

Planning Policy & Built Heritage Working Party



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Friday, 4 October 2019

A meeting of the **Planning Policy & Built Heritage Working Party** of North Norfolk District Council will be held in the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN on **Monday, 14 October 2019 at 10.00 am.**

At the discretion of the Chairman, a short break will be taken after the meeting has been running for approximately one and a half hours

Members of the public who wish to ask a question or speak on an agenda item are requested to notify the Democratic Services & Governance Officer 24 hours in advance of the meeting and provide a copy of the question or statement. Statements should not exceed three minutes. Further information on the procedure for public speaking can be obtained [here](#) or from Democratic Services, Tel: 01263 516010, Email: democraticservices@north-norfolk.gov.uk

Anyone attending this meeting may take photographs, film or audio-record the proceedings and report on the meeting. Anyone wishing to do so must inform the Chairman. If you are a member of the public and you wish to speak on an item on the agenda, please be aware that you may be filmed or photographed

Emma Denny
Democratic Services Manager

To: Mr A Brown, Mrs P Grove-Jones, Mr T Adams, Mr D Baker, Mr N Dixon, Mr P Fisher, Ms V Gay, Mr P Heinrich, Mr N Pearce, Mr J Punchard and Dr C Stockton

All other Members of the Council for information.

Members of the Management Team, appropriate Officers, Press and Public



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

If you would like any document in large print, audio, Braille, alternative format or in a different language please contact us

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A G E N D A

1. APOLOGIES FOR ABSENCE

2. PUBLIC QUESTIONS

3. MINUTES

(Pages 1 - 6)

To approve as a correct record the Minutes of a meeting of the Working Party held on 19 August 2019.

4. ITEMS OF URGENT BUSINESS

To determine any other items of business which the Chairman decides should be considered as a matter of urgency pursuant to Section 100B(4)(b) of the Local Government Act 1972.

5. DECLARATIONS OF INTEREST

Members are asked at this stage to declare any interests that they may have in any of the following items on the agenda. The Code of Conduct for Members requires that declarations include the nature of the interest and whether it is a disclosable pecuniary interest.

6. UPDATE ON MATTERS FROM THE PREVIOUS MEETING (IF ANY)

7. FIVE YEAR LAND SUPPLY STATEMENT 2019

(Pages 7 - 32)

Summary: This report seeks to publish North Norfolk District Councils 2019 Five Year Land Supply position. It explains how the requirement is calculated and compares this requirement to the deliverable supply to determine how many years supply of housing land are currently available.

Recommendation: That the Statement of Five Year Land Supply 2019-2024 is published on the basis of a Local Housing Need for 479 dwellings per annum inclusive of a 5% buffer.

Cabinet Member(s)	Ward(s) affected
Cllr Andrew Brown	All
Contact Officer, telephone number and email: Mark Ashwell, mark.ashwell@north-norfolk.gov.uk . 01263 516325	

8. **NORFOLK COUNTY COUNCIL MINERALS AND WASTE LOCAL PLAN CONSULTATION DOCUMENT TO REPLACE THE EXISTING MINERALS AND WASTE CORE STRATEGY AND SUPPORTING DEVELOPMENT PLAN DOCUMENTS (DPDS)** (Pages 33 - 36)

Summary: This report provides information regarding the Norfolk County Council Minerals and Waste Local Plan Preferred Options consultation. The report reviews the proposals within the Plan and advises that there are no known conflicts with the emerging North Norfolk Local Plan.

Recommendations: **Members note the Preferred Options consultation of the emerging Norfolk County Council Minerals and Waste Local Plan and delegate to Officers to provide an Officer Level response on the consultation documents.**

Cabinet Member(s)	Ward(s) Affected
All Members	All Wards
Contact Officer(s), telephone number and email: James Mann. Senior Planning Policy Officer, 01263 516404, james.mann@north-norfolk.gov.uk	

9. **EXCLUSION OF PRESS AND PUBLIC**

To pass the following resolution (if necessary):

“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A (as amended) to the Act.”

10. **TO CONSIDER ANY EXEMPT MATTERS ARISING FROM CONSIDERATION OF THE PUBLIC BUSINESS OF THE AGENDA**

11. **ANY OTHER URGENT EXEMPT BUSINESS AT THE DISCRETION OF THE CHAIRMAN AND AS PREVIOUSLY DETERMINED UNDER ITEM 4 ABOVE**

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19 AUGUST 2019

Minutes of a meeting of the **PLANNING POLICY & BUILT HERITAGE WORKING PARTY** held in the Council Chamber, Council Offices, Holt Road, Cromer at 10.00 am when there were present:

Councillors

Mr A Brown (Chairman)
Mrs P Grove-Jones (Vice-Chairman)

Mr N Dixon
Mr P Fisher
Mr P Heinrich

Mr N Pearce
Mr J Punchard
Mr C Stockton

Observers:

Mrs A Fitch-Tillett
Mr R Kershaw
Mr J Rest
Ms K Ward

Officers

Mr M Ashwell – Planning Policy Manager
Mr S Harrison – Senior Planning Officer (Planning Policy)
Mr I Withington – Planning Policy Team Leader
Miss L Yarham – Democratic Services & Governance Officer

10 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mr T Adams, Mr D Baker, Ms V Gay and Mrs M Millership.

11 PUBLIC QUESTIONS

None.

12 MINUTES

The Minutes of a meeting of the Working Party held on 22 July 2019 were approved as a correct record and signed by the Chairman.

13 ITEMS OF URGENT BUSINESS

None.

14 DECLARATIONS OF INTEREST

None.

15 UPDATE ON MATTERS FROM THE PREVIOUS MEETING

The Planning Policy Manager reported that advice had been sought with regard to the housing requirement as agreed at the previous meeting. A response was awaited and a full report would be submitted to a future meeting.

The Chairman asked if this Council was alone in its concerns or if other authorities had raised issues.

The Planning Policy Manager confirmed that a number of other authorities were pursuing this matter independently. The issue mainly concerned rural authorities where there were high rates of inward migration which drove housing targets upwards.

16 NORFOLK STRATEGIC PLANNING FRAMEWORK

The Planning Policy Manager presented an update report on the progress of the Norfolk Strategic Planning Framework following a recent review and recommended that the Council formally endorses a revised document, subject to the modification of Agreement 10 as outlined in the report. He also recommended the amendment of recommendation 1 set out in the report by the addition of the words "... as an interim statement pending further review."

Councillor J Punchard referred to Agreement 19 and stated that he was pleased that the agreement included mobile technologies. However, NNDC had invested heavily in better broadband but the Agreement did not mention better broadband for rural Norfolk on a County-wide basis.

The Planning Policy Manager stated that the supporting text to the Agreement included broadband but agreed that it could be worthwhile to include it within the Agreement.

Councillor Mrs P Grove-Jones expressed doubts that some of the matters contained in the Agreements would come to fruition.

Councillor Mrs Grove-Jones questioned the inclusion of Egmore Business Zone as a Tier 1 Employment Site in Agreement 8 as she considered that this was not being pursued by NNDC.

As background, Councillor Ms K Ward explained that there had been no sites Tier 1 sites in the first version of the Framework and it had been agreed that Egmore and Scottow should be included.

The Planning Policy Manager advised that if Egmore was no longer of strategic significance the Working Party could either recommend its deletion or wait until a more substantive review of the Framework had taken place and make representations as to its removal at that time.

The Working Party discussed whether or not Egmore should be deleted from Agreement 10. It was noted that a report on the future of Egmore would be discussed at Cabinet later in the week.

Councillor N Dixon referred to possible interest in the site for seaweed processing. Egmore was currently designated as an Enterprise Zone and enjoyed certain benefits from that designation. He considered that there would be no benefit from removing Tier 1 status.

Councillor Ms K Ward suggested that the Agreement needed to be considered in the context of the wider document. Tier 1 employment land was related to the Local Enterprise Partnership and extensive external investment. She considered that it would not be problematic for Egmore to remain until the substantive review of the Framework had taken place.

Councillor N Dixon considered that the severity of water shortage issues had not been adequately reflected in Agreements 17, 18 and 22. This was a County-wide issue and permanent damage was being done to wetlands from rising demand for domestic and agricultural use. He considered that these Agreements should be strengthened. He considered that the conclusion was deficient in that it did not reflect the current environmental impact of increased demand which exceeded supply and it was not going to improve. There was a major infrastructure issue. He considered that the Authority should put a marker down in the interim report that there was a problem and that further work was needed to scope it out and reflect it in more detail.

Councillor R Kershaw stated that he had been working with an abstraction group and NNDC had joined Water Resources East to look at the issues. He explained that evidence was being sought with regard to water levels. The evidence provided by water abstraction licence holders was that water levels were well below the Environment Agency statistics. DEFRA was reluctant to respond or send a representative to look at the issue.

Councillor Mrs A Fitch-Tillett stated that abstraction had been raised with the Strategic Director of the Environment Agency, who had thought the issue of abstraction licences had been resolved by the Association of Drainage Authorities. He had undertaken to check the situation.

