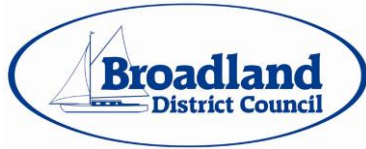




**NORWICH**  
City Council



## **Strategic Housing Market Assessment**

Draft Amended Specification

20<sup>th</sup> May 2014

# Central Norfolk

## Strategic Housing Market Assessment

### 1 Introduction

- 1.1 This revised specification supersedes the specification agreed by Broadland Council, Norwich City Council and South Norfolk Council in September 2013, and on which the original Greater Norwich Strategic Housing Market Assessment tender was commissioned in October 2013.
- 1.2 The specification has been amended following the inclusion of Breckland District Council and North Norfolk District Council to the project after commencement.
- 1.3 These amendments are in response to:
- a) initial research suggesting that the Housing Market Areas were more extensive than previously identified;
  - b) changes in government guidance which occurred after commencement of the Project;
  - c) emerging considerations arising from Examinations in Public across the country; and
  - d) strengthened obligations within the Duty to Co-operate requirements contained within the Localism Act 2011.
- 1.4 It was therefore agreed that it was strategically advantageous for the five authorities, as well as cost effective, for the scope of the Greater Norwich Strategic Housing Needs Assessment (SHMA) to be expanded to include Breckland District Council and North Norfolk District Council in the assessment.
- 1.5 Hereafter the five local authorities of Broadland, Breckland, North Norfolk, Norwich City, and South Norfolk councils will be referred to as 'the partner authorities'.
- 1.6 Broadland District Council, Norwich City Council and South Norfolk Council jointly published a Housing Market Assessment (HMA) in 2007 informed by a 2006 study of housing need and stock condition. The HMA was updated in 2009 and 2011.
- 1.7 Breckland District Council and North Norfolk were part of the 2007 Rural East Anglia Partnership (REAP) who commissioned a SHMA in 2007. This was updated in 2010.
- [http://www.north-norfolk.gov.uk/files/REAP\\_SHMA - update Jan 2010.pdf](http://www.north-norfolk.gov.uk/files/REAP_SHMA_-_update_Jan_2010.pdf)
- 1.8 Since then, Breckland District Council has completed a district level SHMA in 2013, based on primary and secondary data to replace the existing 2007 assessment.

<http://www.breckland.gov.uk/sites/default/files/Uploads/housing/2013%20SHMA.pdf>

- 1.9 Broadland District Council, Norwich City Council and South Norfolk Council form part of the Greater Norwich Development Partnership (GNDP) together with Norfolk County Council and the Broads Authority. The GNDP manages the delivery of the growth strategy for the area which equates to at least 37,000 new homes and 27,000 new jobs by 2026.

Breckland Council's adopted Core Strategy and Development Control Policies DPD identifies the delivery of 19,100 new homes and 12,700 new jobs up to 2016.

North Norfolk adopted a Core Strategy in 2008 and a Site Allocations Development Plan in 2011. These provide for the delivery of a minimum of 8,000 dwellings in the District in the period 2001 -2021 and set a target of providing at least 4,000 net additional jobs over the plan period.

<http://www.northnorfolk.org/planning/248.asp>

- 1.10 The 2007 HMA (and 2009 update) underpinned the Joint Core Strategy (JCS) for the area which was adopted in May 2011. However following a legal challenge, parts of the JCS affecting Broadland district council were remitted and subject to examination in public in May and July 2013. Further information is available at the GNDP website.

[Visit the GNDP website for more information.](#)

In 2013, Breckland Council resolved to commence the preparation of a new single Local Plan for the district which will, once adopted, replace the existing suite of LDF documents. The current Plan is expected to be adopted in the Autumn of 2016.

North Norfolk District Council has not commenced formal plan review but will shortly need to agree a review timetable.

- 1.11 The Annual Monitoring Report (AMR) on the Greater Norwich JCS is available at:

<http://www.norwich.gov.uk/Planning/Pages/Planning-AnnualMonitoringReports.aspx>

Breckland District Council's AMR is available at:

<http://www.breckland.gov.uk/content/document-library-publications#AMR>

North Norfolk District Council's latest AMR is available at:

<http://www.northnorfolk.org/planning/10110.asp>

- 1.12 All the district councils have Gypsy and Traveller Accommodation Assessments (GTAA) in force.

