



**COTSWOLD**  
DISTRICT COUNCIL

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Cotswold District Council

SHMA, Further Update, Affordable Housing

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April 2016

 Planning &  
Development

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# 1. Introduction

- 1.1 HDH Planning & Development Ltd has produced two reports for the authorities of Gloucestershire as part of the process for these Councils working together to establish their future housing requirements. The first was a comprehensive Strategic Housing Market Assessment published in draft in 2013, but finalised after extensive public consultation in March 2014. That report set out the socio-economic context, profiled the housing stock and analysed the local housing market before assessing the level of affordable housing need following the model set out in the Strategic Housing Market Assessment Practice Guidance, August 2007 (the then current guidance). This report also presented the Long Term Balancing Housing Markets (LTBHM) model, which profiled in detail the tenure and size of new housing required to most suitably accommodate the future household population as identified within the externally set out Objectively Assessed Need (OAN). A second report, published in December 2014, updated the outputs of the LTBHM model in light of new OAN figures for the County which had subsequently been produced.
- 1.2 The core outputs of this earlier work have been reviewed following the publication of the Planning Practice Guidance (PPG) and in light of various Planning Inspectors' decisions. It has been determined that it would be useful to update these outputs as part of the ongoing preparation of the Local Plan evidence base. This paper supplements the earlier publications by providing additional detail and updated results to ensure the evidence base reflects the latest data and current base practice, however this report is focused only on the Cotswold Council area. The report does not reproduce the background socio-economic, housing stock and other background information. This report provides the following information for Cotswold:
- An updated analysis of the entire housing market within the LTBHM model
  - A calculation of outputs for the affordable housing needs model in accordance with the PPG approach using secondary data
  - A consideration of the housing requirements of specific groups of the population
  - A conclusion summarising the implications of these results.
- 1.3 Alongside this report, further work has been undertaken by Neil McDonald Statistical Services (NMSS) revisiting the overall Objectively Assessed Need (OAN) estimate across Cotswold in light of new demographic projections. Chapter 2 of this report sets out the LTBHM model outputs which have been recalculated in light of the new OAN figure resulting from the NMSS work and the population and household projections associated with it. This model meets the requirement of paragraph 21 of the PPG, breaking down the OAN identified for the plan period into its component profile in terms of both tenure and size of new dwellings required.
- 1.4 Chapter 3 of this report provides a recalculation of the outputs for the affordable housing needs model in accordance with the PPG approach, using secondary data. The affordable housing needs model presented in the original SHMA report followed the method set out in the 2007 SHMA Practice Guidance. Whilst that report was being drafted, the PPG was published, which

included an updated affordable housing needs model. Although the stages involved in the calculation of housing need remain similar, the new version of the affordable housing needs model includes some additional detail and the framing of the model is presented differently.

- 1.5 The 2007 Practice Guidance has now been cancelled and superseded by the PPG. The estimate of 574 affordable homes per year required to meet the affordable housing need in Cotswold set out in the original SHMA report is therefore no longer relevant, as it was based on this old guidance. The affordable housing need estimate derived in this report is based on the current approach as set out in the PPG.
- 1.6 The model presented in the previous SHMA used primary data from the household survey dataset<sup>1</sup> as the principal information source. This update is based, almost entirely, on secondary data<sup>2</sup> (the exception being the income profile of households which will be based on the household survey dataset<sup>3</sup> as it is not available in sufficient detail from secondary sources). As recommended by the PPG, this is the preferred approach which will provide a more independent calculation of affordable housing need than reusing the household survey dataset.
- 1.7 The base date for this report is October 2015 rather than March 2013, which was the base date used for the original SHMA report. October 2015 has been used for the base of this report as secondary data is more readily available from this time (particularly detail on the Housing Register required in the affordable housing need model). This ensures that the results are based on the latest information and the report is contemporary to the current situation in Cotswold. To facilitate the use of an October 2015 base date, the household survey used in the previous SHMA has been reweighted<sup>4</sup> to reflect the household profile at this time and the financial information of households on the dataset has been adjusted to reflect changes since March 2013. Finally the price of housing has been reassessed and the new cost of the various tenures is set out in the following section.

### **Updated housing costs**

- 1.8 The 2013 SHMA report identified nine price markets (presented in Figure 1.1) within Gloucestershire, of which two covered the District: Cotswold North & Winchcombe and

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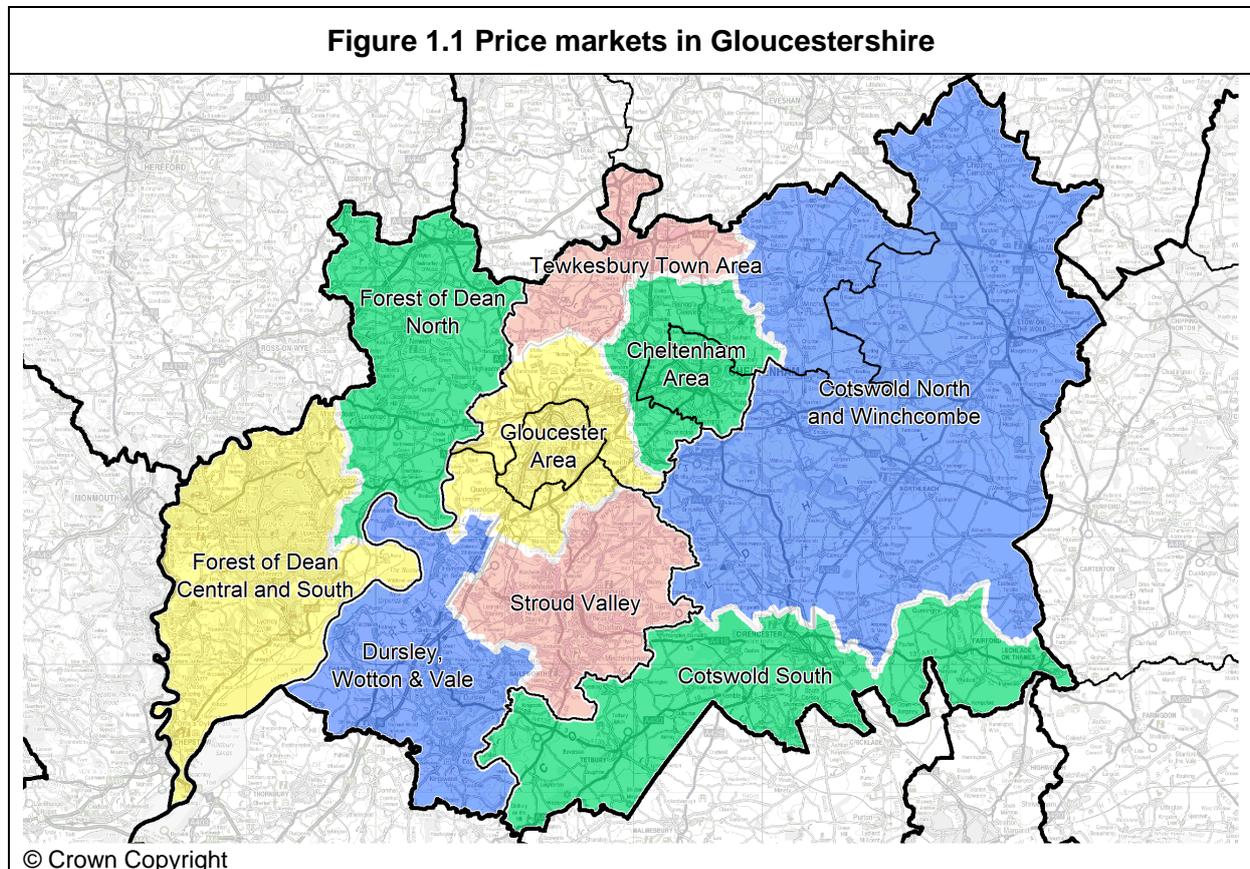
<sup>1</sup> [www.cotswold.gov.uk/media/927160/Gloucestershire\\_SHMA\\_2014.pdf](http://www.cotswold.gov.uk/media/927160/Gloucestershire_SHMA_2014.pdf) (chapter 2)

<sup>2</sup> The secondary data used in this model is set out for each step in chapter 3.

<sup>3</sup> The LTBHM model also uses the household survey dataset as an input.

<sup>4</sup> The dataset was reweighted against three variables for which recent secondary data was available: Age of resident population in Cotswold in 2015 – using population profile data from NMSS. Household composition in Cotswold in 2015 – using household profile data from NMSS. Tenure profile in Cotswold in 2015 (including bedroom size in the social rented sector) – social rented and shared ownership households from the Homes and Communities Agency's (HCA) Statistical Data Return from 2015. The number of households in private sector accommodation was obtained by deducting the number of social rented households and the number of shared ownership households from the total number of households in 2015 indicated in NMSS. To work out the distribution of private sector tenures across this total, Census data was used. The percentage change for the different private sector tenure groups (owner-occupied no mortgage, owner occupied with mortgage and private rented) between 2001 and 2011 was calculated and then multiplied by 4 to produce an average four-year change. This four-year change for each category was applied to the 2011 Census category totals to produce a profile for private sector households in 2015.

Cotswold South. The cost of housing in these two price areas for the three main tenures has been reassessed via an online search of properties advertised for sale/rent during November 2015.



Source: Gloucestershire County Strategic Housing Market Assessment, 2013

### *Home ownership*

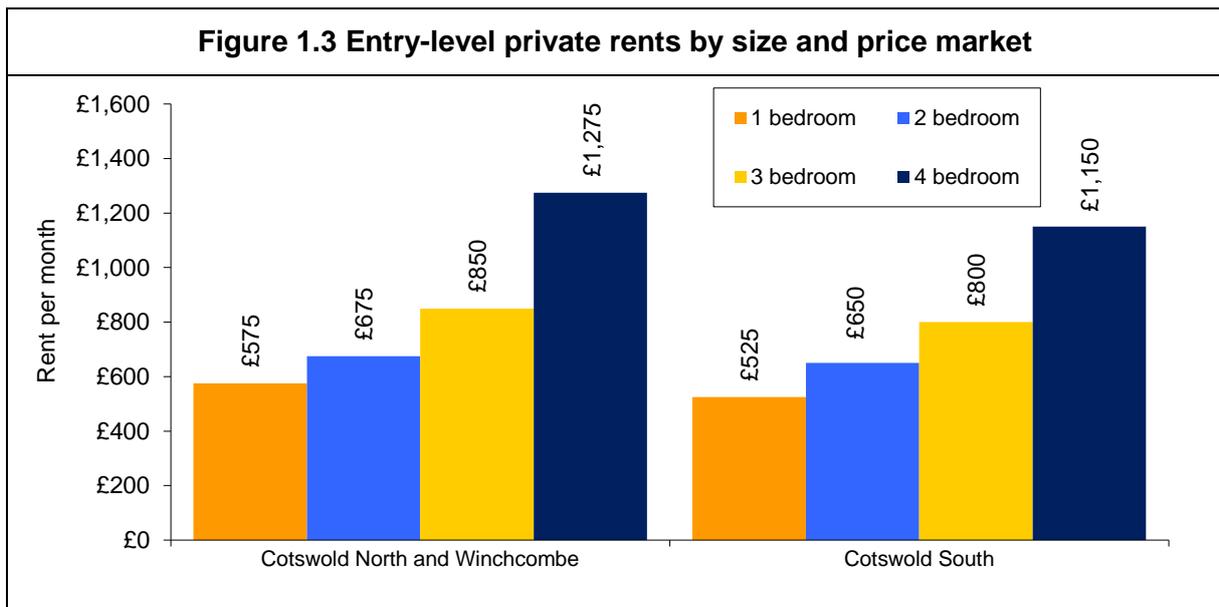
- 1.9 Entry-level prices by number of bedrooms were obtained in each of the two price markets covering Cotswold and are presented in Figure 1.2. The figure indicates that entry-level prices in the Cotswold range from around £96,300 for a one bedroom home in the Cotswold South price market up to £372,300 for a four bedroom property in the Cotswold North & Winchcombe price market. In accordance with the PPG (Paragraph: 025 Reference ID: 2a-025-20140306), lower quartile values in the cost of housing distribution have been taken as the entry level price as this ensures that the price reflects the average entry-level cost for a dwelling of that size in good condition. In total there were 884 properties for sale in Cotswold at the time of the online price survey.



Source: Online estate agents survey November 2015

*Private rent*

1.10 The entry-level price for private rented accommodation by property size and rental market is presented in Figure 1.3. The figure indicates that entry-level rents in Cotswold range from £525 per month for a one bedroom home in the Cotswold South price market up to £1,275 per month for a four bedroom property in the Cotswold North & Winchcombe price market. In total there were 305 properties for rent in Cotswold at the time of the online price survey. The income required to access rented accommodation is lower than owner-occupation for all dwellings sizes in both price markets.



Source: Online letting agents survey November 2015

*Social rent*

1.11 The cost of social rented accommodation by dwelling size in the District can be obtained from Homes & Communities Agency’s Statistical Data Return. Table 1.1 sets out the cost of social rented dwellings in Cotswold. As can be seen, the costs are significantly below those for private rented housing, particularly for larger houses, indicating a significant gap between the social rented and market sectors.

<b>Table 1.1 Social rented costs (per month)</b>	
<i>Bedrooms</i>	<i>Cotswold</i>
One bedroom	£361
Two bedrooms	£437
Three bedrooms	£499
Four bedrooms	£567

Source: HCA Statistical Data Return 2015

*Affordable Rent*

1.12 Affordable Rent is a relatively new product that has been introduced to reduce the requirement for capital subsidy for affordable accommodation. It is within the definition of affordable housing in the NPPF and is intended to house households on the Housing Register. It is not an intermediate product, but a new form of affordable rented accommodation that coexists with the existing Social Rent tenure. Whilst there remain long-standing tenancies on social rent, the majority of new rented affordable accommodation in the District is (and will continue to be) as affordable rent; both re-lets from the existing stock and new affordable rented accommodation being added to the stock.

