

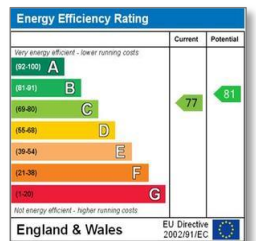


Stevenage and North Hertfordshire Strategic Housing Market Assessment Update

VOLUME TWO

Establishing the need for all types of housing

August 2016





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1. Introducing the Study

Background to the project and wider policy context

- 1.1 Opinion Research Services (ORS) was jointly commissioned by North Hertfordshire District Council and Stevenage Borough Council to prepare a Strategic Housing Market Assessment (SHMA) Update for the Housing Market Area.
- 1.2 The study adheres to the requirements of the National Planning Policy Framework (NPPF) published in 2012 and subsequent Planning Practice Guidance (PPG). The methodology also has regard to emerging good practice and outcomes from Examinations, as well as the Technical Advice Note about Objectively Assessed Need (OAN) and Housing Targets that was originally published by the Planning Advisory Service (PAS) in June 2014, with a second edition in July 2015.
- 1.3 The first volume of the North Hertfordshire District Council and Stevenage Borough Council SHMA (prepared by ORS) was published in 2015 and was concerned with overall housing need in the two authorities; this second volume considers and reviews other SHMA aspects, including the need for affordable housing and the housing needs of specific household groups. Taken together, the two volumes provide a robust review of evidence to complete the SHMA and meet the requirements of NPPF and PPG.

Overview of the SHMA

- 1.4 Volume I of the SHMA Update (published in June 2015) reviewed key outputs from previous SHMAs undertaken in the area¹, and established the Objectively Assessed Need for housing across the combined area of Stevenage and North Hertfordshire (the Housing Market Area or HMA) for the period 2011-31. This review was necessary to inform the Local Plans that the two Local Planning Authorities have in preparation. Nevertheless, it is still necessary to identify the mix for market and affordable housing, and the needs of different groups in the community.
- 1.5 This report, therefore, supplements the key outputs from the SHMA presented in Volume I through providing further information about the needs for different types of housing, including the appropriate mix of market and affordable housing and the needs for all types of housing, namely:
 - » The private rented sector;
 - » People wishing to build their own home;
 - » Housing for older people;
 - » Households with specific needs; and
 - » Student housing.
- 1.6 It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

¹ Stevenage SHMA (prepared by David Couttie Associates) and North Hertfordshire SHMA (prepared by ORS), both published in 2013

Government Policy

- 1.7 NPPF has a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. The responsibility for establishing the level of future housing provision required rests with the local planning authority.

*At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision-taking.*

Local planning authorities should positively seek opportunities to meet the development needs of their area.

Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or, specific policies in this Framework indicate development should be restricted.

National Planning Policy Framework (NPPF), paragraph 14

To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.

National Planning Policy Framework (NPPF), paragraph 47

- 1.8 Given this context, Strategic Housing Market Assessments (SHMAs) primarily inform and support the production of the Local Plan (which sets out the spatial policy for a local area). Their key objective is to provide the robust and strategic evidence base required to establish the Objectively Assessed Need (OAN) for housing in the HMA and provide information on the appropriate mix of housing and range of tenures needed.

Local planning authorities should have a clear understanding of housing needs in their area.

They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.

The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- » *meets household and population projections, taking account of migration and demographic change;*
- » *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- » *caters for housing demand and the scale of housing supply necessary to meet this demand;*

National Planning Policy Framework (NPPF), paragraph 159

- 1.9 Modelling future housing need requires a consideration of the housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered.
- 1.10 The NPPF sets out that *“the purpose of the planning system is to contribute to the achievement of sustainable development”* (paragraph 6).
- 1.11 The Framework subsequently identifies that social dimension of sustainable development should provide *“the supply of housing required to meet the needs of present and future generations”* and create *“a high quality built environment”*:

There are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles:

- » **An economic role** – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- » **A social role** – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community’s needs and support its health, social and cultural well-being; and
- » **An environmental role** – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

National Planning Policy Framework (NPPF), paragraph 7

- 1.12 The Framework also identifies that sustainable development should lead to improvements in the quality of the built environment which contribute to *“improving the conditions in which people live”* and *“widening the choice of high quality homes”*.

Pursuing sustainable development involves seeking positive improvements in the quality of the built, natural and historic environment, as well as in people’s quality of life, including (but not limited to):

- » *Making it easier for jobs to be created in cities, towns and villages;*
- » *Moving from a net loss of bio-diversity to achieving net gains for nature;*
- » *Replacing poor design with better design;*
- » *Improving the conditions in which people live, work, travel and take leisure; and*
- » *Widening the choice of high quality homes.*

National Planning Policy Framework (NPPF), paragraph 9

- 1.13 Section 6 of the Framework (paragraphs 47-55) sets out the policies for *“Delivering a wide choice of high quality homes”*.
- 1.14 The Framework states that Local Plans should meet the *“full, objectively assessed needs for market and affordable housing in the housing market area”* (paragraph 47) and identifies that local planning authorities should seek to *“deliver a wide choice of high quality homes, widen opportunities for home ownership and*

create sustainable, inclusive and mixed communities” and plan for the “needs of different groups” which are set out in Paragraph 50:

To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:

- » *plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes);*
- » *identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand; and*
- » *where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.*

National Planning Policy Framework (NPPF), paragraph 50

^{1.15} Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014 and has been updated regularly, most recently in April 2016. Previous SHMA Guidance (2007) and related documents are rescinded; the approach taken in preparation of this report is focussed on meeting the requirements of PPG. In addition, it reflects emerging good practice and the PAS OAN technical advice note for the areas of study considered.

2. Affordable Housing Need

Identifying households who cannot afford market housing

- 2.1 Demographic projections provide the basis for identifying the Objectively Assessed Need for all types of housing, including both market housing and affordable housing.
- 2.2 PPG notes that affordable housing need is based on households “*who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market*” (ID 2a-022) and identifies a number of different types of household which may be included:

What types of households are considered in housing need?

The types of households to be considered in housing need are:

- » *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*

Planning Practice Guidance (March 2014), ID 2a-023

- 2.3 PPG also suggests a number of data sources for assessing past trends and recording current estimates for establishing the need for affordable housing (ID 2a-024):
- » Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding.
 - » The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey.
 - » Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.
- 2.4 The following section considers each of these sources in turn, alongside other relevant statistics and information that is available.

Past Trends and Current Estimates of the Need for Affordable Housing

Local Authority Data: Homeless Households and Temporary Accommodation

^{2.5} Local authorities hold data on the number of homeless households and those in temporary accommodation. In Stevenage and North Hertfordshire, the quarterly number of households accepted as being homeless and in priority need has seen a downward trend over the period 2001 to 2011. There were 90 such households in 2001 which reduced to 26 households in 2011, a net reduction of 64 households (Figure 1). The rate for 2011 represents 0.3 presentations per 1,000 households, less than the rate for England (0.5 per 1,000).

Figure 1: Households accepted as homeless and in priority need and households in temporary accommodation 2001-15
(Source: CLG P1E returns. Note: data interpolated for quarters where actual figures were not reported)

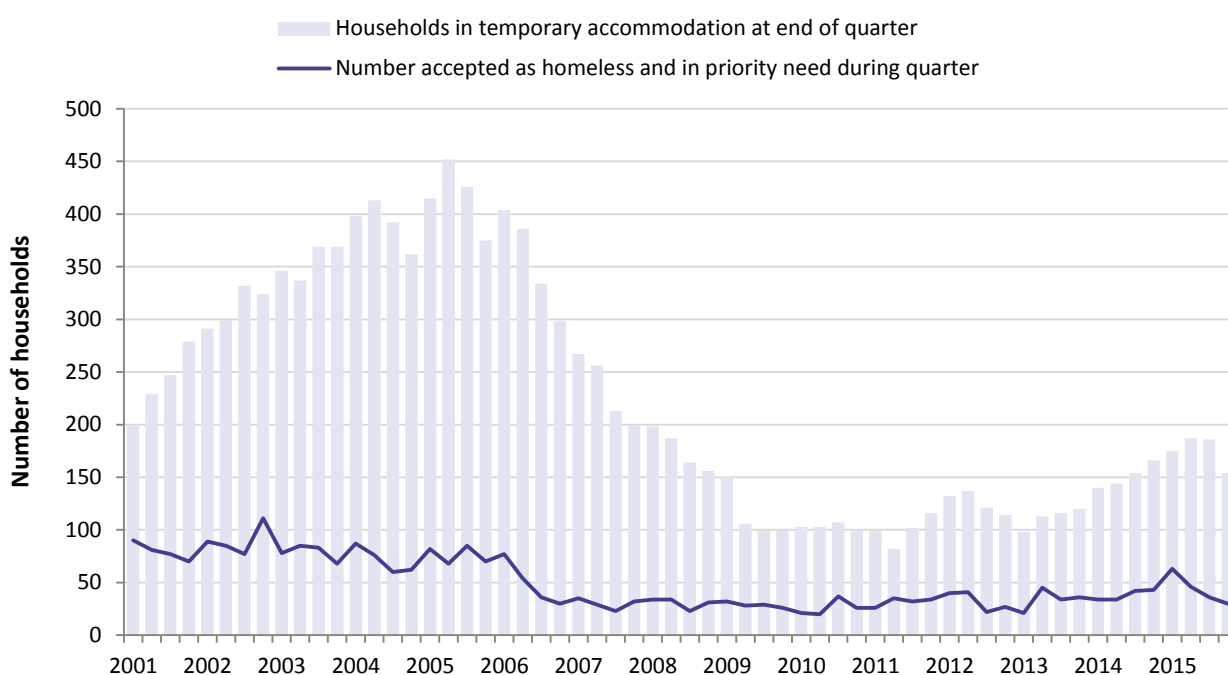


Figure 2: Households in temporary accommodation (Source: CLG P1E returns for March 2001 and March 2011)

		Stevenage & North Hertfordshire			England 2011
		2001	2011	Net change 2001-11	
STEVENAGE & NORTH HERTFORDSHIRE					
Number accepted homeless and in priority need during quarter		90	26	-64	-
<i>Rate per 1,000 households</i>		<i>1.1</i>	<i>0.3</i>	<i>-0.8</i>	<i>0.5</i>
Households in temporary accommodation	Bed and breakfast	4	1	-3	-
	Hostels	10	64	+54	-
	Local Authority or RSL stock	184	33	-151	-
	Private sector leased (by LA or RSL)	-	-	-	-
	Other (including private landlord)	2	1	-1	-
	TOTAL	200	99	-101	-
<i>Rate per 1,000 households</i>		<i>2.5</i>	<i>1.1</i>	<i>-1.4</i>	<i>2.2</i>
Households accepted as homeless but without temporary accommodation provided		12	-	-12	-

- 2.6 There has also been a downward trend in households living in temporary accommodation. There were 200 such households in 2001, including 4 in bed and breakfast accommodation and a further 10 in hostels; however this had reduced to 99 in 2011, a net reduction of 101 households.
- 2.7 It is evident that homelessness has not become significantly worse in Stevenage and North Hertfordshire over the period since 2001, but this does not necessarily mean that fewer households risk becoming homeless. Housing advice services provided by the council may limit the number of homeless presentations and housing allocation policies might avoid the need for temporary housing if permanent housing is available sooner. Further, many homeless households are now offered homes in the private rented sector.
- 2.8 Changes to the Law in 2010 means homeless households can now be offered accommodation in the Private Rented Sector and this cannot be refused, provided it is a reasonable offer. Prior to this change, Local Authorities could offer private sector housing to homeless households (where they have accepted a housing duty under Part 7 of the Housing Act 1996) but the applicant was entitled to refuse it. The Localism Act 2010 means refusal is no longer possible providing the offer is suitable. While the change aims to reduce the pressures on the social housing stock, an indirect result is that there are further demands on the private rented sector as Councils seek to house homeless households.

Census Data: Concealed Households and Overcrowding

- 2.9 The Census provides detailed information about households and housing in the local area. This includes information about **concealed families** (i.e. couples or lone parents) and **sharing households**. These households lack the sole use of basic facilities (e.g. a bathroom or kitchen) and have to share these with their “host” household (in the case of concealed families) or with other households (for those sharing).

Concealed Families

- 2.10 The number of **concealed families** living with households in Stevenage and North Hertfordshire increased from 508 to 828 over the 10-year period 2001-11 (Figure 3), an increase of 320 families (63%).

Figure 3: Concealed families in Stevenage & North Herts by age of family representative (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Aged under 25	82	204	+122
Aged 25 to 34	186	269	+83
Aged 35 to 44	62	67	+4
Aged 45 to 54	33	67	+34
Sub-total aged under 55	363	607	+244
Aged 55 to 64	40	67	+27
Aged 65 to 74	72	93	+21
Aged 75 or over	33	61	+28
Sub-total aged 55 or over	145	221	+76
All Concealed Families	508	828	+320

- 2.11 Although it is likely that many concealed families will not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections. Concealed families with older family representatives will often be living with

another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 320 families over the period 2001-11, over three quarters (76%) have family representatives aged under 55, with substantial growth amongst those aged under 35 in particular (in line with national trends).

Sharing Households

- 2.12 The number of **sharing households** reduced from 113 to 49 over the 10-year period 2001-11 (Figure 4), a reduction of 64 households (57%). 30 of these sharing households are in North Hertfordshire and a further 19 in Stevenage.

Figure 4: Shared Dwellings and Sharing Households in Stevenage & North Hertfordshire (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Number of shared dwellings	27	16	-9
Number of household spaces in shared dwellings	122	64	-58
All Sharing Households	113	49	-64
Household spaces in shared dwellings with no usual residents	9	15	+6

- 2.13 Figure 5 shows that the number of **multi-adult households** living in the area increased from 2,643 to 3,158 households over the same period, an increase of 515 (19%). These people also have to share basic facilities, but are considered to be a single household as they also share a living room, sitting room or dining area. This includes **Houses in Multiple Occupation (HMOs) with shared facilities**, as well as **single people living together as a group** and **individuals with lodgers**.

Figure 5: Multi-adult Households in Stevenage & North Hertfordshire (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Owned	1,604	1,709	+105
Private rented	585	974	+389
Social rented	454	475	+21
All Households	2,643	3,158	+515

- 2.14 The growth in multi-adult households was focussed particularly in the private rented sector, with an increase in single persons choosing to live with friends together with others living in HMOs. This growth accounts for 389 households (an increase from 585 to 974 households over the period) and this represents over three quarters (76%) of the total increase in multi-adult households living in the area.
- 2.15 Nevertheless, shared facilities is a characteristic of HMOs and many people living in this type of housing will only be able to afford shared accommodation (either with or without housing benefit support). Extending the Local Housing Allowance (LHA) Shared Accommodation Rate (SAR) allowance to cover all single persons up to 35 years of age has meant that many more young people will only be able to afford shared housing, and this has further increased demand for housing such as HMOs.
- 2.16 There is therefore likely to be a continued (and possibly growing) role for HMOs, with more of the existing housing stock possibly being converted. Given this context, it would not be appropriate to consider households to need affordable housing only on the basis of them currently sharing facilities (although there may be other reasons why they would be considered as an affordable housing need).

Overcrowding

^{2.17} The Census also provides detailed information about occupancy which provides a measure of whether a household's accommodation is **overcrowded or under occupied**:

“There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement.”

^{2.18} When considering the number of rooms required, the ONS use the following approach to calculate the room requirement:

- » A one person household is assumed to require three rooms (two common rooms and a bedroom); and
- » Where there are two or more residents it is assumed that they require a minimum of two common rooms plus one bedroom for:
 - each couple (as determined by the relationship question)
 - each lone parent
 - any other person aged 16 or over
 - each pair aged 10 to 15 of the same sex
 - each pair formed from any other person aged 10 to 15 with a child aged under 10 of the same sex
 - each pair of children aged under 10 remaining
 - each remaining person (either aged 10 to 15 or under 10).

