	176	136	669
TOTAL		6,424	897	1,849	9,168

CORE HMA		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	2,295	61	130	2,485
	2+ bedrooms	1,080	104	149	1,331
House	2 bedrooms	1,711	112	330	2,154
	3 bedrooms	1,794	367	461	2,620
	4+ bedrooms	445	164	70	679
TOTAL		7,324	806	1,138	9,267
30% OF INCOME					
Flat	1 bedroom	2,221	94	170	2,485
	2+ bedrooms	1,025	100	206	1,331
House	2 bedrooms	1,612	115	427	2,154
	3 bedrooms	1,641	364	617	2,620
	4+ bedrooms	401	176	102	679
TOTAL		6,899	846	1,524	9,267
35% OF INCOME					
Flat	1 bedroom	2,131	136	219	2,485
	2+ bedrooms	971	108	251	1,331
House	2 bedrooms	1,524	122	508	2,154
	3 bedrooms	1,513	354	753	2,620
	4+ bedrooms	364	178	138	679
TOTAL		6,503	898	1,866	9,267

BRECKLAND		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	386	5	81	472
	2+ bedrooms	175	20	54	248
House	2 bedrooms	1,054	119	323	1,495
	3 bedrooms	1,212	334	307	1,853
	4+ bedrooms	223	88	29	340
TOTAL		3,050	565	793	4,408
30% OF INCOME					
Flat	1 bedroom	382	3	87	472
	2+ bedrooms	160	17	71	248
House	2 bedrooms	962	104	430	1,495
	3 bedrooms	1,078	341	435	1,853
	4+ bedrooms	196	96	47	340
TOTAL		2,777	561	1,070	4,408
35% OF INCOME					
Flat	1 bedroom	376	6	90	472
	2+ bedrooms	147	16	84	248
House	2 bedrooms	888	98	509	1,495
	3 bedrooms	970	328	555	1,853
	4+ bedrooms	175	98	67	340
TOTAL		2,556	547	1,305	4,408

NORTH NORFOLK		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	195	3	14	212
	2+ bedrooms	84	10	13	107
House	2 bedrooms	713	87	111	912
	3 bedrooms	443	69	67	579
	4+ bedrooms	146	32	11	188
TOTAL		1,581	201	216	1,998
30% OF INCOME					
Flat	1 bedroom	193	2	18	212
	2+ bedrooms	78	9	20	107
House	2 bedrooms	663	78	171	912
	3 bedrooms	402	76	101	579
	4+ bedrooms	133	37	19	188
TOTAL		1,468	201	329	1,998
35% OF INCOME					
Flat	1 bedroom	189	3	20	212
	2+ bedrooms	73	8	25	107
House	2 bedrooms	622	72	217	912
	3 bedrooms	370	75	134	579
	4+ bedrooms	122	39	28	188
TOTAL		1,376	197	425	1,998

CENTRAL NORFOLK		Unable to afford Target Rent	Can afford Target Rent	Can afford Affordable Rent	TOTAL
25% OF INCOME					
Flat	1 bedroom	3,100	73	237	3,409
	2+ bedrooms	1,391	140	231	1,759
House	2 bedrooms	3,997	368	904	5,270
	3 bedrooms	3,843	845	984	5,670
	4+ bedrooms	891	309	130	1,329
TOTAL		13,221	1,732	2,483	17,436
30% OF INCOME					
Flat	1 bedroom	3,013	108	290	3,409
	2+ bedrooms	1,311	132	316	1,759
House	2 bedrooms	3,720	350	1,202	5,270
	3 bedrooms	3,477	854	1,342	5,670
	4+ bedrooms	799	335	196	1,329
TOTAL		12,316	1,775	3,346	17,436
35% OF INCOME					
Flat	1 bedroom	2,903	159	348	3,409
	2+ bedrooms	1,236	139	382	1,759
House	2 bedrooms	3,485	348	1,436	5,270
	3 bedrooms	3,177	829	1,664	5,670
	4+ bedrooms	723	340	268	1,329
TOTAL		11,524	1,816	4,097	17,436