1.13 Affordable Rents can be set at up to 80% of open market rents, implying there is a flexibility as to what they may cost. The Homes & Communities Agency (HCA) Statistical Data Return details the Affordable Rent levels charged in each Local Authority currently and these are set out in Table 1.2. It is clear that whilst Affordable Rents are notably higher than social rents, they are still considerably lower than market-entry private rent. Whilst Affordable Rents vary across the District, the data held by the HCA cannot be disaggregated to compare the levels in each of the price markets.

<b>Table 1.2 Affordable Rented costs (per month)</b>	
<i>Bedrooms</i>	<i>Cotswold</i>
One bedroom	£438
Two bedrooms	£535
Three bedrooms	£638
Four bedrooms	£794

Source: HCA Statistical Data Return 2015



### Shared ownership

- 1.14 Table 1.3 presents the estimated costs of shared ownership housing in Cotswold. The prices presented in the table were obtained from an online estate agent survey. The prices were then verified against the Help-to-Buy South website which documents newbuild properties available on a part-ownership basis. The monthly costs of purchasing the property with a 40% equity share is presented as this is the most commonly available option according to both the Council and the Help-to-Buy website listings. The monthly costs are based on a 25-year repayment mortgage at an interest rate of 3.99% paid on the equity share owned and rent payable at 2.75% on the remaining equity. A comparison with entry-level market accommodation (private rents) shows that one and two bedroom shared ownership homes are an affordable product in both price markets, but three and four bedroom shared ownership properties are more expensive than market entry (although four bedroom shared ownership homes are only marginally more expensive than entry-level market rents).

<b>Table 1.3 Estimated cost of shared ownership housing in Cotswold</b>		
<i>Bedrooms</i>	Open market value	Monthly cost of discounted shared ownership with a 40% equity share <sup>5</sup>
One bedroom	£140,000	£488
Two bedrooms	£185,000	£644
Three bedrooms	£250,000	£871
Four bedrooms*	£370,000	£1,289

\*Relatively small sample of four-bedroom shared ownership properties for sale in both sources used. Source: Online estate agents survey November 2015

### Discounted home ownership

- 1.15 Discounted home ownership is based on selling a home for a proportion of the market value with no residual rent to pay. The Government is aiming to make this product more widely available – offering concessions for housebuilders who construct new homes specifically to be sold as discount market houses (with a discount of at least 20%) for first-time buyers under 40 years old. These are specifically titled ‘Starter Homes’. The Council has therefore requested that the most suitable percentage of discount be identified to ensure that it would be a genuinely affordable product – available at a cost below market-entry (private rents). Table 1.4 sets out the monthly cost of this product for each percentage of discount. The open market values are the same as for shared ownership. The monthly costs are based on a 25-year repayment mortgage with an interest rate of 3.99% paid on the equity share owned. The figures highlighted in bold and italic are the level at which the product becomes an affordable product and represent the discount required for that size of property. These are the percentage discounts that Starter Homes require in Cotswold.

<sup>5</sup> \*This is derived by summing 60% of the open market value multiplied by 0.0275 (to represent 2.75% interest rate) divided by 12 (to produce a monthly cost) with the monthly cost of 40% of the open market value on a 25-year repayment mortgage at 3.99% according to a mortgage calculation website.

<b>Table 1.4 Percentage of discount required to make discount market housing affordable</b>								
<i>Bedrooms</i>	Monthly cost of discount market housing in Cotswold <sup>6</sup>							
	80%	70%	65%	60%	55%	50%	<i>Cotswold North &amp; Winchcombe market entry (rent)</i>	<i>Cotswold South market entry (rent)</i>
One bedroom	£591	<b>£517</b>	£480	£443	£406	£369	£575	£525
Two bedrooms	£780	£683	<b>£635</b>	£586	£538	£489	£675	£650
Three bedrooms	£1,055	£923	£857	<b>£791</b>	£725	£659	£850	£800
Four bedrooms	£1,561	£1,366	£1,269	<b>£1,171*</b>	<b>£1,074**</b>	£976	£1,275	£1,150

\*Affordable within the Cotswold North & Winchcombe price market, \*\*Affordable across the whole of Cotswold Source: Online estate agents survey November 2015

<sup>6</sup> \*This was obtained by inputting the figures for the equity value into a mortgage calculation website presuming a 25-year repayment mortgage at 3.99%.



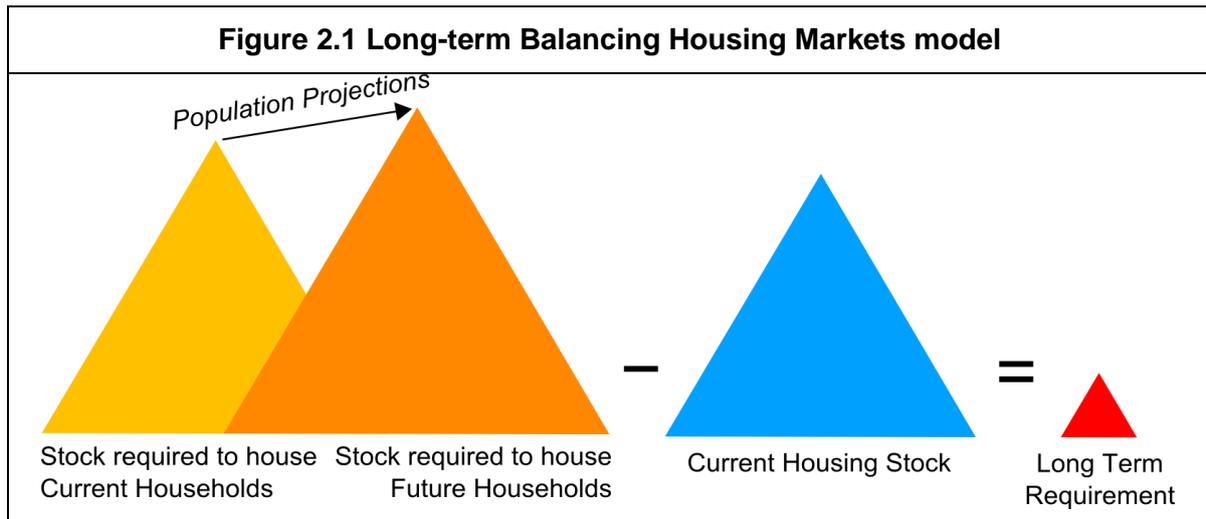
## 2. Revised Long-term Balancing Housing Markets model

### Introduction

- 2.1 Paragraph 21 of the PPG sets out that *‘once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size.’* This chapter describes a model that identifies the size, tenure and type of new accommodation required to ensure that the housing market is balanced over the plan-period. The results in this chapter are presented through to 2031 to correlate with the Local Plan period. The model uses primary and secondary data alongside the independent work on the Objectively Assessed Need (OAN) in Cotswold.
- 2.2 The Long-term Balancing Housing Markets model is not a household flow model, but an assessment of the accommodation required to house the future household population, in line with the requirements of paragraph 21 of the PPG. Figure 2.1 demonstrates how the model works (the size of the triangles are illustrative rather than exact):
- Firstly, a suitable accommodation profile is identified. The model considers the current occupation patterns of households and makes adjustments to ensure the occupation patterns moving forward are sustainable for all households, (but in the majority of cases it is presumed that the occupation patterns exhibited today are satisfactory<sup>7</sup>). The adjustments made are not to the particular household now, but so that equivalent households in the future are most efficiently accommodated. Therefore it assumes for example that whilst there are some households now in the affordable rented sector that can afford shared ownership accommodation, equivalent future households would be resident in a shared ownership home.
  - Secondly, the projected change to the population and household composition indicated in the OAN are applied to the updated household survey dataset to provide an estimated household profile for 16 years’ time. The model can then identify the profile of homes required to adequately accommodate the future household composition as identified within the OAN.
  - Lastly, the difference between this and the current stock profile indicates the additional dwellings required.

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<sup>7</sup> This means that under-occupation will continue in the market sector and there will be a degree of under-occupation of affordable homes by pensioner households.



2.3 The LTBHM model generates two key outputs to inform future planning policies on housing mix and affordability:

- Data relating to the mix of housing that would exist if sustainable occupation patterns were achieved by 2031; and
- The change required to achieve this accommodation profile, therefore balancing the housing market over a 16 year period from 2015-2031. The LTBHM presents an idealised housing requirement, presuming that households reside in the tenure most suitable for them, however it does presume that some inefficiencies will continue such as under-occupation of market housing.

### Adequacy of the housing stock

2.4 For the purpose of this model, the housing market is considered balanced if local households are adequately accommodated. A household is considered currently adequately housed unless the household has indicated within the updated household survey dataset<sup>8</sup> that it needs to move home now because the accommodation is inadequate for the household. This is ascertained from the reason cited for the household moving. Households whose moves are caused by the accommodation size, cost, form and services available within it being currently unsuitable for the resident, are considered to be inadequately housed and to require alternative accommodation<sup>9</sup>. The tenure and size of dwelling these households expect to achieve when they move are presumed to represent the nature of the accommodation that they require<sup>10</sup>.

<sup>8</sup> See paragraph 1.7 of this report.

<sup>9</sup> This includes households with insecurity of tenure resulting in them having to move now.

<sup>10</sup> The requirement for affordable housing indicated in the model is distinct from the level of affordable housing need, which is assessed following the PPG approach in Chapter 3 of this report. The affordable housing requirement presented in this chapter however does take into account affordability.

2.5 Further adjustments are also made to remove, over the long-term, any undesirable elements of market imbalance that exist currently:

- Households that are overcrowded are assumed to require a property large enough for overcrowding not to take place.
- Non-pensioner households in the social rented stock in receipt of Housing Benefit that under-occupy their home are assumed to require a dwelling with no spare bedrooms.
- Households resident in the private rented sector without Local Housing Allowance who identified that the cost of their current housing was a severe problem are assigned to a tenure that they can afford when it is presumed the cost of housing can constitute up to 35% of gross income and still be affordable. This affordability test has been determined to best reflect current market conditions in Cotswold as discussed further in Chapter 3 (para 3.7).

2.6 Table 2.1 shows the proportion of each household type in the District currently requiring alternative accommodation in order to be adequately housed. The table shows that some 7.3% of households in Cotswold are classified as inadequately housed currently. Lone parent households are least likely to reside in adequate accommodation, whilst couple with no children households are least likely to be inadequately housed.

<b>Table 2.1 Types of households inadequately housed currently in Cotswold</b>			
<i>Household type</i>	<i>Number inadequately housed</i>	<i>All households</i>	<i>Proportion inadequately housed</i>
One person	829	12,555	6.6%
Couple with no children	703	13,522	5.2%
Couple with child/children	673	7,648	8.8%
Lone parent	423	2,500	16.9%
Other	106	1,415	7.5%
Total	2,733	37,640	7.3%

Source: Updated household survey dataset, HDH Planning & Development 2015

2.7 Two further adjustments are also made to use the affordable stock and any housing subsidy paid most economically:

- Households resident in the private rented sector on Local Housing Allowance (LHA) that can afford market, shared ownership/discounted home ownership or Affordable Rented accommodation are assumed to require this, to ensure that the stock is being most appropriately and efficiently used. The cost of these products is set out in Chapter 1.
- Households in social rented accommodation that can afford market, shared ownership/discounted home ownership or Affordable Rented accommodation are

assumed to require this to ensure that the stock is being most appropriately and efficiently used.

- 2.8 Rather than prescribing the accommodation required to address the current mismatch between the household requirements and the current stock, the profile of suitable accommodation for each household type is applied to the household profile in 16 years' time. The model therefore assumes that the pattern of accommodation required by each household type remains constant. It assumes that the LHA supported private rented sector will continue to be available, although the implications of this not being the case are discussed in paragraph 2.23.

### **Objectively Assessed Need**

- 2.9 Cotswold Council commissioned NMSS to assess the scale of the OAN within the District in light of the recently published 2012-based demographic projections. The OAN constitutes the figure that the Council should seek to plan towards in accordance with the NPPF. It is therefore an important input to the LTBHM model. This work calculated that the full OAN (adjusted to account for economic growth) would require 8,400 additional dwellings to be built over the plan period (between 2011 and 2031). NMSS has provided summaries of the component calculations used to derive this OAN figure to enable them to be used within the LTBHM model. The NMSS spreadsheets indicate that within this full OAN the number of households in Cotswold would grow by 7,850 between 2011 and 2031 (it is presumed that there is a vacancy rate of 6.5% within the new dwellings provided).
- 2.10 The LTBHM model will be based on the remainder of the Local Plan period (2015 to 2031) so the figures provided by NMSS need to be reduced to account for the net housing delivery achieved between 2011 and 2015 in Cotswold (the amount of the OAN already delivered) and the households accommodated within these dwellings. To do this the net number of dwelling completions achieved each year has been supplied by Cotswold Council. These are deducted from the total requirement of 8,400 new homes to produce a requirement for 6,617 dwellings between 2015 and 2031 as set out in Table 2.2. To determine the equivalent household figure it is presumed that the new dwellings completed between 2011 and 2015 have the same occupation rate as NMSS used for the overall OAN (a vacancy rate of 6.5%). The number of households accommodated between 2011 and 2015 is deducted from the total household growth of 7,850, to produce a household growth of 6,185 for the remaining Local Plan period of 2015 to 2031. This is also illustrated in Table 2.2.