^{2.19} For Stevenage and North Hertfordshire, overcrowding increased from 4,474 to 5,837 households (an increase of 1,363) over the 10-year period 2001-11 (Figure 6). This represents a percentage growth of 20%, which is lower than comparator areas such as West Essex & East Hertfordshire (22%), South West Essex (31%), Crawley & Reigate (26%) and Greater London (25%), and it is also lower than the national increase for England (23%).

^{2.20} When considered by tenure, overcrowding has reduced by 14 households in the owner occupied sector, increased by 398 households in the social rented sector with the largest growth in the private rented sector where the number of overcrowded households has increased from 841 to 1,820, a growth of 979 households over the 10-year period. Nevertheless, the percentage of overcrowded households in the social rented sector has had the biggest increase from 10.1% to 12.5% (a percentage growth of 23%).

Figure 6: Proportion of overcrowded households 2011 and change 2001-11 by tenure (Note: Overcrowded households are considered to have an occupancy rating of -1 or less. Source: UK Census of Population 2001 and 2011)

	Occupancy rating (rooms)						Occupancy rating (bedrooms)	
	2001		2011		Net change 2001-11		2011	
	N	%	N	%	N	%	N	%
Stevenage								
Owned	637	3.1%	656	3.2%	19	+3%	401	1.9%
Private rented	284	14.9%	756	17.9%	472	+20%	328	7.7%
Social rented	1,156	11.4%	1,341	13.5%	185	+19%	585	5.9%
All Households	2,077	6.3%	2,753	7.9%	676	+24%	1,314	3.8%
North Hertfordshire								
Owned	876	2.6%	843	2.4%	-33	-10%	524	1.5%
Private rented	557	11.9%	1,064	14.0%	507	+18%	370	4.9%
Social rented	964	9.0%	1,177	11.4%	213	+27%	603	5.9%
All Households	2,397	4.9%	3,084	5.8%	687	+18%	1,497	2.8%
STEVENAGE & NORTH HERTS								
Owned	1,513	2.8%	1,499	2.7%	-14	-5%	925	1.6%
Private rented	841	12.7%	1,820	15.4%	979	+21%	698	5.9%
Social rented	2,120	10.1%	2,518	12.5%	398	+23%	1,188	5.9%
All Households	4,474	5.5%	5,837	6.6%	1,363	+20%	2,811	3.2%
All Households								
ENGLAND	-	7.1%	-	8.7%	-	+23%	-	4.6%
West Essex & East Hertfordshire	-	5.5%	-	6.6%	-	+22%	-	3.3%
South West Essex	-	5.9%	-	7.7%	-	+31%	-	4.3%
Crawley & Reigate	-	5.2%	-	6.5%	-	+26%	-	3.2%
Greater London	-	17.3%	-	21.7%	-	+25%	-	11.3%

English Housing Survey Data

Overcrowding

- 2.21 The English Housing Survey (EHS) does not provide information about individual local authorities, but it does provide a useful context about these indicators in terms of national trends between Census years.
- 2.22 The measure of overcrowding used by the EHS provides a consistent measure over time **however the definition differs from both occupancy ratings provided by the Census**. The EHS approach² is based on a “*bedroom standard*” which assumes that adolescents aged 10-20 of the same sex will share a bedroom, and only those aged 21 or over are assumed to require a separate bedroom (whereas the approach used by the ONS for the Census assumes a separate room for those aged 16 or over):

“The ‘bedroom standard’ is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired

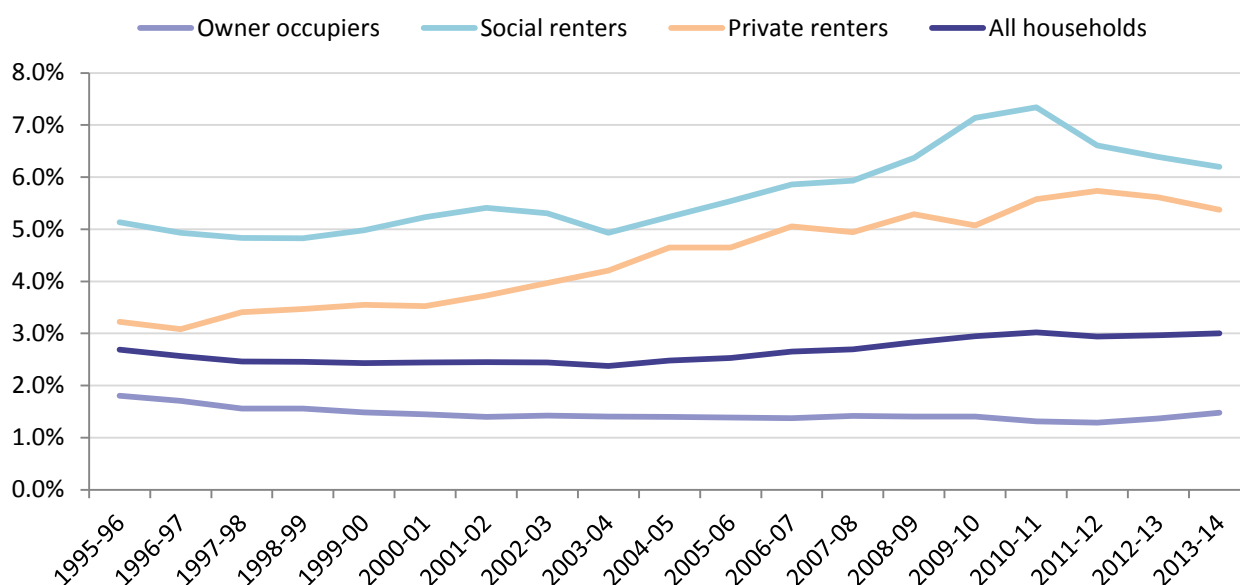
² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284648/English_Housing_Survey_Headline_Report_2012-13.pdf

person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

“Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the notional needed.”

- ^{2.23} Nationally, overcrowding rates increased for households in both social and private rented housing, although the proportion of overcrowded households has declined in both sectors since 2011. Overcrowding rates for owner occupiers have remained relatively stable since 1995.

Figure 7: Trend in overcrowding rates by tenure (Note: Based on three-year moving average, up to and including the labelled date. Source: Survey of English Housing 1995-96 to 2007-08; English Housing Survey 2008-09 onwards)



- ^{2.24} Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement closer reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance³ that was issued by CLG in 2012 to which authorities must have regard when exercising their functions under Part 6 of the 1996 Housing Act (as amended).

- ^{2.25} This Guidance, “Allocation of accommodation: Guidance for local housing authorities in England”, recommends that authorities should use the bedroom standard when assessing whether or not households are overcrowded for the purposes of assessing housing need:

4.8 The Secretary of State takes the view that the bedroom standard is an appropriate measure of overcrowding for allocation purposes, and recommends that all housing authorities should adopt this as a minimum. The bedroom standard allocates a separate bedroom to each:

- married or cohabiting couple*
- adult aged 21 years or more*
- pair of adolescents aged 10-20 years of the same sex*
- pair of children aged under 10 years regardless of sex*

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf

2.26 The bedroom standard therefore provides the most appropriate basis for assessing overcrowding. By considering the Census and EHS data for England, together with the Census data for Stevenage and North Hertfordshire, we can estimate overcrowding using the bedroom standard. Figure 8 sets out this calculation based on the Census occupancy rating for both rooms and bedrooms. Based on the bedroom standard, it is estimated that **497 owner occupied, 390 private rented and 977 social rented households were overcrowded** in the Stevenage and North Hertfordshire HMA in 2011. Student households have been excluded from this calculation given that their needs are assumed to be transient.

Figure 8: Estimate of the number of overcrowded households in Stevenage & North Hertfordshire HMA by tenure based on the bedroom standard (Source: EHS; UK Census of Population 2011)

	Owned		Private Rented		Social Rented	
ENGLAND						
EHS bedroom standard 2011						
Percentage of households overcrowded [A]	1.3%		5.6%		7.3%	
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Percentage of households overcrowded [B]	2.3%	3.3%	8.8%	20.2%	8.9%	16.9%
Proportion of these overcrowded households based on bedroom standard [C = A ÷ B]	57%	40%	64%	28%	83%	43%
STEVENAGE & NORTH HERTFORDSHIRE HMA						
Census occupancy rating	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>	<i>Bedrooms</i>	<i>Rooms</i>
Number of overcrowded households [D]	925	1,499	698	1,820	1,188	2,518
Full-time student households [E]	135	140	161	260	87	99
Overcrowded households (excluding students) [F = D - E]	790	1,359	537	1,560	1,101	2,419
Estimate of overcrowded households based on the bedroom standard [G = C × F]	450	544	344	437	914	1,040
Estimate of overcrowded households in 2011 based on the bedroom standard (average)	497		390		977	

Housing Condition and Disrepair

2.27 The EHS also provides useful information about **housing disrepair**. The EHS headline report for 2013-14 identifies that private rented sector dwellings had the highest rate of disrepair: 7% compared with 4% of owner occupied dwellings and 3% of social sector dwellings.

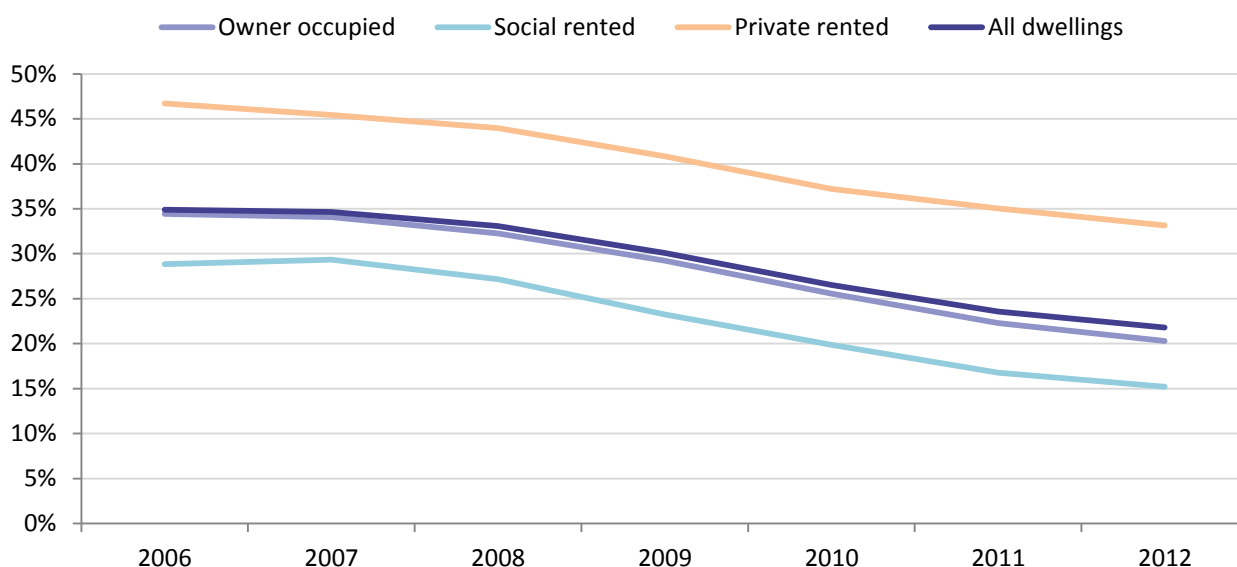
2.28 The Decent Homes Standard provides a broad measure of **housing condition**. It was intended to be a minimum standard that all housing should meet and that to do so should be easy and affordable. It was determined that in order to meet the standard a dwelling must achieve all of the following:

- » Be above the legal minimum standard for housing (currently the Housing Health and Safety Rating System, HHSRS); and
- » Be in a reasonable state of repair; and
- » Have reasonably modern facilities (such as kitchens and bathrooms) and services; and
- » Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).

2.29 If a dwelling fails any one of these criteria, it is considered to be “non-decent”. A detailed definition of the criteria and their sub-categories are described in the ODPM guidance: “A Decent Home – The definition and guidance for implementation” June 2006.

^{2.30} Figure 9 shows the national trends in non-decent homes by tenure. It is evident that conditions have improved year-on-year (in particular due to energy efficiency initiatives), however whilst social rented properties are more likely to comply with the standard, almost a third of the private rented sector (33.1%) remains currently non-decent. This is a trend that tends to be evident at a local level in most areas where there are concentrations of private rented housing, and there remains a need to improve the quality of housing provided for households living in the private rented sector.

Figure 9: Trend in non-decent homes by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)



Housing Register Data

^{2.31} The **housing register** and **transfer lists** are managed in different ways by the two authorities; North Hertfordshire operate a Choice Based Lettings Scheme (Homes4U) for all affordable housing in the district, while Stevenage operates its own Housing register. Households apply for homes and transfers via each individual scheme.

^{2.32} Figure 10 shows the trend in households on the housing register over the period since 2001:

- » **Stevenage:** Overall, while there was an increase in the Register between 2001 and 2014, this has reduced subsequently. The number of households on the housing register increased from 2,057 in 2001 to 3,411 in 2014 (albeit peaking at 5,857 in 2013 and reducing to 1,612 in 2015).
- » **North Hertfordshire:** Overall, the number of households on the CBL increased steadily from 1,183 in 2001 to 3,124 in 2013, before a reduction in 2014 (to 1,612), followed by a rise to 1,983 in 2015.

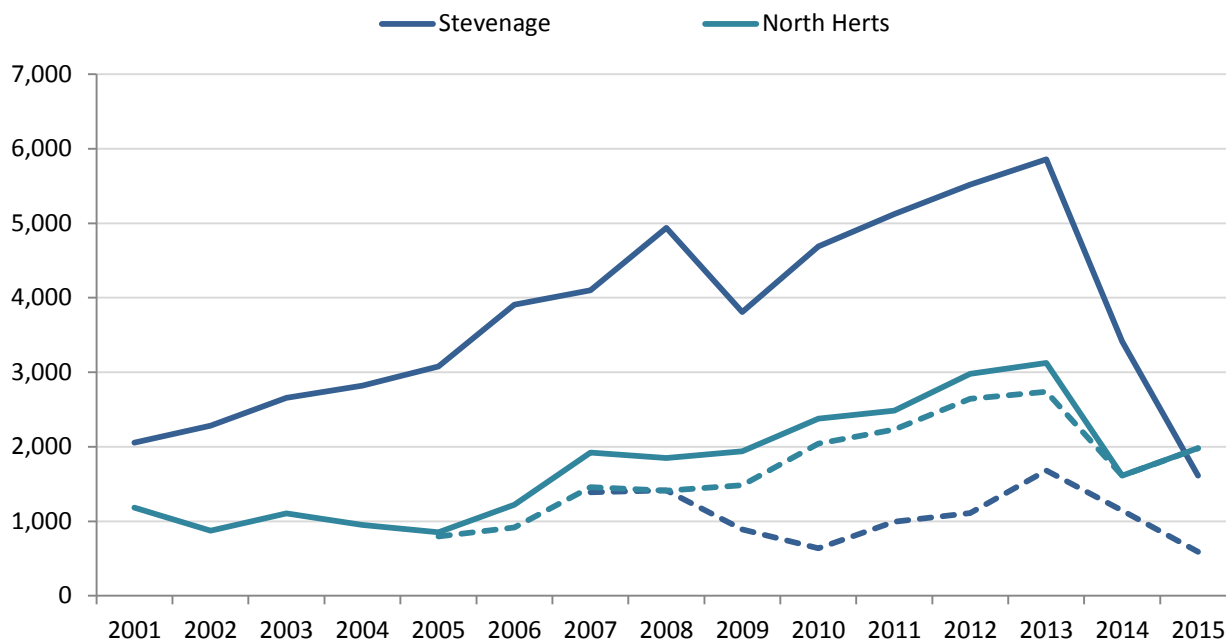
Note: Housing register numbers can change for various reasons (e.g. policy change, legislative change, applicant reviews etc).

