

Borough Council of King's and West Norfolk

Local Plan review (2016 -2036)

Consideration of the Latest Housing Numbers

June 2020

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 2019/20 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 presented 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 539 new homes required each year for King's Lynn and West Norfolk. This uses the 2014 Household Projections and the 2019 ratio of house price to work place based earnings lower median (published by ONS in April 2020).

The LHN of 539 new dwellings spread over the 20-year plan period (2016 -2036) results in a need of 10,780 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 the housing delivery test calculation. Please also note the Government have signalled their intention to review and change the methodology through their 'Planning for the future paper':

<https://www.gov.uk/government/publications/planning-for-the-future>

Draft Local Plan review Consultation Numbers

Previously the LHN was 555 and this was the basis for the consultation version of the draft Local Plan in early/mid-2019. 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#section-s1542883059666>

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 to be published shortly. This is based upon the 2019/20 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. With changes to the LHN and the consideration of future windfall development, below, this buffer is not required.
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 415. However, to be cautious we reduce this by 25% in order recognise that land is a finite resource. This provides a total of 311 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 been proposed for allocation both for and against. These will be brought to the Local Plan Task Group for consideration separate from this paper. 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 - June 2020 -Based upon the 2019/20 Housing Trajectory

Line	Item	Value	Notes
1	<ul style="list-style-type: none"> The BCKLWN current Local Housing Need (LHN) figure is 539 new dwellings per year 	539	<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. (NB this is subject to change).
2	<ul style="list-style-type: none"> Over the 20-year plan period (2016 -2036) (539 x 20) this results in an overall need for 10,780 new homes 	539 x 20 = 10, 780	<ul style="list-style-type: none"> <u>NEED</u> to plan to achieve.
3	<ul style="list-style-type: none"> 2019/20 Housing Trajectory Schedule shows that there are 10,383 dwellings committed i.e. have a permission (Full, Outline, Allocation or ACP funding) 	10,383	
4	<ul style="list-style-type: none"> Since 2016/17 (the start of the plan period) 1,802 dwellings have completed 	1,802	
5	<ul style="list-style-type: none"> Completions & Commitments total: (10,383 +1,802) = 12,185 	12,185	<ul style="list-style-type: none"> This takes account of sites proposed for de-allocation through the Local Plan review
6	<ul style="list-style-type: none"> Completions & Commitments minus Knights Hill (12,185 – 600) = 11,585 	(12,185 – 600) = 11,585	<ul style="list-style-type: none"> <u>SUPPLY Available</u> (Taking into account the non-approval of SADMP allocation at Knights Hill).
7	<ul style="list-style-type: none"> Minus Boal Quay and associated sites (11,585 – 450) = 11,135 	(11,585 – 450) = 11,135	<ul style="list-style-type: none"> <u>Question Currently over delivery timing and type of development</u> (so, to be safe discounted at this stage)
8	<ul style="list-style-type: none"> Need (10,780) – Supply (11,135) = +355 	10,780 - 11,135 = +355	<ul style="list-style-type: none"> This is the number of dwellings required to meet the min. required LHN Also acknowledges the Knights Hill & Boal Quay etc.. position. <u>So potentially no allocations</u>

Line	Item	Value	Notes
			<u>required</u>
9	<ul style="list-style-type: none"> Emerging Local Plan review draft allocations 2020: <p>Terrington St Clement (76) & Marham (35) = 111</p> <p>11,135 + 111 = 11,246</p>	10,780 - 11,246 = +466	
10	<ul style="list-style-type: none"> The latest (2019/20 HT) shows the windfall allowance to be 311 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"> Windfall allowance of 13 years' worth: <p>13 x 311 = 4,043</p>	13 x 311 = 4,043	<ul style="list-style-type: none"> 16 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 13 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. 	<p>11,246 + 4,043 =15,289</p> <p>10,780 – 15,289 = +4,509</p>	<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. 539+311=850 p.a. This figure would be seriously unachievable. It should be expressed as 'Flexibility' to assure an Inspector that we have contingency if an element of 'planned' provision does not come forward as envisaged. The supply of windfall may increase or certainly be maintained through the emerging policy LP26 Although not windfall, further homes may be delivered through Neighbourhood Plans as allocations.
12	<u>Summary</u>		Supply

Line	Item	Value	Notes
	<ul style="list-style-type: none"> • Need (539 x 20) = 10,780 • Completions & Commitments (12,185) - Knights Hill (600) & Boal Quay etc (450) = 11,135 • + LPr Allocations (111) = 11,246 • + Windfall (4,043) • Total projected Supply = 15,289 • 10,780 – 15,289 = 4,509 		<p>= 11,135 ('Planned' provision)</p> <p>Need</p> <p>= 10,780</p> <p>Surplus on 'planned' provision = +355</p> <p>-----</p> <p>Projected windfall = 4,043 (‘Unplanned’ potential)</p> <p>(Surplus) / ‘Flexibility’ (including windfall)</p> <p>= 4,509</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 relatively 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 over inflation of the LHN figure being, 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 degree of '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
- This 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 currently adopted Local Plan and want to take forward
- However, it may be that some of the draft allocations proposed draft Local plan review for a variety of reason 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
- Indicatively the 2019/20 Housing Trajectory shows we can maintain a supply of housing above the minimum 5 years' worth required
- Indicatively with completion of 591 new dwellings the 2019 Housing Delivery Test Result would be in the approx. 92% meaning that the Action Plan would once more require updating