Councillor Ms K Ward stated that Anglian Water and the Environment Agency had attended a Strategic Forum meeting where all strategic partners had agreed that the water problem was not being taken seriously enough. Anglian Water was being lobbied to do more.

Councillor Mrs P Grove-Jones asked if there was a move to require grey water recycling facilities in new build developments.

The Planning Policy Manager explained that Building Regulations covered all aspects of construction with a national set of prescribed standards. Building Regulations were reviewed on an ongoing basis and they would improve. He suggested that agreement 17 could be made subject to water efficiency standards of not more than 110 litres per person per day and subject to the next review including a comprehensive review of water use and water supply.

Councillor J Punchard considered that the document did not recognise the gravitas of the water situation as a whole, not only with regard to use and recycling, but also surface water flooding which had increased dramatically over the last 20 years.

The Planning Policy Team Leader explained that 110 litres per person per day was the current maximum prescribed by Building Regulations. It did not prevent the Council's policies going further but there were financial implications for developers in doing so.

The Planning Policy Manager suggested that representations be made that version 3 of the Framework would be expected to include a specific new agreement on the management and use of water.

Councillor N Dixon supported the suggestion and considered that the conclusion should be tailored so that there was a clear message that something should be done. He considered that the problem was not with Anglian Water, but with the Environment Agency and DEFRA. He considered that mitigation measures should be considered wherever possible but it would not solve the problem. There was a need to support the Council's recognition of climate change and its implications.

Councillor R Kershaw supported Councillor Dixon's views. He had attended a water resources conference where the use of grey water for agriculture was discussed. However, supermarkets were reluctant as it had a higher phosphate content than potable water. He added that the Environment Agency was pumping 1.3 megalitres of clean water into the North Sea which equated to the water shortage problem.

Councillor J Rest asked if the Planning Policy Manager considered that Agreement 2 was robust enough. He considered that the timescale was too long and that measurable targets were needed.

The Planning Policy Manager considered that it would be reasonable to express concerns that the vision as drafted lacked measurable outcomes and was not specific enough.

The Planning Policy Team Leader explained that the agreement referred to the Local Plan as a vehicle to deliver the vision. He considered that targets should be set out in Local Plans.

The Chairman suggested that the lack of measurable targets should be raised as a matter for discussion at the next Duty to Co-operate Forum meeting.

It was proposed by Councillor N Dixon, seconded by Councillor Dr C Stockton and

RESOLVED

- 1. That the *Norfolk Strategic Planning Framework and Statement of Common Ground 2019* and the Agreements contained therein are endorsed by North Norfolk District Council subject to the modification of Agreement 10 as outlined in the report as an interim statement pending further review.**
- 2. That the Council supports and welcomes the commitment to continued co-operative working and periodic review of the framework and in particular would support further collective work in relation to climate change.**
- 3. That the Council requests that the next version of the document should deal with water issues as a topic area.**
- 4. That the Council requests that the reference to better broadband be strengthened.**
- 5. That the lack of measurable targets be raised as a matter for discussion at the next Duty to Co-operate Forum.**

17 NORTH WALSHAM: PROPOSED SUSTAINABLE WESTERN EXTENSION DEVELOPMENT BRIEF

The Senior Planning Officer presented a report which gave an outline of the proposed approach for the delivery of a comprehensive development brief for the North Walsham Sustainable Western Extension. He recommended that the Working Party agree to the approach, with the addition of the need to consider the extension to the link road and possible inclusion of further land to enable the delivery of the extended road.

The Chairman stated that he was pleased that it was recommended that NNDC take the lead in this matter. Councillor Ms V Gay, who was unable attend this meeting, had expressed the view that there should be two or possibly three local members on the Delivery Group. He supported her view.

Councillor P Heinrich welcomed the report. He considered that it was critical that NNDC took the lead on this matter. He also considered that two or three local members should sit on the Delivery Group. It was important to avoid a fait accompli presented by the developer and he was concerned at one developer taking on the delivery of the western extension. North Walsham did not oppose the scheme provided there were safeguards with regard to the quality of the overall design. He considered that the extension of the link road was most important and could not see that any proposals would work effectively without it. He recommended that recommendation 3 of the report should be amended to require decisions on the project lead and constitution of the Delivery Group to be made by the Working Party and that a minimum of two councillors from the affected Wards be included together with the Cabinet Member for Planning. He also recommended that the Delivery Group should report to the Working Party on a regular basis and at least every three months.

Councillor N Dixon requested assurances that work on the Development Brief would not prejudice Local Plan work or place a workload on the Planning Policy Team which was not sustainable and that the current priorities would be maintained.

The Planning Policy Manager explained that the recommendation allowed the possibility of engaging external consultants where required. The resource implications were not clear at present and the preparation of the Brief would be a lengthy process. However, he considered that there were resources and capacity in the team to proceed with preparation of the Brief without too much impact on Local Plan work. It had been agreed to prepare the Brief prior to undertaking Section 19 consultation. At the request of North Walsham members it had been agreed to address ongoing concerns regarding deliverability before the Plan was submitted for independent examination. It would be within the gift of the Council to revisit that decision if the Plan was slowed down.

Councillor J Punchard asked the Planning Policy Manager to confirm if the process would be similar to the Fakenham Development Brief.

The Planning Policy Manager explained that the outcome of the process would be similar in that it would produce a document which specified master planning for the site, but the process itself would be different in that the Fakenham brief had been developer led.

Councillor Ms K Ward reassured the Working Party that Cabinet was mindful of the importance of the North Walsham brief and the implications for the Local Plan, and that additional funding would be available if it was needed to expedite the work.

The Planning Policy Manager stated that none of the representations made on the draft Plan had been considered and a decision could not be made until the responses had been considered. He recommended the amendment of the recommendation to make it clear that the Development Brief was prepared without prejudice to the ongoing preparation of the Local Plan and consideration of the representations made during recent consultation.

It was proposed by Councillor P Heinrich, seconded by Councillor J Punchard and

RECOMMENDED

- 1. That NNDC Officers to lead on the delivery of the North Walsham Sustainable Western Extension including consideration of the extension of the link road across the railway to the industrial estate and whether other land may need to be included in future consideration;**

2. That a Delivery Group be set up to oversee and guide the production of the Development Brief, without prejudice to the ongoing preparation of the Local Plan and considerations of the representations made during recent consultation;
3. That decisions on the project lead and constitution of the Delivery Group be made by the Working Party and include a minimum of two councillors from affected wards together with the Cabinet Member for Planning; and
4. That the Delivery Group should report to the Working Party on a regular basis and at least every three months.

The Working Party discussed the composition of the Delivery Group in terms of Members to be appointed. As a result of those discussions and notwithstanding the above decisions it was agreed that membership of the Group should be cross-party.

RECOMMENDED

That the Delivery Group include the following Members:

**Councillor Ms V Gay or Councillor P Heinrich
Councillor N Dixon
Councillor J Punchard**

The meeting closed at 11.44 am.

CHAIRMAN

Item for Decision

Five Year Land Supply Statement 2019

Summary: This report seeks to publish North Norfolk District Councils 2019 Five Year Land Supply position. It explains how the requirement is calculated and compares this requirement to the deliverable supply to determine how many years supply of housing land are currently available.

Recommendation: That the Statement of Five Year Land Supply 2019-2024 is published on the basis of a Local Housing Need for 479 dwellings per annum inclusive of a 5% buffer.

Cabinet Member(s)	Ward(s) affected
Cllr Andrew Brown	All
Contact Officer, telephone number and email: Mark Ashwell, mark.ashwell@north-norfolk.gov.uk . 01263 516325	

1. Introduction

- 1.1 At the July Working Party, Members considered an item relating to the current five year land supply position in the District. It was resolved at that meeting that the Council should delay publication of this year's Five Year Land Supply Statement pending receipt of specialist advice on the process of establishing how many homes are likely to be required in the future. Advice has now been received from Opinion Research Services (ORS) who have acted for the Authority for a number of years in relation to housing requirement matters **Appendix attached.**

2. Purpose of report

- 2.1 The process for establishing housing need is prescribed in national guidance. This requires that all Local Authorities follow a standardised national methodology and only use alternative approaches in exceptional circumstances. This standard approach takes as its starting point the National Household Projections published by the Office for National Statistics. The issue raised at the previous meeting was whether or not the National Household Projections represented a robust starting point for applying the standard methodology in North Norfolk, and if not, what alternative approach might be justified?
- 2.2 The main concern identified is that the 2014 based Household Projections, upon which the standard methodology is based, had previously been shown to overestimate future growth rates in the District. Furthermore, the later 2016 based Household Projections had shown a significant slowing down in expected household formation rates. The reasons for this were unclear and

Members agreed that further clarification should be commissioned before reaching any decisions on the five-year land supply position for 2019.