^{2.33} Figure 10 also show the number recorded in a reasonable preference category since 2005. Reasonable preference categories are defined in the Housing Act 1996, which requires “reasonable preference” for housing to be given to people who are:

- » Legally homeless;
- » Living in unsatisfactory housing (as defined by the Housing Act 2004);

- » Need to move on medical/welfare grounds; or
- » Need to move to a particular area to avoid hardship.

Figure 10: Number of households on the local authority housing register 2001-15 (Note: Solid line shows total households; dotted line shows households in a reasonable preference category. Source: LAHS and HSSA returns to CLG)



^{2.34} Figure 11 provides further detailed information for the years 2012 and 2014. NOTE: for this exercise, 2015 data was incomplete and data before 2011 did not provide this information.

Figure 11: Number of households on the local authority housing register at 1st April (Source: LAHS returns to CLG)

	Stevenage		North Hertfordshire		Stevenage & North Herts HMA	
	2012	2014	2012	2014	2012	2014
Total households on the housing waiting list	5,518	3,411	2,980	1,612	8,498	5,023
Total households in a reasonable preference category	1,108	1,146	2,643	1,612	3,751	2,758
People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)	9	32	73	42	82	74
Other people who are homeless within the meaning given in Part VII of the Housing Act (1996), regardless of whether there is a statutory duty to house them	70	38	92	11	162	49
People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions	842	669	755	384	1,597	1,053
People who need to move on medical or welfare grounds, including grounds relating to a disability	594	504	771	440	1,365	944
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	14	2	0	0	14	2

- 2.35 We previously estimated that there were around 1,864 overcrowded households in the Stevenage and North Hertfordshire HMA, based on the bedroom standard (Figure 8) – but only 1,053 people were recorded by the housing registers in 2014 as currently “*occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions*”. Therefore, there are likely to be many households who have not registered for affordable housing despite being overcrowded. This will partly reflect their affordability (for example, most owner occupiers would not qualify for rented affordable housing due to the equity in their current home) whilst others may only be temporarily overcrowded and will have sufficient space available once a concealed family is able to leave and establish an independent household.
- 2.36 When considering the types of household to be considered in housing need, the PPG also identified “*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*” and “*households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move*”. It is only through the housing register that we are able to establish current estimates of need for these types of household, and not all would necessarily be counted within a reasonable preference category. Nevertheless, there were 944 people registered “*who need to move on medical or welfare grounds, including grounds relating to a disability*” and a further 2 “*who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)*”.

Households Unable to Afford their Housing Costs

- 2.37 The PPG emphasises in a number of paragraphs that affordable housing need should only include those households that are unable to afford their housing costs:

Plan makers ... will need to estimate 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 (ID 2a-022, emphasis added)

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of ... those that cannot afford their own homes. Care should be taken to avoid double-counting ... and to include only those households who cannot afford to access suitable housing in the market (ID 2a-024, emphasis added)

Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area (ID 2a-025, emphasis added)

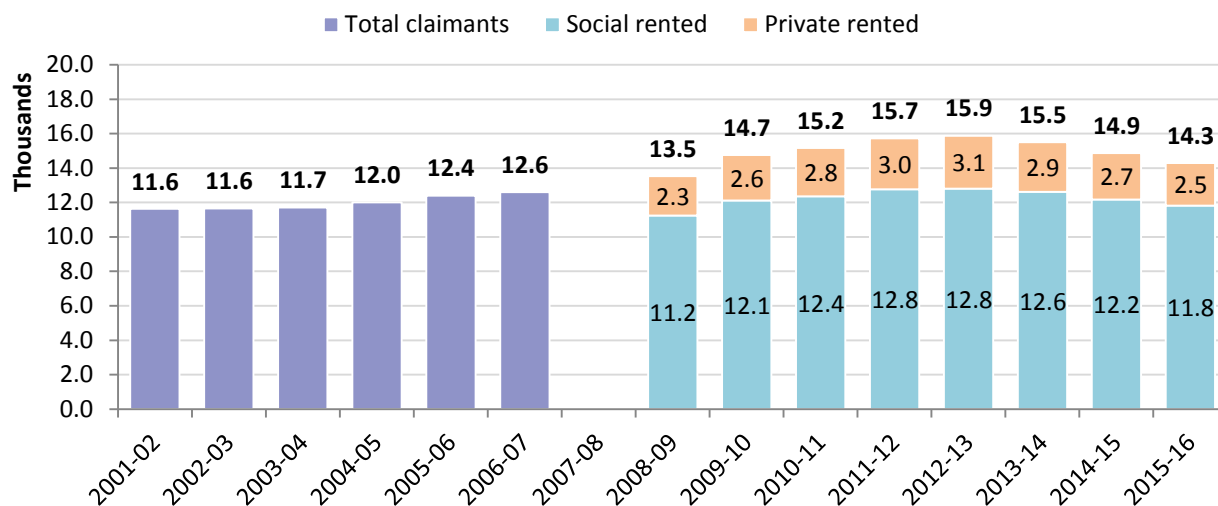
Planning Practice Guidance (March 2014), ID 2a-022-025

- 2.38 Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more detailed information has been available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

Housing Benefit Claimants in Stevenage and North Hertfordshire HMA

2.39 Figure 12 shows the trend in the number of housing benefit claimants in Stevenage and North Hertfordshire HMA.

Figure 12: Number of claimants in receipt of housing benefit in Stevenage & North Hertfordshire by tenure (Source: DWP)



2.40 The number of housing benefit claimants in Stevenage and North Hertfordshire HMA increased from 11,625 to 12,600 over the period 2001-02 to 2006-07, equivalent to an average annual growth of around 200 families. The number of claimants reached 15,877 in 2012-13, therefore a much faster growth of around 550 families each year on average over the period from 2006-07. The largest growth was experienced between 2008-09 and 2009-10 when the number of claimants increased by about 1,200 families.

2.41 Considering the information on tenure, it is evident that the number of claimants in social rented housing increased from 11,248 to 12,805 over the period 2008-09 to 2012-13 – an increase of around 1,500 families (14%); however over the same period the number of claimants in private rented housing increased from 2,272 to 3,072 families – an increase of around 800 families (35%).

2.42 This increase in housing benefit claimants, in particular those living in private rented housing, coincides with the increases observed on the housing register(s) in the HMA for Stevenage and North Hertfordshire to 2013/14 (albeit this has subsequently fallen). It is likely that many households applying for housing benefit would have also registered their interest in affordable housing. Nevertheless, many of them will have secured housing in the private rented sector which housing benefit enabled them to afford; so not all will necessarily need affordable housing, though many may prefer this type of housing if it were available.

2.43 The information published by DWP provides the detailed information needed for understanding the number of households unable to afford their housing costs. Of course, there will be other households occupying affordable housing who do not need housing benefit to pay discounted social or affordable rents but who would not be able to afford market rents. Similarly there will be others who are not claiming housing benefit support as they have stayed living with parents or other family or friends and not formed independent households. However, providing that appropriate adjustments are made to take account of these exceptions, **the DWP data provides the most reliable basis for establishing the number of households unable to afford their housing costs and estimating affordable housing need.**

Establishing Affordable Housing Need

- 2.44 In establishing the Objectively Assessed Need for affordable housing, it is necessary to draw together the full range of information that has already been considered in this report.
- 2.45 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

How should affordable housing need be calculated?

This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.

Planning Practice Guidance (March 2014), ID 2a-022

Current Unmet Need for Affordable Housing

- 2.46 In terms of establishing the **current** unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

How should the current unmet gross need for affordable housing be calculated?

Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Planning Practice Guidance (March 2014), ID 2a-024

- 2.47 Earlier sections of this chapter set out the past trends and current estimates for relevant households based on the data sources identified by PPG (based on a reference point of March 2011). Although this evidence does not provide the basis upon which to establish whether or not households can afford to access suitable housing, we believe that it is reasonable to assume that certain households will be unable to afford housing, otherwise they would have found a more suitable home.

Establishing the Current Unmet Need for Affordable Housing

- 2.48 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
 - » All those currently housed in **temporary accommodation**; and
 - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted, except for those living in unsanitary conditions.
- 2.49 Given this context, our analysis counts the needs of all of these households when establishing the Objectively Assessed Need for affordable housing at a base date of 2011.
- 2.50 Only around 40% of households currently living in **overcrowded** housing (based on the bedroom standard as shown in Figure 8) are registered in a reasonable preference category, which will partly reflect their affordability. It is likely that most owner occupiers would not qualify for rented affordable housing (due to the equity in their current home); but it is reasonable to assume that households living in overcrowded rented housing are unlikely to be able to afford housing, otherwise they would have found a more suitable home.
- 2.51 **Our analysis counts the needs of all households living in overcrowded rented housing** when establishing the OAN for affordable housing (which could marginally overstate the affordable housing need) **but it does not count the needs of owner occupiers living in overcrowded housing** (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Stevenage and North Hertfordshire.
- 2.52 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household, and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.
- 2.53 When considering **concealed families**, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).
- 2.54 **Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55** (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).
- 2.55 The needs of these households are counted when establishing the OAN for affordable housing and **they also add to the OAN for overall housing, as concealed families are not counted by the CLG household projections.**

2.56 Figure 13 sets out the assessment of current affordable housing need for the Stevenage and North Hertfordshire HMA.

Figure 13: Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)

	Affordable Housing		Increase in Overall Housing Need
	Gross Need	Supply	
Homeless households in priority need (see Figure 2)			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	65		65
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	1		
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	33	33	
Households accepted as homeless but without temporary accommodation provided	0		0
Concealed households (see Figure 3)			
Growth in concealed families with family representatives aged under 55	244		244
Overcrowding based on the bedroom standard (see Figure 8)			
Households living in overcrowded private rented housing	390		
Households living in overcrowded social rented housing	977	977	
Other households living in unsuitable housing that cannot afford their own home (see Figure 11)			
People who need to move on medical or welfare grounds, including grounds relating to a disability	944	94	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	2	0	
TOTAL	2,656	1,104	309

2.57 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that there are **2,656 households currently in affordable housing need in Stevenage and North Hertfordshire who are unable to afford their own housing**. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible). We would note that all of these households are either existing households, or have been added to the Objectively Assessed Needs in part 1 of the SHMA and therefore do not require to be added to the total needs for North Hertfordshire and Stevenage.

2.58 Of these households, 1,104 currently occupy affordable housing that does not meet the households' current needs, mainly due to overcrowding. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. **There is, therefore, a net need from 1,552 households (2,656 less 1,104 = 1,552) who currently need affordable housing and do not currently occupy affordable housing in Stevenage and North Hertfordshire** (although a higher number of new homes may be needed to resolve all of the identified overcrowding).

2.59 This number includes 309 households that would not be counted by the household projections. **There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households**. As for the household projections, we have **also added an additional allowance for vacancies and second homes** (once again based on the proportion of dwellings with no usually resident household); **this increases the need for overall housing provision by 317 dwellings**.

- 2.60 Providing the net additional affordable housing needed will **release back into the market (mainly in the private rented sector) the dwellings occupied by a total of 1,243 households** (1,552 less 309 = 1,243) **that are currently in affordable housing need who are unable to afford their own housing.**

Projected Future Affordable Housing Need

- 2.61 In terms of establishing **future** projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

How should the number of newly arising households likely to be in housing need be calculated?

Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess what proportion of newly-forming households will be unable to access market housing.

Planning Practice Guidance (March 2014), ID 2a-025

- 2.62 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Objectively Assessed Need. The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 2.63 The Model uses a wide range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population. A range of assumptions can be varied to enable effective sensitivity testing to be undertaken. In particular, the Model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.
- 2.64 The Housing Mix Model considers the future number and type of households based on the household projections alongside the existing dwelling stock. Whilst the Model considers the current unmet need for affordable housing (including the needs of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or that cannot afford their own homes), it also provides a robust framework for projecting the future need for affordable housing.

Households Unable to Afford their Housing Costs

- ^{2.65} PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-025); **however, the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ between age cohorts.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- ^{2.66} The affordability percentages in Figure 14 are calculated using data published by DWP about housing benefit claimants alongside detailed information from the 2011 Census. There are several **assumptions** underpinning the Model:
- » Where households are claiming housing benefit, it is assumed that they cannot afford market housing; and the Model also assumes that households occupying affordable housing will continue to do so;
 - » Households occupying owner occupied housing and those renting privately who aren’t eligible for housing benefit are assumed to be able to afford market housing; so the Model only allocates affordable housing to those established households that the Government deems eligible for housing support through the welfare system; and
 - » The Model separately considers the needs of concealed families and overcrowded households (both in market housing and affordable housing) which can contribute additional affordable housing need.

Figure 14: Assessing affordability by household type and age (Source: ORS Housing Model based on Census 2011 and DWP)

	Under 25	25-34	35-44	45-54	55-64	65+
STEVENAGE:						
Percentage unable to afford market housing						
Single person household	48%	25%	38%	43%	43%	45%
Couple family with no dependent children	23%	9%	11%	18%	15%	22%
Couple family with 1 or more dependent children	79%	41%	21%	16%	15%	39%
Lone parent family with 1 or more dependent children	95%	91%	62%	57%	48%	87%
Other household type	43%	35%	34%	32%	30%	23%
NORTH HERTFORDSHIRE:						
Percentage unable to afford market housing						
Single person household	32%	12%	22%	28%	32%	35%
Couple family with no dependent children	15%	5%	8%	12%	12%	18%
Couple family with 1 or more dependent children	75%	30%	14%	11%	10%	27%
Lone parent family with 1 or more dependent children	96%	88%	60%	38%	45%	65%
Other household type	38%	20%	26%	29%	24%	18%

Components of Projected Household Growth

- 2.67 PPG identifies that the CLG household projections “*should provide the starting point estimate for overall housing need*” (ID 2a-015) and that “*the 2012-2037 Household Projections ... are the most up-to-date estimate of future household growth*” (ID 2a-016). **However, when considering the number of newly arising households likely to be in affordable housing need**, the PPG recommends a “*gross annual estimate*” (ID 2a-025) suggesting that “*the total need for affordable housing should be converted into annual flows*” (ID 2a-029).
- 2.68 The demographic projections developed to inform the overall Objectively Assessed Need include annual figures for household growth, and these can therefore be considered on a year-by-year basis as suggested by the Guidance; but given that elements of the modelling are fundamentally based on 5-year age cohorts, it is appropriate to annualise the data using 5-year periods.
- 2.69 Figure 15 shows the individual components of annual household growth.