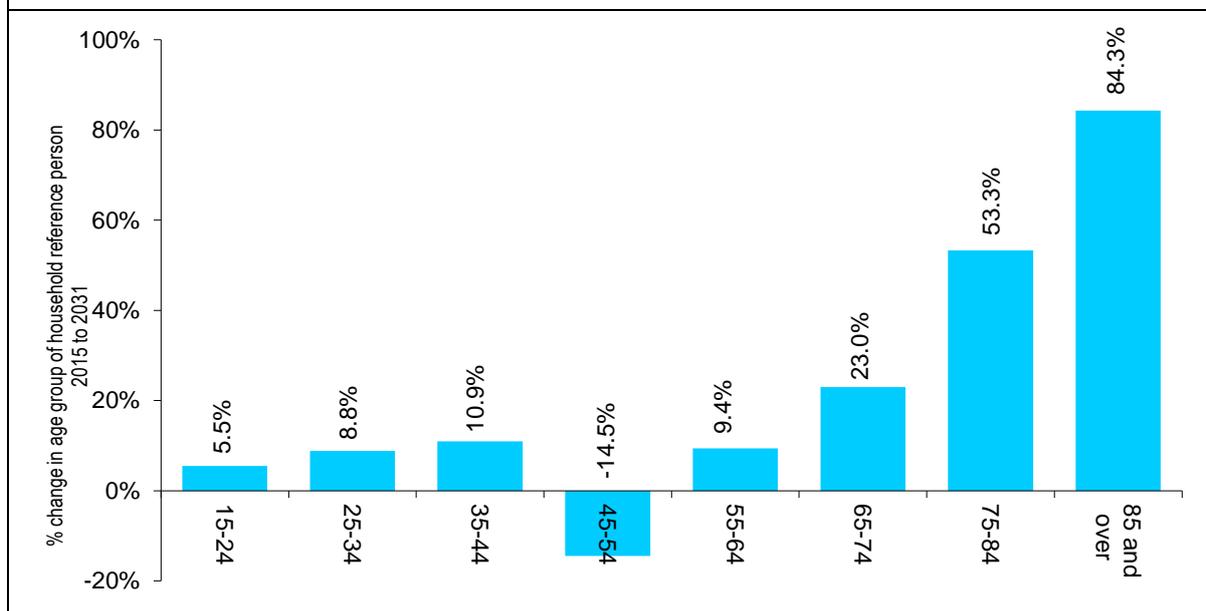
**Table 2.2 Derivation of household growth for remainder of Local Plan period (2015-31)**

	<i>Number of dwellings</i>	<i>Number of households</i>
OAN requirement 2011-2031	8,400	7,850
Completions 2011-12	528	493
Completions 2012-13	393	367
Completions 2013-14	396	370
Completions 2014-15	466	435
<b>OAN requirement 2015-2031</b>	<b>6,617</b>	<b>6,185</b>

Source: NMSS, February 2016; Cotswold Council, 2015

2.11 NMSS provided detail on the change in the profile of the household composition in Cotswold derived as part of the OAN calculations. Figure 2.2 shows the projected change in the number of household reference persons within each age cohort between 2015 and 2031 within the full OAN<sup>11</sup>. The data indicates that the majority of cohorts are predicted to grow (with the exception of 45-54 year olds). The growth is projected to be moderate in most age bands, with the exception of the number of older household reference persons; with the number of household reference persons aged 65 or over expected to increase by over 43.0% by 2031.

**Figure 2.2 Forecast population change by age group of household reference person in Cotswold, 2015-2031 – Full OAN**



Source: Neil McDonald Statistical Services, February 2016

2.12 These projections have been applied to the household survey dataset to provide a household profile for 16 years' time so that the tenure and type of housing required by the future

<sup>11</sup> The detail of the projected demographic change is slightly different to that used in the LTBHM models in the previous reports (which used changes in the age of the whole population and the household composition), because this is more accurately derived from the latest projections provided by NMSS.

household population can be identified. It should be noted that whilst the model focuses on accommodating households in 16 years' time, the new accommodation suggested by the model is still useful in the interim, as the changes to the household structure are part of an ongoing trend rather than a variable pattern.

### Tenure of housing required

- 2.13 Table 2.3 shows the tenure profile of households resident in Cotswold currently. The table indicates that over 80% of households are resident in market accommodation (without the aid of LHA), 1.6% live in a shared ownership or a discounted home ownership property, 0.8% reside in an Affordable Rented home, 13.9% live in a social rented home and 2.9% live in private rented accommodation with the aid of benefit (LHA).

<i>Tenure</i>	<i>Number of households</i>	<i>Percentage of households</i>
Market	30,404	80.8%
Shared ownership/discounted home ownership	624	1.6%
Affordable Rent	309	0.8%
Social rented	5,220	13.9%
Private Rented via LHA	1,083	2.9%
Total	37,640	100.0%

Source: Updated household survey dataset, HDH Planning & Development 2015

- 2.14 Table 2.4 shows the tenure profile for Cotswold in 16 years' time (if all households are to be adequately housed and the affordable stock is to be used most efficiently as set out in paragraphs 2.4 to 2.7 above). The data shows that in 2031 the housing stock should comprise 80.2% market dwellings, 2.2% shared ownership/discounted home ownership properties, 2.3% Affordable Rented homes, 12.7% social rented accommodation and 2.5% private rented dwellings occupied with the support of benefit.

<i>Tenure</i>	<i>Number of households</i>	<i>Percentage of households</i>
Market	35,166	80.2%
Shared Ownership/discounted home ownership	970	2.2%
Affordable Rent	1,020	2.3%
Social rented	5,585	12.7%
Private Rented via LHA	1,083	2.5%
Total	43,825	100.0%

Source: Updated household survey dataset, HDH Planning & Development 2015

2.15 Table 2.5 shows the tenure profile required by households resident in Cotswold in 16 years' time in comparison to the tenure profile recorded currently. The difference between these two distributions is the change required to the housing stock over this period. The results show that 77.0% of new housing should be in the market sector, 5.6% should be shared ownership/discounted home ownership properties and 11.5% Affordable Rent and 5.9% social rent. The requirement for 711 Affordable Rented and 365 new social rented homes is the net increase required and so any loss of this stock through Right-to-Buy will also need to be replaced with equivalent dwellings. The HCA's Statistical Data Return indicates that over the last three years an average of 7 affordable dwellings are lost to the stock through Right-to-Buy each year in the District. The largest RSL operation in Cotswold, Bromford, indicates that the average Right-to-Buy loss in Cotswold is 7 per year. It is also worth noting that whilst an average of 71 social rented dwellings per annum have been delivered in Cotswold over the last four years, it is increasingly unlikely that social rent will be able to be delivered in the future and the implications of this are considered in Table 2.10. The model assumes that the LHA supported private rented sector stays the same size as it is currently.

<b>Table 2.5 Tenure of new accommodation required in Cotswold over the next 16 years</b>				
<i>Tenure</i>	<i>Current tenure profile</i>	<i>Tenure profile 2031</i>	<i>Change required</i>	<i>% of change required</i>
Market	30,404	35,166	4,762	77.0%
Shared ownership/ discounted home ownership	624	971	347	5.6%
Affordable Rent	309	1,020	711	11.5%
Social rented	5,220	5,585	365	5.9%
Benefit supported	1,083	1,083	0	0.0%
Total	37,640	43,825	6,185	100.0%

Source: Updated household survey dataset, HDH Planning & Development 2015

2.16 The total requirement is for new market housing for 4,762 households (set out in the market row in Table 2.5 above) and for new affordable housing for 1,423 households (the sum of the change required within the shared ownership/discount home ownership, Affordable Rent and social rented tenures set out in Table 2.5 above). The LTBHM model is also able to provide detail on the size of new dwellings required within each of these tenures by comparing the current size profile with that required by the household composition in 2031. This is shown in the section below. As the LHA supported private rented sector stock is presumed to remain the same between 2015 and 2031, this tenure will not be profiled separately.

#### **Size of housing required within each tenure**

2.17 Table 2.6 presents the size of market accommodation required in Cotswold in 16 years' time in comparison to the size profile recorded in the sector currently. The implied change to the housing stock is also presented. The table shows that some 47.4% of new market dwellings

should be three bedroom properties, with 25.0% having two bedrooms, 23.8% containing four or more bedrooms and 3.8% having one bedroom.

<b>Table 2.6 Size of new market accommodation required in Cotswold over the next 16 years</b>				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2031</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,440	1,619	179	3.8%
Two bedrooms	6,433	7,625	1,192	25.0%
Three bedrooms	12,375	14,632	2,257	47.4%
Four or more bedrooms	10,156	11,290	1,134	23.8%
Total	30,404	35,166	4,762	100.0%

Source: Updated household survey dataset, HDH Planning & Development 2015

- 2.18 This analysis can be repeated for shared ownership/discounted home ownership housing and is presented in Table 2.7. The data indicates that of the 347 shared ownership/discounted home ownership dwellings required within Cotswold, 133 (38.3%) should be two bedroom properties with a further 93 (26.3%) three bedroom accommodation. Some 42 (12.1%) should have four or more bedrooms and 79 (22.8%) should have one bedroom. The requirement identified is based on both the demand indicated within the updated household survey dataset and also the affordability of this housing for applicable households.

<b>Table 2.7 Size of new shared ownership/discount home ownership accommodation required in Cotswold over the next 16 years</b>				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2031</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	87	166	79	22.8%
Two bedrooms	275	408	133	38.3%
Three bedrooms	203	296	93	26.8%
Four or more bedrooms	59	101	42	12.1%
Total	624	971	347	100.0%

Source: Updated household survey dataset, HDH Planning & Development 2015

- 2.19 Table 2.8 shows the size of accommodation required in the Affordable Rented sector. The table shows that of the 711 additional Affordable Rented units required within Cotswold over the next 16 years, 228 (32.1%) should contain two bedrooms, 204 (28.7%) should have three bedrooms, 143 (20.1%) should contain four or more bedrooms and 136 (19.1%) should be one bedroom accommodation. It is worth noting however that some Registered Providers have indicated that they cannot let some of their three bedroom stock currently.

<b>Table 2.8 Size of new Affordable Rented homes required in Cotswold over the next 16 years</b>				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2031</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	48	184	136	19.1%
Two bedrooms	109	337	228	32.1%
Three bedrooms	140	344	204	28.7%
Four or more bedrooms	12	155	143	20.1%
<b>Total</b>	<b>309</b>	<b>1,020</b>	<b>711</b>	<b>100.0%</b>

Source: Updated household survey dataset, HDH Planning & Development 2015

- 2.20 Table 2.9 presents the size of social rented accommodation required in Cotswold in 16 years' time in comparison to the size profile recorded in the social rented sector currently. The implied additional housing required is also presented. The table shows that 123 (33.7%) of the new social rented housing required should comprise three bedrooms, 110 (30.1%) should have four or more bedrooms, 58 (15.9%) should have two bedrooms and 74 (20.3%) should be one bedroom social rented accommodation.

<b>Table 2.9 Size of new social rented accommodation required in Cotswold over the next 16 years</b>				
<i>Dwelling size</i>	<i>Current size profile</i>	<i>Size profile 2031</i>	<i>Change required</i>	<i>% of change required</i>
One bedroom	1,418	1,492	74	20.3%
Two bedrooms	1,764	1,822	58	15.9%
Three bedrooms	1,933	2,056	123	33.7%
Four or more bedrooms	105	215	110	30.1%
<b>Total</b>	<b>5,220</b>	<b>5,585</b>	<b>365</b>	<b>100.0%</b>

Source: Updated household survey dataset, HDH Planning & Development 2015

- 2.21 To facilitate a more detailed profile of affordability outside the market sector this model has made a distinction between those able to afford Affordable Rent (whom are presumed to access it) and those unable to (whom are presumed to require other affordable accommodation). However, as it is becoming increasingly difficult to deliver new social rented accommodation it means that the majority of new rented accommodation within the affordable sector in Cotswold will be Affordable Rent. As the Affordable Rent levels are likely to be below the LHA rate<sup>12</sup>, it is possible that households unable to afford it will be able to reside in Affordable Rented accommodation via the payment of housing benefit / Universal Benefit.
- 2.22 Table 2.10 therefore shows the size of new Affordable Rented dwellings required if the tenure were to house both those able to afford Affordable Rent and those unable to afford it. This

<sup>12</sup> Rents of Affordable Rent Units are not formally capped at the LHA cap, however Strategic Tenancy Policy expects Affordable Rent not to exceed LHA levels.

analysis also includes all households that would otherwise be resident in the private rented sector via LHA.

<b>Table 2.10 Size of new Affordable Rented homes required in Cotswold over the next 16 years – if house all households unable to afford market or shared ownership housing</b>				
<i>Dwelling size</i>	<i>Current size profile (Affordable Rent, social rented and LHA private rented)</i>	<i>Size profile 2031 (all households potentially suitable for Affordable Rent)</i>	<i>Change required (new Affordable rented homes)</i>	<i>% of change required</i>
One bedroom	1,739	1,949	210	19.5%
Two bedrooms	2,286	2,572	286	26.6%
Three bedrooms	2,410	2,737	327	30.4%
Four or more bedrooms	178	431	253	23.5%
Total	6,612	7,688	1,076	100.0%

Source: Updated household survey dataset, HDH Planning & Development 2015

2.23 It should be noted that if the amount of LHA supported private rented sector homes reduces as a consequence of the reduction of the LHA rates and the accommodation reverts to 'standard' market accommodation, then the reverted dwellings should be deducted from the total market requirement and dwellings of equivalent size be added to the affordable (social rented or Affordable Rented) requirement. It may also be that the introduction of the benefit cap means that households in receipt of additional benefits to LHA may not also be able to obtain LHA because that takes them over the benefit cap. It is likely that these households will be forced to move from their home and would be most suitably accommodated in an affordable home, either Affordable Rent or social rent.