- 2.3 The purpose of this report is to establish a housing requirement figure which can be used for Five Year Land Supply purposes. Further consideration will need to be given to the establishment of a final housing target for the Local Plan which in addition to considering the likely need will also have to take account of the District's capacity to accommodate the required growth in a sustainable way.

3. What does the NPPF require in relation to Five Year Land Supply?

- 3.1 The NPPF requires that:

'Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old.' (**para 73**)

- 3.2 As North Norfolk's Core Strategy is more than five years old the land supply requirement in North Norfolk is based on 'Local Housing Need (LHN)' rather than the housing requirement identified in the adopted Plan.

- 3.3 The glossary to the NPPF defines 'Local Housing Need' as:

'the number of homes identified as being needed through the application of the standard method set out in national planning guidance, or a justified alternative approach (emphasis added).

4. What is Local Housing Need in North Norfolk based on the Standard Method?

- 4.1 The standard methodology is a simple three stage process which comprises:

1. Establish the likely number of new households which will form in the District over the next ten years.
2. Adjust the stage 1 figure in accordance with a nationally set equation to account for dwelling affordability issues.
3. Apply a cap to the result to ensure the requirement remains realistic.

- 4.2 This process is explained in some detail in the Appendix.

- 4.3 The first required input into the standard method is the 2014 National Household Projections published by ONS. The method requires that Authorities use the next ten years of projected household growth rates to derive an annual requirement. For North Norfolk the figure produced is 404 new households per year. This figure represents the number of new households which are likely to form in the District if existing trends continue into the future – it is not a forecast, it is a projection. This figure is sometimes referred to as the demographic growth rate as it is confined to considering how the number of households might change solely as a result of population change (births, deaths, migration, age, fertility, longevity and so on). The Projections do not attempt to take account of the impacts of future changes of policy, market conditions, local policies, or events such as Brexit and as such they represent a 'business as usual' model.

- 4.4 Government is clear that these Projections, and specifically the 2014 based Projection, should be used in all but exceptional circumstances. What might constitute 'exceptional' circumstances is not defined in guidance.
- 4.5 The standard methodology then requires that the Household Projection figure is adjusted to take account of the local affordability of homes. The size of the adjustment (an uplift) is determined by the local ratio between lower quartile house prices and lower quartile household incomes. This adjustment in North Norfolk is substantial reflecting the high affordability ratio and adds 149 households (37.1%) to the annual requirement, increasing it to 553 dwellings per annum. The uplift is not large enough to justify applying a cap in Stage 3.
- 4.6 For Five Year Land Supply purposes the NPPF then requires one further adjustment which is the addition of a supply buffer of either 5% or 20% determined by the Authorities track record in delivering the required number of dwellings. North Norfolk's recent delivery rates have been good, so a 5% buffer is required, raising the overall requirement for five year land supply purposes to 581.

Table A: Annual requirement for new Households applying standard national methodology to unadjusted 2014 Household Projections.

Stage	Comment	Dwellings per annum
Unadjusted Demographic growth rate from 2014 Household Projections	This is the figure derived from the next ten years of household formations contained in the unadjusted 2014 Household Projections. It is the required starting point for establishing dwelling requirements unless exceptional circumstances can be shown.	404
Affordability adjustment	This is stage 2 of the standardised approach which requires that Household Growth is multiplied by a published affordability ratio. Because North Norfolk's ratio is high (9.94 in 2018) an uplift of 37.1% is prescribed.	553
Choice and flexibility buffer required by NPPF.	This is a further adjustment (buffer) required for establishing the 5YLS figure. It will either be 5% or 20% depending on an authorities recent delivery performance as measured by the Housing Delivery Test. For North Norfolk a 5% buffer is added.	581

- 4.7 This annual requirement of 581 dwellings is then multiplied by 5 to produce the number of dwellings required over the next five year period. The result (2,905 dwellings) is then compared to the future deliverable supply of homes which currently stands at 2,612 dwellings to calculate how many years of supply are available. The process should be reviewed at least annually so that as supply is built out it is replaced with new deliverable supply, thus ensuring there is always a good supply of development sites available in the District.
- 4.8 Taking the above approach results in 4.5 years supply being demonstrated.

5. Exceptional Circumstances? – Are there good reasons for departing from the Standard methodology?

- 5.1 The National Household Projections have been a key component of establishing Local Housing Need for many years. They are regarded by government as a robust basis for calculating local requirements and as already outlined above any use of alternative figures would need to be evidenced and meet the threshold of being exceptional. The NPPF refers to the possibility of using alternative approaches in the following terms:

‘To determine the minimum number of houses needed, strategic policies should be informed by local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals’ (para 60).

- 5.2 The 2014 Projections are themselves based upon earlier Projections undertaken by ONS in 2012 and 2008. In North Norfolk it has previously been established (via the Sculthorpe Public Inquiry) that the 2008 Projections contained a rate of growth which by the time of the 2011 Census was undertaken was evident had not actually happened. The 2011 Census indicated that there were some 2,000 less people in the District than the 2008 Projection had suggested there should be at that time. This discrepancy, referred to as Unattributable Population Change(UPC) was not adjusted for in the later 2012 and 2014 Projections.
- 5.3 The more recent 2016 based Household Projections have produced significantly slower future growth rates for the District compared to those produced for 2014 (around 3,750 people less in the 2016 Projection compared to 2014) prompting questions about which Projections are more likely to be accurate. Government has made explicitly clear that the 2016 based Projections should not be used as the default position for establishing housing need, it would appear largely *because* the Projections produce lower numbers rather than any specific concerns that the 2016 figures might be inaccurate.
- 5.4 The impacts of applying the standard methodology to the 2016 Projections are shown in **Table B** below. Using the 2016 base would reduce the five year requirement by over 100 dwellings per year, or 510 dwellings over the five year period, meaning that rather than having to provide deliverable sites for 2,905 dwellings the requirement would fall to 2,395. This is a substantial difference which would improve the five year supply position to 5.4 years.

Table B: Annual requirement for new Households applying standard national methodology to 2016 Household Projections.

Stage	Comment	Dwellings per annum
Demographic growth rate from 2016 Household Projections	This is the figure derived from the next ten years of household formations contained in the unadjusted 2016 Household Projections.	333
Affordability adjustment.	This is stage 2 of the standardised approach which requires that Household Growth is multiplied by a published affordability ratio. Because North Norfolk’s ratio is high (9.94 in 2018) an uplift of 37.1% is prescribed.	456

Choice and flexibility buffer required by NPPF for Five Year Land Supply purposes.	This is a further adjustment (buffer) required for establishing the 5YLS figure. It will either be 5% or 20% depending on an authorities recent delivery performance as measured by the Housing Delivery test. For North Norfolk a 5% buffer is added.	479
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5.5 The question then becomes, are these exceptional circumstances in North Norfolk which justify moving away from the Standard Method Local Housing Need figure? In this regard ORS conclude:

- Previous planning appeals in North Norfolk have already accepted that there are problems with the 2014 based household projections for the area, most notably because of problems relating to Unattributable Population Change between the 2001 Census and 2011 Census still having a residual impact;
- In North Norfolk the difference between the 2014 based and 2016 based household projections is entirely down to lower population projections for the District and not changes to headship rates (the number of people living in each household) which is why the household projections for some other local authorities fall;
- The change in household projections is driven by a combination of projected falling birth rates, lower migration and lower growth in life expectancy;
- The falling birth rates have no real impact on housing needs for the short term or over the Plan period as the children born over the period won't be old enough to form new households by 2036;
- The falling migration can be seen as a correction to the problems with the 2014 based population projections;
- The lower increase in life expectancy reflects national trends and represents the most up to date evidence from the ONS.

5.6 Given this, Officers consider that the 2014 based figure are not a robust basis for establishing needs in North Norfolk. The difference between the 2014 and 2016 figures is not a change in household headship rates driven by suppressed household formation, but instead is due to improvements in the ONS's population projection. On this basis there would appear to be exceptional circumstances to move away from the Standard Methodology Local Housing Need figure of 553 dwellings per annum to the 2016 based figure of 456 dwellings per annum.

6. Legal Implications and Risks

6.1 The absence of a five-year land supply is a significant risk to the Council. Failure to plan for the required quantity of homes could result in identified housing needs going unmet and increases the risks that planning decisions will depart from the approved Local Plan. It also increases the risks associated with planning applications being made on unallocated sites in locations where local communities expect that the Local Plan would limit development.

6.2 When an Authority is unable to demonstrate a five year supply the National Planning Policy Framework requires that planning applications are

determined in accordance with what is known as the 'presumption in favour of sustainable development'. This means that unless the site is in a protected area, such as the Area of Outstanding Natural Beauty, planning permission should be granted for sustainable development *unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits (para 11 of the NPPF)*. This does not mean that planning permissions should routinely be granted for housing proposals which are not in policy compliant locations – the presumption is applicable to sustainable developments rather than unsustainable developments and the decision maker must still balance the harms and benefits associated with the proposal. If the harms are shown (demonstrated) to significantly outweigh the benefits, then planning permission should still be refused. The presumption should be applied until such time as the land supply position has been corrected.