Appendix 3: Broads Executive Authority Area 2015 and 2017

Comparison of OAN 2015 and 2017

8. The Central Norfolk OAN produced in 2015 included an uplift for the dwellings required for the City Deal. The updated OAN produced in 2017 excluded the City Deal to ensure that the OAN was 'policy-off'. Housing projections including the 'policy-on' City Deal were also produced in 2017 for information only. The two sets of figures for 2015 and 2017 are reproduced below, with the **OAN figure for each assessment highlighted in green**.
9. The figures by local authority area from the ORS Model and jobs led growth in the **2017 assessment** are shown below:

Figure 103: Projected Dwellings needed for the Broads 2017 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	50	70	3	40	66	57
Jobs led growth	0	55	76	4	43	66	57

10. The figures by local authority area from the ORS Model and jobs led growth in the **2015 assessment** are shown below:

Figure 104: Projected Dwellings needed for the Broads 2015 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

11. The total OAN in was 286 in 2017 over the 21 year period 2015-36 based on the ORS model. In 2015, the OAN was 320 over the 24 year period 2012-36 based on the jobs-led growth in 2015. This averages as:
- » 2017 OAN (21 years): 13.6 dwellings per year
 - » 2015 OAN (24 years): 13.3 dwellings per year

The process of assessing housing need in the Broads Executive Authority Area

12. Assessing the housing needs of the Broads Executive Authority Area has several particular difficulties, with the most difficult being working with the small numbers involved. In demography, which is the basis of producing an OAN, it is common to round to the nearest 100. In the case of the Broads, this would make no sense as each of the six local authority segments within the Broads would then be shown as either 0 or 100. Yet even small changes in the number of dwellings to be delivered in the Broads can be a challenge given the nature of the area. Also, the Broads Executive Authority has to work with the six Local Planning Authorities (LPA) to provide the dwellings. Therefore it is important for the OAN process to identify the need by six local authority areas within the Broads. Another fundamental problem is that most data sources, such as population and dwellings forecasts are published at a local authority Level and not solely at a Broads Authority Executive Area level.
13. Following the Census 2011, the Broads Executive Authority carried out work to identify the dwelling numbers and population within the part of each output area that lay within the boundary of the Broads. From this, the output areas were combined to give the part of each local authority that lay within the boundary of the Broads. The starting point to produce the OAN was to take these population figures provided by the Broads Authority and to apply the age profile from the Census 2011³⁷ to each local authority area within the Broads. The population was then updated by apportioning 2015 mid-year estimates for local authorities between two areas; 'Central Norfolk within the Broads' (the four local authorities in Central Norfolk) and 'Great Yarmouth and Waveney within the Broads'. The two areas were used so as to give the largest possible areas to make the data as robust as possible and minimising the problem of small numbers.
14. The data was aged year by year, by age band and gender. Natural change from births and deaths, and cross-border migration were applied, with migration based on the 6 local authority rates as smaller area migration data was not available. Headship rates were applied and the number of households was apportioned by the local authorities, again based on the Broads Authority work. The vacancy and second home rate of 25.4% was based on second home and holiday home work by the Broads Executive Authority which involved a detailed assessment of Council Tax records. This rate was used as it is based on Broads local area data and therefore preferential to using district vacancy rates, which would be too low for the Broads, for consistency with the previous SHMA, and because the vacancy and second home rate figures in the previous SHMA were agreed.
15. For the jobs-led forecasts including the City Deal, the proportional uplift for each relevant local authority was applied to the number of dwellings in each local authority area within the Broads. The jobs-led forecast is not the OAN, but was included for information.
16. There are some small differences between 2015 and 2017 figures. The main reasons for these differences were:
 - » Migration rates and other population changes shown in the data between 2014 and 2015 MYE

37

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/2011censuskeys/tatisticsfornationalparksinenglandandwales>

» Changes to headship rates

17. The differences in total number of dwellings, comparing like with like are shown below. As might be expected, the ORS Model assessment using long-term migration trends for each of the two years should be compared against each other, and the jobs led growth for each of the two years should be compared against each other.