## 3. Affordable housing need

### Introduction

- 3.1 Paragraph 22 (Reference ID: 2a-022-20140306) to Paragraph 29 (Reference ID: 2a-029-20140306) of the *Housing and economic development needs assessments* section of the PPG details how affordable housing need should be calculated. It defines affordable housing need as the ‘number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market’.
- 3.2 The PPG goes on to set out the types of households to be considered in housing need:
- *‘homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income);*
  - *households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households);*
  - *households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*
  - *households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;*
  - *households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.’*
- 3.3 This chapter presents the results of the three broad stages of the model used to calculate affordable housing need. Within each of the three stages there are a number of detailed calculations, many of which have a number of components. This chapter presents details of how each of these stages are calculated using locally available data for Cotswold<sup>13</sup>. An annual estimate of the affordable housing need in Cotswold is calculated and the tenure and size of accommodation most appropriate to meet this need is discussed.

### Stage 1: Current unmet gross need for affordable housing

- 3.4 The first stage of the model calculates current need. This begins with an assessment of housing suitability, before the affordability test is applied to determine the number of these households that require affordable housing, and are therefore in current need.
- 3.5 The PPG sets out four particular categories of unsuitable housing that should be specifically identified. These are presented in Table 3.1 below, which also indicates the number of households in each category and the source of the data. The final column represents the revised total for each of these categories once any double-counting between them has been

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<sup>13</sup> The secondary data used in this model is set out at each step within this chapter.

taken into account. Households can be unsuitably housed for more than one reason so it is important that they are only counted once.

<b>Table 3.1 Current households who lack their own housing or live in unsuitable housing</b>			
<i>Element</i>	<i>Source</i>	<i>Number of households</i>	<i>Revised number of households</i>
Homeless households	The Council's housing register as of October 2015.	48	18 <sup>14</sup>
Households in temporary accommodation	Section E6 of the Council's P1(E) return for 3 <sup>rd</sup> quarter of 2015 showing the number of homeless households accommodated in temporary accommodation by the authority at the end of the quarter.	12	0
Overcrowded households	2011 Census modelled to 2015. This was done by calculating the annual change in the number of overcrowded households in each tenure (in terms of rooms not bedrooms as bedrooms were not included in the 2001 Census) in Cotswold recorded between the 2001 and 2011 Census (set out in Table S053 Household composition by tenure and occupancy rating and Table DC4104EW1a Tenure by occupancy rating (rooms) by household composition). The four year change recorded from this source was averaged against the latest four year change for each tenure recorded nationally by the English Housing Survey (set out in Table FA1421 Trend in overcrowding rates by tenure). This average four-year change was applied to the 2011 Census figures for overcrowding in each tenure to derive an estimate for 2015 (set out in Table DC4105EW1a - Tenure by occupancy rating (bedrooms) by household composition).	687	687
Concealed households*	2011 Census modelled to 2015. This was done by calculating the annual change in the number of concealed households recorded between the 2001 and 2011 Census (set out in Table S058 - Households in a shared dwelling and amenities and household size by central heating and number of rooms and in Table DC4205EW - Dwelling type by type of central heating in household by occupancy rating (rooms) by ethnic group of Household Reference Person (HRP)).	25	14 <sup>15</sup>
Other groups	The Council's housing register as of October 2015. Only households that are on the register due to a category of unsuitable housing are included (excluding overcrowded, temporary, concealed and homeless households accounted for above) <sup>16</sup> . This amounts to all remaining households in the emergency, gold and silver bands except those in the silver band due to 'to take up work' 'relationship breakdown' and 'to be closer to family or friends' which are not suitable categories within the PPG definition.	468	468
<b>Total</b>		<b>1,240</b>	<b>1,187</b>

\*According to the PPG, concealed households include couples, people with young children and single adults over 25 sharing a kitchen, bathroom or WC with another household. All households in temporary accommodation are also on the Council's Housing Register, although they are not separately distinguished so the total is obtained from the P(1)E form.

<sup>14</sup> Analysis of the housing register indicated that 30 of the homeless households were also overcrowded. These have therefore been excluded.

<sup>15</sup> The 2011 Census indicated that 41.7% of concealed households were also overcrowded in Cotswold.

<sup>16</sup> This equates to households with an insecure tenure (e.g. housing that is too expensive compared to disposable income), those in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-

### *Affordability*

- 3.6 Some of the households in unsuitable housing are likely to be able to afford alternative accommodation in the market sector. The ability of these households to afford the cost of entry-level market housing of the appropriate size in the Council area (set out in Figure 1.2 and Figure 1.3) is therefore tested. The waiting list details both the household composition and the size of accommodation required by homeless households, households in temporary accommodation, and households unsuitably housed for other reasons. For overcrowded households and concealed households, the household composition recorded in the Census is used to determine the size requirement profile. To test overcrowded households the income distribution for each household group in Cotswold, identified from the updated household survey dataset, is adjusted to reflect that nationally the income of overcrowded households is 98.6% of the figure for all households (according to the English Housing Survey). Similarly for homeless, concealed and 'other' unsuitably housed households the income distribution is adjusted to reflect that nationally the income of social rented households is 52.0% of the figure for all households (according to the English Housing Survey).
- 3.7 The households in unsuitable housing or lacking their own housing are therefore tested for their ability to afford market housing in the District using an affordability test where the cost of housing can constitute up to 35% of gross income and still be affordable. This affordability test is used in preference to the affordability test of up to 25% of gross income on housing that was contained in the now cancelled, 2007 Practice Guidance, as this was established as the most appropriate figure during the consultation of the previous Gloucestershire-wide SHMA<sup>17</sup>.
- 3.8 Overall 55.8% (662 households) of unsuitably housed households or households lacking their own housing in Cotswold are unable to afford market housing (the private rented sector represents the market boundary due to the lower income required to access it) and are in current need. For the purposes of the housing needs assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need who would make the property available when they move (this includes occupiers of social rented and intermediate accommodation who are not living with another household currently), and other households. It is estimated that some 265 households in need in Cotswold currently live in affordable housing that would become available for reuse<sup>18</sup>.

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situ, those that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation and those containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.

<sup>17</sup> As this study is seeking to make a 'policy off' assessment of the housing market an assumption that reflects the workings of the market should be used. The percentage of income spent on housing was discussed and agreed at the round table held for the JCS (Cheltenham, Gloucester and Tewksbury Joint Core Strategy) in July 2015 as well as the consultation of the Gloucestershire-wide SHMA in January 2014.

<sup>18</sup> For those households who lack their own housing or live in unsuitable housing it was necessary to not only establish the number of households in each category, but also their current tenure (alongside the type of household they were and the size of home they required). This was obtained from the original data sources detailed in Table 3.1, with the exception of the tenure profile of those on the waiting list, which was not set out on the waiting list, so was presumed to reflect the tenure profile of households that have moved into affordable accommodation over the last three years as detailed in the CORE LA Area Lettings Reports 2012/13 to 2014/15. The final tenure profile of households in need, and the figure of 265 in affordable accommodation derived, accounts for the different affordability profiles of these different groups of households who lack their own housing or live in unsuitable housing

*Total current need*

3.9 Table 3.2 summarises the first stage of the assessment of affordable housing need as set out by PPG. The data shows that there are an estimated 662 households in current need in Cotswold.

<b>Table 3.2 Stage 1: Current unmet gross need</b>	
<i>Component</i>	<i>Cotswold</i>
Homeless households and those in temporary accommodation	17
Overcrowded and concealed households	316
Other groups	329
<b>Total current housing need (gross)</b>	<b>662</b>

Source: Cotswold Council Housing Register Oct 2015; 2011 Census data modelled to 2015; HDH Planning & Development affordability analysis 2015

**Stage 2: Newly arising affordable housing need**

3.10 In addition to Current Need, there will also be Newly Arising (ongoing) Need. This forms the second stage of the affordable housing need model. This is split, as per the PPG, into two categories:

- new household formation (× proportion unable to buy or rent in market)
- existing households falling into need.

*Need from newly forming households*

3.11 As part of the calculations to determine the OAN for Cotswold, NMSS has derived the household formation level that will occur over the Local Plan period. The work indicates that an average of 559 new households will form per year in Cotswold over the remaining Local Plan period (2015 to 2031)<sup>19</sup>. This represents a household formation rate of 1.5%.

3.12 To assess the ability of these households to afford the cost of entry-level market housing of the appropriate size, it is presumed that these new households will have the same composition as the profile for new households recorded in the English Housing Survey, from which the appropriate size requirement profile can be determined. To test newly forming households' ability to afford market housing, the income distribution for each household group, identified using the updated household survey dataset, is adjusted<sup>20</sup> to reflect that nationally the income

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groups. The figure of 265 is a subgroup of the total of 662 households in current need; with the remaining 397 households being either resident in market accommodation or currently lacking their own housing.

<sup>19</sup> This is based on the demographic OAN to ensure that the affordable housing rate is not inflated as a consequence of households moving into the area in response to job growth as occurs within the full OAN.

<sup>20</sup> This means that the household income at each decile of the distribution for each household group is multiplied by 0.729.

of newly forming households is 72.9% of the figure for all households (according to the English Housing Survey).

- 3.13 Table 3.3 details the derivation of newly arising need from newly forming households. The table shows that 67.6% of newly forming households will be unable to afford market housing of a suitable size in Cotswold, which means that there will be an annual affordable housing requirement of 378 from newly forming households.

<b>Table 3.3 Newly arising need from new household formation (per annum)</b>	
<i>Component</i>	<i>Cotswold</i>
Number of newly forming households	559
Proportion requiring affordable accommodation	67.6%
<b>Number of newly forming households requiring affordable accommodation</b>	<b>378</b>

Source: NMSS 2016; HDH Planning & Development affordability analysis 2015

#### *Existing households falling into need*

- 3.14 The PPG implies that this figure is derived by looking at recent trends in households applying for affordable housing. Analysis of the approaches for affordable accommodation made to the Council over the last three years (October 2012 to October 2015) indicates that of the 1,249 approaches in Cotswold, 809 were from households in housing need. Annualised this becomes 270 households per year in affordable housing need.
- 3.15 This figure will include newly forming households, which have featured in the previous step. The CORE LA Area Lettings Reports provide an estimate of the proportion of social rented lets each year taken by newly forming households in Cotswold. It shows that an average of 22.4% of lettings in Cotswold were to newly forming households over the last three years (2012/13 through to 2014/15). It is assumed therefore that 60 (22.4% of 270) of the households that approach Cotswold Council and are in need are newly forming households. The resultant number of existing households falling into need is 210 households per annum.

#### *Total newly arising need*

- 3.16 Table 3.4 summarises the second stage of the assessment of affordable housing need as set out by PPG. It indicates that 588 households will be in newly arising need per annum in Cotswold.

<b>Table 3.4 Newly arising need (per annum)</b>		
<i>Component</i>	<i>Figures for step</i>	<i>Implied number of households</i>
New household formation (gross per year)	559	559
Proportion requiring affordable accommodation	67.6%	378
Existing households falling into need	210	210
<b>Total newly arising housing need (gross per year)</b>	<b>588</b>	<b>588</b>

Source: NMSS 2016; HDH Planning & Development affordability analysis 2015; Cotswold Council Housing Register approaches analysis HDH 2015; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015

### **Stage 3: Current affordable housing supply**

- 3.17 The PPG indicates that the stock available to offset the current need includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and the committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

#### *Current occupiers of affordable housing in need*

- 3.18 It is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. As established when calculating current need (paragraph 3.8), there are 265 households currently in need already living in affordable housing in Cotswold.

#### *Surplus stock*

- 3.19 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. Established good practice<sup>21</sup> suggests that if the vacancy rate in the affordable stock is in excess of 3%, some of the vacant units should be considered as surplus stock which can be included within the supply to offset housing need. Cotswold records a vacancy rate in the affordable sector of 0.2%<sup>22</sup>. As the vacancy rate is lower than the 3% benchmark, no vacant affordable dwellings are considered available to be brought back into use to increase the supply of affordable housing.

#### *Committed supply of new affordable units*

- 3.20 The PPG indicates that *'the committed supply of new affordable units (social rented and intermediate housing) at the point of the assessment'* be taken account of within the model. Cotswold Council has indicated as at October 2015 that there were 489 new affordable homes committed on sites where construction was already underway.

<sup>21</sup> <http://www.pas.gov.uk/>

<sup>22</sup> <https://www.gov.uk/government/statistics/statistical-data-return-2014-to-2015>

*Planned units to be taken out of management*

- 3.21 The PPG states that the ‘*net number of units to be taken out of management (demolition or replacement schemes that lead to net losses of stock)*’ should be quantified. In Cotswold any planned replacement schemes will lead to a net increase in the affordable housing stock so a figure of zero is taken for this step of the model.

*Total current affordable housing supply*

- 3.22 Having been through the four components in order to assess the current affordable housing supply, the stage of the model is summarised in Table 3.5. The data shows that there are an estimated 754 affordable homes currently available in Cotswold.

<b>Table 3.5 Current affordable housing supply</b>	
<i>Component</i>	<i>Cotswold</i>
Affordable dwellings occupied by households in need	265
Surplus stock	0
Committed supply of affordable housing	489
Units to be taken out of management	0
<b>Total affordable housing stock available</b>	<b>754</b>

Source: paragraph 3.8; HCA's Statistical Data Return 2015; Information provided by Cotswold Council 2015

**Stage 4: Future housing supply of social re-lets and intermediate affordable housing**

- 3.23 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social re-lets and the annual supply of re-lets within the intermediate sector.

*The future supply of social rented housing*

- 3.24 This is an estimate of the likely future re-lets from the social rented/Affordable Rented stock. The PPG suggests that the estimate should be based on past trend data over the last three years. CORE data<sup>23</sup> provides an indication of the number of lettings in the social rented/Affordable Rented sector and the results for the last three years are presented in Table 3.6. The average number of lettings across the social rented/Affordable Rented sector over the three-year period was 402 per annum in Cotswold.