- 6.3 Departing from the national standard methodology is not without risk. Guidance expects departures to only happen in exceptional circumstances based on robust evidence. In the absence of definitive advice about what might constitute exceptional circumstances there is clearly an element of judgement involved in determining how to proceed. Such judgements are open to challenge.

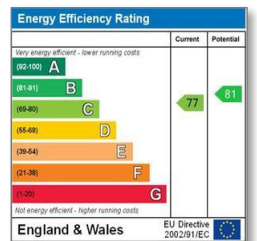
7. **Recommendation** That the Statement of Five Year Land Supply 2019-2024 is published on the basis of a Local Housing Need for 479 dwellings per annum inclusive of a 5% buffer.



North Norfolk Local Housing Needs Assessment 2019

Report of Findings

DRAFT 24 September 2019





Opinion Research Services | The Strand, Swansea SA1 1AF
Jonathan Lee | Nigel Moore | Scott Lawrence
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1. North Norfolk Housing Needs

Introduction

- 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. This study was updated in 2017.
- 1.2 This study reviews the housing needs for North Norfolk District Council. Since the time of the publication of the 2017 Central Norfolk SHMA there have been significant changes in data and Government policy, as set out below, which require that the Housing Needs for North Norfolk are re-considered.

Central Norfolk SHMA 2017

- 1.3 The Central Norfolk Strategic Housing Market Assessment 2017 at Figure 80 identified the housing needs for each local authority. This table has been reproduced below as Figure 1. This calculated an objectively Assessed Need for North Norfolk on 8,581 dwellings over the period 2015-2036, or an average of 409 dwellings per annum.

Figure 1: 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	0
	In response to market signals	$1,116 - 310 = 806$	$746 - 170 = 576$	$780 - 187 = 593$	$1,382 - 155 = 1,227$	$1,461 - 131 = 1,330$	$5,485 - 953 = 4,532$
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

Government Policy Updates

- 1.4 The Government published the original National Policy Planning Framework (the Original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.
- 1.5 The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *“the full, objectively assessed needs for market and affordable housing in the housing market area”*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that 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”*.
- 1.6 A revised version of the National Policy Planning Framework (the Revised NPPF) was published in July 2018. Whilst the Revised NPPF maintains the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The Revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document *“Government response to the technical consultation on updates to national planning policy and guidance”*.
- 1.7 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *“strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach”*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

The Standard Method for Local Housing Need Assessment

- 1.8 The Original NPPF and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *“Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need”*, but allowed for adjustment based on local factors: *“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.”* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need adjustments such as market signals uplift and alignment of jobs and workers based on local circumstances.
- 1.9 On 14 September 2017, the Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF, including a standardised methodology for calculating the Local Housing Needs (LHN). This included a number of key proposals.
- » The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
 - » While, deviation from this starting point can be considered, the consultation proposals note that; There should be very limited grounds for adopting an alternative method which results in a lower need; and
 - » The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local plan housing target.
- 1.10 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.
- 1.11 The Revised NPPF confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies or adjustments which result in a higher housing need figure may still be deemed appropriate. Therefore, the standard method LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure if this reflects growth potential, or unmet need from elsewhere. This is confirmed by the PPG on housing and economic needs assessment, which states:

When might it be appropriate to plan for a higher housing need figure than the standard method indicates?

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.

Paragraph: 010 Reference ID: 2a-010-20190220

Changes to the Standard Method

- 1.12 Since the publication of the figures in September 2017 a range of new data has been released which allows for the calculation to be updated. This includes:
- » New affordability data released in March 2018 which relates to 2017;
 - » New 2016-based sub-national population projections (SNPP) released in May 2018;
 - » A new methodology for calculating household projections released by the Office for National Statistics in June 2018; and
 - » New 2016-based household projections released in September 2018.
- 1.13 The national housing need produced using these new data is lower than previous estimates, falling short of the Governments stated 300,000 dwelling per year target. As a consequence, the Ministry for Housing, Communities and Local Government (MHCLG) consulted on changes to the standard method approach, and on 26 October 2018 published “*Technical consultation on updates to national planning policy and guidance October 2018*”.
- 1.14 At paragraph 19 of the document, MHCLG set out their planned changes to the standard method, explicitly stating that the lower housing numbers that are derived from application of the standard method to the ONS produced 2016-based household projections should not be used, and that these do not qualify as an exceptional circumstance to warrant deviation from the standard method outputs using the CLG 2014-based projections:

19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:

- » *1. For the short-term, to specify that the 2014-based data will provide the demographic baseline for assessment of local housing need.*

- » 2. To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and
- » 3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.

1.15 Following on from this general context, the consultation asked the following specific questions:

Question 1

Do you agree that planning practice guidance should be amended to specify that 2014- based projections will provide the demographic baseline for the standard method for a time limited period?

Question 2

Do you agree with the proposed approach to not allowing 2016-based household projections to be used as a reason to justify lower housing need?

1.16 After considering the consultation responses received, the “Government response to the technical consultation on updates to national planning policy and guidance” was published on 19 February 2019.

1.17 Despite a majority of consultees disagreeing with the proposal at Question 1, the Government still considers that its proposed approach is the most appropriate in the short-term and this leaves the Local Housing Need for North Norfolk at 553 dwellings per annum, as opposed to the 409 dwellings per annum in the Central Norfolk SHMA 2017.

Government response to Question 1

Having taken the responses into account, the Government considers that its proposed approach to providing the demographic baseline for the standard method is the most appropriate approach for providing stability and certainty to the planning system in the short-term. This decision has been taken in the context that the standard method does not represent a mandatory target for local authorities to plan for, but the starting point for the planning process. Local planning authorities may decide that exceptional circumstances justify the use of an alternative method, but they will need to identify these reasons and can expect them to be tested by the Planning Inspectorate during the examination of their plans. Local authorities may also not be able to meet their identified housing need in full, for example because of land constraints (such as Green Belt) in their area and it may be that need is better met elsewhere. The proposed approach does not change this.

1.18 As this makes clear, deviation from the standard methodology will only be considered if exceptional circumstances can be demonstrated.

1.19 The response goes on to say:

Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government’s aspirations for the housing market.

A key consideration of the standard method is to provide a degree of continuity between assessments of housing need over time. The changes to underlying assumptions in the population projections and methodological improvements to the household projections had led to significant variations in housing need at a local level, something that needs addressing in the short term.

- 1.20 The end of the 18-month period that the Government cites (August 2020) will be shortly after the release of the 2018-based Sub National Population Projections which are likely to be published in May 2020, and likely to coincide with the publication of the associated 2018-based Household Projections.¹
- 1.21 The Government has made it clear that it does not doubt the accuracy of the ONS 2016-based projections, as stated in the consultation: *“the Government is clear that this does not mean that it doubts the methodological basis of the 2016-based household projections.”* (From the Question 1 response).
- 1.22 However, in its response to Question 2, the Government has made it clear that the existence of the lower 2016-based projections is not a justification for a lower local housing need assessment, despite further disagreement from respondents to the consultation.

Government response to Question 2

Taking into account these responses, the Government continues to think that the 2016-based household projections should not be used as a reason to justify lower housing need. We understand respondents’ concerns about not using the latest evidence, but for the reasons set out in the consultation document we consider the consultation proposals to be the most appropriate approach in the short-term. We are specifying in planning guidance that using the 2016-based household projections will not be considered to be an exceptional circumstance that justifies identifying minimum need levels lower than those identified by the standard method.

- 1.23 It seems likely that the concerns about not using the latest evidence will ultimately be tested in the courts. Whilst there are some uncertainties about the new method for calculating household formation that ONS has introduced for the 2016-based household projections, the 2016-based sub national population projections are based on a method that is largely consistent with that used for the 2014-based population projection but using more up-to-date data and based on improved mid-year population estimates. As part of the 2016-based household projections publication, the ONS included an output which applied the previous CLG 2014-based household formation rates to the new 2016-based population projection (variant output 2) which provides up-to-date figures using the previous method.
- 1.24 It is also notable that the ONS published variant outputs for the 2016-based sub-national population projections in April 2019, and has recently consulted users on possible variants to the household projections. It seems likely that comparable variant scenarios will be included as part of the 2018-based projections which will enable the Government to propose an alternative scenario when the standard method is fully revised.
- 1.25 This implies that for Local Plans the standard method forms the basis for considered housing needs, but alternatives can be considered in exceptional circumstances. However, for planning appeals, where the need

¹ National population projections are published every two years, with the 2018-based projections expected to be released around October 2019. Sub National Population Projections usually follow approximately 6 months later, and household projections later that same year. The 2016-based SNPP was released in May 2018, and the 2016-based household projections were released in September 2018.

to demonstrate a 5 year housing land supply is frequently important, this is not the case. Instead, the Housing Delivery Test Measurement Rule Book July 2018 states that:

What housing requirement figure should authorities use when calculating their 5 year housing land supply?