The Greater Norwich GTAA was published in August 2012 and is available at <http://www.norwich.gov.uk/Planning/JointSAandDMLibrary/Greater%20Norwich%20Gypsies%20and%20Travellers%20Accommodation%20Assessment%20Opinion%20Research%20Services.pdf>

South Norfolk Council are currently undertaking a separate GTAA, the results of which should be due in June 2014.

The Breckland GTAA was published in December 2013 and can be found at: <http://democracy.breckland.gov.uk/documents/s28883/final%20GTAA%20CA%20BINET%20Report.pdf>

North Norfolk District Council has not produced a Gypsy and Traveller Assessment. The Regional Spatial Strategy identified very low levels of need in the District which are being addressed via the application of a criteria based development management policy in the adopted Core Strategy. Additionally the Council has provided two ten pitch temporary stopping place sites (Cromer and Fakenham) which have provided an effective management mechanism in relation to unauthorised encampments in the District.

- 1.13 The local authorities have access to and make use of the East of England forecasting model (EEFM) developed by Oxford Economics to project economic, demographic and housing trends in a consistent fashion. It covers a wide range of variables, and is designed to be flexible so that alternative scenarios can be run. The model is available at <http://www.cambridgeshireinsight.org.uk/EEFM>

## **2 Project Objectives**

- 2.1 Having regard to the requirements of the National Planning Policy Framework (NPPF), and the revised 2014 SHMA guidance, the main objectives of the assessment are:
- a) To provide robust evidence to inform local policies, plans and decisions
  - b) To identify housing market areas and provide detailed market analysis of housing need, demand and supply in these areas, local authority districts, Greater Norwich sub-region, the Norwich Policy Area<sup>1</sup>, the rural areas in Broadland and South Norfolk which fall outside the NPA, and the areas in Breckland and North Norfolk which fall outside the Wider Norwich HMA.
  - c) To identify how housing need and demand translates into different sizes, types and tenures in different housing market areas over the next five, ten and fifteen years;

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<sup>1</sup> The Norwich Policy Area (NPA) is defined by the Greater Norwich Development Partnership authorities for planning purposes. A definition of the NPA can be found in Appendix 4 (page 101) of the Joint Core Strategy <http://www.gndp.org.uk/content/wp-content/uploads/downloads/2012/05/JCS-showing-remitted-text-v2.2r.pdf>

- d) To identify the key drivers of need and demand of both market housing (owner-occupation, private rent) and affordable housing, including the affordability of accommodation, the impact of welfare reform, economic growth and the potential effects of other current and emerging policies.
- e) To enable the partner housing and planning authorities to update and monitor the evidence base as new data becomes available and undertake ad hoc analysis when required.

### 3 Project Specification

- 3.1 The commissioning authorities are seeking a full and thorough assessment of all housing markets within the partner authorities' collective administrative boundaries, clearly showing the different markets within the area, where they cross administrative boundaries, and where they interact with authorities outside the partnership.

#### Project Outputs:

- 3.2 The project outputs are those required by the NPPF together with the 2013 CLG Planning Practice Guidance: Housing and Economic development needs assessments as updated in March 2014, which supersedes the 2007 SHMA Practice Guidance.
- 3.3 The project outputs should be presented at 6 levels:
  - a) by housing market areas;
  - b) local authority district;
  - c) Greater Norwich sub-region (Broadland District Council, Norwich City Council, South Norfolk Council);
  - d) the Norwich Policy Area (NPA) and / or the Core Norwich market area;
  - e) the rural areas in Broadland and South Norfolk which fall outside the NPA or Core Norwich market areas; and
  - f) the areas of Breckland and North Norfolk districts that fall outside the Wider Norwich HMA.
- 3.4 The **NPPF** states that the Strategic Housing Market Assessment (SHMA) should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
  - a) meets household and population projections, taking account of migration and demographic change;
  - b) addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (including, but not limited to, families with children, older people, people with

disabilities, service families and people wishing to build their own homes); and

- c) caters for housing demand and the scale of housing supply necessary to meet this demand. (para 159, NPPF)

3.5 In terms of ‘need over the plan period’ the current Joint Core Strategy covers the period to 2026, however any replacement plan will be required to have a 15 year horizon from the time of adoption and is therefore likely to need to look at least to 2031, and preferably to 2036.

3.6 The **SHMA practice guidance (2007)** states that “*a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria*” (p.10) Although this Guidance has now been superseded, the partner authorities expect that these requirements, along with emerging expectations of Planning Inspectors arising from current Examinations in Public, will be met to ensure that this study is fit for purpose.