<sup>23</sup> <https://www.gov.uk/government/collections/rents-lettings-and-tenancies>

<b>Table 3.6 Analysis of past housing supply (social rented sector)</b>	
<i>Year</i>	<i>Cotswold</i>
2012/13	396
2013/14	423
2014/15	388
<b>Average</b>	<b>402</b>

Source: CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015

### *Supply of intermediate housing*

- 3.25 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case in Cotswold). However, it is still important to consider to what extent the supply may be able to help those in need of affordable housing. Therefore we include an estimate of the number of intermediate units that become available each year, based on applying the estimated re-let rate for the owner-occupied (with mortgage) sector (5.8% in Cotswold) to the estimated stock for each form of intermediate housing in Cotswold District. This is set out in Table 3.7. It is estimated that around 36 units of intermediate housing will become available to meet housing needs from the existing stock each year in Cotswold.

<b>Table 3.7 Estimated intermediate supply</b>		
<i>Intermediate tenure</i>	<i>Stock</i>	<i>Annual re-lets</i>
Discount home ownership	37	2
Shared ownership	588	34
All intermediate lettings	-	36

Source: HCA's Statistical Data Return 2015

### *Annual future supply of affordable housing*

- 3.26 The total future supply of affordable housing is the sum of the social rented supply and the intermediate supply as set out in Table 3.8.

<b>Table 3.8 Supply of affordable housing from existing stock (per annum)</b>	
<i>Component</i>	<i>Cotswold</i>
Annual supply of social re-lets	402
Annual supply of intermediate housing available for re-let or resale at sub-market levels	36
<b>Annual supply of all affordable housing</b>	<b>438</b>

Source: CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015; HCA's Statistical Data Return 2015

### Estimate of net annual housing need

- 3.27 The PPG states that the figures in the model need to be converted to annual flows to establish the total need for affordable housing. The first step in this process is to calculate the total net current need. This is derived by subtracting the estimated current affordable housing supply (Stage 3) from the current unmet gross need for affordable housing (Stage 1).
- 3.28 The second step is to convert this total net current need figure into an annual flow. The PPG allows this total net current need to be addressed over any length of time. For the purposes of this study the period of sixteen years will be used to fit in with the remaining time frame of the Local Plan. The final step is to sum the annualised net current need with the total newly arising affordable housing need (Stage 2) and subtract the future annual supply of affordable housing (Stage 4). Table 3.9 sets out this process. It leads to a total need for affordable housing of 144 per annum in Cotswold.

<b>Table 3.9 Results of the affordable housing needs model</b>	
Stage in calculation	<i>Cotswold</i>
Stage 1: Current unmet gross need for affordable housing (Total) ( <i>Table 3.2</i> )	662
Stage 2: Newly arising affordable housing need (Annual) ( <i>Table 3.4</i> )	588
Stage 3: Current affordable housing supply (Total) ( <i>Table 3.5</i> )	754
Stage 4: Future housing supply (Annual) ( <i>Table 3.8</i> )	438
Stage 5.1 Net current need (Stage 1- Stage 3) (Total)	-92
Stage 5.2 Annualise net current need (Stage 5.1/16) (Annual)	-6
<b>Stage 5.3 Total need for affordable housing (Stage 2+ Stage 5.2 – Stage 4) (Annual)</b>	<b>144</b>
Total gross annual need (Stage 1/16 + Stage 2) (Annual)	629
Total gross annual supply (Stage 3/16 + Stage 4) (Annual)	485

Source: Various secondary sources as detailed under each individual table

### Overall households in affordable housing need by type (gross)

- 3.29 Table 3.10 gives a breakdown of the gross annual households in need, by household type in Cotswold. The table shows that some 5.3% of other households are in housing need compared to 1.1% of couples with no children households. Overall, one person households comprise 34.6% of all households in need and couple with no children households a further 22.7% of households in housing need.

<i>Household type</i>	<i>Need requirement</i>				
	<i>No. of h'holds in need (gross)</i>	<i>Not in need</i>	<i>Total Number of h'holds</i>	<i>% of h'hold type in need</i>	<i>As a % of those in need</i>
One person	218	12,337	12,555	1.7%	34.6%
Couple with no children	143	13,379	13,522	1.1%	22.7%
Couple with child/children	119	7,529	7,648	1.6%	18.9%
Lone parent	75	2,425	2,500	3.0%	11.9%
Other	74	1,341	1,415	5.3%	11.8%
<b>Total</b>	<b>629</b>	<b>37,011</b>	<b>37,640</b>	<b>1.7%</b>	<b>100.0%</b>

Source: Disaggregation of secondary data sources set out above HDH Planning & Development, 2015

### **Size of accommodation required to meet the affordable housing need**

- 3.30 Table 3.11 shows the size of accommodation required by households in housing need in Cotswold. The supply distribution for social rented, Affordable Rented and intermediate homes is derived from the three year average profile recorded by CORE<sup>24</sup> between 2012/13 and 2014/15. The last column in the tables presents the supply as a percentage of need. This is calculated by dividing the estimated supply of the property size by the derived need for that dwelling size. The lower the figure produced, the more acute the need for affordable accommodation in the area, as the current supply is unlikely to meet the identified need.
- 3.31 Table 3.11 suggests that there is a net need for one, three and four bedroom affordable housing with a net surplus of two bedroom dwellings recorded. The final column shows that the need relative to supply is the greatest for four bedroom homes. Households in need requiring two bedroom accommodation are most likely to have their need met from the current supply.

<sup>24</sup> <https://www.gov.uk/government/collections/rents-lettings-and-tenancies>

<b>Table 3.11 Size of additional units required to meet affordable housing need</b>					
<i>Size of home</i>	<i>Need requirement</i>				
	<i>Gross annual need</i>	<i>Gross annual supply</i>	<i>Net annual need</i>	<i>As a % of total net annual need</i>	<i>Supply as a % of gross need</i>
One bedroom	361	232	129	75.8%	64.3%
Two bedrooms	147	174	-27	0.0%	118.1%
Three bedrooms	70	68	2	1.1%	98.0%
Four or more bedrooms	51	11	40	23.3%	22.3%
<b>Total</b>	<b>629</b>	<b>485</b>	<b>144</b>	<b>100.0%</b>	<b>77.2%</b>

Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2015; CORE LA Area Lettings Report 2012/2013, 2013/2014, 2014/2015

### **Type of affordable home required**

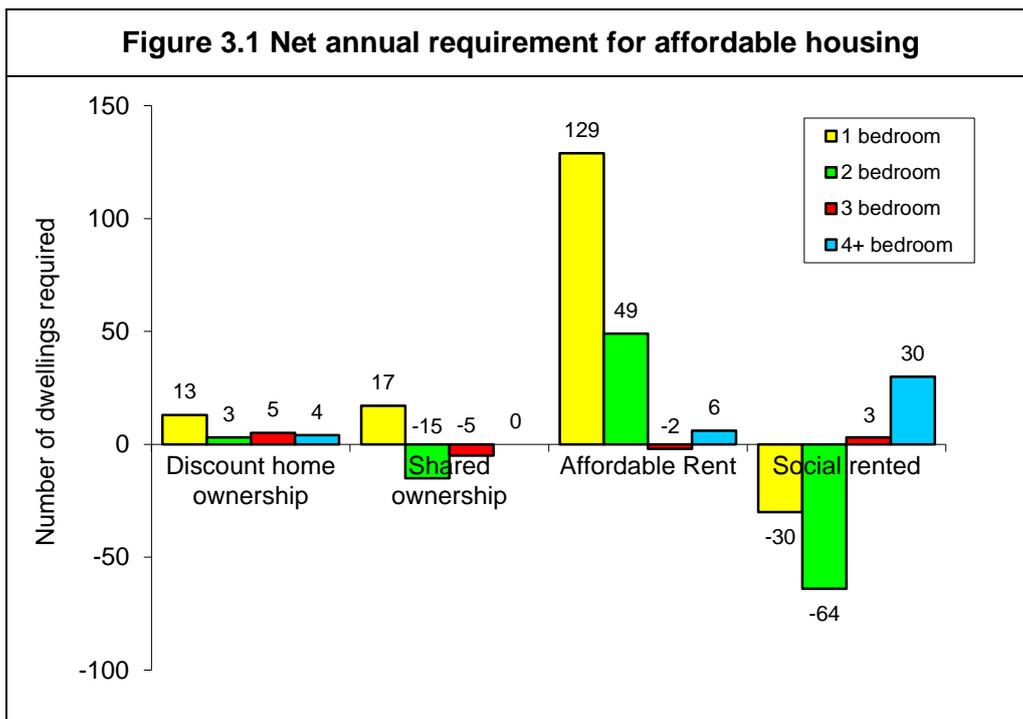
- 3.32 Table 3.12 illustrates how many households in affordable housing need in Cotswold are able to afford the different affordable products. The prices of these products is set out in Chapter 1. For the discount market housing the price is based on the level of discount required to make it affordable (the figures in bold in Table 1.4) although it is acknowledged that the level of discounts required may not be achievable (especially the discount required for four bedroom accommodation). The figures presented are exclusive, so for example the 31 households requiring a one bedroom home in Cotswold that are able to afford shared ownership do not include the 18 households able to afford discount home ownership accommodation (even though they would also be able to afford shared ownership). Households have therefore been assigned the most expensive product they are able to afford. The social rented group also includes those unable to afford any accommodation without benefit-support, as this is the tenure in which these households are most likely to reside.
- 3.33 Table 3.12 indicates that whilst over 40% of households in need can afford social rent or require support, intermediate products would be useful for a notable number of households, with discount home ownership meeting most need in Cotswold. The table also suggests that Affordable Rent at a 70% discount is most useful in Cotswold. If it is not possible to deliver discount home ownership with the level of discount required to make it affordable, then this need should be met by Affordable Rented accommodation.

<i>Product</i>	<i>One bed</i>	<i>Two bed</i>	<i>Three bed</i>	<i>Four bed</i>	<i>Total (number)</i>	<i>Total (%)</i>
Discount home ownership	18	8	6	5	37	5.9%
Shared ownership*	31	0	0	0	31	4.9%
Affordable rent – 80% discount	39	42	14	0	95	15.1%
Affordable rent – 70% discount	112	55	25	0	192	30.4%
Affordable rent – 60% discount	0	0	21	11	32	5.1%
Social rent/requires assistance	161	42	4	35	242	38.6%
<b>All households</b>	<b>361</b>	<b>147</b>	<b>70</b>	<b>51</b>	<b>629</b>	<b>100.0%</b>

\*The Council has concerns about its ability to nominate households to these dwellings in the future due to changes in the local connection definition. Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2015

### *Net requirement*

- 3.34 Whilst the overall affordability of these products is an important consideration, the supply of these dwellings needs to be considered before the overall housing requirement can be established. Figure 3.1 shows the overall net annual requirement for affordable housing in Cotswold once the likely supply of affordable accommodation has been deducted from the gross need. All of the Affordable Rent categories presented separately in Table 3.12 above have been grouped together to enable the supply of this tenure to be compared. The figure shows that there is a requirement for a range of different affordable accommodation, with the exception of one and two bedroom social rented homes, where there is likely to be a surplus. It is therefore suggested that these homes be converted into Affordable Rented accommodation.
- 3.35 The surplus of three bedroom shared ownership accommodation reflects that the product is currently more expensive than market housing as set out in paragraph 1.14 and is therefore unsuitable to meet housing need. However if the cost of the shared ownership home offered makes it an affordable product then there is a requirement for it from households in housing need. Similarly the surplus of two bedroom shared ownership accommodation reflects that this product is only just cheaper than market housing; if the product is available at a lower cost then there is a requirement for it from households in housing need.



Source: Disaggregation of secondary data sources set out above, HDH Planning & Development 2015



## 4. Requirements of specific groups

### Introduction

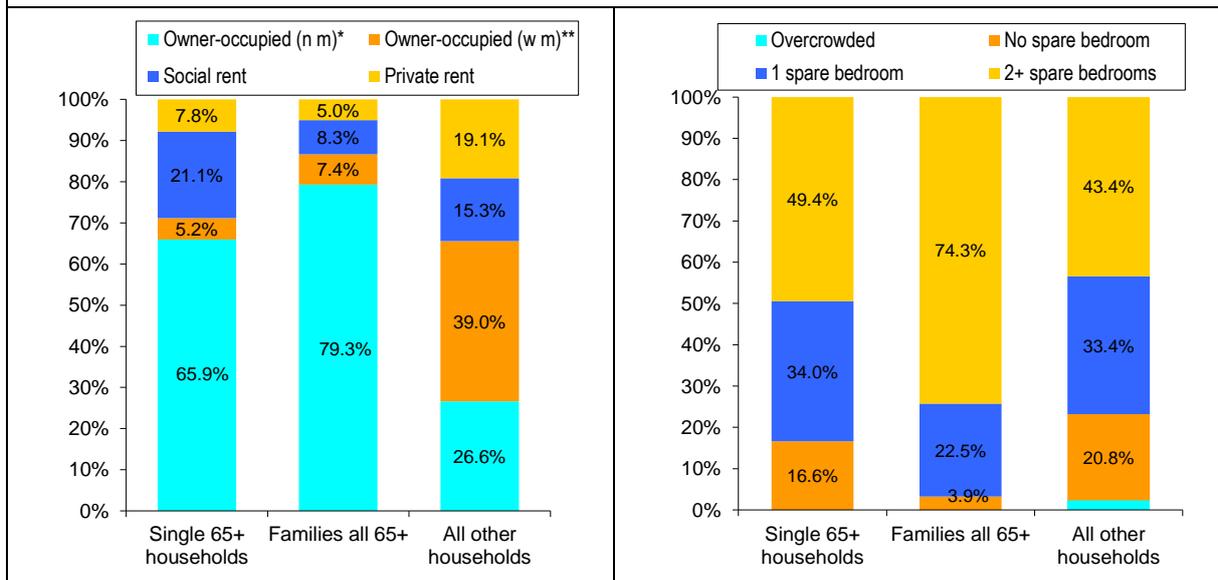
- 4.1 The NPPF indicates that an SHMA should ensure that all subgroups of the population are assessed. Whilst the LTBHM considers all household groups within the model, the results can be broken down to show the accommodation requirements of certain household groups of interest. This chapter considers the specific profiles the following groups of the population, which are both suggested in the PPG and may have an appreciable impact on the housing market within Cotswold:
- Older persons
  - People with disabilities
  - Family households
  - Service families
  - Students.
- 4.2 This chapter will also profile the private rented sector in more detail and comment on the level of demand from people wishing to build their own homes.