Figure 105: Comparison of Projected Dwellings for the Broads from the ORS Model and Jobs Led Growth for 2015 and 2017 Assessments (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census)

	Assessment year	Total dwellings	Period (years)	Average dwellings per year
ORS Model Using Long-term migration trends	2015	295	24	12.3
	2017 (OAN)	286	21	13.6
Jobs led growth	2015 (OAN)	320	24	13.3
	2017	301	21	14.3

Table of Figures

Figure 1: Housing Market Area in and around Greater Norwich (Source: UK Census of Population 2001 combined with DEFRA Classifications).....	7
Figure 2: Norwich Policy Area (Source: Broadland, Norwich and South Norfolk Joint Core Strategy, Page 108).....	8
Figure 3: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG).....	12
Figure 4: CLG Household Projections for Central Norfolk Local Authorities (Source: CLG Household Projections - Note: Figures may not sum due to rounding).....	13
Figure 5: ONS Mid-Year Estimates and Sub-National Population Projections for Central Norfolk (Source: ONS).....	14
Figure 6: 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).....	17
Figure 7: 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).....	17
Figure 8: 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).....	18
Figure 9: Breckland components of population change (Source: ONS Mid-Year Population Estimates, revised).....	19
Figure 10: Breckland population projection based on migration trends.....	20
Figure 11: Breckland population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency).....	20
Figure 12: 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).....	21
Figure 13: 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).....	21
Figure 14: 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).....	22
Figure 15: Broadland components of population change (Source: ONS Mid-Year Population Estimates, revised).....	23
Figure 16: Broadland population projection based on migration trends.....	24
Figure 17: Broadland population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency).....	24
Figure 18: 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).....	25
Figure 19: 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).....	25
Figure 20: 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).....	26