3.7 Core outputs:

1.	Estimates of current dwellings in terms of size, type, condition, tenure
2.	Analysis of past and current housing market trends, including the balance between <b>supply and demand in different housing sectors</b> and price affordability. <b>Description of</b> key drivers underpinning the housing market and the nature of the market cycle
3.	Estimate of total future number of households
4.	Estimate of current number of households in housing need
5.	Estimate of future households that will require affordable housing
6.	Estimate of future households requiring market housing (including a profile of household types, and the size and type of housing required)
7.	Estimate of the size of affordable housing required including the likely profile of household types requiring affordable housing and the size, type and tenure required (social rented or intermediate)
8.	Estimate of household groups who have particular housing requirements e.g., older people, black and minority ethnic groups and disabled people

3.8 Process checklist:

1.	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region
2.	Housing market conditions are assessed within the context of the housing market area

3.	Involves key stakeholders, including house builders
4.	Contains a full technical explanation of the methods employed, with any limitations noted
5.	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner
6.	Uses and reports upon effective quality control mechanisms
7.	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken

3.9 The assessment is also expected to:

- a) Provide an analysis of the key drivers of need and demand of market and affordable housing, including the impact of welfare reform and economic growth;
- b) Identify local housing market areas, analysis of previous activity, current activity and projections for the future (minimum of five years);
- c) Identify a threshold at which home ownership, private rented and Affordable Rent accommodation is affordable<sup>2</sup>;
- d) Provide in-depth analysis of the private rented sector: who is living there, why, and the future need/demand for private rented housing: who will require the accommodation (household type) and at what rents;
- e) Provide an assessment of housing needs with an affordability analysis of the need and demand for social rented and affordable rented products and demand for intermediate housing such as shared ownership and shared equity products for each size and type of accommodation;
- f) Identify and assess the impact of welfare reform and other emerging policy changes on housing need;
- g) Identify the need/demand for single storey accommodation;
- h) Provide an assessment of whether the need/demand forecasts for social rented, affordable rented and shared ownership and shared equity products (and how these translate into different accommodation types and sizes) are deliverable from the new build supply chain;

<sup>2</sup> Current SHMA guidance suggests that households would be considered able to afford to buy a home costing 3.5 times gross household income for single income households or 2.9 times for dual income households. It also suggests that households could afford rented housing for which rent constituted no more than 25% of gross household income, whilst also acknowledging that this threshold may not always be appropriate.

- i) Provide an analysis of the needs of specific housing groups drawing a distinction between the need for specialist housing provision and need for support to enable independent living;
- j) Provide a definition of low cost market housing and identify the demand;
- k) Identify need/demand for self-build;
- l) Provide an understanding and analysis of the housing aspirations of specific age groups in particular young people aged under 35 and older people aged 65+ and the impact on migration patterns: inward and outward, and migration within and between districts;

All analysis should be accompanied by an explanation of the assumptions underpinning it and commentary around what would happen if the assumptions changed.

3.10 In addition, consultants are invited to recommend their approach towards, and price separately for:

- a) Providing a range of tools (software, data sources, user instructions and training) to enable the Greater Norwich housing and planning authorities to update and monitor the SHMA and carry out ad hoc analysis as and when required. The software should include the following variables and assumptions used:
  - i. in the model to generate current and future housing needs numbers (including household size, tenure, type and size of accommodation)
  - ii. to identify the threshold at which home-ownership, private renting and Affordable Rent accommodation is affordable.
  - iii. to analyse the private rented sector
  - iv. to analyse the key drivers of need and demand of market and affordable housing.
  - v. to assess whether the need/demand forecasts for all tenures (and how these translate into different accommodation types and sizes) are deliverable from the new build supply chain.
  - vi. to provide an analysis of the needs of specific housing groups drawing a distinction between the need for specialist housing provision and need for support to enable independent living.

Consultants are invited to recommend additional activities, variables and assumptions to ensure the partner housing and planning authorities are able to update and monitor the SHMA.



- b) Analysing the five local authority stock condition surveys<sup>3</sup> in order to use the survey findings as an input to the assessment of current and future housing need.

#### **4 Study area**

- 4.1 While the collective administrative boundaries of the partner authorities will be the focus of the assessment, it should identify and assess the impact of any significant inter-dependencies within adjacent market areas which might emerge during the course of analysis and consultation.