Figure 15: Components of average annual household growth by 5-year projection period (Source: ORS Housing Model)

	Annual average for 5-year periods				Annual average 2011-31
	2011-16	2016-21	2021-26	2026-31	
New household formation	1,846	1,806	1,774	1,844	1,818
Household dissolution following death	1,423	1,415	1,472	1,573	1,471
Net household growth within Stevenage and North Hertfordshire	+423	+391	+301	+271	+347
Household migration in	4,422	4,509	4,618	4,757	4,576
Household migration out	3,847	3,919	4,002	4,080	3,962
Net household migration	+575	+590	+615	+677	+614
Total household growth	+998	+981	+916	+948	+960

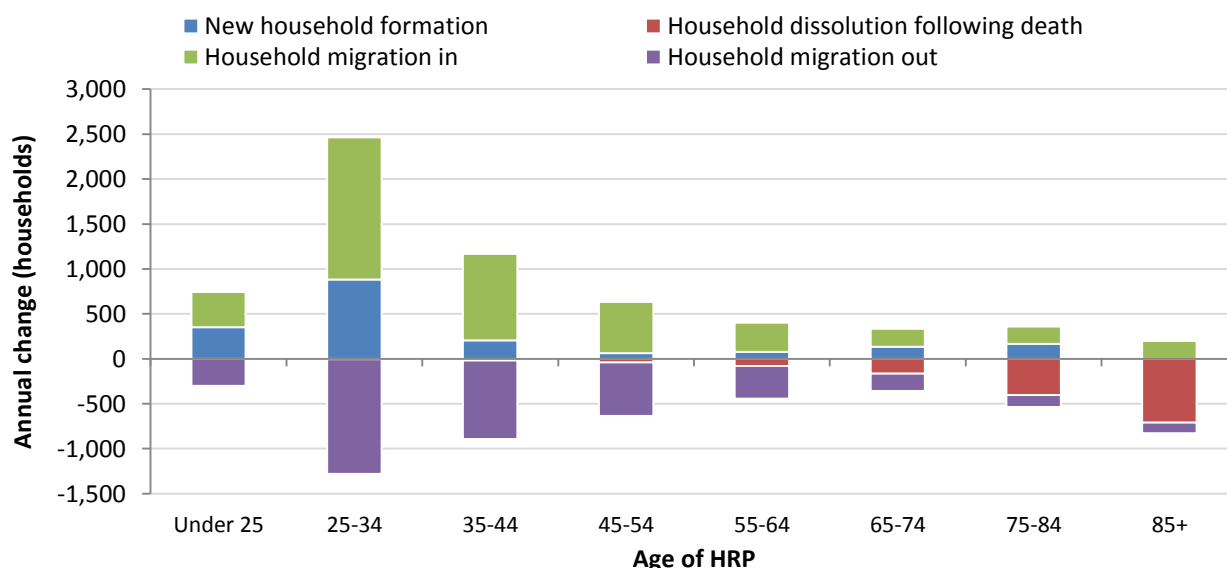
- 2.70 Over the initial 5-year period (2011-16) the model shows that:
- » There are projected to be 1,846 new household formations each year; but this is offset against 1,423 household dissolutions following death – so there is an **average net household growth of 423 households** locally in Stevenage and North Hertfordshire;
 - » There are also projected to be 4,422 households migrating to Stevenage and North Hertfordshire offset against 3,847 households migrating away from the area – which yields an **increase of 575 households attributable to net migration**;
 - » The total household growth is therefore **projected to be 998 (423 plus 575 = 998) households each year** over the initial 5-year period of the projection.
- 2.71 During the course of the full 20-year projection period, net household growth within Stevenage and North Hertfordshire is projected to be higher in the early part of the projection period than in the later years.
- 2.72 Over the 20-year Plan period 2011-31, total **household growth averages 960 households** each year with an average annual net growth of 347 households within Stevenage and North Hertfordshire together with a net gain of 614 households based on migration.

Change in Household Numbers by Age Cohort

- 2.73 To establish the **proportion of newly forming households unable to buy or rent** in the market area, it is necessary to consider the characteristics of the 1,846 new households projected to form in Stevenage and North Hertfordshire each year over the period 2011-16 (Figure 15) alongside the detailed information about household affordability (Figure 14).
- 2.74 Figure 16 shows the age structure of each of the **components of household change**. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Note: a Household Reference Person (HRP) was introduced in the 2001 Census to replace the more 'traditional' 'head of household'. HRPs are individual person within a household that act as reference point to derived whole household characteristics

Figure 16: Annual change in household numbers in each age cohort by age of Household Reference Person (HRP) (Source: ORS Housing Model)



- 2.75 **Together with information on household type, this provides a framework for the Model to establish the proportion of households who are unable to afford their housing costs.**
- 2.76 The Model identifies that 33% of all newly forming households are unable to afford their housing costs, which represents 615 households each year (Figure 17). The Model shows that a lower proportion of households migrating to the area are unable to afford (29%), but this still represents 1,265 households moving in to the area. Some of these households will be moving to social rented housing, but many others will be renting housing in the private rented sector with housing benefit support. **Together, there are 1,881 new households each year who are unable to afford their housing costs.**

Figure 17: Affordability of new households over the initial 5-year period 2011-16 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	1,846	1,231	615	33%
Households migrating in to the area	4,422	3,156	1,265	29%

All new households	6,268	4,387	1,881	30%
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- 2.77 Having established the need for affordable housing and the dwellings likely to be vacated, the PPG suggests that the total net need can be calculated by subtracting “total available stock from total gross need” (ID 2a-029), **but this over-simplifies what is a very complex system.**
- 2.78 It is essential to recognise that some households who are unable to buy or rent in the market area when they first form may become able to afford their housing costs at a later date – for example:
- » Two newly formed single person households may both be unable to afford housing, but together they might create a couple household that can afford suitable housing;
 - » Similarly, not all households that are unable to afford housing are allocated affordable housing;
 - » Some will choose to move to another housing market area and will therefore no longer require affordable housing.
- 2.79 **In these cases, and others, the gross need will need adjusting.**
- 2.80 The Model recognises these complexities, and through considering the need for affordable housing as part of a whole market analysis, it maintains consistency with the household projections and avoids any double counting.
- 2.81 Considering those components of household change which reduce the number of households resident in the area, the Model identifies **1,423 households are likely to dissolve** following the death of all household members. Many of these households will own their homes outright; however 30% are unable to afford market housing (it is likely most will be living in affordable housing).
- 2.82 When considering **households moving away** from Stevenage and North Hertfordshire, the Model identifies that an average of 3,847 households will leave the area each year including 1,084 who are unable to afford their housing costs. Some will be leaving social rented housing, which will become available for another household needing affordable housing. Whilst others will not vacate a social rented property, their needs will have been counted in the estimate of current need for affordable housing or at the time they were a new household (either newly forming or migrating in to the area). **Given that they are now leaving Stevenage and North Hertfordshire, they will no longer need affordable housing in the area and it is therefore important to discount their needs.**
- 2.83 Figure 18 summarises the total household growth. This includes the 1,881 new households on average each year who are unable to afford their housing costs, but offsets this against the 1,516 households who will either vacate existing affordable housing or who will no longer constitute a need for affordable housing in Stevenage and North Hertfordshire (as they have moved to live elsewhere).

Figure 18: Components of average annual household growth 2011-16 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	1,846	1,231	615	33%
Households migrating in to the area	4,422	3,156	1,265	29%
All new households	6,268	4,387	1,881	30%
Household dissolutions following death	1,423	991	432	30%
Households migrating out of the area	3,847	2,763	1,084	28%
All households no longer present	5,271	3,754	1,516	29%

Average annual household growth 2011-16	+998	+632	+364	36%
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- 2.84 **Overall, the Model projects that household growth will yield a net increase of 364 households on average each year (over the period 2011-16) who are unable to afford their housing, which represents 36% of the 998 total household growth for this period.**

Projecting Future Needs of Existing Households

- 2.85 PPG also identifies that in addition to the needs of new households, it is also important to estimate “*the number of existing households falling into need*” (ID 2a-025). Whilst established households that continue to live in Stevenage and North Hertfordshire will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the Model, and it is **estimated that an average of 369 established households fall into need each year** in Stevenage and North Hertfordshire. This represents a rate of 4.1 per 1,000 household falling into need each year.
- 2.86 Finally, whilst the PPG recognises that established households’ circumstances can deteriorate such that they fall into need, it is also important to recognise that **established households’ circumstances can improve**. For example:
- » When two people living as single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately). Figure 14 showed that 48% of single person households aged under 25 in Stevenage could not afford housing, compared to 23% of couples of the same age; and for those aged 25 to 34, the proportions were 25% and 9% respectively.
 - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period. Figure 14 showed that 30% of couple families with dependent children aged 25 to 34 in North Hertfordshire could not afford housing, compared to 14% of such households aged 35 to 44.
- 2.87 Given this context, it is clear that **we must also recognise these improved circumstances which can reduce the need for affordable housing over time**, as households that were previously counted no longer need financial support. The Model identifies that the circumstances of **453 households improve each year** such that they become able to afford their housing costs despite previously being unable to afford. This represents a rate of 5.0 per 1,000 household climbing out of need each year.
- 2.88 Therefore, considering the overall changing needs of existing households, **there is an average net reduction of 85 households (453 less 369 = 85) needing affordable housing each year.**

Projecting Future Affordable Housing Need (average annual estimate)

^{2.89} Figure 19 provides a comprehensive summary of all of the components of household change that contribute to the projected level of affordable housing need. More detail on each is provided earlier in this Chapter.

Figure 19: Components of average annual household growth 2011-16 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	1,846	1,231	615	33%
Households migrating in to the area	4,422	3,156	1,265	29%
All new households	6,268	4,387	1,881	30%
Household dissolutions following death	1,423	991	432	30%
Households migrating out of the area	3,847	2,763	1,084	28%
All households no longer present	5,271	3,754	1,516	29%
Average annual household growth 2011-16	+998	+632	+364	36%
Existing households falling into need	-	-369	+369	100%
Existing households climbing out of need	-	+453	-453	0%
Change in existing households	-	+85	-85	-
Average annual future need for market and affordable housing 2011-16	+998	+717	+280	28%

^{2.90} Overall, there is a projected need from **1,881 new households who are unable to afford their housing costs** (615 newly forming households and 1,265 households migrating to the area) each year; however, **1,516 households will either vacate existing affordable housing or will no longer need affordable housing** in Stevenage and North Hertfordshire (as they have moved to live elsewhere) **thereby reducing the new need to a net total of 364 households.**

^{2.91} Considering the needs of existing households, there are 369 households expected to fall into need each year (a rate of 4.1 per 1000 households) but this is offset against 453 households whose circumstances are projected to improve. There is, therefore, an **average net reduction of 85 existing households that need affordable housing each year.**

^{2.92} Based on the needs of new households and existing households, there is a **projected increase of 280 households each year on average for the initial period 2011-16 who will need affordable housing** (364 less 85 = 280).

^{2.93} Using the approach outlined above for the initial 5-year period of the projection, the Model also considers the need for affordable housing over the 20-year Plan period 2011-31. The Model identifies that **the number of households in need of affordable housing will increase by 6,104 households over the period 2011-31**, equivalent to an annual average of 305 households per year. This represents 31.8% of the total household growth projected based on demographic trends.

Assessing the Overall Need for Affordable Housing

2.94 Figure 20 brings together the information on assessing the unmet need for affordable housing in 2011 and the future affordable housing need arising over the 20-year Plan period 2011-31.

Figure 20: Assessing total need for market and affordable housing (Source: ORS Housing Model)

	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
Unmet need for affordable housing in 2011 (see Figure 13)			
Total unmet need for affordable housing	-	2,656	2,656
Supply of housing vacated	1,243	1,104	2,347
Overall impact of current affordable housing need	-1,243	+1,552	+309
Projected future housing need 2011-31			
Newly forming households	24,122	12,228	36,350
Household dissolutions following death	20,560	8,859	29,419
Net household growth within Stevenage and North Hertfordshire	+3,562	+3,369	+6,931
Impact of existing households falling into need	-8,314	+8,314	-
Impact of existing households climbing out of need	+9,776	-9,776	-
Impact of households migrating to/from the area	+8,085	+4,197	+12,282
Future need for market and affordable housing 2011-31	+13,110	+6,104	+19,213
Total need for market and affordable housing			
Overall impact of current affordable housing need	-1,243	+1,552	+309
Future need for market and affordable housing 2011-31	+13,110	+6,104	+19,213
Total need for market and affordable housing	11,867	7,656	19,522
Average annual need for housing	594	383	976
Proportion of overall need for market and affordable housing	61%	39%	100%
Total need for affordable housing - dwellings	-	7,848	-
Average annual need for affordable housing – dwellings	-	392	-

2.95 Figure 13 estimated there to be **2,656 households in need of affordable housing in 2011**. However, as 1,104 of these already occupied an affordable home, our previous conclusion was therefore a net need from 1,552 households (2,656 less 1,104 = 1,552) who need affordable housing and do not currently occupy affordable housing.

2.96 The 20-year projection period 2011-31 then adopts the approach that was previously outlined for the initial 5-year period of the projection. The Model identifies that **the number of households in need of affordable housing will increase by 6,104 households over the period 2011-31**, alongside an increase of 13,110 households able to afford market housing.

2.97 Overall, there will be a **need to provide additional affordable housing for 7,656 households** over the Plan period 2011-31 (39% of the projected household growth). This is equivalent to an average of **383 households per year**.

2.98 Data from CLG Local Authority Housing Statistics and HCA Statistical Data Return identify a vacancy rate of 2.5% for affordable housing in Stevenage and North Hertfordshire, therefore adding an additional allowance for vacancies this **identifies a total affordable housing need of 7,848 dwellings** in addition to the current stock, an average of 392 dwellings per year. Any losses from the current stock (such as demolition

or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount. In particular it can be anticipated that right to buy sales will rise again following the Housing and Planning Act and the figures for Stevenage alone already average 75 dwellings per annum for the period 2012-15

Need by Local Authority Area

^{2.99} Figure 21 sets out the current unmet need for affordable housing and projected future affordable housing need for the 20-year period 2011-31 for each local authority area.

Figure 21: Assessing affordable housing need by local authority (Source: ORS Housing Model)

	Stevenage	North Hertfordshire	TOTAL
Unmet need for affordable housing in 2011			
Total unmet need for affordable housing	1,351	1,305	2,656
Supply of housing vacated	580	524	1,104
Overall impact of current affordable housing need	+771	+781	+1,552
Future need for affordable housing 2011-31	+2,589	+3,515	+6,104
Total need for affordable housing 2011-31	3,360	4,296	7,656
Average annual need for affordable housing	168	215	383
Proportion of overall need for market and affordable housing	51%	33%	39%

^{2.100} The level of affordable housing need in North Hertfordshire and Stevenage was broadly similar in 2011; 1,305 households in need of affordable housing were in North Hertfordshire, and 1,351 households who need affordable housing and do not currently occupy affordable housing are living in Stevenage.

^{2.101} The 20-year projection period 2011-31 suggests that there will be an additional 2,589 households needing affordable housing in Stevenage compared to 3,515 households in North Hertfordshire.

^{2.102} Overall, there will be a need to provide additional affordable housing for 3,360 households in Stevenage (51% of the projected household growth) and a need to provide additional affordable housing for 4,296 households in North Hertfordshire (33% of the growth) over the Plan period 2011-31. This is equivalent to an average of **168 households per year in Stevenage and 215 per year in North Hertfordshire**.

^{2.103} Expressed in terms of dwellings, there will be a need to provide additional 3,444 affordable dwellings in Stevenage and a need to provide additional 4,403 affordable dwellings in North Hertfordshire over the Plan period 2011-31. This is equivalent to an average of **172 dwellings per year in Stevenage and 220 per year in North Hertfordshire**.

Future Policy on Housing Benefit in the Private Rented Sector

^{2.104} The Model also recognises **the importance of housing benefit and the role of the private rented sector**. The Model assumes that the level of housing benefit support provided to households living in the private rented sector will remain constant; however this is a national policy decision which is not in the control of the Council.

