

Borough Council of King's and West Norfolk

Local Plan review (2016 -2036)

Consideration of the Latest Housing Numbers

August 2019

Local Plan review (2016-2036) – Consideration of the Latest Housing Numbers

Introduction

This paper explores the housing need, the current housing delivery and supply (based upon the 2018/19 Housing Trajectory), and what this could mean in terms of the Local Plan review going forward. There are a few sections which cover these elements. This is then all pulled together and present in a new calculation. Following this some initial conclusions are drawn.

Local Housing Need

The revised National Planning Policy Framework (NPPF) (July 2018) introduced a new standard method for calculating housing need. This is known as Local Housing Need (LHN). This should be the starting point for calculating the housing need for the Borough over the Local Plan period (2016 - 2036).

LHN was introduced in part to make the process more transparent and speed up the plan process; it would also assist Government in reaching their ambition for 300,000 homes to be completed in England each year by the mid 2020's.

The Government has since consulted upon technical changes to the NPPF. This included changes to the LHN calculation, chiefly not to use the latest household projections (2016) published in September 2018 by the Office of National Statistics (ONS), but to use the 2014 Household Projections, published in 2016 by DCLG (Department of Communities and Local Government) (Note this is now the MHCLG / Ministry of Housing, Communities and Local Government).

Following through the latest LHN method results in a LHN figure of 555 new homes required each year for King's Lynn and West Norfolk. This uses the 2014 Household Projections and the 2017 ratio of house price to work place based earnings lower median (published by ONS in April 2018).

The LHN of 555 new dwellings spread over the 20 year plan period (2016 -2036) results in a need of 11,100 dwellings which need to be planned for.

It is worth noting that the LHN need figure is also used as the basis for our five year housing land supply calculation and going forward our housing delivery test calculation.

Draft Local Plan review Consultation Numbers

The above LHN (555) was the basis for the consultation version of the draft Local Plan. The link below provides the full detail (under the section meeting the housing need):

<https://west-norfolk.objective.co.uk/portal/lpr2019/lpr2019?pointId=s1542883059666#sections1542883059666>

There are three components to this calculation which are now considered worthy of review:

1. The base line data is taken from the 2016/17 housing trajectory. We have since prepared further housing trajectories and the latest is anticipated published to be published shortly. This is based upon the 2018/19 financial year.
2. The second being the inclusion of a 15% buffer within the calculation. However, it is likely that the Plan, Supply and Delivery could be benchmarked against the LHN + 15%. This would make a significant challenge even more challenging.
3. The third being the treatment of windfall development moving forward. We know that since the start of the current plan period 2001/02 to 2018/19 the average number of dwellings which complete each and every year is 303. However to be cautious we reduce this by 25% in order recognise that land is a finite resource. This provides a total of 228 dwelling per year.

It is also worth highlighting that many representations to the Local Plan review have suggested that we are either planning for too many homes or too few. There is also a vast array of comments to sites we have proposed for allocation both for and against. These will be brought to the Local Plan Task Group for consideration in due course. However they can all be viewed now via the consultation portal:

<https://west-norfolk.objective.co.uk/portal/lpr2019/lpr2019>

Or, the Plan can be navigated via the online interactive mapping tool:

https://www.west-norfolk.gov.uk/homepage/293/draft_local_plan_review_interactive_map

Local Plan review (2016/2036) – Updated Housing Numbers Calculation - August 2019 -Based upon the Latest Housing Trajectory