#### **5 Primary and Secondary Data**

- 5.1 One of the project's key outputs will be a range of tools that enables the partner authorities to update and monitor the SHMA and carry out ad hoc analysis when required. To this end, it is envisaged that the assessment will mainly draw on secondary data sources that are subject to regular updating in line with CLG guidance. However, it is recognised that some primary data may be available or required in order to meet the project objectives and ensure delivery of the required outputs.

#### **6 Project Methodology**

- 6.1 Consultants are invited to recommend a project methodology to achieve the project objectives and outputs, within budget and on time. Consultants must clearly demonstrate that their methodology and research will provide a robust and credible evidence base to support local housing and planning policies and decisions.
- 6.2 The proposal should include a detailed project plan which sets out how the consultants will meet the project's key milestones (see 9 below). The proposal should specify data and reference sources, including data required from each of the three local housing and planning authorities. It should also set out the proposed approach towards modelling future housing requirements.
- 6.3 Consultants should clearly identify any gaps in the required data sources and set out costed recommendations for addressing the gaps. Where primary data collection is recommended, consultants should include a proposed methodology including sample sizes and required/expected confidence levels.
- 6.4 The proposal should also clearly set out how consultants will engage stakeholders during the course of the project. Details should include who will be consulted (groups), how and when together with costings.

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<sup>3</sup> Where available.

## **7 Reporting outputs**

- 7.1 An agreed methodology and project plan (project plan to be agreed prior to appointment)
- 7.2 During the course of the project the steering group will require from the consultants:
- a) Weekly progress reports against milestones set out in the project plan (electronic in Word)
  - b) An inception report to be delivered one week after the inception meeting.
  - c) Interim report to be delivered eight weeks from appointment.
  - d) A draft report to be delivered six weeks before the due date of the final report.
  - e) A robust and credible final report which meets the project objectives and delivers the required outputs.
  - f) An Executive Summary appropriate to a non-technical, decision-making audience; content and format to be agreed.
  - g) Detailed technical tables/analysis may be collated in technical appendices, to avoid key messages being lost in the detail but each appendix should begin with a clear summary of key points/conclusions.
  - h) Consultants to have regard to the project timescales (see 9 below)
  - i) A range of tools (software, data sources, user instructions) to enable the partner authorities to update the evidence base, including the model used to generate housing needs numbers.
  - j) A copy of all data used during the course of the project.
  - k) Attendance at officer group meetings (at least four meetings) plus stakeholder engagement events/meetings.
  - l) Attendance at a meeting of the Greater Norwich Development Partnership.
  - m) Attendance at a council meeting in each of the five commissioning authorities.
  - n) Six PowerPoint presentations – timing and purpose to be agreed.
- 7.3 Each of partner authorities to receive a final report, executive summary and data for their administrative area together with a range of tools to enable further analysis of the evidence base, including the model for generating housing numbers.

## 8 Data and documentation

- 8.1 Broadland District Council, Breckland District Council, North Norfolk District Council, Norwich City Council and South Norfolk Council will own all data and documentation produced during the course of the study.
- 8.2 All project outputs should be provided in Word, Excel or PDF formats as appropriate.
- 8.3 All working documents should be written in clear English reflecting Crystal Mark standards of clarity. A glossary and contents page will be required.
- 8.4 Software used by the consultants must be compatible with that used by the commissioning authorities.
- 8.5 In order to ensure effective management of the project and communication with the commissioning authorities, consultants will be required to have version control arrangements in place for the production of documents.
- 8.6 The contract holder will be required to keep confidential and shall not (except as required by the terms of this brief) use or disclose any confidential information, records or other materials related to the work undertaken.
- 8.7 Variations on terms of engagement will require negotiation and will need to be agreed in writing by both sides in advance if payment is not to be affected. Nothing in this specification in any respect whatsoever constitutes a contract.

## 9 Revised Timetable

Key Milestones	Dates
Inception meeting with the expanded Steering Group	16 <sup>th</sup> April 2014
Interim report	Early June 2014
Steering Group meeting	19 <sup>th</sup> June 2014
Draft report Core Outputs	Early July 2014
Steering Group meeting	July 2014 (tbc)
Members Engagement and Duty to Co-operate Meeting	31 <sup>st</sup> July 2014
Final report, executive summary, together with housing numbers model and tool for updating and analysing housing market data.	Early October 2014
Steering Group meeting	Early October 2014
Directors Meeting and approval	Late October 2014