Housing requirement figures identified in adopted strategic housing policies should be used for calculating the 5 year housing land supply figure where:

the plan was adopted in the last 5 years, or

the strategic housing policies have been reviewed within the last 5 years and found not to need updating.

In other circumstances the 5 year housing land supply will be measured against the area's local housing need calculated using the standard method.

Paragraph: 005 Reference ID: 68-005-20190722

Revision date: 22 July 2019

- 1.26 Therefore, when planning appeals for authorities such as North Norfolk, without an adopted recent Local Plan, are considering housing needs there is no flexibility in considering alternative figures even if there are exceptional circumstances. Therefore, it is perfectly possible for a local authority to see a Local Plan under examination using one housing needs figure, while having to defend planning appeals using an alternative figure.

Previous Planning Appeals

- 1.27 The housing needs of North Norfolk have previously been considered at a series of planning appeals. In the Appeal Ref: APP/Y2620/W/16/3150860 Land at Creake Road and Moor Lane, Sculthorpe, Fakenham NR21 9QJ the inspector concluded that:

20. The Council's up-to-date evidence base in this case consists of the 2014-based DCLG Household Projections and associated 2014-based sub-national population projections; the 2016 Central Norfolk Strategic Housing Market Assessment (SHMA); and the 2017 draft SHMA update. The parties agree that, as a starting point, the Household Projections result in unadjusted annual figures for North Norfolk of 449 additional dwellings from 2012 and 446 from 2014. Both parties agree that, based on current forecasts for employment, there is no need for a further adjustment for economic factors, although a 10% market signals uplift is appropriate, resulting in a working DCLG Household Projections OAN of 493 dwellings per annum (dpa).

21. The 2016 Central Norfolk SHMA concludes that, in the 24 year period 2012-2036, the OAN for the North Norfolk part of the joint Housing Market Area will be met if around 10,000 new houses are provided. To date about 2,050 have been built, producing an OAN of about 418 dpa (rounded to 420). Using the 2014 housing and population projections as a starting point, the 2017 update similarly adjusts for the locally specific migration trend for the 10 year period 2005-2015 and concludes that the OAN for North Norfolk remains at about 420 dpa. Accordingly, for this appeal, based on its up-to-date SHMA, the Council considers its demographic OAN to be 420 dpa.

22. The appellant's calculations result in an OAN of 529 dpa (rounded to 530). This wide discrepancy in estimated OANs results from a fundamental difference between the parties as to

how to treat Unattributable Population Change (UPC) and migration estimates. The appellant also considers that the clarifications and changes to Guidance and OAN methodology proposed by the Local Plans Expert Group (LPEG) are relevant to the calculations.

23. There is no dispute between the parties that there is an over-estimation of local population increase. While the Office of National Statistics (ONS) mid-year estimates indicated an estimated growth in the population of North Norfolk between 2001 and 2011 of around 6,000 persons, it actually grew by 3,200 persons. That is a significant discrepancy. This over-estimate of population change affected subsequent population projections so that the 2012 and 2014 DCLG projections perpetuate the discrepancy.

24. The appellant argues that ONS figures are statistically robust and can be relied on. However, Guidance 017 allows a more nuanced approach, encouraging plan makers to consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections, including migration levels.

25. It is agreed that the likely causes of UPC are problems with the 2001 and 2011 censuses and problems with migration estimates. In responding to questions about the statistical disparities between the 2011 census and mid-year estimates, the ONS considers it's North Norfolk data to be very robust and does not consider it necessary to make adjustments to it's population data. The Council's interrogation of local data has not identified any evidence of a problem with either census, indicating that the over-estimation of international migration is the most likely cause of UPC in North Norfolk. Migration rates are crucial to the calculation of OAN. Framework 159 makes it clear that, in identifying the scale and mix of housing that the local population is likely to need over the plan period, the Council's SHMA should take account of migration and demographic change.

26. The migration rates used in the 2016 SHMA and the 2017 update reflect the actual migration trends in the 10 years from 2005-2015, rather than the ONS's projections which proved to be about 2,000 persons too high. I agree with the Council that this is a large discrepancy which it would be wrong not to take into account. The Council adjusted the DCLG OAN estimate downwards to reflect the identified UPC. I consider that the Council is right to take the view that DCLG projections should be reduced where justified by local evidence and local judgement. Furthermore, while the outcome of the Brexit negotiations is uncertain, it is not likely to result in an increase in migration rates. The appellant's reliance on the inaccurate population projections and over-estimated migration rates explains their higher estimate of OAN.

27. LPEG's standard methodology recommendations were not endorsed by the recent Housing White Paper and DCLG's commitment to consult on a standard methodology cannot be taken to mean the LPEG methodology. There is no certainty as to whether LPEG's recommendations will be accepted so, as things stand, they carry no real weight as a consideration in the calculation of OAN. 28. I therefore consider that the Council has taken a pragmatic, robust and convincing approach to the assessment of its OAN of 420 dpa and that in this appeal that is the appropriate figure on which to base its housing requirement.

1.28 Therefore, it was concluded that 2014 based CLG household projections were not a robust basis for the underwriting the OAN for North Norfolk because of problems shown with Unattributable Population Change (UPC). UPC is the difference between assumed migration to North Norfolk between 2001 and 2011 and actual migration as measured in the change in population between 2001 and 2011 after natural change has

been deducted. The scale of the UPC for North Norfolk indicated very serious problems with the 2014 based population projections which underwrite the 2014 based households projections. These are the same projections which underwrite the Standard Method figure of 553 dwellings per annum.

- 1.29 It is therefore sensible to consider alternative Local Housing Needs figures for North Norfolk. However, the Housing Delivery Test Measurement Rule Book indicate that this can only be done for the Local Plan and not in relation to planning appeals.
- 1.30 However, a recent planning appeal in Central Bedfordshire considered similar issues around the 2014 based population projections containing errors which overstate the likely population growth. In this case, *Appeal A Ref: APP/P0240/W/18/3206495 Land west of New Road, Clifton SG17 5JH June 2019*, the inspector concluded that:

55. The Council contends that the MYEs for its area historically have been inaccurate because their migration component has inflated the population estimates within its area by around 7,200 people. In that regard it has been submitted that the MYEs suggest that between 2011 and 2015 Central Bedfordshire's population grew by 18,400 people compared with estimates for the period between 2001 and 2011 which indicated the population increased by 21,600. Applying the MYEs in the Council's area, the population increase between 2011 and 2015 was equivalent to 85% of the total growth for the preceding ten years¹⁴?. To sense check the accuracy of the MYEs the Council has reviewed other administrative data sources, ie the patient register, school census and pension records, and found those data sources do not support the level of population growth identified by the MYEs. The Council further contends that the house building rates between 2011 and 2015 do not support the rate of population growth indicated by the MYEs for this period.

56. At the hearing Mr Lee, on the Council's behalf, commented that out of the several hundred local authorities in England there are a very small number for which the MYEs appear to be significantly over estimating migration growth. In that regard Mr Lee referred to two councils, Central Bedfordshire and Aylesbury Vale, of the fifty or so that his consultancy has acted for that are exhibiting MYEs that are significantly affected by inaccurate migration data inputs. Mr Lee referred to this being a "quite exceptional" occurrence, with the situation in Central Bedfordshire being an "extreme outlier" in terms of the accuracy of the MYEs.

57. Prior to the most recent revisions to the Framework and the PPG being published, the Government undertook a technical consultation and the Council made representations to the Government. However, given the very specific concerns that the Council has about the use of the MYEs in its area and the consequences of their use when the SM is applied, I consider it unsurprising that the Government did not introduce caveats into the Framework and the PPG to address statistical errors affecting a very small number of Councils. I consider therefore the absence of any caveats in the national policy and guidance to address the Council's very particular concerns about the reliability of the MYEs and the household projections founded on them, does not diminish the concern that the Council has put to me. In this regard the SM's application in the Council's area generates a LHN figure that instinctively does not feel right. That is because to achieve the LHN derived through the SM's application the housing stock in Central Bedfordshire would need to grow by the order of 20% between 2019 and 2029?.

58. Given that the use of the SM yields a LHN figure that seems doubtful, I consider this is an instance when reliance on the SM favoured in the national policy and guidance would be misplaced. So while the Framework and the PPG are important material considerations, I consider

the inaccuracy of the MYEs, and associated implications for the 2014 household projections for Central Bedfordshire, is also an important material consideration. Accordingly, for the purposes of the determination of these appeals, I consider that the weight attributable to the SM to derive a LHN should be greatly reduced.