Figure 21: North Norfolk components of population change (Source: ONS Mid-Year Population Estimates, revised).....	27
Figure 22: North Norfolk population projection based on migration trends.....	28
Figure 23: North Norfolk population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)	28
Figure 24: 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)	29
Figure 25: 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)	29
Figure 26: 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)	30
Figure 27: Norwich components of population change (Source: ONS Mid-Year Population Estimates, revised).....	31
Figure 28: Norwich population projection based on migration trends.....	32
Figure 29: Norwich population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)	32
Figure 30: 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)	33
Figure 31: 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)	33
Figure 32: 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)	34
Figure 33: South Norfolk components of population change (Source: ONS Mid-Year Population Estimates, revised).....	35
Figure 34: South Norfolk population projection based on migration trends.....	36
Figure 35: South Norfolk population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)	36
Figure 36: Central Norfolk population projection based on migration trends.....	37
Figure 37: Central Norfolk population projections 2015-36 by gender and 5-year age cohort based on 2014-based SNPP and 10-year migration trend scenarios (Note: All figures presented unrounded for transparency)	37
Figure 38: Central Norfolk residents employed in the Armed Forces (Source: 2011 Census)	38
Figure 39: Economic Activity Rate long-term UK trends (Source: Labour Market Statistics based on Labour Force Survey)	39
Figure 40: Membership of private sector defined benefit and defined contribution schemes (Source: NAO)	41
Figure 41: 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).....	42
Figure 42: Female participation rates by Cohort (Source: ONS, OBR)	43
Figure 43: Economic activity rates in 2015 and 2036 by age and gender based on OBR Labour Market Participation Projections.....	44
Figure 44: Projected economically active population 2015-36 (Note: All figures presented unrounded for transparency)	45
Figure 45: Population projections 2015-36 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)	46
Figure 46: Projected households and dwellings over the 21-year period 2015-36 (Note: Dwelling numbers all assume 4.9% vacancy rate derived from CLG Live Table 615 converted)	48
Figure 47: Households accepted as homeless and in priority need (Source: CLG P1E returns March 2006 and March 2016, Note: * denotes missing data)	50
Figure 48: Concealed families in Central Norfolk by age of family representative (Source: Census 2001 and 2011).....	51
Figure 49: Shared Dwellings and Sharing Households in Central Norfolk (Source: Census 2001 and 2011)	52
Figure 50: Multi-adult Households in Central Norfolk (Source: Census 2001 and 2011).....	52
Figure 51: 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)	54
Figure 52: 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)	56
Figure 53: Estimate of the number of overcrowded households in Central Norfolk by tenure based on the bedroom standard (Source: EHS; UK Census of Population 2011)	57
Figure 54: Trend in non-decent homes by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)	58
Figure 55: Number of households on the local authority housing register 2001-16 (Source: LAHS and HSSA returns to CLG).....	59
Figure 56: Number of households on the local authority housing register at 1 st April (Source: LAHS returns to CLG)	59
Figure 57: Number of claimants in receipt of housing benefit in Central Norfolk by tenure (Source: DWP. Note: No breakdown by tenure is available for the period 2001-07 and data for 2007-08 was not published).....	61
Figure 58: Assessing current unmet gross need for affordable housing in Central Norfolk (CLG returns, Census, EHS; Note: totals may not sum due to rounding)	64
Figure 59: Assessing affordability by household type and age in Central Norfolk (Source: ORS Housing Model based on Census 2011 and DWP).....	66
Figure 60: Components of average annual household growth by 5-year projection period in Central Norfolk (Source: ORS Housing Model) Note: figures may not sum due to rounding	67
Figure 61: Annual change in household numbers in each age cohort by age of HRP in Central Norfolk (Source: ORS Housing Model).....	68
Figure 62: Affordability of new households over the initial 5-year period 2015-20 in Central Norfolk (Source: ORS Housing Model).....	68
Figure 63: Components of average annual household growth 2015-20 in Central Norfolk (Source: ORS Housing Model)	69
Figure 64: Components of average annual household growth 2015-20 in Central Norfolk (Source: ORS Housing Model) Note: Columns may not sum due to rounding.....	71
Figure 65: Assessing total need for market and affordable housing in Central Norfolk (Source: ORS Housing Model)	72
Figure 66: Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2015-36 and associated number of affordable dwellings	73
Figure 67: Process for establishing a Housing Number for the HMA (Source: ORS based on NPPF and PPG).....	75
Figure 68: Annual house price rates of change, UK all dwellings 2004-2016 (Source: Regulated Mortgage Survey. Note: Not seasonally adjusted).....	81
Figure 69: UK and London House Price Index 2008-2016 (Source: ONS).....	81
Figure 70: House Price Trends: Lower Quartile Prices (Source: ONS. Note: HMA figures derived using population weighted average of Local Authority data).....	83

