

Economic Development Sub-Committee

Item No.

Report title:	Housing and jobs growth – performance
Date of meeting:	14 July 2016
Responsible Chief Officer:	Tom McCabe, Executive Director Community and Environmental Services
Strategic impact This report has been requested by the Economic Development Sub-Committee.	

Executive summary

Housing construction and jobs creation are both indicators of, and central to the economic development of Norfolk. Targets for both are enshrined in a range of key plans and agreements, e.g. the seven district authority's local plans (housing), the New Anglia Strategic Economic Plan (housing and jobs) and the Greater Norwich Joint Core Strategy and City Deal (housing and jobs).

There are therefore both pragmatic reasons (ensuring sufficient housing and employment is available for Norfolk residents) and political imperatives (the City Deal was struck with, and progress is regularly reported to central government) to meet the established targets.

This report details the origins of the key housing and jobs growth targets, and provides high-level annual performance data for the past three years. Of particular note in this report is the difference in annual rates of new house construction and jobs creation. Annual average housing delivery rates for the past three year have been approximately 47% below the number required to meet targets. At the same time, the number of new jobs created annually over the past three years has been approximately 280% above the target rate.

This report is intended to be the first in a series of annual reports detailing progress against the established targets. More detailed analysis could be produced in future reports.

Recommendations:

Members are asked to comment on the report and consider what future analysis they would like to see.

1. Evidence

1.1. Through the development of the New Anglia Strategic Economic Plan (the SEP), aggregated housing construction and job creation targets were established for Norfolk and Suffolk for the period to 2026. The following details how these targets were established.

1.2. Jobs target

The SEP commits the partners to deliver 95,000 new jobs between 2012 and 2026 across Norfolk and Suffolk. The target is derived from:

- a 'business as usual' growth forecast– 63,000 *

- Enterprise Zone-related growth – 6,000
- the Norwich City Deal target – 18,000
- the Ipswich City Deal target – 3,000
- plus ~5%

* ('East of England Forecasting Model forecast)

- 1.3. The Norfolk element of this target is 57,000. This target is derived from:
- a 'business as usual' growth forecast – 33,000
 - 50% of the Enterprise Zone-related growth – 3,000
 - The Norwich City Deal target – 18,000
 - plus ~5%
- 1.4. To meet the 2026 target for Norfolk approximately 4,070 new jobs need to be created annually.
- 1.5. The total job numbers in Norfolk (including full-time, part-time and self-employed) are calculated annually by the 'East of England Forecasting Model'. Annual figures provided since the SEP base year (2012) are:
- 2012 – 401,600
 - 2013 – 410,500
 - 2014 – 422,100
- 1.6. These figures represent annual increases of 8,900 (2012 – 13) and 11,600 (2013 – 14), both of which significantly exceed the annual average jobs growth rate required to meet the target.
- 1.7. Housing
The SEP commits the partners to delivering 117,000 new houses across Norfolk and Suffolk by 2026. This target reflects the aggregated housing delivery targets established by all district authorities in their local plans. District authority housing targets are based on 'housing need' as determined by housing market assessments, which take into account local context, including anticipated job creation rates. For example the Ipswich and Norwich City Deals established job creation targets over and above 'business as usual' growth which affect future housing needs.
- 1.8. The total new housing target for Norfolk from 2012 – 2026 is approximately 72,000. To meet this target approximately 5,140 new houses must be completed annually across Norfolk.
- 1.9. Total new completions are compiled annually in Norfolk County Council's 'Housing Monitoring Report'. Completions since the base year (2012) are:
- 2011/12 – 2,676
 - 2012/13 – 2,316
 - 2013/14 – 2,673
 - 2014/15 – 3,161

1.10. Average annual completions for the previous four years is 2,706, which is 47% lower than required to meet the SEP target, and therefore below the rate of new house construction require to established 'housing need'. Critically annual shortfalls are carried forward from year to year, thereby increasing the annual number to be delivered to meet the overall target.

1.11. Implications and further analysis

Significant further analysis would need to be carried out to determine if, and to what extent the apparent difference in annual housing construction and job creation rates is affecting economic growth. A critical element of this would be to determine if the relative low rate of new housing construction is impeding job creation.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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