59. The appellant has put to me that should I reach a finding that the 'text book' three step SM set out in the PPG17 should not be applied for the purposes of establishing the LHN in this instance, then a mix and match (hybrid) approach could be adopted. The hybrid application of the SM could entail at step 1 the use of the 2016 household projections in substitution for the 2014 household projections or applying the SHMA figure of 1,600 to SM's second and third steps. However, calculating the LHN on a hybrid basis would not follow a tried and test methodology and would introduce the kind of uncertainty in calculating the 5yrHLS that the Government has sought to avoid through the SM's introduction. I am therefore disinclined to accept that a hybrid approach to SM's application would be appropriate.

60. My attention has been drawn to a recent appeal decision concerning a site in Tendring District Council's (TDC) area¹⁸, with TDC being concerned about the accuracy of the MYEs and the implications that has for the application of the SM. However, in relation to the Tendring case the appellant did not challenge TDC's contention that there was statistical error affecting the SM's use. The case put to the Tendring Inspector with respect to establishing the LHN appears to be different to the one made to me. I therefore consider that the Tendring decision has little bearing on my consideration of the appeals before me.

61. That leaves the LHN figure of 1,600 dwellings per annum that the Council has identified through the preparation of its SHMA. While that housing requirement figure has been calculated using a methodology no longer favoured by the Government, it is based on the application of a previously tried and tested methodology. Given the evidence put to me, I therefore consider that a requirement of 1,600 dwellings per year represents a reasonable level of LHN to be used in connection with the determination of the appeals before me. My finding in this regard, as was put to me on the Council's behalf at the hearing, is consistent with the approach taken by a number of Inspectors who have determined other recent appeals in the Council's area. I feel I should stress that my use of a LHN figure of 1,600 dwellings per year should not be taken as having any bearing on the consideration of the housing requirement for Central Bedfordshire that is being undertaken as part of the eLP's examination.

^{1.31} Therefore, the inspector concluded that the population figures for Central Bedfordshire, as set out in the Mid Year population estimates, are deeply flawed and it would not be rational to utilise them. While the issue in Central Bedfordshire relates to the current population estimates and not past migration, the issues with the 2014 based population projections containing errors is not constrained only to Central Bedfordshire. This means that if exceptional circumstances can be shown then alternative population and household projections should be considered as planning appeals as well as in Local Plans. We would note that at the time of writing this planning appeal is subject to a judicial review.

^{1.32} We will now consider if exceptional circumstances do exist in North Norfolk.

Official Population and Household Projections

- 1.33 Planning Practice Guidance revised in February 2019 identifies that Household Projections provide the baseline for determining the minimum Local Housing Needs figure.

Why are 2014-based household projections used as the baseline for the standard method?

The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

Planning Practice Guidance, ID 2a-005-20190220

- 1.34 Given this context, Figure 2 sets out the 2014-based household projections. However, household projections can vary considerably at a local level which introduces a risk to the LHN figure. Therefore, Figure 2 also sets out the previous household projections that CLG produced for the area together with the 2016-based ONS household projections, including the associated outputs from the sensitivity analysis undertaken.

Figure 2: Household projections 2015-36 (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	Total households		
		2015	2036	Change 2015-36
CLG Household Projections				
2014-based projection: 2014-based population and CLG 2014-based household formation	2009-14	47,531	55,671	+8,140
2012-based projection: 2012-based population and CLG 2012-based household formation	2007-12	47,400	55,244	+7,844
ONS 2016-based Household Projections				
Principal projection: 2016-based population and ONS 2016-based household formation	2011-15	47,109	53,688	+6,579
Sensitivity analysis 1: 2014-based population and ONS 2016-based household formation	2009-14	47,159	55,245	+8,086
Sensitivity analysis 2: 2016-based population and CLG 2014-based household formation	2011-15	47,367	53,958	+6,591

- 1.35 The CLG 2014-based household projections identify a growth of 8,140 households over the 21-year period 2015-2036 which is notably higher than the ONS 2016-based projections which identified the growth of 6,579 households. The 2016-based figures show less growth due entirely to lower population projections: sensitivity analysis 2 shows that the latest population figures reduces the growth to 6,591 households using 2016 based population and 2014 household formations.

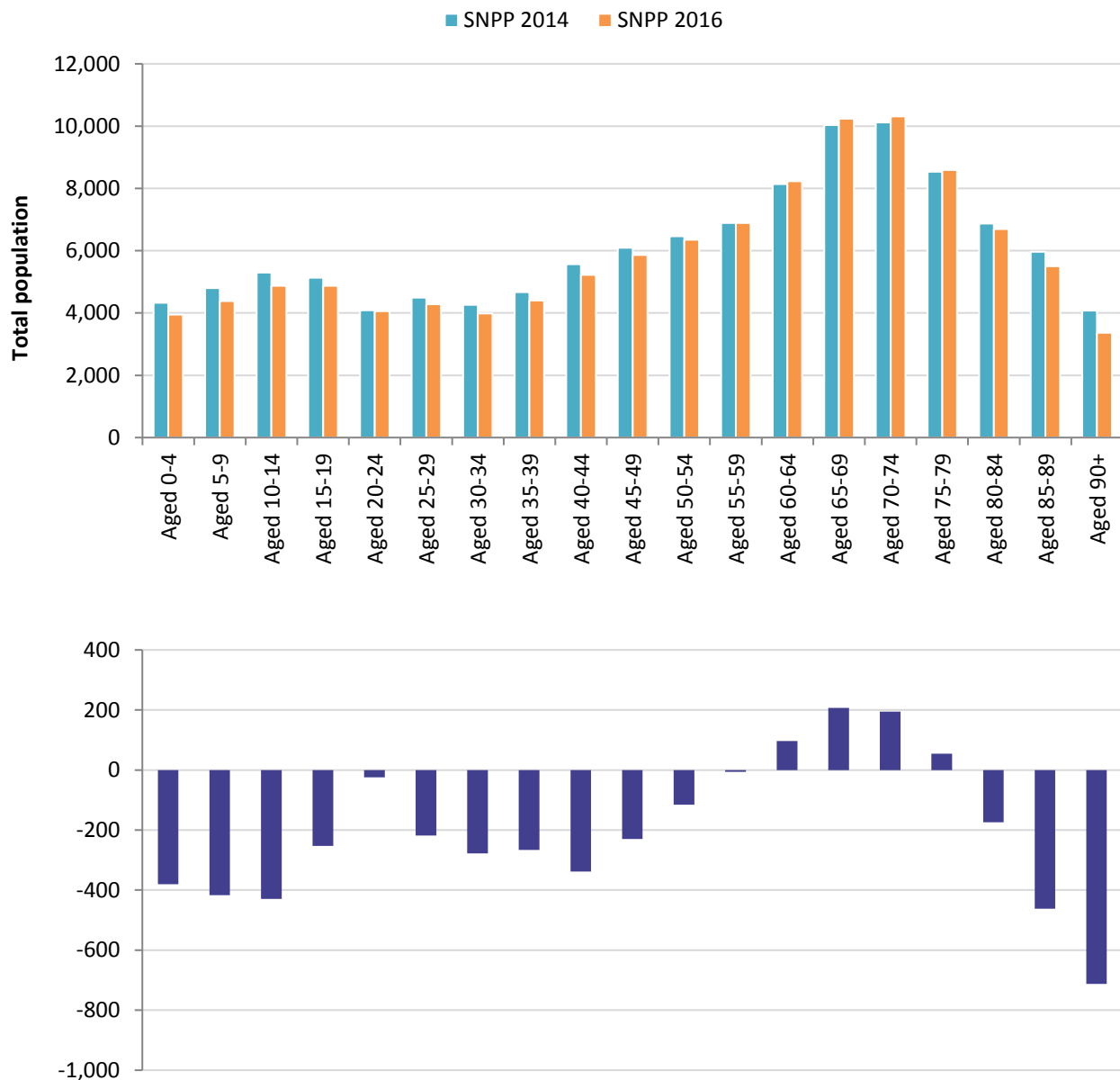
Projected Population Age Profile

- 1.36 Figure 3 shows the projected change in population by 5-year age band for 2036 from the 2014 based and 2016 based ONS population projections.
- 1.37 The overall difference in population is projected to be 3,750 persons lower in 2036 in the 2016 based projections as opposed to the 2014 based projections. There are a number of factors in this change. In total

the 2016 based projections assume that there will be 1,500 fewer children in 2036 than the 2014 based projections reflecting the ONS lowering projected fertility rates.

- 1.38 The 2016 based projections also see a projected lower number of adults aged 25 years to 60 years of 1,450. This will reflect lower migration to the area in the 2016 based SNPP compared to the 2014 based SNPP, but it must be remembered that the 2014 based SNPP contained legacy UPC related issues which over inflated their migration estimates.
- 1.39 Finally, the 2016 based SNPP project that there will be 1,350 fewer persons aged 75 years and over in North Norfolk in 2036 compared with the 2014 based SNPP. This reflects changing assumptions around mortality rates with the ONS now assuming that life expectancy will continue to grow, but at a lower rate. This reduction is particularly important because many of the people aged 75 years and over will occupy a dwelling on their own, so a lower projected number will see an increase in the amount of the existing dwelling stock available for other households to occupy.