### Housing Needs of Older People

#### *Current situation*

- 4.3 The SHMA Guidance recognises the need to provide housing for older people as part of achieving an appropriate mix of housing. The Census indicates that 27.7% of households in Cotswold were older person only households (households where all members are 65 or over) in 2011, compared to 24.3% regionally and 20.5% nationally. Of these older person only households in the District, 56.0% contained only one person, a smaller distribution to that recorded in the South West (57.0%) and England (60.0%).
- 4.4 Figure 4.1 shows the tenure profile of older person only households in Cotswold in 2011 compared to all other household groups. The figure also sets out the occupancy level of these groups. The results show that whilst single older person households in Cotswold were more likely than average to reside in social rented accommodation, both of the older person groups show a high level of owner-occupation. Older person households were also more likely than average to have multiple spare bedrooms in their home.

**Figure 4.1 Profile of accommodation for older person households in Cotswold**



Source: 2011 Census \*Owner-occupied no mortgage \*\* Owner-occupied with mortgage, includes shared ownership.

### Future requirement

- 4.5 The OAN projections indicate that the population aged 65 or over in Cotswold is going to increase dramatically over the plan period from 21,108 in 2015 to 30,145 in 2031, a rise of 42.8%. The results of the LTBHM model can be disaggregated into different household groups. Table 4.1 shows the ideal accommodation profile for older person households in Cotswold in 2031 arising from that model.

Dwelling size	Market	Intermediate	Affordable Rent	Benefit supported	Total
One bedroom	10.8%	0.3%	2.4%	6.7%	20.2%
Two bedrooms	26.7%	0.9%	4.6%	4.1%	36.2%
Three bedrooms	29.8%	0.1%	1.7%	2.2%	33.7%
Four or more bedrooms	9.9%	0.0%	0.0%	0.0%	9.9%
<b>Total</b>	<b>77.2%</b>	<b>1.3%</b>	<b>8.6%</b>	<b>12.9%</b>	<b>100.0%</b>

Source: Updated household survey dataset, HDH Planning & Development 2015

### Specialist accommodation – Cotswold

- 4.6 Given the dramatic growth in the older population and the higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. It is therefore useful to consider the ability of specialist

<sup>25</sup> The accommodation size profile presented reflects current occupation patterns rather than the minimum accommodation size required according to the bedroom standard.

accommodation to meet the requirements of this group. The Strategic Housing for Older People tool developed by the Housing Learning and Improvement Network<sup>26</sup> was used

- 4.7 Table 4.2 shows the current (2014<sup>27</sup>) supply of specialist housing for older people as outlined by the Strategic Housing for Older People tool. As of 2014 there were 1,569 units in Cotswold<sup>28</sup>; this is equivalent to 160 units per 1,000 people aged 75 and over. The Strategic Housing for Older People tool uses this ratio (the number of units per 1,000 people 75 and over) as the key variant when modelling future demand so it is important to establish the current level.
- 4.8 Table 4.2 also shows the amount of specialist accommodation that will be required by the population in 2031 if the current rate of occupation is maintained (160 units per 1,000 people aged 75 and over). The total additional units required to increase the current provision to this level is also presented. As the current rate of provision is lower than the base recommended within the Strategic Housing for Older People tool (170 units per 1,000 people) it is useful to also to consider a scenario where the rate of use of this form of accommodation increases to this level. The fifth and sixth column of the table therefore show the total and net requirement for specialist accommodation if the usage rate increase to 170 per 1,000 people.

Type of specialist accommodation	Current profile (2014)	Future requirement based on current usage ratio of 160 per 1,000 people aged 75+		Future requirement based on increasing usage ratio to 170 per 1,000 people aged 75+	
		Profile 2031	Additional units required	Profile 2031	Additional units required
Sheltered housing	1,329	2,222	893	2,387	1,058
Extracare housing	240	395	155	412	172
<b>Total</b>	<b>1,569</b>	<b>2,617</b>	<b>1,048</b>	<b>2,799</b>	<b>1,230</b>

\*The base date of the tool is 2014 so the remaining plan period is 17 years. Source: The Housing Learning and Improvement Network' Strategic Housing for Older People tool, 2015

- 4.9 If it is presumed that occupation patterns remain at current levels then there is a requirement for 1,048 additional specialist units of which 893 should be sheltered housing and 155 extracare housing. The requirement for 1,048 additional specialist units for older people represents 14.7% of the total homes required within the full OAN for the period 2014 to 2031. If it is assumed that occupation rates increase to a rate of 170 per 1,000 people 75 or over, then 1,230 additional specialist units are required which constitutes 17.3% of the full OAN. It may be appropriate for the Council to pursue the lower of these two figures, which is closer to the current expectations of older households and to monitor how usage patterns develop over time. It should be noted that Government policy is for people to remain in their own homes

<sup>26</sup> <http://www.housinglin.org.uk/>

<sup>27</sup> The base date of the tool is 2014

<sup>28</sup> <http://www.housinglin.org.uk/> (profile Cotswold)

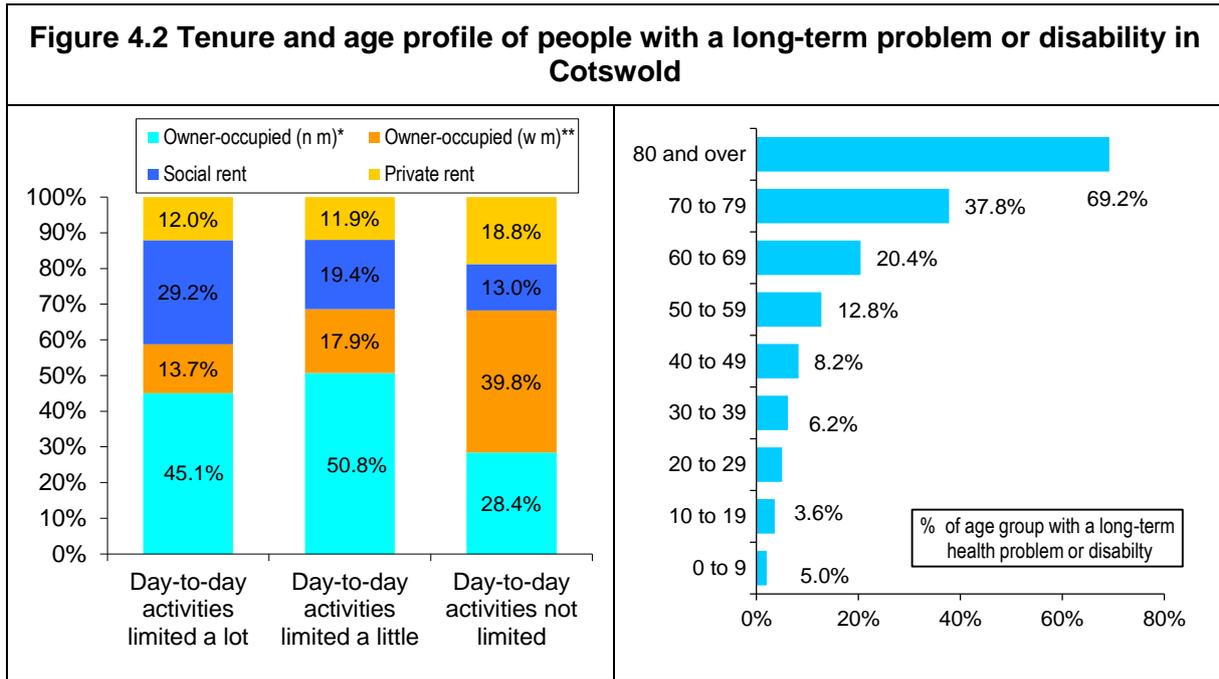
and funding streams are geared towards this. Any build programme will have to reflect the availability of development and revenue finance.

- 4.10 As well as the need for specialist housing for older people there will also be an additional requirement for Registered Care. According to the Strategic Housing for Older People tool there are around 1,056 spaces in nursing and residential care homes in Cotswold currently. Presuming the current occupation rate by age in Cotswold is continued forward, the Strategic Housing for Older People tool indicates there will be a requirement for 1,761 spaces in Cotswold in 2031, suggesting an additional 755 spaces will be required over the next 17 years. This additional accommodation is required to meet the future institutional population and therefore does not form part of the new housing to meet the OAN. (On a practical point it would not be appropriate to increase the housing requirement to meet this need (as it is not housing) – although it may be appropriate to plan for the provision of this need separately).
- 4.11 It should be noted that this requirement for an additional 755 spaces over the next 17 years is not supported by Gloucestershire County Council which reports that there are hundreds of empty care spaces in the county.

### **Households with specific needs**

#### *Current situation*

- 4.12 The 2011 Census indicates that some 16.1% of the resident population in Cotswold have a long-term health problem or disability, compared to 18.5% of residents in the South West region and 17.6% of people across England. The 2011 Census also shows that 40.5% of all residents with a long-term health problem or disability in Cotswold had a condition that limited day-to-day activities a lot, with 59.5% having a condition that limited activities a little.
- 4.13 Figure 4.2 below shows the tenure profile of people with a long-term health problem or disability in Cotswold in 2011 compared to the remainder of the population. The figure also sets out the prevalence of a long-term health problem or disability in the different age groups of the population. The results show that whilst people with a long-term health problem or disability are more likely than average to be owner-occupiers with no mortgage (48.5% of those with a long-term health problem compared to 28.4% of those without a long-term health problem), they are also more likely than average to reside in the social rented sector (24.9% of those with a long-term health problem compared to 13.0% of those without a long-term health problem). The analysis also reveals a strong correlation between age and long-term health problem or disability



Source: 2011 Census \*Owner-occupied no mortgage \*\* Owner-occupied with mortgage, includes shared ownership.

#### *Projected health of the future population*

- 4.14 The Projecting Older People Information System (POPPI) website and the parallel Projecting Adult Needs and Service Information (PANSI) model the likely future incidence of a range of health issues for each authority in England. Table 4.3 sets out the number of people projected to have one of four health issues over the next fifteen years in Cotswold. The four issues chosen are broad health categories presented to provide the most useful general information for this report. The data from PANSI and POPPI is based on current and recent prevalence rates and whilst these may vary in the future, the figures provide a useful baseline estimate.
- 4.15 Table 4.3 shows that the number of those aged 65 or over with a limiting long-term illness that limits them a lot is expected to increase by 50.5% between 2015 and 2030 across the District. This compares to a decrease of 2.8% in the number of people aged 18-64 with a serious physical disability, a decrease of 4.9% in the number of people aged 18-64 with a common mental health disorder and an increase of 1.9% in the number of people with a moderate or severe learning difficulty.

	2015	2020	2025	2030
People aged 65 and over with a limiting long-term illness that limits them a lot	3,502	3,962	4,620	5,271
People aged 18-64 with a serious physical disability	1,290	1,309	1,310	1,254
People aged 18-64 with a common mental health disorder	7,660	7,583	7,435	7,286
People with a moderate or severe learning disability (all ages)	321	322	323	327

Source: The Projecting Older People Information System and Projecting Adult Needs and Service Information, 2015

### *Future requirement*

- 4.16 The household survey dataset, which is used to derive the outputs of the LTBHM model, did not collect information on whether residents had a long-term health problem or disability, but instead collected data on the existence of residents with one of a number of 'support needs'. The support needs included those who were frail elderly, had a medical condition, had a physical disability, had a learning difficulty, had a mental health problem and those who had a severe sensory disability. Although this used a different definition to the Census, it is a useful proxy for those with specific needs. The results of the LTBHM model can be disaggregated to show the specific accommodation requirements of households containing someone with a support need. Table 4.4 shows the ideal accommodation profile for support needs households in Cotswold in 2031 arising from that model.