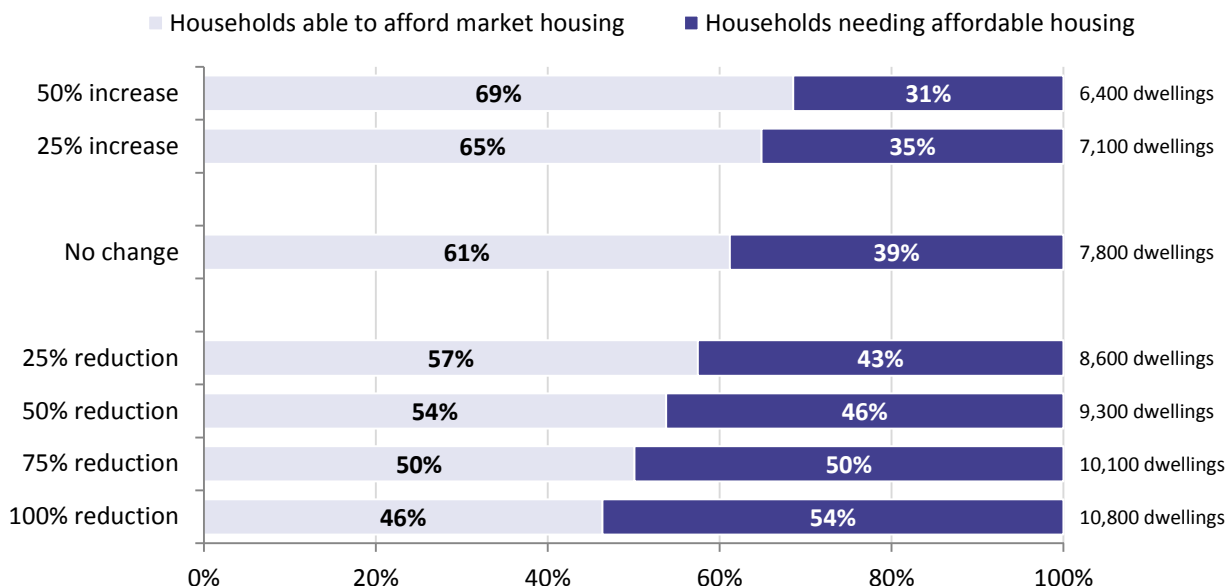
^{2.105} It is important to note that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit

support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

^{2.106} The model adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The model does not count any dwellings in the private rented sector as affordable housing supply;** however it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

^{2.107} To sensitivity test this position, Figure 22 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector.

Figure 22: Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2011-31 and associated number of affordable dwellings



^{2.108} If no households were to receive housing benefit support in the private rented sector, over half (54%) of the growth in household numbers would need affordable housing. This would need a total of 10,800 affordable homes to be provided over the 20-year Plan period 2011-31.

Conclusions

^{2.109} Based on the household projections previously established, we have established the balance between the need for market housing and the need for affordable housing. This analysis has identified a need to increase the overall housing need by 309 households to take account of concealed families and homeless households that would not be captured by the household projections. **These additional households increase the projected household growth from 19,213 to 19,522 households (20,031 dwellings) over the 20-year Plan period 2011-31.**

^{2.110} **The housing mix analysis identified a need to provide 7,656 additional affordable homes (7,848 dwellings) over the 20-year Plan period (an average of 392 dwellings per year).** This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant.

Note: Paragraphs 2.108 and 2.109 should be read in conjunction with Part 1 of this study. The OAN identified in Part 1 includes affordable housing, but the details on affordable housing shown here are not shown in Part 1.

^{2.111} Providing sufficient affordable housing for all households (who would otherwise be living in the private rented sector with housing benefit support) would increase the need to 10,841 affordable homes over the Plan period (542 each year); but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.

3. Housing Mix and Tenure

Establishing the mix of market and affordable housing

- 3.1 Demographic projections provide the basis for identifying the Objectively Assessed Need for all types of housing, including both market housing and affordable housing.
- 3.2 Volume I of the SHMA established the Full Objectively Assessed Need for Housing in the Stevenage and North Hertfordshire HMA to be 21,700 dwellings over the 20-year Plan period 2011-31. Planning Practice Guidance (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. Plan makers should therefore examine current and future trends of:

- » *the proportion of the population of different age profile;*
- » *the types of household (e.g. singles, couples, families by age group, numbers of children and dependents);*
- » *the current housing stock size of dwellings (e.g. one, two+ bedrooms);*
- » *the tenure composition of housing.*

This information should be drawn together to understand how age profile and household mix relate to each other, and how this may change in the future. When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people.

Planning Practice Guidance (March 2015), ID 2a-021

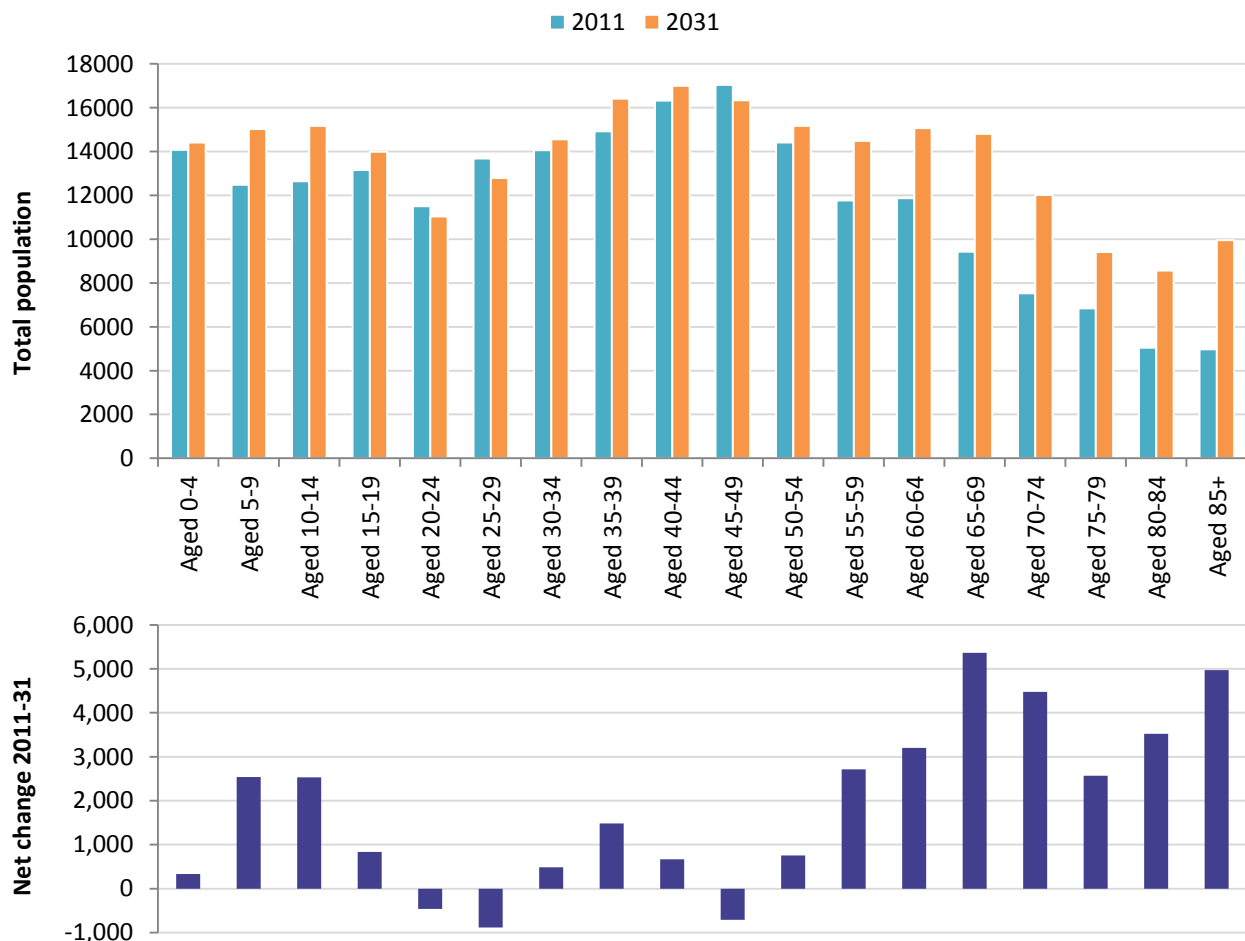
Projected Population Age Profile

- 3.3 The population projections based on long-term migration trends identified that the population was likely to increase from 211,741 persons to 246,155 persons over the 20-year period 2011-31; a 20-year increase of 34,414 persons, equivalent to an average of around 1,700 persons each year. Figure 23 and 24 show the projected change in population by 5-year age band for the 20-year Plan period 2011-31.
- 3.4 The number of persons in almost all age groups is projected to increase. The population aged 5-14 is projected to increase by 5,072 persons, which accounts for 15% of the overall growth; while 35-39 will also increase by 1,486 (4%).
- 3.5 However, it is evident that the population in older age groups is projected to increase substantially during the Plan period, with over 3 in 5 (61%) of the overall population growth (20,914 persons) projected to be aged 65 or over and 32% projected to be 75 or over (11,067 persons). This is particularly important when establishing the types of housing required and the need for housing specifically for older people.

Figure 23: Stevenage and North Hertfordshire population projections 2011-31 by 5-year age cohort based on 10-year migration trend scenario (Note: All figures presented unrounded for transparency)

Age	Total Population		Net change 2011-31	Percentage of net change
	2011	2031		
Aged 0-4	14,075	14,406	+331	1.0%
Aged 5-9	12,484	15,024	+2,540	7.4%
Aged 10-14	12,636	15,168	+2,532	7.4%
Aged 15-19	13,149	13,986	+837	2.4%
Aged 20-24	11,499	11,036	-463	-1.3%
Aged 25-29	13,676	12,790	-886	-2.6%
Aged 30-34	14,063	14,552	+489	1.4%
Aged 35-39	14,917	16,403	+1,486	4.3%
Aged 40-44	16,328	16,993	+665	1.9%
Aged 45-49	17,044	16,338	-706	-2.1%
Aged 50-54	14,408	15,166	+758	2.2%
Aged 55-59	11,769	14,485	+2,716	7.9%
Aged 60-64	11,861	15,062	+3,201	9.3%
Aged 65-69	9,430	14,797	+5,367	15.6%
Aged 70-74	7,534	12,014	+4,480	13.0%
Aged 75-79	6,846	9,415	+2,569	7.5%
Aged 80-84	5,050	8,573	+3,523	10.2%
Aged 85+	4,972	9,947	+4,975	14.5%
Total	211,741	246,155	+34,414	100.0%

Figure 24: Stevenage and North Hertfordshire population projections 2011-31 by 5-year age cohort based on 10-year migration trend scenario



Household Projections

- 3.6 Figure 25 summarises the total number of households in 2011 and 2031 in terms of the age of household representatives, together with the change in the number of households in each category over the 20-year Plan period 2011-31. The trend-based household projections identified a growth of 19,213 households based on the previous population projections, which yielded a housing need of 19,715 dwellings. Nevertheless, the SHMA recommended that a higher number of dwellings should be provided to respond to market signals and address existing unmet housing need at the start of the Plan period.
- 3.7 The Full Objectively Assessed Need (OAN) was established to be 21,700 dwellings over the 20-year Plan period 2011-31. Providing a larger number of homes will yield a higher number of households than suggested by the trend-based projections; an additional 1,653 households over the 20-year Plan period. Therefore, the total household growth is likely to be around 20,900 additional households.

Figure 25: Total projected households for 2011 and 2031 and summary of 20-year change by age of household representative
(Note: Figures may not sum due to rounding)

	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS									
2011	2,559	13,081	17,572	18,388	14,084	10,842	8,527	3,551	88,604
2031	2,588	13,097	19,238	18,158	17,879	17,603	12,399	6,854	107,817
TREND-BASED CHANGE 2011-2031	+29	+16	+1,666	-230	+3,795	+6,762	+3,872	+3,304	+19,213
Impact of OAN Uplift	+46	+294	+448	+328	+211	+154	+95	+78	+1,653
TOTAL CHANGE 2011-2031	+74	+310	+2,114	+98	+4,006	+6,916	+3,967	+3,382	+20,867

- 3.8 Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of household types. Whilst the increase in people aged 65+ represented over 60% of the overall population growth, the increase in households aged 65+ represents almost three quarters (73%) of the trend-based growth: 13,937 households out of the 19,213 total. Taking account of the OAN uplift increases the likely growth of older households to 14,264, equivalent to 68% of the total.
- 3.9 Nevertheless, many of these older households will already be established and living in existing homes in the Stevenage and North Hertfordshire HMA. They will simply get older during the Plan period. It is therefore also important to consider household growth in relation to age cohorts.
- 3.10 Figure 26 shows the projected number of households in each cohort, showing their age in both 2011 and 2031. For example, there were 13,081 households aged 25-34 in 2011 and these same households would be aged 45-54 by 2031. The trend-based projection identified that total number of households aged 45-54 in 2031 would be 18,158; therefore an extra 5,077 households. Together with a further 328 households following the OAN uplift, the total growth is likely to be around 5,406 households in this cohort; partly due to new household formations and partly due to net migration.
- 3.11 Based on the cohort analysis, it is apparent that around 39,075 extra households aged under 65 (in 2031) will be likely to form in Stevenage and North Hertfordshire over the period 2011-31. This includes 13,391 households aged 25-34 and 17,127 households aged 35-44 (although many of those aged 35-44 in 2031 may have already formed households by 2021, at which time that they were also aged 25-34).

Figure 26: Total projected households for 2011 and 2031 and summary of 20-year change by age cohort of household representative (Note: Figures may not sum due to rounding)

	Age of Household Representative									TOTAL
	Age in 2011	< 5	5-14	15-24	25-34	35-44	45-54	55-64	65+	
	Age in 2031	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS										
2011	-	-	2,559	13,081	17,572	18,388	14,084	22,920	88,604	
2031	2,588	13,097	19,238	18,158	17,879	17,603	12,399	6,854	107,817	
TREND-BASED CHANGE 2011-2031	+2,588	+13,097	+16,679	+5,077	+307	-785	-1,685	-16,065	+19,213	
Impact of OAN Uplift	+46	+294	+448	+328	+211	+154	+95	+78	+1,653	
TOTAL CHANGE 2011-2031	+2,633	+13,391	+17,127	+5,406	+518	-631	-1,590	-15,987	+20,867	

3.12 We previously noted that the overall growth was 20,867 households over the 20-year Plan period 2011-31, which is lower than the number of new households forming. Nevertheless, the 39,075 extra household aged under 65 are offset against a reduction of 18,208 households aged 65 or over (in 2031). Most of this reduction is due to household dissolution following death (although some may be due to net migration):

- » 22,920 households were aged 65+ in 2011, who would be aged 85+ in 2031 if they had survived;
- » The projected number of households aged 85+ in 2031 is 6,854, which represents a reduction of 16,065 households whose existing homes would be vacated.

3.13 Whilst the increase in overall households is largely amongst those aged 65+, we can therefore conclude that most of the **new households** seeking housing will actually be in their twenties and thirties at the time that they form. However, the total number of new households is likely to be more than double the overall household growth; so it is also important to recognise that many new households will buy or rent existing housing, and not all new housing will be occupied by new households.

Projected Household Types

3.14 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs.

3.15 Figure 27 shows the household numbers for 2011 and 2031 based on the trend-based based projections by household type and age; together with the net change (based on both the trend-based projections and the impact of the OAN uplift) for each group. This is based on the number in each age category rather than the number in each age cohort, as it is assumed that the housing needs are more likely to be influenced by the actual age rather than the year of birth.

3.16 In summary:

- » Single person households represent 27% of the overall household growth: an increase of 5,593 over the 20-year Plan period, including 4,608 extra single person households aged 65 or over;
- » Families with dependent children represent 35% of the overall growth: a projected increase of 3,577 lone parent households and 3,658 extra couples with dependent children; and
- » Couples without dependent children represent 26% of the growth and “other” households represent 12% of the total, with increases of 5,478 and 2,561 households respectively.