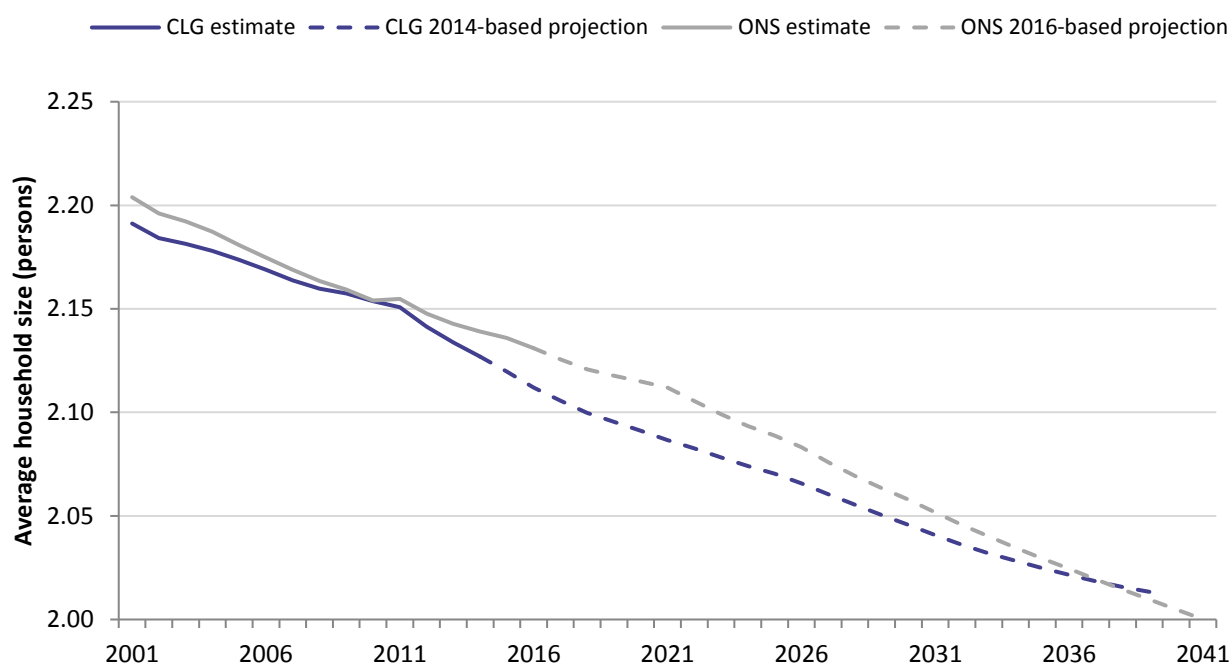
Figure 3: North Norfolk population projections 2036 by 5-year age cohort (Source: ONS SNPP 2014-based and 2016 based)



Projected Household Size

- 1.40 When considering household projections, it is often helpful to review changes to the average household size. Household size is a product of the population and household projections and not a variable used to create them. The data set out in Figure 4 divides the household population by the associated household projection.

Figure 4: Average household size estimates and projections for the period 1991-2041 (Source: CLG estimates 1991-2011 and CLG 2014 based Household Projections; ONS 2016 is 2016-based SNPP with 2016-based CLG rates)



- 1.41 As can be seen average household sizes have steadily declined in North Norfolk and are projected to continue to fall in the future. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children living in the household). There is no indication that any past suppressed household formation has been projected forward.
- 1.42 The ONS projection suggests that household sizes will reduce more slowly than previously projected by CLG. These larger household sizes are driven by fewer older single person households.

Local Housing Need based on current method

- 1.43 The Revised NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure.
- 1.44 Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20190220] the minimum annual Local Housing Need figure for North Norfolk in 2018 can be established as follows:

Step 1 – Setting the baseline

- » The PPG states that the CLG 2014-based household projections should be used to set the baseline household growth for the local authority area over a 10-year period.
- » These projections identify 49,118 households for North Norfolk in the current year (2019) increasing to 53,154 households over the 10-year period to 2029.

- » This yields an overall increase of 4,036 households over 10 years, equivalent to a projected average annual household growth of 404 households per year.

Step 2 – An adjustment to take account of affordability

- » The most recent ONS median workplace-based affordability ratio is 9.94 for North Norfolk, which is the ratio for the previous calendar year (2018).
- » The adjustment factor can therefore be derived as follows:

$$\text{Adjustment factor} = \left(\frac{9.94 - 4}{4} \right) \times 0.25 = 1.485 \times 0.25 = 37.1\%$$

- » Applying an uplift of 37.1% to the annual household growth of 406 households per year yields an annual housing need of 553 dwellings.

Step 3 – Capping the level of any increase

- » The most recent strategic policies for housing were adopted in September 2008; more than 5 years ago and therefore the local housing need figure is not capped at 40% above the average annual housing requirement figure set out in the existing policies.
- » The average annual housing requirement figure set out in the North Norfolk Local Plan (Part 1) is 400 per year.
- » A cap at 40% above this number would be 560 per year.
- » As the annual housing need (553) is lower than this, the increase is not capped.
- » **The minimum Local Housing Needs figure for North Norfolk in 2019 is 553 dwellings per year.**

1.45 Figure 5 sets out the separate elements that will contribute to the LHN.

Figure 5: Elements of Housing Need Using CLG 2014 Based Projections (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

Element of Housing Need (CLG 2014 based)	Calculation	Equivalent Housing Need (dwellings)
Projected household growth over the 10-year period 2019-2029	53,154 – 49,118 = 4,036 households	4,036
Market forces uplift 37.1%	4,036 x 37.1% = 1,497 households	1,497
Standard Method calculation Target	4,036 + 1,497 = 5,533	5,533
Annual average target	5,533 / 10 = 553 households	553

1.46 Figure 6 repeats this calculation using the ONS 2016 based household projections. This would provide for a Local Housing Need in North Norfolk of 456 dwellings per annum. It again should be stressed that the reason for this reduction is entirely down to changes in migration assumptions and mortality rates in the 2016 based SNPP and not household representative rates.

Figure 6: Elements of Housing Need Using 2016 Based ONS Projections (Source: ONS, ORS; Note: All figures presented unrounded for transparency)

Element of Housing Need (ONS 2016 based)	Calculation	Equivalent Housing Need (dwellings)
Projected household growth over the 10-year period 2019-2029	$51,486 - 49,158 =$ 3,328 households	3,328
Market forces uplift 37.1%	$3,328 \times 37.1\% =$ 1,235 households	1,235
Standard Method calculation Target	$3,328 + 1,235 = 4,562$	4,562
Annual average target	$4,562 / 10 =$ 456 households	456

Summary

- 1.47 The MHCLG Standard Method for Local Housing Need for North Norfolk currently yields a figure of 553 dwellings per annum. Within Planning Practice Guidance, this figure can be challenged downwards in a Local Plan if there is exceptional evidence to do so, but cannot be challenged at all when considering the 5 year land supply figures in a planning appeal.
- 1.48 However, a recent appeal in Central Bedfordshire showed that this dichotomy between evidence for a Local Plan and evince for a planning appeal can't be justified because it implies accepting housing needs figures for a planning appeal which the evidence indicates are wrong.
- 1.49 The question then becomes, are there exceptional circumstances in North Norfolk to justify moving away from the Standard Method Local Housing Need figure? In summary:
- » Previous planning appeals in North Norfolk have accepted that there are problems with the 2014 based household projections for the area, most notably because of problems relating to Unattributable Population Change between the 2001 Census and 2011 Census still having a residual impact;
 - » The difference between the 2014 based and 2016 based household projections is entirely down to lower population projections for North Norfolk and not changes to headship rates which has the household projections for other local authorities fall;
 - » The change in household projections is driven by a combination of projected falling birth rates, lower migration and lower growth in life expectancy;
 - » The falling birth rates have no real impact on housing needs as the children won't be old enough to form households by 2036;
 - » The falling migration can be seen as a correction to the problems with Unattributable Population Change in the 2014 based population projections;
 - » The lower increase in life expectancy reflects national trends and represents the most up to date evidence from the ONS.
- 1.50 On this basis, the 2016 based ONS population and household projections form a more realistic basis for considering household growth in North Norfolk than the 2014 based ONS population projection and 2014 based CLG household projections. The difference between the figures is not a change in household headship rates driven by suppressed household formation, but instead due to improvements in the ONS's population

projection. On this basis there would appear to be exceptional circumstances to move away from the Standard Methodology Local Housing Need figure of 553 dwellings per annum to the 2016 based figure of 456 dwellings per annum.

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NORFOLK COUNTY COUNCIL MINERALS AND WASTE LOCAL PLAN CONSULTATION DOCUMENT TO REPLACE THE EXISTING MINERALS AND WASTE CORE STRATEGY AND SUPPORTING DEVELOPMENT PLAN DOCUMENTS (DPDs).