Line	Item	Value	Notes
1	<ul style="list-style-type: none"> The BCKLWN current Local Housing Need (LHN) figure is 555 new dwellings per year 	555	<ul style="list-style-type: none"> Government provided calculation/figure, against which our Local Plan, Housing Delivery Test and Five Year Land Supply is measured.
2	<ul style="list-style-type: none"> Over the 20 year plan period (2016 -2036) (555 x 20) this results in an overall need for 11,100 new homes 	555 x 20 = 11, 100	<ul style="list-style-type: none"> NEED to plan to achieve.
3	<ul style="list-style-type: none"> 2018/19 Housing Trajectory Schedule shows that there are 10,608 dwellings committed i.e. have a permission (Full, Outline, Allocation or ACP funding) 	10,608	
4	<ul style="list-style-type: none"> The trajectory is for a 15 year period, the plan goes a further 3 years ahead of this, so an additional allowance for further completions from West Winch at the projected rate of 420 dwellings needs to be factored in. 10,608 + 420 = 11,028 	10,608 + 420 = 11,028	<p>West Winch:</p> <ul style="list-style-type: none"> 790 dw by 2025/2026 1,600+ dw by 2031/32 2,500 dw by 2033/34 2,920 dw by 2036/37 <p>Whole area has been allocated, if numbers come forward sooner than this or slightly later that is fine</p>
5	<ul style="list-style-type: none"> Since 2016/17 (the start of the plan period) 1,211 dwellings have completed 	1,211	
6	<ul style="list-style-type: none"> commitments & completions total: (11,028 +1,211) = 12,239 	12,239	This takes account of sites proposed for de-allocation
7	<ul style="list-style-type: none"> Completions & commitments minus Knights Hill (12,239 – 700) = 11,539 	(12,239 – 700) = 11,539	<ul style="list-style-type: none"> SUPPLY Available. (Taking into account the non-approval of SADMP allocation at Knights Hill).
8	<ul style="list-style-type: none"> Need (11,100) – Supply (11,539) = + 439 	11,100 - 11,539 = + 439	<ul style="list-style-type: none"> This is the amount of allocations that the new Local Plan Review should provide for, following the update since publishing the Draft Consultation LPR document.

Line	Item	Value	Notes
			<ul style="list-style-type: none"> Also acknowledges the Knights Hill position. <u>So potentially no allocations required as the supply is higher than the need</u>
9	<ul style="list-style-type: none"> The latest (2018/19 HT) shows the windfall allowance to be 228 dwellings per year. (Note this includes a 25% discount) 		<ul style="list-style-type: none"> This has been calculated in accordance with the NPPF/PPG and is justified based upon historic trends since 2001/2002
10	<ul style="list-style-type: none"> 14 years. $14 \times 228 = 3,192$ 	$14 \times 228 = 3,192$	<ul style="list-style-type: none"> 17 years of the LPR period to run. However we have to allow a period of 3 years with no allowance giving sufficient time for such sites to come forward, so 14 years of the windfall allowance is calculated.
11	<ul style="list-style-type: none"> Windfall should be seen as flexibility on top of what already has completed and is committed. 		<ul style="list-style-type: none"> It is important that the annual LHN figure is not inflated to be expressed as a TARGET, since The Borough Council would then be measured against this larger figure, i.e. $555+228 = 783$ p.a. This figure would be seriously unachievable. It should be expressed as 'Flexibility' to assure an Inspector that we have contingency is 'planned' provision does not come forward.
12	<p>Summary</p> <ul style="list-style-type: none"> Need = 11,100 Completions & Commitments minus Knights Hill ($12,239 - 700$) = 11,539 + Windfall ($3,192$) = 14,731 Total projected Supply = 14,731 A surplus of 3,631 This provides flexibility in the region of 30% 	14,731	<p>Supply = 11,539 ('Planned' provision)</p> <p>Need = 11,100</p> <p>Surplus on 'planned' provision = 439</p> <p>-----</p> <p>Projected windfall = 3192 (('Unplanned' potential)</p> <p>(Surplus) / 'Flexibility' (including windfall) = 3,631</p> <p>$(3,631 + 11,100 = 14,731)$</p>

Conclusions

- Government are tasking the Borough Council to meet our LHN. The calculation clearly demonstrates we would be doing this
- The 'surpluses / 'flexibility' acknowledged as a large figure. However, this would mean we are consistent with the NPPF in 'significantly boosting supply'
- There is no 'buffer' written into the Need / Supply or LHN calculation.
- We should guard against the LHN figure being increased, so that Government does not measure us against an inflated figure
- By acknowledging we have a measure of 'flexibility' to ensure that we can meet our 'planned' need we show we have a 'contingency'. This is the approach advocated by the SADMP Inspector. He saw it as very important that the Borough Council was not reliant on an overly precise calculation
- These results in flexibility in the event that planned allocations don't come forward as currently anticipated
- The planning system is very permissive in regard to windfall, historically this has made a significant contribution to completions in the borough and we are simply acknowledging that fact
- **The result is potentially no need to make any further housing allocations but cement the ones we have already made in the current adopted Local plan and want to take forward**
- However, it may be that some of the draft allocations proposed in the draft Local plan review for a variety of reasons we still may want to take forward. This should form part of the discussion when we go on to consider settlement and individual sites
- The majority of Growth is still taking place in the strategic growth corridor (main rail line/ A10).
- It would support localism through communities Neighbourhood Plans as they would have a degree of freedom to decide how many new homes to plan for