Figure 27: Total projected households for 2011 and 2031 and summary of 20-year change by household type and age of household representative (Note: Figures may not sum due to rounding)

Household Type	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS 2011									
Single person	826	3,762	3,466	3,639	3,350	3,544	5,350	2,451	26,388
Couple without children	481	3,295	2,247	6,425	8,695	6,416	2,391	732	30,681
Couple with child(ren)	267	3,592	8,465	6,360	1,019	138	17	12	19,870
Lone parent	727	1,663	2,824	1,136	137	40	23	16	6,565
Other households	259	769	570	828	883	703	747	341	5,099
TOTAL	2,559	13,081	17,572	18,388	14,084	10,842	8,527	3,551	88,604
TOTAL HOUSEHOLDS 2031									
Single person	699	4,023	3,758	3,452	3,799	5,037	6,548	4,228	31,543
Couple without children	396	2,771	1,624	4,560	10,073	10,596	4,154	1,530	35,704
Couple with child(ren)	198	3,143	8,719	8,151	2,355	406	53	45	23,070
Lone parent	1,071	2,134	4,571	1,608	297	117	72	67	9,937
Other households	224	1,025	566	388	1,355	1,447	1,573	985	7,562
TOTAL	2,587	13,097	19,238	18,158	17,879	17,603	12,399	6,855	107,817
TREND-BASED CHANGE 2011-31									
Single person	-127	+261	+292	-187	+448	+1,493	+1,197	+1,777	+5,155
Couple without children	-85	-523	-623	-1,866	+1,378	+4,180	+1,763	+799	+5,023
Couple with child(ren)	-69	-449	+254	+1,791	+1,336	+268	+37	+33	+3,200
Lone parent	+345	+471	+1,747	+473	+160	+77	+49	+51	+3,372
Other households	-35	+256	-5	-440	+473	+744	+826	+644	+2,463
TOTAL CHANGE	+28	+16	+1,667	-230	+3,795	+6,762	+3,872	+3,304	+19,213
IMPACT OF OAN UPLIFT									
Single person	+12	+90	+89	+62	+44	+43	+50	+48	+438
Couple without children	+7	+62	+39	+82	+120	+94	+32	+18	+455
Couple with child(ren)	+3	+71	+204	+148	+28	+4	+0	+0	+458
Lone parent	+19	+48	+104	+28	+3	+1	+1	+1	+205
Other households	+4	+24	+13	+7	+16	+12	+12	+10	+98
TOTAL IMPACT	+45	+295	+448	+328	+211	+153	+95	+78	+1,654
TOTAL CHANGE 2011-2031									
Single person	-115	+351	+380	-125	+493	+1,535	+1,248	+1,826	+5,593
Couple without children	-78	-461	-584	-1,783	+1,498	+4,274	+1,795	+817	+5,478
Couple with child(ren)	-66	-378	+458	+1,938	+1,364	+271	+37	+33	+3,658
Lone parent	+363	+519	+1,851	+501	+163	+78	+49	+52	+3,577
Other households	-31	+280	+9	-434	+488	+756	+838	+654	+2,561
TOTAL CHANGE	+74	+311	+2,115	+98	+4,006	+6,915	+3,966	+3,382	+20,867

Housing Mix: Size and Tenure

- 3.17 When considering future need for different types of housing, the model assumes that the housing mix needed by households of each household type and age will reflect current patterns. For example, a growth in single person households aged 65-74 will lead to an increase in the need for the type of housing currently occupied by single person households of this age. On this basis, where such households continue to live in family housing despite no longer having a family living with them, this need for family housing will still be counted.
- 3.18 Figure 28 identifies the need for market housing and affordable housing of different types (in terms of flats and houses) and sizes (in terms of number of bedrooms). Whilst there is projected to be an increase of 5,593 extra single person households, only 1,520 extra dwellings have one bedroom (230 market homes and 1,280 affordable homes). This reflects that many single person households will continue to occupy family housing in which they already live.
- 3.19 Overall, most of the market housing need is for housing (13,300 dwellings over the 20-year period) with a need for 630 flats also identified (around 5%). The need for affordable housing identified more housing than flats again (around 5,710 dwellings) but also identified a need for around 2,050 flats (around 26%). Whilst the need for affordable housing with four or more bedrooms is around 7% of the overall need, this represents a need for 580 large affordable homes that need to be provided over the 20-year period 2011-31. Much of this need will be from existing households living in overcrowded accommodation.

Figure 28: Housing mix of OAN for market and affordable housing by local authority (Source: ORS Housing Model. Note: Figures may not sum exactly due to arithmetic rounding)

		Stevenage Number	Stevenage Percentage	North Hertfordshire Number	North Hertfordshire Percentage	TOTAL
MARKET HOUSING						
Flat	1 bedroom	30	0.8%	200	2.0%	230
	2+ bedrooms	30	0.8%	360	3.6%	390
House	2 bedrooms	320	8.2%	840	8.4%	1,160
	3 bedrooms	2,960	75.9%	5,300	53.0%	8,260
	4 bedrooms	520	13.3%	2,540	25.4%	3,050
	5+ bedrooms	40	1.0%	790	7.9%	830
Total Market Housing		3,900	100%	10,000	100%	13,900
AFFORDABLE HOUSING						
Flat	1 bedroom	550	16.2%	740	16.8%	1,280
	2+ bedrooms	300	8.8%	470	10.7%	760
House	2 bedrooms	840	24.7%	1,010	23.0%	1,850
	3 bedrooms	1,470	43.2%	1,810	41.1%	3,280
	4+ bedrooms	250	7.4%	330	7.5%	580
Total Affordable Housing		3,400	100%	4,400	100%	7,800
TOTAL		7,300		14,400		21,700

- 3.20 Of course, the spatial distribution of housing provision will be determined through the planning process; which will also consider the most appropriate location for market and affordable housing, and the type and size of properties to be provided in different areas.

Affordable Housing Tenures

- 3.21 Within the overall need of 7,800 affordable homes identified by the model, it is possible to consider the mix of different affordable housing products that would be appropriate based on the mix of households needing affordable housing.
- 3.22 In order to profile the affordability of the mix of households needing affordable housing, income data from the English Housing Survey and ONS Survey of Personal Incomes has been combined and modelled to establish the income distribution by household type and age in the two local authority areas. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.
- 3.23 Figure 29 sets out the housing mix in terms of property type, size and affordable housing tenure in each of the local authority areas. For 1 and 2 bed properties rents are assumed to be 80% of market rents, for 3 bed dwellings they are 70% of market rents and for 4+ bed dwellings the rents are assumed to be social target rents. The analysis is based on two scenarios⁴:
- » Spending up to 25% of gross household income (excluding housing benefit) on housing costs; and
 - » Spending up to 35% of gross household income (excluding housing benefit) on housing costs.

Figure 29: Assessing affordable housing mix (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

		Up to 25% of gross income			Up to 35% of gross income		
		Stevenage	North Herts	TOTAL	Stevenage	North Herts	TOTAL
AFFORDABLE RENT							
Flat	1 bedroom	510	650	1,160	500	600	1,110
	2+ bedrooms	260	380	640	230	340	570
House	2 bedrooms	730	830	1,560	630	710	1,340
	3 bedrooms	1,090	1,190	2,280	920	970	1,890
	4+ bedrooms	190	220	410	150	180	330
Sub-total		2,780	3,270	6,050	2,430	2,800	5,240
% of affordable housing		82%	75%	78%	71%	64%	68%
INTERMEDIATE AFFORDABLE HOUSING							
Flat	1 bedroom	40	80	120	40	130	180
	2+ bedrooms	30	80	120	60	130	190
House	2 bedrooms	110	180	290	210	300	510
	3 bedrooms	380	620	1000	560	840	1400
	4+ bedrooms	60	120	180	100	150	250
Sub-total		620	1,080	1,710	970	1,550	2,530
% of affordable housing		18%	25%	22%	29%	36%	32%
TOTAL DWELLINGS		3,400	4,350	7,760	3,400	4,350	7,760

⁴ The benchmarks of 25% and 35% are set against the following rent levels: 1 and 2 bed properties have an affordable rent of 80% market rent; 3 bed properties have an affordable rent of 70% market rent; 4 bed properties have an affordable rent of social rent. This is in line with the current rent framework in the area and ensures that the larger properties meet local affordability requirements.

^{3.24} When considering the need by affordable housing tenure, over two thirds (68%) of households in need of affordable housing need affordable rent when 35% of their gross income is allocated to housing, and almost four-fifths (78%) would need affordable rent if housing costs accounted for up to 25% of income: many of these households will therefore depend on housing benefit. Nevertheless, between 25% and 32% of households in need of affordable housing could afford intermediate affordable housing products, such as shared equity or other forms of low cost home ownership.

4. Needs of different groups

Considering the need for all types of housing

The Private Rented Sector

- 4.1 As the private rented sector (PRS) expands and other tenures contract in terms of their relative share of national tenure, it is clear that many households who would traditionally meet their housing needs in other tenures are now renting privately.
- 4.2 The English Housing Survey (EHS) 2014-15⁵ identified that 19% (4.3 million) of households were renting from a private landlord, almost double the rate of 11% in 2003-04⁶. The EHS also shows that households aged 25-34 were more likely to be renting privately (46%) than buying a home, up from 24% in 2004-05. Owner occupation in this age group dropped from 54% to 34% over the same period. The proportion of households in the private rented sector with dependent children increased from 30% in 2004-05 to 37% in 2014-15. These changes were becoming evident a decade ago; 21% of households aged 25-34 were privately renting in 2003-04⁷, compared to 24% in 2004-05.
- 4.3 The Government sees the PRS having an important and long term role in meeting the housing need of the nation; CLG (with the Intermediary Mortgage Lenders Association; 2014) forecast that the private rented sector will increase in size to 35% nationally by 2032⁸. On this basis, the number of households renting privately could double again over the next twenty years. Meanwhile, recent stamp duty and tax concessions to PRS could slow the rate of growth or not; however, given that the changes are so recent there is no authoritative evidence for any impact, either short or longer term.
- 4.4 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

The private rented sector

Tenure data from the Office of National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. Market signals in the demand for private rented sector housing could be indicated from a change in rents.

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- 4.5 Policy by both Government and Local Authorities is focussed on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁹ (including the Build to Rent investment scheme¹⁰). The Government published “*Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities*” in March 2015¹¹, and the Foreword by the Minister stated:

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/501065/EHS_Headline_report_2014-15.pdf

⁶ <https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-headline-report>

⁷ <https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-headline-report>

⁸ <http://news.rla.org.uk/rpi-rent-revolution/>

⁹ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

¹⁰ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

“The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue.”

- 4.6 The policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending. However, there have been a number of legislative changes affecting the calculation and payment of housing benefit in the private rented sector, and these are set out below:

Figure 30: Summary of legislative changes affecting private tenants' LHA (Source: HM Treasury, DWP)

Effective from	Change
April 2011	Introduction of absolute caps on the maximum rates that can be paid for each size of property
	Ending of the 5 bedroom rate – LHA restricted to 4 bedroom rate
	Stopping claimants being able to keep up to a £15 'excess' above their actual rent if it is below the LHA
	Increasing deductions for non-dependants living with HB claimants
	Increasing the Government's contribution to Discretionary Housing Payments
	Amending size criteria to allow an extra bedroom for disabled claimants with a non-resident carer
October 2011	Setting maximum LHA at the 30th percentile of local rents instead of the median
January 2012	Increasing age qualification for Shared Accommodation Rate from 25 to 35 years old
April 2013	Increasing LHA rates over time by the Consumer Price Index instead of referencing market rents – increase by 1% from April 2014 except in high rent areas
	Reducing LHA by 10% for those claiming JSA for over a year – not implemented
	Council Tax Benefit replaced by localised Council Tax Reduction schemes
	Parts of the Social Fund abolished, including Community Care grants and Crisis Loans
	Universal Credit implementation begins (with a pathfinder) to complete by 2017
	Spare room subsidy ('bedroom tax') introduced
June 2013	End of DLA, PIP begins for new claims
July 2013	Benefit cap implementation
	Universal Credit pathfinder expands
October 2013	Temporary Accommodation to have housing costs met in line with Local Housing Allowance rates
	Reassessment of existing Disability Living Allowance migration to Personal Independence Payment begins
	Universal Credit roll-out begins
	Incapacity benefit abolished; all claimants move to Employment Support Allowance (ESA) by late 2017
	Expansion of PIP/DLA reassessment for existing claimants
April 2014	Removal of access to Housing Benefit for EEA Jobseekers
	LHA uprating limited to 1 per cent
	Help to work scheme introduced for those unemployed 2 years +
April 2016	State Pensions Age increases begin
	Four year freeze to certain working age benefits (pensioner benefits, DLA, PIP not frozen)
	Four-year freeze to local housing allowance rates
	Lowering the benefit cap to £23,000 in London and £20,000 elsewhere
	Universal credit claims will be limited to two children from April 2017 (with some exceptions)

Removing entitlement to housing support for those aged 21 or under (with some exemptions)

- 4.7 It is therefore important for local authorities to consider the role of the private rented sector at a local level and recognise the way in which private rented housing will continue to provide housing options for households unable to afford their housing costs in future. Nevertheless, local authorities need to understand the range of different households in their areas that currently rent from private landlords and consider their policy responses accordingly.

Private Rented Sector in Stevenage and North Hertfordshire

- 4.8 Considering the trends of tenure mix for Stevenage and North Hertfordshire, it is evident that there have been some significant changes in the balance between owner occupiers and tenants renting their home and also the balance between social and private landlords.
- » **From 1981-1991:** the number of owner occupiers climbed significantly (increasing from 29,000 to 45,000 households, a gain of 16 thousand). This was partly as a consequence of the Right to Buy, which led to a decline in the number of social tenants (reducing from around 31,000 to around 24,000 households, a loss of seven thousand); however there was no change in the number of private tenants (constant at 4,000).
 - » **From 1991-2001:** the number of owner occupiers continued to climb albeit at a slower pace (increasing from 45,000 to 54,000 households, a gain of 9,000); however this was alongside a growth of private tenants (increasing from around 4,000 to around 7,000 households, a gain of two thousand). The number of social tenants continued to decline (reducing from 24,000 to 21,000 households, a loss of three thousand).
 - » **From 2001-2011:** the number of owner occupiers increased further (from 54,000 to 56,000 households, a gain of two thousand) whilst the number of private tenants increased substantially (from 7,000 to 12,000 households, a gain of 5 thousand). The number of social tenants reduced marginally (from 21,000 to 20,000 households, a loss of just under a thousand).
- 4.9 It is evident that the overall balance between owners and renters has changed in 2011 since the position in 1981, with less than half owning in 1981 (46%) but nearly two-thirds owning in 2011 (64%). The balance between social rent and private rent has also changed: only just over one-in-ten renters rented privately in 1981 (6% of 52% renting) whereas nearly two-fifths rented privately in 2011 (13% out of 36% renting).