Summary: This report provides information regarding the Norfolk County Council Minerals and Waste Local Plan Preferred Options consultation. The report reviews the proposals within the Plan and advises that there are no known conflicts with the emerging North Norfolk Local Plan.

Recommendations: **Members note the Preferred Options consultation of the emerging Norfolk County Council Minerals and Waste Local Plan and delegate to Officers to provide an Officer Level response on the consultation documents.**

Cabinet Members(s)	Ward(s) Affected
All Members	All Wards
Contact Officer(s), telephone number and email: James Mann. Senior Planning Policy Officer, 01263 516404, james.mann@north-norfolk.gov.uk	

1. Introduction

- 1.1 Norfolk County Council are the responsible body for Minerals and Waste and are in the process of producing a new single Minerals and Waste Local Plan (M&W Local Plan) to replace the Norfolk Core Strategy and Minerals and Waste Development Management Policies Development Plan (DPD) (2011), the Norfolk minerals Site Specific Allocation DPD (2013 and amended by the adoption of the Single Issue Silica Sand Review in December 2017), and the Norfolk Waste Site Specific Allocations DPD (2013).
- 1.2 The current consultation is open until the 30 October 2019 and is seeking views on the Preferred Options version of the Minerals and Waste Local Plan. The proposed M & W Local Plan runs to 2036 and contains a number of 'General Policies' on Development Management criteria, climate change, the Brecks protected species and habitats and agricultural soils. There are also 17 Waste Management Specific Policies and 12 Mineral Specific Policies. The plan also contains a number of mineral extraction allocations across the County.
- 1.3 Within the consultation period it is not possible for North Norfolk District Council to undertake external consultation and respond within the required period. In any event it is the responsibility of the County Council to publicise and consult on their emerging Plan. Consequently this report is confined to considering if the proposals made in the Plan are likely to conflict with, or raise any concerns, in relation to our own emerging draft Plan.

- 1.4 The consultation documents are available here <https://www.norfolk.gov.uk/what-we-do-and-how-we-work/policy-performance-and-partnerships/policies-and-strategies/minerals-and-waste-planning-policies/norfolk-minerals-and-waste-local-plan-review>

2. Potential Implications for North Norfolk and the Emerging North Norfolk Local Plan

Proposed Policies within the M&W Local Plan

- 2.1 The proposed General Policies within the M&W Local Plan focus on Development Management criteria, Transport, Climate change, the Brecks and agricultural soils and encompass all of the issues that minerals and waste applications should consider. Officers consider there would be no issues regarding these policies in relation to NNDC, but Members may wish to emphasise that North Norfolk District Council has declared a climate emergency and that the supporting text to the policies needs to emphasise this.
- 2.2 The proposed Waste Management Policies cover strategic waste management targets, spatial distribution and potential waste management facilities. The section also includes policies on excavation, recycling centres, landfill etc. Policy WP17 seeks to safeguard waste management facilities. The Plan does not proposed to make specific allocations of land for future waste management facilities instead it relies on a criteria based policy approach aimed at ensuring that such facilities are appropriately located and any impacts are fully mitigated. These policies are not considered to have an impact upon North Norfolk or the emerging North Norfolk Local Plan.
- 2.3 The proposed Mineral Specific policies cover the amount of minerals that are to be extracted throughout the plan period and the policies to ensure this can be achieved. Policy MP 10 seeks to safeguard port and rail facilities and facilities for the manufacture of concrete, asphalt and recycled materials and Policy MP11 seeks to safeguard mineral extraction sites. These two policies were both previously contained within Policy CS 16 of the currently adopted Norfolk Core Strategy and Minerals and Waste Development Management Policies Development Plan (DPD). These policies are not considered to have an impact upon North Norfolk or the emerging North Norfolk Local Plan.

Proposed Allocations within the M&W Local Plan

- 2.4 The Preferred Options Minerals and Waste Local Plan puts forward five sites within North Norfolk, four of which are proposed for allocation through the plan. All four are existing mineral extraction sites which are included in the existing adopted Plan. An existing allocation at Holt (Min71 below) is not proposed to be carried forward into the new Plan. These sites are as follows:
- **Min 69: Land north of Holt Road, Aylmerton** (Allocate for 1,800,000t in plan period): Previously allocated as a mineral extraction site through the Site

Specific Allocation DPD. No known reasons to objection the site in being in the emerging M&W Local Plan.

- **Min 71: Land west of Norwich Road, Holt** (Not allocated in the plan): Previously allocated through the Site Specific Allocation DPD as a Mineral Extraction Site. Not proposed to be allocated through the emerging Minerals and Waste Local Plan due to the potential impact upon the natural environment. Agree with reasons not to allocate in the M&W Local Plan.
- **Min 115: Land at Lord Anson's Wood, near North Walsham** (Allocate for 1,080,000t in plan period): Previously allocated as a mineral extraction site through the Site Specific Allocation DPD. No known reasons to objection the site in being in the emerging M&W Local Plan.
- **Min 207: Land at Pinkney Field, Briston** (allocated): Extension to an Existing Mineral Extraction Site. No known reasons to objection the site in being in the emerging M&W Local Plan.
- **Min 208: Land south of Holt Road, East Beckham** (Allocate for 600,000t in plan period): Adjacent to an area designated as an Existing Mineral Extraction Site. No known reasons to objection the site in being in the emerging M&W Local Plan.

- 2.5 It is not considered that these sites would have an impact upon the emerging North Norfolk Local Plan as many of these sites are currently already allocated for extraction.

Potential impact of the proposed changes on the comments made by Norfolk County Council on sites within the emerging North Norfolk Local Plan.

- 2.6 Norfolk County Council Minerals and Waste made representation on the North Norfolk Local Plan setting out that a number of sites are, to a greater or lesser degree, underlain by safeguarded mineral resources, namely sand and gravel. In line with Policy CS 16 of the Norfolk Core Strategy and Minerals and Waste Development Policies Development Plan Document. Where sites are underlain wording within the specific key development considerations for each site, this was dependent upon the size of the site. For sites over 2 ha (both resi-mixed and employment) the following wording was required:

"The site is underlain by a defined Mineral Safeguarding Area for sand and gravel. Any future development on this site will need to address the requirements of Norfolk Minerals and Waste Core Strategy Policy CS16 - 'safeguarding' (or any successor policy) in relation to mineral resources, to the satisfaction of the Mineral Planning Authority."

- 2.7 For sites below 2ha (resi-mixed and employment) the following wording was required:

"The site is underlain by a defined Mineral Safeguarding Area for sand and gravel. As the site is under 2 hectares it is exempt from the requirements of Norfolk Minerals and Waste Core Strategy Policy CS16 – 'safeguarding', in relation to mineral resources. If the site area is amended in the future to make the area over 2 hectares CS16 (or any successor policy) will apply."

- 2.8 Sites falling within the consultation zone for Waste Recycling Centre sites the following wording was required:

“The site is within the consultation area for a safeguarded mineral or waste site or adopted allocation, defined by the adopted Norfolk Mineral and Waste safeguarding policy. Any future development on this site will need to address the requirements of Norfolk Minerals and Waste Core Strategy Policy CS16 - ‘safeguarding’ (or any successor policy) in relation to the safeguarding of such sites, to the satisfaction of the Mineral Planning Authority.”

- 2.9 Policy CS 16 is now proposed to be replaced by three policies:
- **MP10** (safeguarding of port and rail facilities, and facilities for the manufacture of concrete asphalt and recycled materials);
 - **MP11** (Minerals safeguarding Areas and Minerals Consultation Areas); and
 - **WP17** (Safeguarding Waste Management Facilities).
- 2.10 Policy **WP17** as drafted does not alter policy CS 16 in regard to consultation distances for safeguarded waste management facilities, water recycling centres, and pumping stations.
- 2.11 Policy **MP11** tightens up on Policy CS 16. CS 16 previously stated that the County Council will “safeguard existing, permitted and allocated mineral extraction and associated development and waste management facilities”. Policy MP11 sets out that the County Council will “safeguard Norfolk’s Silica Sand, Carstone and Sand and Gravel mineral resources, within the Minerals Safeguarding Areas identified on the policies map, from inappropriate development proposals.” The consultation area does not appear to have been altered in regard to these sites, remaining at 250m.
- 2.12 The tightening up on the policy wording is not considered to have an impact upon the level of comments that Norfolk County Council may make on proposed North Norfolk Local Plan sites following the adoption of the M&W Local Plan

3. Summary

The proposed M&W Local Plan would not have a significant impact upon North Norfolk or the emerging North Norfolk Local Plan. Members may wish to emphasise that North Norfolk District Council has declared a climate change emergency. All other comments would be supportive of the policies within the M&W Local Plan as there is no known conflicts with the emerging North Norfolk Local Plan.

4. Recommendation:

Members note the Preferred Options consultation of the emerging Norfolk County Council Minerals and Waste Local Plan and delegate to Officers to provide an Officer Level response on the consultation documents.