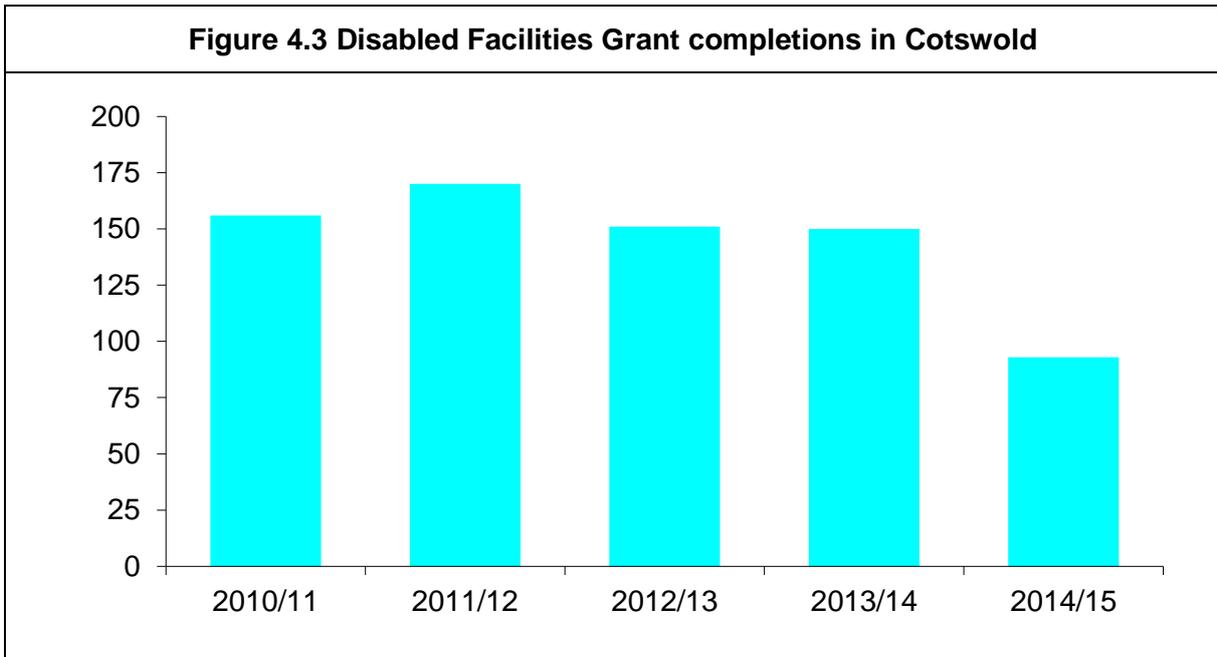
Dwelling size	Market	Intermediate	Affordable Rent	Benefit supported	Total
One bedroom	7.7%	1.3%	7.1%	11.8%	27.9%
Two bedrooms	21.8%	1.8%	5.9%	4.6%	34.1%
Three bedrooms	22.6%	0.8%	3.1%	3.1%	29.5%
Four or more bedrooms	4.8%	0.1%	1.5%	2.2%	8.5%
<b>Total</b>	<b>56.9%</b>	<b>4.0%</b>	<b>17.5%</b>	<b>21.6%</b>	<b>100.0%</b>

Source: Updated household survey dataset, HDH Planning & Development 2015

### *Adaptations and support*

- 4.17 In addition to specialist accommodation, the Council assists people to remain in their current home by providing support and assistance. Figure 4.3 shows the number of Disabled Facilities Grants that have been completed in Cotswold between 2010/11 and 2014/15. The figure shows that the requirement for these services has remained broadly consistent over this period, although the number of completions has dropped over the last year. The LTBHM

considers households that need to move because their home is no longer suitable for the household resident within it, however just 0.4% of households in Cotswold require to move home now because of this reason according to the updated household survey dataset. The model therefore presumes that, in the majority of cases where additional adaptations are required by a household, they will be provided in situ. Similarly analysis of the housing register indicates that just 3.1% of all households on the register require alternative accommodation with specific adaptations.

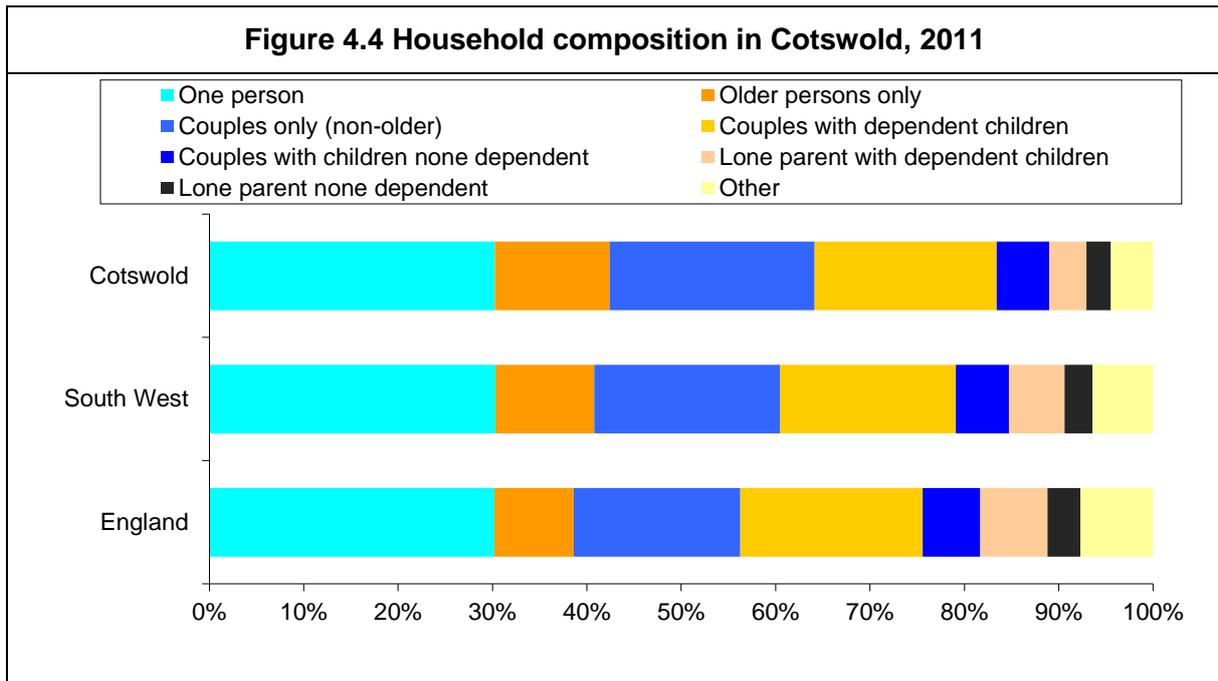


Source: Cotswold Council, 2015

## Families with children

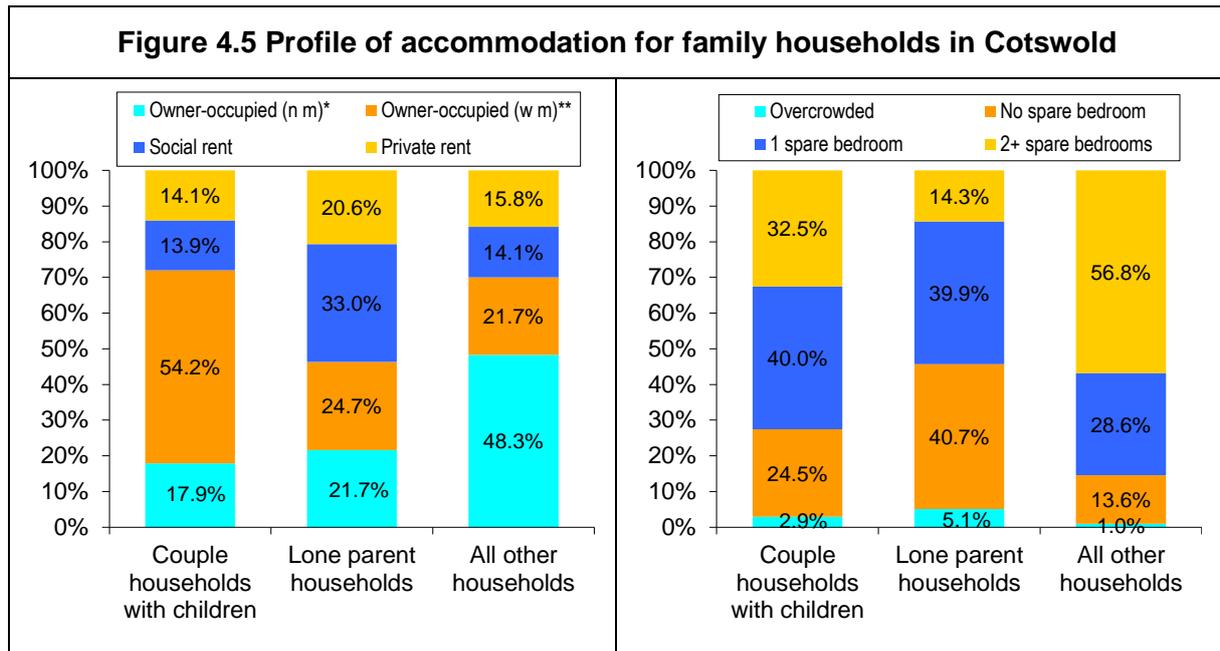
### *Current situation*

- 4.18 Figure 4.4 shows the household composition recorded at the time of the Census. This indicated that 31.4% of households in Cotswold were families with children, a figure lower than both the regional figure (33.1%) and the national average (36.0%). The lower proportion of families with children recorded in the District reflects the historical trend for a relatively high proportion of older person only households in the District rather than affordability issues for this group as the 2001 Census also indicated a relatively small proportion of families with children in Cotswold (33.1%) compared to the South West (34.0%) and England (36.5%). It should however be noted that parish-level housing needs surveys undertaken within the District indicate that there are family households that have had to move out of Cotswold due to affordability issues.



4.19 Figure 4.5 below shows the tenure profile of the two main types of ‘family with children’ households in Cotswold in 2011 compared to all other household groups. The figure also sets out the occupancy level of these groups. The data shows that whilst there are notably fewer owner-occupiers with no-mortgage amongst couple households with children than amongst non-family with children households in Cotswold, the proportion of this group in the social and private rented sector is not dissimilar. Lone parents however are notably more likely than non-family with children households to be in both social rented and private rented accommodation. Family households with children are also more likely to be overcrowded and less likely to be under-occupied than other households in Cotswold. The higher rate of overcrowding amongst family households is comparable to the situation across the country (according to the 2011 Census 3.4% of family households are overcrowded in Cotswold compared to 5.0% of family households in the South West region and 7.4% of family households across England) and is not reflective of particular affordability issues experienced in Cotswold<sup>29</sup>.

<sup>29</sup> According to the 2011 Census, 1.7% of family households in Cotswold resident in owner-occupied accommodation are overcrowded compared to 8.2% of family households in Cotswold in the social rented sector and 4.7% of family households in Cotswold resident in private rented housing.



\*Owner-occupied no mortgage \*\* Owner-occupied with mortgage, includes shared ownership. Source: 2011 Census

### Future requirement

- 4.20 Table 4.5 shows the ideal accommodation profile for family households in Cotswold in 2031 derived from the LTBHM model, presuming that households do not have to reside in overcrowded accommodation.

**Table 4.5 Type of accommodation required for households with dependent children in 2031 in Cotswold**

Dwelling size	Market	Intermediate	Affordable Rent	Benefit supported	Total
One bedroom	0.0%	0.0%	0.0%	0.0%	0.0%
Two bedrooms	8.4%	2.1%	2.9%	0.4%	13.8%
Three bedrooms	36.0%	3.5%	9.6%	1.2%	50.2%
Four or more bedrooms	24.5%	2.6%	4.9%	4.1%	36.0%
<b>Total</b>	<b>68.8%</b>	<b>8.1%</b>	<b>17.4%</b>	<b>5.7%</b>	<b>100.0%</b>

Source: Updated household survey dataset, HDH Planning & Development 2015

### Service Families

- 4.21 The main Ministry of Defence (MoD) site in Cotswold is the South Cerney Barracks in the south of the District near Cirencester. The Census indicates that in 2011 there were 473 residents in Cotswold employed in the Armed Forces, of which 139 people lived in a communal establishment and 334 within a household.
- 4.22 The Council's main contact at the Barracks was approached to further understand the current relationship between the Barracks and the wider housing market and how this may change in the future. The response received was that they consider that their current/future need could

be accommodated by current provision. If this need increases, then additional accommodation would be sought through the DM process or by purchasing private sector housing from private housebuilders.

- 4.23 It is not necessary to adjust the number of homes planned for to reflect the expansion or contraction of the numbers of service families in the area.

### **Students**

- 4.24 The Royal Agricultural University<sup>30</sup>, which is based in Cirencester was contacted and asked about the current accommodation provision for its students, what expectations they have for future growth, and where this growth will be accommodated.
- 4.25 The Royal Agricultural University currently has 1,208 students, of which 1,163 are full-time and 45 are part-time. Some 214 of these students live locally and elect to stay at home whilst studying at the University, with 330 living in managed accommodation on campus. Some 664 students reside in the private rented sector in the wider housing market. Students living in the private rented sector are located in Cirencester and its outskirts. The University indicated that there is greater demand for campus accommodation than the number of rooms available leading to a waiting list of approx. 60 students. The University did not indicate any current expansion plans, but did state that were they to expand they will need to seek off campus accommodation with private landlords.
- 4.26 It is important to note that the students are included in the ONS population projections and in the DCLG household projections. It would be appropriate to adjust the housing planned for if the further education establishments were planning to grow faster than they have historically. This is not the case here so it is not necessary to adjust the number of homes planned for.