Figure 31: Number of Households by Tenure 1981-2011
(Source: UK Census of Population)

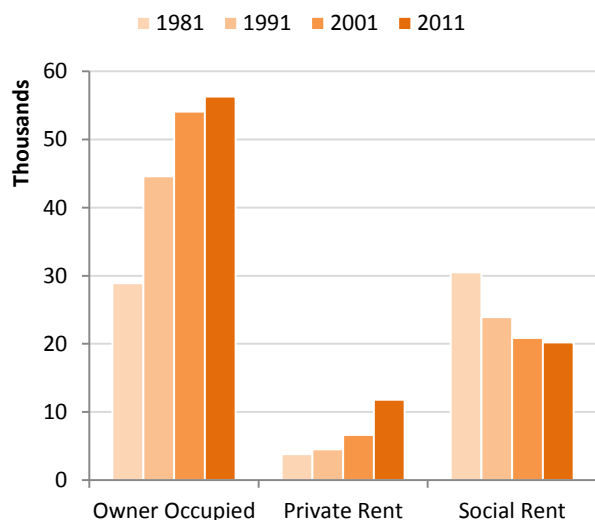


Figure 32: Percentage of Households by Tenure 1981-2011
(Source: UK Census of Population)

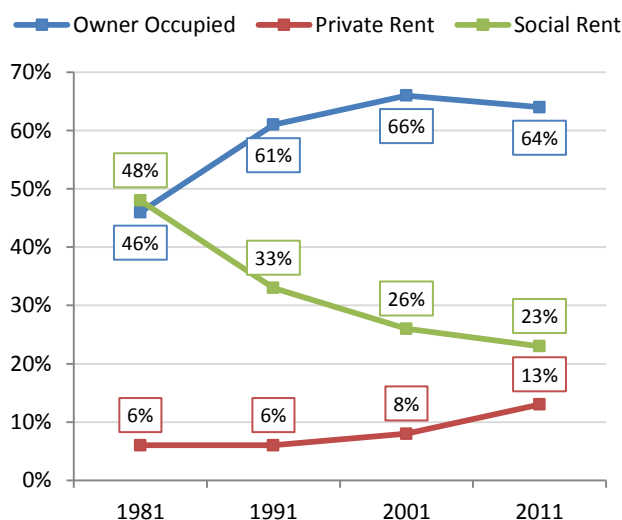


Figure 33: Households by Tenure 1981-2011 (Source: UK Census of Population)

Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	28,900	44,600	54,100	56,300	+15,700	+9,500	+2,200
Private rent	3,800	4,500	6,600	11,800	+700	+2,100	+5,200
Social rent	30,500	23,900	20,900	20,200	-6,600	-3,000	-700
TOTAL	63,200	73,000	81,600	88,300	+9,800	+8,600	+6,800
Owner occupied	45.7%	61.1%	66.3%	63.7%	+161%	+111%	+33%
Private rent	6.1%	6.2%	8.1%	13.4%	+7%	+25%	+77%
Social rent	48.3%	32.8%	25.6%	22.9%	-68%	-35%	-10%

^{4.10} Based on the range of information available about tenants currently renting privately in Stevenage and North Hertfordshire, it is helpful to consider the mix of different types of household living in the area:

- » 30 properties are rented by households that are students, although this is only 0.3% of the sector (26 in Stevenage, 8 in North Herts – figures do not sum due to rounding 26+8 rounds to 30);
- » 2,900 properties are rented by households in receipt of housing benefit, a quarter (25%) of the sector;
- » A further 8,900 households are renting privately without financial support; however, if the proportion of owner occupiers had not changed between 2001 and 2011, 2,200 of these households would have owned their home (“would be” owner occupiers). This represents nearly two in ten (19%) of all households renting privately; and
- » 6,700 households are therefore renting privately through choice, due to their current personal, family, employment or other circumstances.

^{4.11} It is important to recognise that the 2,200 households identified as “would be” owner occupiers are not included within the need for affordable housing, as they are able to rent market housing without financial support through housing benefit even if they cannot afford to buy. As previously noted, the NPPF seeks to “widen opportunities for home ownership” (paragraph 50) and national schemes such as Help-to-Buy and the proposed Starter Home Initiative aim to help people onto the housing ladder. **Given the number of**

“would be” owner occupiers in Stevenage and North Hertfordshire, the Councils may wish to consider any local options for extending home ownership to these households.

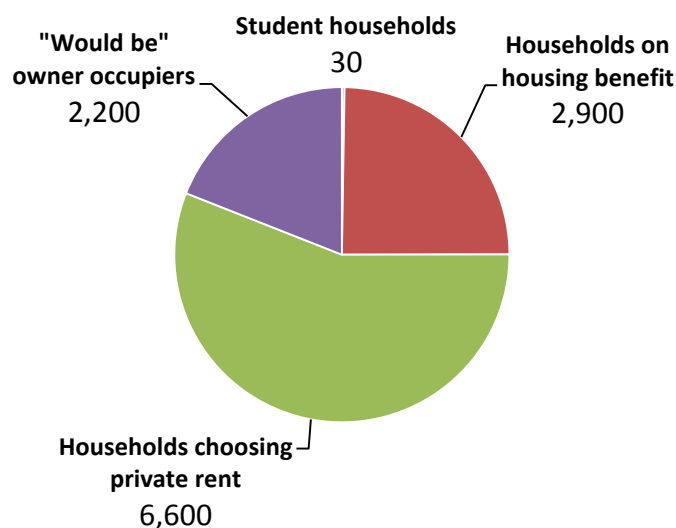
- ^{4.12} Further, there have been other actual or announced changes (Right to Buy ‘refresh’ of 2012, Right to Buy for housing association tenants 2016, Pay to Stay 2016, latter two both pending) which may influence demand for Private Rented Sector accommodation as affordable supply reduces. Further, the Housing and Planning Act 2016 furthers Government policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first time buyers.

The consultation on the Bill defines a Starter Home¹² as a new dwelling, only available for purchase by qualifying first-time buyers, which is to be sold at a discount of at least 20% of the market value and for less than the price cap (of £250,000 in England, £450,000 in Greater London), and is subject to restrictions on sale or letting. The consultation includes clauses stating that local authorities will have a general duty to promote the supply of Starter Homes through planning. This proposed duty to promote the supply of Starter Homes alongside other statements from Government ministers (suggesting that Starter Homes will be considered as ‘affordable housing’) has led to **speculation that the promotion of Starter Homes will restrict the supply of affordable housing for rent** for reasons such as a preference among developers to develop Starter Home property for sale rather than affordable housing for rent.

However, at the time of writing, and although the Housing and Planning Act has passed into law, there are unanswered questions about Starter Homes, with much detail still to be set out.

- ^{4.13} If the new supply of affordable homes changes to include Starter Homes, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock sold under Right to Buy), then demand for Private rented stock may continue or increase further.
- ^{4.14} This means that much of the increased demand for private rented stock is likely to continue, driven by young households with few other options should they wish to establish their own household.

Figure 34: Mix of household types living in the private rented sector (Source: UK Census of Population 2011 and DWP)



¹² <https://www.gov.uk/government/consultations/starter-homes-regulations-technical-consultation> comments are currently being analysed (July 2016)

Student Housing

- 4.15 PPG was updated in March 2015 to include specific reference to identifying the needs of students:

Local planning authorities should plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Plan makers are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. Plan makers should engage with universities and other higher educational establishments to better understand their student accommodation requirements.

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- 4.16 Whilst there are no Higher Education Institutions (HEIs) based in Stevenage and North Hertfordshire, the University of Hertfordshire has a campus with 25,000 students based in Hatfield. Nevertheless, Figure 34 identified that there were only around 30 student households renting privately in the HMA at the time of the Census, so students from the Hatfield campus do not generally live in Stevenage or North Hertfordshire. Furthermore, there are currently no plans proposed for the significant expansion of any HEIs within the two authorities. On this basis, the evidence does not show any significant pressure from students in the HMA.
- 4.17 The student population is already included within the trend-based demographic analysis; so the needs of any student households will already be counted within the overall level of housing need identified for Stevenage and North Hertfordshire HMA.

Service Families

- 4.18 Paragraph 50 of the NPPF identifies that local planning authorities should plan for the needs of different groups in the community, including service families.
- 4.19 The Government made a commitment towards housing members of the armed forces in the Armed Forces Covenant (2011) and *“Laying the Foundations: A Housing Strategy for England 2011”* (HM Government). Subsequently, in June 2012, the Government revised Guidance regarding priority for access to social housing for former members of the armed forces above that offered to other people in housing need. Whereas local authorities had been **expected** to give seriously injured service personnel “additional preference” (higher priority) for the allocation of social housing since 2009, this “additional preference” **should** now be given to applications from certain serving and ex-members of the armed forces who come within the reasonable preference categories defined in sub-section 166A (3) of the *“Housing Act 1996”* who have urgent housing needs.
- 4.20 *“The Allocation of Housing (Qualification Criteria for Armed Forces Personnel) (England) Regulations 2012”* and the *“Housing Act 1996 (Additional Preference for Former Armed Forces Personnel) (England) Regulations 2012”* both strengthened the position of some armed forces personnel in seeking to access social housing. There are a number of housing schemes that are available to the Service and Ex-Service community under the HomeBuy umbrella. HomeBuy enables social tenants, Ministry of Defence Personnel and other first time buyers to buy a share of a home and get a first step on the housing ladder in England.

In addition, the MOD Referral Scheme with Housing Associations in c.180 locations aims to provide low-cost, rented accommodation for people coming out of the Services.

- 4.21 Mandatory Disabled Facilities Grants (DFGs) are available from local authorities, subject to a means test, for essential adaptations to give disabled people better mobility at home and access to essential facilities. *“The Nation’s Commitment: Cross Government Support to our Armed Forces, their Families and Veterans”* (July 2008) made it clear that injured service personnel who bought a home through what was then the Key Worker Living Scheme might be eligible for a DFG to carry out necessary adaptation work.
- 4.22 Considering service families in Stevenage and North Hertfordshire HMA, Figure 35 shows the number of residents employed in the Armed Forces. There were a total of 192 service personnel living in the area at the time of the 2011 Census, all living in households.

Figure 35: Stevenage and North Hertfordshire residents employed in the Armed Forces (Source: 2011 Census)

	Stevenage	North Hertfordshire	TOTAL
Usual residents employed in the Armed Forces			
Living in a household	73	119	192
Living in a communal establishment	0	0	0
TOTAL	73	119	192
Percentage of population aged 16+	0.1%	0.1%	0.1%

- 4.23 This represents only 0.1% of the population aged 16 or over, therefore service families are relatively small in number in the area. The needs of these families are already included within the overall level of housing need identified for Stevenage and North Hertfordshire HMA.

People Wishing to Build their Own Homes

- 4.24 Paragraph 50 of the NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

People wishing to build their own homes

The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing, as supported by successive surveys. Local planning authorities should, therefore, plan to meet the strong latent demand for such housing.

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- 4.25 Over half of the population (53%) say that they would consider building their own home¹³ (either directly or using the services of architects and contractors); but it’s likely that this figure conflates aspiration with effective market demand. Historically, Self-build currently represents only around 10%¹⁴ of housing completions in the UK, compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 4.26 The attractiveness of self-build is primarily reduced costs; however the Joseph Rowntree Foundation report *“The current state of the self-build housing market”* (2001) showed how the sector in the UK had moved

¹³ Building Societies Association Survey of 2,051 UK consumers 2011

¹⁴ <http://www.bbc.co.uk/news/magazine-14125196>

away from those unable to afford mainstream housing towards those who want an individual property and/or a particular location.

- 4.27 The Government wants to enable more people to build or commission their own home and wants to make this form of housing a mainstream housing option.
- » *“Laying the Foundations – a Housing Strategy for England”* (HM Government, 2011)¹⁵ redefined self-build as ‘Custom Build’ and aimed to double the size of this market, creating up to 100,000 additional homes over the subsequent decade.
 - » *“Build-it-yourself? Understanding the changing landscape of the UK self-build market”* (University of York, 2013) set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply.
 - » The Coalition Government (2014) established a network of 11 Right to Build ‘Vanguards’ to test how the ‘Right to Build’ could work in practice in a range of different circumstances.
 - » Government funding¹⁶ for self-build is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 ‘shovel ready’ sites with planning permission.
- 4.28 Since April 1st 2016, the Self-Build and Custom Housebuilding Act¹⁷ 2015 requires local authorities to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build homes for those individuals to occupy. The Self-build and Custom Housebuilding (Register) Regulations 2016 and Draft planning guidance are also currently available. Stevenage self-build register currently has 20¹⁸ entries upon it.
- 4.29 In order to obtain a robust assessment of demand for this type of housing in their area, local planning authorities are encouraged to supplement the data from the registers with secondary data sources such as: building plot search websites, ‘Need-a-Plot’ information available from the Self Build Portal; and enquiries for building plots from local estate agents.
- 4.30 In May 2012 a Self-Build Portal¹⁹ run by the National Custom and Self Build Association (NCaSBA) was launched. There is no interest registered on the Self-Build Portal for Stevenage, though there is some interest in self-build across the HMA. This represents only a very limited number of people, and an exceptionally small proportion of the overall housing need identified each year. Given the historic low supply of self-build homes it will take time for self-build to make a significant contribution locally to meeting housing need in its current form; but any self-build properties delivered would be a component of (and not additional to) the overall housing need identified.

¹⁵ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

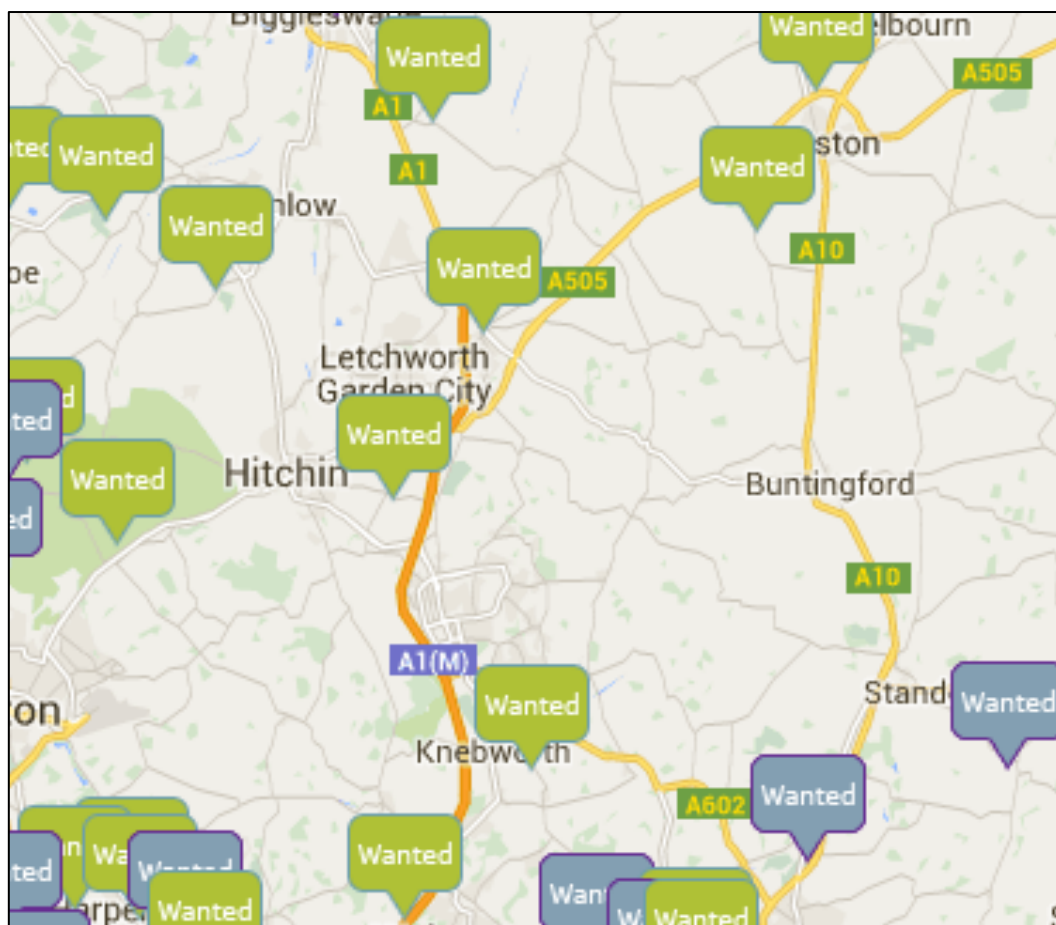
¹⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

¹⁷ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

¹⁸ <http://www.stevenage.gov.uk/149690/planning-policy/159560/>

¹⁹ <http://www.selfbuildportal.org.uk/>

Figure 36: Group and Individual Registrations currently looking for land in and around Stevenage and North Hertfordshire on the 'Need-a-Plot' Portal (Source: NCaSBA, June 2016)



- 4.31 Compliance with the Self-Build and Custom Housebuilding Act requires a register be in place to reflect local demand and this has already been undertaken in the study area. Consideration will need to be given to schemes to determine the extent to which they contribute to affordable housing need.
- 4.32 Stevenage has a policy of requiring 1% self-build on urban extensions. This is a reasonable response based on the limited evidence that is available.