Figure 71: Real House Price Trends: Lower Quartile Prices adjusted to 2012 values using CPI (Source: ONS; Bank of England. Note: HMA figures derived using population weighted average of Local Authority data).....	84
Figure 72: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2012 values using CPI (Source: ONS; Bank of England. Note: HMA figures derived using population weighted average of Local Authority data).....	85
Figure 73: Ratio of Lower Quartile House Price to Lower Quartile Earnings (Source: DCLG. Note: Ratios prior to 2013 are calculated using a different source of house price data, HMA figures derived using population weighted average of Local Authority data).....	85
Figure 74: UK household tenure projections to 2032 (Source: DCLG/IMLA)	86
Figure 75: Household Tenure by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free).....	87
Figure 76: Median Monthly Rent Values (Source: Valuation Office Agency 2013-2016. Note: HMA figures derived using population weighted average of Local Authority data)	88
Figure 77: Annual Housing Completions for Central Norfolk (Source: Central Norfolk Local Authorities Data; CLG Live Tables; Census 2001 and 2011).....	89
Figure 78: Summary of Market Signals: Indicators Relating to Price (Note: Affordability Ratios prior to 2013 are calculated using a different source of house price data, HMA figures derived using population weighted average of Local Authority data).....	90
Figure 79: Employment growth forecasts for Central Norfolk 2011-31 (Source: EEFM)	93
Figure 80: Projected households and dwellings over the 21-year period 2015-36: policy-off, excluding 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)	95
Figure 81: Projected Dwellings needed for the Broads by Local Authority: policy-off, excluding 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)	96
Figure 82: Projected Dwellings needed for Different Sub-Geographies: policy-off, excluding 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)	97
Figure 83: Housing mix of OAN for market and affordable housing: policy-off, excluding the City Deal (Source: ORS Housing Model. Note: Figures may not sum exactly due to arithmetic rounding)	101
Figure 84: Weekly rent thresholds in Central Norfolk (Source: Valuation Office Agency 2015-16; Homes and Communities Agency) (Note: Central Norfolk figure derived using population weighted average of Local Authority data).....	103
Figure 85: Affordable housing mix by household affordability: policy-off, excluding the City Deal (Source: ORS Housing Model. Note: Figures may not sum due to rounding).....	106
Figure 86: Shared ownership costs (Note: Mortgage costs based on a 25-year repayment mortgage at 6.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week).....	116
Figure 87: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 25-year repayment mortgage at 6.0% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in brown are above the LHA rate but below median private rent, cells in red are above the equivalent median private rent. Cells which are not coloured are lower than the equivalent maximum LHA)	116
Figure 88: Starter Home Initiative (Note: Mortgage costs based on a 25-year repayment mortgage at 6.0% interest)	117
Figure 89: Comparison of weekly housing costs by property size – Central Norfolk (Source: VOA 2015-2016. Note: HMA figure derived using population weighted average of Local Authority data).....	117
Figure 90: Summary of legislative changes affecting private tenants' LHA (Source: HM Treasury, DWP)	119
Figure 91: Number of Households by Tenure 1981-2011 (Source: UK Census of Population)	121
Figure 92: Percentage of Households by Tenure 1981-2011 (Source: UK Census of Population)	121
Figure 93: Households by Tenure 1981-2011 (Source: UK Census of Population).....	121

Figure 94: Mix of household types living in the private rented sector (Source: UK Census of Population 2011 and DWP)	122
Figure 95: Projected households and dwellings over the 25-year period 2011-36 for Breckland: policy-off, excluding the City Deal	125
Figure 96: Projected households and dwellings over the 21-year period 2015-36 Including the Policy-on 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)	127
Figure 97: Projected Dwellings needed for the Broads by Local Authority Including the Policy-on 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)	129
Figure 98: Greater Norwich jobs forecasts and targets (Source: EEFM, Broadland, Norwich and South Norfolk Joint Core Strategy)	129
Figure 99: Greater Norwich jobs forecasts and targets – unrounded figures (Source: EEFM, Broadland, Norwich and South Norfolk Joint Core Strategy)	130
Figure 100: Greater Norwich workers projections (Source: ORS model)	130
Figure 101: Greater Norwich workers and dwellings required (Source: EEFM, Broadland, Norwich and South Norfolk Joint Core Strategy)	131
Figure 102: Affordable housing mix by household affordability (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	140
Figure 103: Projected Dwellings needed for the Broads 2017 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)	149
Figure 104: Projected Dwellings needed for the Broads 2015 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)	149
Figure 105: Comparison of Projected Dwellings for the Broads from the ORS Model and Jobs Led Growth for 2015 and 2017 Assessments (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in the 2011 Census)	151