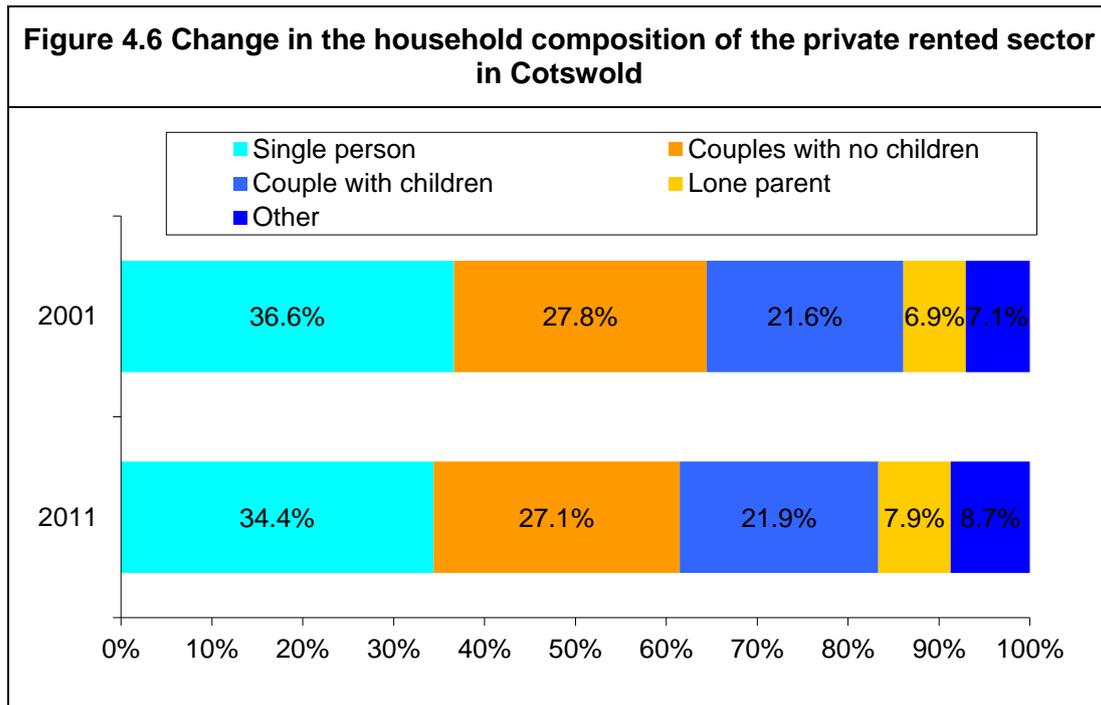
### **The private rented sector**

#### *Growth*

- 4.27 The private rented sector is becoming increasingly important in the study area; the Census indicates that it increased by 33.2% in Cotswold between 2001 and 2011 compared to an increase of 1.3% across all other tenures combined. Figure 4.6 compares the household composition of the private rented sector in the study area in 2001 to the profile of households resident in this tenure in Cotswold in 2011. The data clearly shows that not only has the private rented sector expanded, but the households in it have diversified.

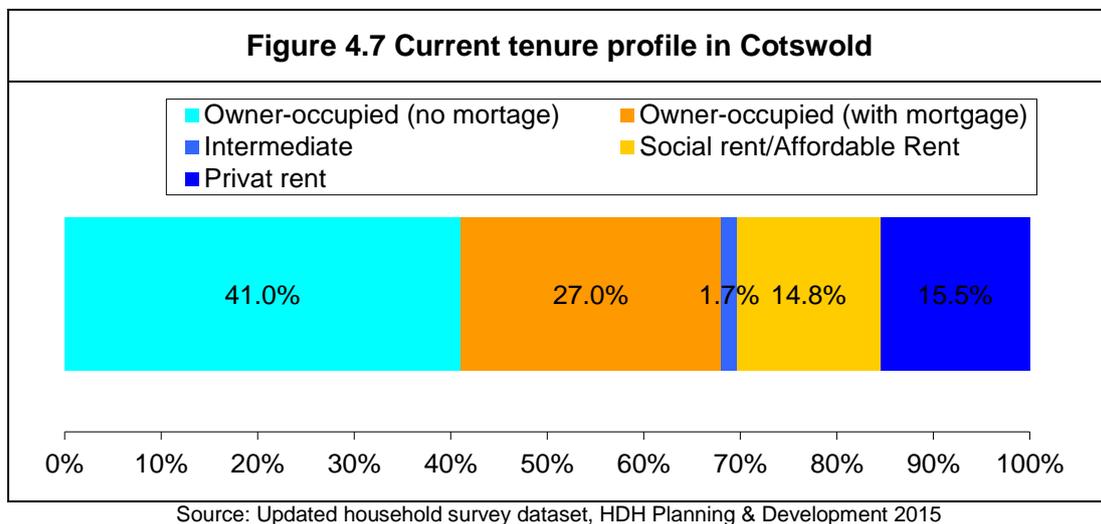
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<sup>30</sup> Previously and widely known as the Royal Agricultural College.



*Current trends*

4.28 It is estimated that there are 5,082 private rented households in the Cotswold currently<sup>31</sup>, which equates to 15.5% of all households. Figure 4.7 illustrates the current tenure profile in Cotswold.



4.29 To assess the stability of the sector currently it is useful to consider how the private rent levels charged vary over time. Table 4.6 shows the change in private rents over the last two years at both the median and lower quartile level<sup>32</sup>. This data is disaggregated by accommodation

<sup>31</sup> This figure has been derived using the approach set out in footnote 4 of the report.

<sup>32</sup> <https://www.gov.uk/government/statistics/private-rental-market-statistics>

size and location. The table shows for example that between 2011/12 and 2013/14 two bedroom lower quartile rents increased by 8.3% in Cotswold. Overall the data suggests that the private rented sector is fairly stable in Cotswold when compared to the changes recorded at County and regional level. The lower quartile price for one and two bedroom accommodation has recorded a slightly higher than average increase, but as median prices have not risen as dramatically it suggests that this is not a market signal for which a planning adjustment is required.

<b>Table 4.6 Change in private rents charged in Cotswold, Gloucestershire, the South West and England between 2011/12 and 2013/14</b>				
<b>Lower quartile prices</b>				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Cotswold	11.1%	8.3%	3.4%	0.0%
Gloucestershire	2.4%	0.0%	3.9%	0.0%
South West	5.9%	0.0%	3.1%	5.3%
England	3.8%	0.0%	0.0%	0.6%
<b>Median prices</b>				
Area	One bedroom	Two bedrooms	Three bedrooms	Four+ bedroom
Cotswold	3.8%	3.0%	6.9%	8.1%
Gloucestershire	4.2%	5.0%	4.8%	2.2%
South West	4.2%	5.0%	7.1%	0.0%
England	1.0%	1.8%	0.0%	0.0%

Source: Valuation Office Agency, 2012-14

### *The benefit-supported private rented sector*

- 4.30 It is estimated that nationally around a quarter of private tenants are in receipt of Local Housing Allowance. In Cotswold the figure is 18.7%, some 1,083 households.
- 4.31 Table 4.7 compares benefit-support households in the private rented sector in Cotswold with households resident in the tenure in Cotswold without this benefit, using data from the updated household dataset. The table shows that the benefit-supported sector is much more likely to contain pensioner households and lone parent households than the non-benefit-supported sector. The average age of households in the benefit-supported sector is consequently older at 42.
- 4.32 There is a dramatic difference in the employment profile of these households, with 45.5% of those in the benefit-supported sector containing an employed person in the household, compared to 91.9% of households in the non-benefit-supported sector. This affects the household income recorded, with the median income for households in the benefit-supported private rented sector almost a quarter of the figure for households in the non-benefit-supported sector.

<b>Table 4.7 Comparison of households within the private rented sector</b>			
	<i>Benefit-supported</i>	<i>Not benefit supported</i>	<i>All private rented households</i>
<i>Household type</i>			
Single pensioners	12.9%	3.7%	6.4%
2 or more pensioners	2.7%	1.3%	1.7%
Single non-pensioners	26.9%	28.6%	27.9%
2 or more adults, no children	11.2%	42.6%	34.3%
Lone parent	30.0%	4.0%	11.0%
2+ adults 1 child	7.6%	8.3%	8.1%
2+ adults 2+ children	8.7%	11.5%	10.6%
Total	100.0%	100.0%	100.0%
<i>Median age of household head</i>	42	39	40
<i>Whether employed person in household</i>			
Yes	45.5%	91.9%	78.4%
No	54.5%	8.1%	21.6%
Total	100.0%	100.0%	100.0%
<i>Median household income</i>	£9,263	£34,124	£27,148

Source: Updated household survey dataset, HDH Planning & Development 2015

### **People wishing to build their own homes**

- 4.33 It should be noted that the NPPF specifically refers *to people wishing to build their own homes* within the examples cited in paragraph 159. The Council has started a register of all individuals interested in building their own homes. Currently this register has 28 people on it.



## 5. Conclusion

### Implications for housing target

- 5.1 On completion of the calculation of the need for affordable housing, the PPG says, at Reference ID: 2a-029-20140306:

*The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.*

- 5.2 It is clear that a Planning Authority should consider whether or not the housing target in the Local Plan should be increased to assist with meeting the need for affordable housing.
- 5.3 The total annual affordable housing need in Cotswold of 144 households per year (as calculated in Chapter 3, Table 3.9) represents 35.1% of the annual projected household growth in in the District between 2015 and 2031 (411 households per year as identified within the full OAN calculations). This proportion of new housing as affordable appears difficult to deliver in Cotswold, so the Council may want to consider an uplift to the OAN to help provide more affordable housing. However it is important to consider the conclusions of the report into the Stroud Local Plan where the inspector said<sup>33</sup>
- 5.4 *'The need for affordable housing is certainly a policy consideration that could influence housing targets, particularly in view of affordability issues, but it is distinct from the overall objective assessment of housing need, since the methodology and numbers are not compatible. Although a modest increase in the overall housing requirement could be considered, to seek to deliver all the affordable housing needed through the provision of market housing would result in unrealistic and undeliverable rates of housing development.'* (para 48)
- 5.5 When setting an affordable housing target in the Plan the Council will need to consider the full range of evidence (including the viability assessment) and allowance will need to be taken of the fact that some sites may not deliver affordable housing (for example due to policy thresholds). A policy target of a minimum of 35% of housing as affordable may be appropriate to best ensure that the level of affordable housing need is addressed.

### Requirements arising from specific groups of the population

- 5.6 Chapter 4 considered the impact of subgroups of the population on the housing target. The analysis indicated that no adjustment was required to account for the military personnel at the

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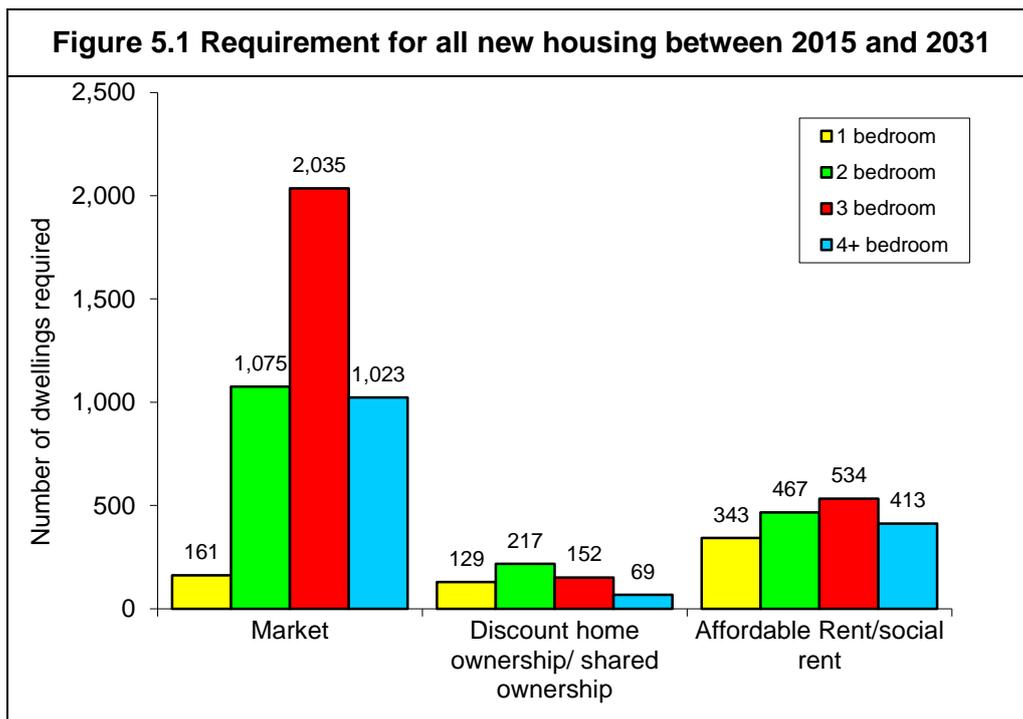
<sup>33</sup> Report to Stroud District Council by Stephen J Pratt BA (Hons) MRTPI, 2nd November 2015.

barracks in Cotswold nor the student population at the Royal Agricultural University near Cirencester.

- 5.7 The Council's register for individuals interested in a self-build home is relatively new and the Council should try and advertise the existence of the register, through a press release and social media, to ensure that it fully captures the scale of this demand. Another source the Council can consider when attempting to establish the potential level of demand for self-build units is to examine the number of planning applications that were made for just one dwelling over the last few years, which can be a useful proxy until the register becomes better established.
- 5.8 In terms of specialist accommodation for older persons, as set out in paragraph 4.9, it is recommended that across Cotswold an additional 893 sheltered and 155 extracare housing units be provided between 2014 and 2031. This forms part of the OAN requirement as it is housing the household population. In addition, as set out in paragraph 4.10, there is a requirement for 755 new nursing and residential care home bedspaces between 2014 and 2031. These are in addition to the OAN as this will accommodate the new residential population in the District. Both of these requirements include any specialist provision that may have been provided in Cotswold since 2014 (when the model is based). It is worth noting that the Council have given permission for eight new housing schemes providing a range of specialist accommodation since April 2014.

#### **Size and tenure of new dwellings required**

- 5.9 To determine the size and tenure of the new housing required within the OAN to accord with paragraph 21 of the PPG, the LTBHM model outputs are used but reference is made to the overall proportion of affordable housing required as derived from the affordable housing needs model. Initially however it is necessary to convert the household totals presented in this report to dwelling figures by applying the overall vacancy rate of 6.5% that is used in the OAN calculation.
- 5.10 Of the 6,617 dwellings required over the remainder of the plan period (between 2015 and 2031) as set out in Table 2.2, it is presumed that 35.1% will be affordable (so that the affordable housing need can be fully met), with the remainder market housing. The size of housing required within these tenures is presented in Figure 5.1. The profiles are informed by the LTBHM model; the overall profile of affordable housing required in the LTBHM is distributed across the new affordable housing requirement total, and the overall profile of market housing required is distributed across the new market housing requirement total.



Source: Table 2.6 and figure 3.1 of this report

- 5.11 This requirement includes any permissions that have already been granted. Currently there are 3,161 dwellings that have been granted permission over the remainder of the plan period and these should be deducted from the totals set out in Figure 5.1.

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