Housing for Older People

- 4.33 Britain's population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 21.6m by 2037²⁰ for the over 60s, and from 1.4m (2012) to 3.6m by 2033 for the over 85s. Given this context, PPG recognises the importance of providing housing for older people:

²⁰ <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2012-based-projections/stb-2012-based-npp-principal-and-key-variants.html#tab-Changing-Age-Structure>

Housing for older people

The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over ... Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services, and providing more options for older people to move could also free up houses that are under occupied.

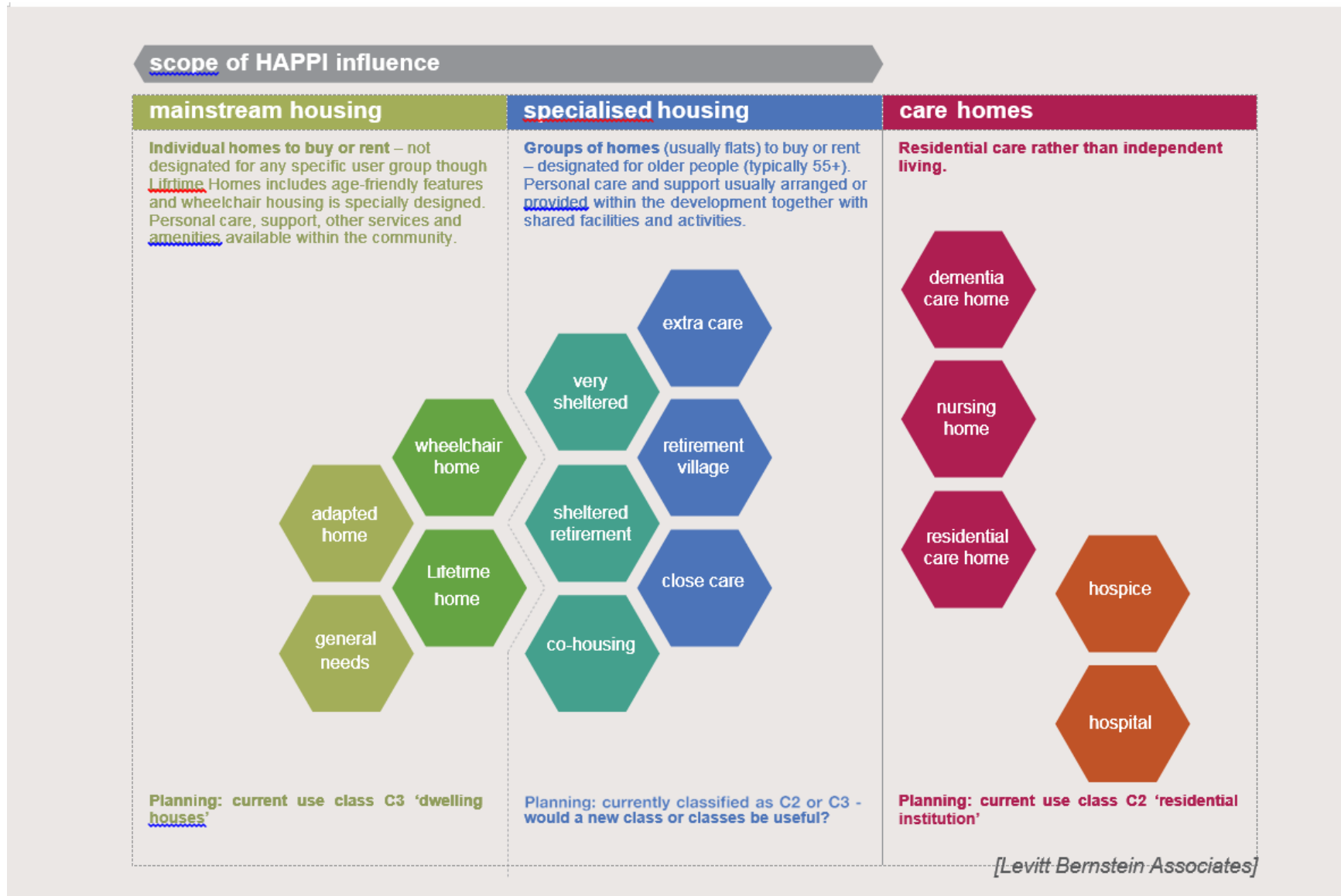
The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (Use Class C2). Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs.

Planning Practice Guidance (March 2015), ID 2a-021

Definitions of Older People Specialist Housing Types

- ^{4.34} Defining specialist housing for older people is a challenge; many different types of specialist housing have been developed since alms houses were first introduced in earlier times.
- ^{4.35} The specialist housing options considered in this section follow the definitions in the 2012 Housing Our Ageing Population report (HAPPI2)²¹. This considers the current provision in terms of general housing (including adapted and wheelchair homes), specialised housing (including extra care and sheltered housing) and care homes (including both Registered Nursing and Registered Care Homes). In planning terms, care homes are C2 residential institutions.
- ^{4.36} The table below, from HAPPI2 (2012), presents these types in diagrammatic form. Mainstream housing includes adaptations and wheelchair homes, while specialised housing includes sheltered and extra care housing:

²¹http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf



Excerpt: *Housing Our Ageing Population (2012)*

- 4.37 The combined population projections for Stevenage and North Hertfordshire identified that the population was likely to increase from 211,741 persons to 246,155 persons over the 20-year period 2011-31; a 20-year increase of 34,414 persons. The population in older age groups is projected to increase substantially during this period, with over 3 in 5 (61%) of the overall population growth (20,914 persons) projected to be aged 65 or over and 32% projected to be 75+ (11,067 persons). This is particularly important when establishing the types of housing required and the need for housing specifically for older people. Whilst most of these older people will already live in the area and many will not move from their current homes; those that do move home are likely to be looking for suitable housing.
- 4.38 The Housing Learning and Improvement Network (LIN) published *“More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people”*²² in February 2008; and subsequently published the *“Strategic Housing for Older People (SHOP)”*²³ resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for a range of specialist older person housing products, based on the population aged 75 or over.

Figure 37: Benchmark Figures for Specialist Older Person Housing

Form of Provision	More Choice, Greater Voice toolkit			SHOP resource pack		
	Owned	Rented	TOTAL	Owned	Rented	TOTAL
Demand per 1,000 persons aged 75+						
Leasehold Schemes for the Elderly (LSE)	75	-	75	120	-	120
Conventional Sheltered Housing	-	50	50	-	60	60
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	10	10	20	10	10	20
Extra care	12.5	12.5	25	30	15	45
Dementia	-	10	10	-	6	6
TOTAL	97.5	92.5	180	160	91	251

- 4.39 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures.
- 4.40 The More Choice, Greater Voice toolkit recognises that the suggested framework simply:
- “...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.”* (page 44)
- 4.41 Similarly, the SHOP resource pack acknowledges that the framework simply provides a baseline, which extrapolates *“...crude estimates of future demand from existing data”* (page 36).
- 4.42 There is no single correct answer when estimating the need for older person housing. However, based on the growth in population aged 75+ (identified across the population projection scenarios), the table below identifies the potential requirement for new specialist housing (using the Housing LIN Older People Resource Pack 2012). As can be seen, there is a significant need for Leasehold Schemes for the Elderly (LSE).

²² http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

²³ <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

Figure 38: Additional Modelled Demand for Older Person Housing (Source: Housing LIN Toolkit)

		Stevenage	North Hertfordshire	TOTAL
Population aged 75+				
2011		6,070	11,040	17,110
2031		9,700	19,260	28,960
Change 2011-31		+3,630	+8,220	+11,850
Additional Modelled Demand for Older Person Housing				
Extra care	Owned	110	250	360
	Rented	50	120	180
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	40	80	120
	Rented	40	80	120
Conventional sheltered housing to rent		220	490	710
Dementia		20	50	70
Leasehold Schemes for the Elderly (LSE)		440	990	1,420
TOTAL		910	2,060	2,970
<i>Percentage of Overall OAN</i>		<i>12.5%</i>	<i>14.3%</i>	<i>13.7%</i>

- 4.43 The toolkit identifies future need for 2,970 specialist older person housing units of various types over the 20-year period 2011-31; however almost half of this need (48%, 1,420 dwellings) is for LSE housing. The total need for older person housing represents around 13.7% of the overall OAN for the housing market area, however the North Hertfordshire need for 2,060 dwellings represents 14.3% of the OAN in that area whilst the Stevenage need for 910 dwellings represents 12.5% of the borough OAN.
- 4.44 PPG identifies that “assessments should set out the level of need for residential institutions (Use Class C2)” (ID 2a-021). Planning Practice Guidance for Housing and Economic Land Availability Assessment also states the following in relation to housing for older people:

How should local planning authorities deal with housing for older people?

Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.

Planning Practice Guidance (March 2015), ID 3-037

- 4.45 It is important to recognise that the identified OAN of 21,700 dwellings **does not include the projected increase of institutional population**, which represents a growth of 841 persons over the 20-year Plan period 2011-31. This increase in institutional population is a consequence of the CLG approach to establishing the household population²⁴, which assumes “that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s” on the basis that “ageing population will lead to greater level of population aged over 75 in residential care homes”. (Student housing – also classed as institutional housing - is considered earlier in this Chapter).
- 4.46 The Councils will therefore need to consider the most appropriate way to count the supply of bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this

²⁴ Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

should form part of the overall housing supply. **If bedspaces in residential institutions in Use Class C2 are counted within the housing supply, then the increase in institutional population aged 75 or over would also need to be counted as a component of the housing requirement (in addition to the assessed OAN).** If these bedspaces are **not counted** within the housing supply, **then there is no need to include the increase in institutional population as part of the housing requirement.**

- 4.47 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years and the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.
- 4.48 Although the institutional population is projected to increase by around 841 persons over the Plan period 2011-31 (based on the CLG assumption that there will be a "*greater level of population aged over 75 in residential care homes*"), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age groups in the household population; which would yield more households than assumed when establishing the OAN.
- 4.49 As a consequence, if fewer older people are expected to live in communal establishments than is currently projected, the needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.
- 4.50 More generally, it is important that policies for specialist older person housing are considered in partnership with other agencies, in particular those responsible for older person support needs. It is also important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
 - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme;
 - » **Existing supply:** while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life. Therefore, future need may be understated;
 - » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and
 - » **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Households with Specific Needs

- 4.51 Paragraph 50 of the NPPF identifies that local planning authorities should plan households with specific needs, and PPG states:

Households with specific needs

There is no one source of information about disabled people who require adaptations in the home, either now or in the future.

The Census provides information on the number of people with long-term limiting illness and plan makers can access information from the Department of Work and Pensions on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants. Whilst these data can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.

Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need. If necessary, plan makers can engage with partners to better understand their housing requirements.

Planning Practice Guidance (March 2015), ID 2a-021

- 4.52 Personal Independence Payments started to replace the **Disability Living Allowance** from April 2013; these are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions). Higher Mobility Component (HMC) is awarded when applicants have “*other, more severe, walking difficulty*” above the Lower Mobility Component (which is for supervision outdoors).
- 4.53 **Attendance Allowance** contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over. It is paid at two different rates: a lower rate is paid for those who need help or constant supervision during the day, or supervision at night; a higher rate is paid where help or supervision throughout both day and night is needed, or if people are terminally ill.
- 4.54 Nevertheless, PPG recognises that neither of these sources provides information about the need for adapted homes as “*not all of the people included within these counts will require adaptations in the home*”.
- 4.55 Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs. Grants cover a range of works, such as:
- » Widening doors and installing ramps;
 - » Improving access to rooms and facilities, for example stair lifts or a downstairs bathroom;
 - » Providing a heating system suitable for needs; and
 - » Adapting heating or lighting controls to make them easier to use.
- 4.56 Local data about DFGs was published by CLG in Live Table 314²⁵, and this indicated that 180 DFGs were funded in the study area in 2010/11 at an average cost of £6,310. This represents around 17% of the overall annual housing need identified, however PPG notes that whilst patterns of DFG applications “*provide an indication of expressed need*” it cautions that this could “*underestimate need*”. Of course, it is

²⁵ Table 314 has now been discontinued by CLG

also important to recognise that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

4.57 As previously noted, the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the 2015 edition of Approved Document M: Volume 1 (Access to and use of dwellings)²⁶. This introduces three categories of dwellings:

- » Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- » Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- » Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

4.58 Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for Category 2 and Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability. Planning Practice Guidance for Housing optional technical standards states:

Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.

To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.

Planning Practice Guidance (March 2015), ID 56-007

4.59 The demographic projections showed that the population of Stevenage and North Hertfordshire was projected to increase by around 34,400 persons over the 20-year period 2011-31 based on long-term migration trends. The number of people aged 65 or over is projected to increase by around 20,900 persons, which equates to 61% of the overall growth; which includes around an extra 5,000 persons aged 85 or over. Most of these older people will already live in the area and many will not move from their current homes; but those that do move home are likely to need accessible housing. It is not possible to predict where households who require Category 2 will need or wish to live, which suggests that a high proportion of dwellings will need to meet Category 2 requirements to allow the market to operate. There is a wider market for Category 2 beyond older people; they are also beneficial for families with young children and any person of any age with a mobility difficulty. **Given this context, the evidence supports the need for a high proportion of all dwellings to meet Category 2 requirements. Ideally 100% of all dwellings would meet Category 2 requirements in order to provide flexibility in the market and to benefit young families and other groups, providing that this does not compromise viability.** Some Local Plans elsewhere have adopted a target of 100% new dwellings to meet Category 2.

4.60 The CLG guide to available disability data²⁷ (referenced by PPG above) shows that currently around 1-in-30 households in England (3.3%) have at least one wheelchair user, although the rate is notably higher for

²⁶ <http://www.planningportal.gov.uk/buildingregulations/approveddocuments/partm/adm/admvol1>

²⁷ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

households living in affordable housing (7.1%). The rates are also higher for older households, and given that the number of older person households is likely to increase over the period to 2031, the proportion of households needing wheelchair housing in future is also likely to be higher. Figure 39 identifies the proportion of households with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 39: Percentage of households with a wheelchair user by type of housing and age of household representative
(Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

^{4.61} Figure 40 identifies the net change in the number of households with a wheelchair user over the period 2011 to 2031. It is evident that the number of households likely to need wheelchair adapted housing in Stevenage and North Hertfordshire is likely to increase by around 1,310 over the 20-year period 2011-31 (830 in North Hertfordshire and 480 in Stevenage), equivalent to around 6% of the overall OAN (3% of North Hertfordshire OAN and 11% of Stevenage OAN).

Figure 40: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+			Overall change 2011-31	% of OAN
	2011	2031	Net change 2011-31	2011	2031	Net change 2011-31		
Housing type								
Market housing	1,100	1,430	330	560	940	380	710	5.1%
Affordable housing	770	990	220	610	990	380	600	7.7%
All households	1,860	2,420	550	1,170	1,930	760	1,310	6.0%

^{4.62} This comprises just over 700 households in market housing (5% of the market housing OAN) and around 600 households in affordable housing (8% of the affordable housing OAN). It is evident that the majority of the identified growth (760 households, equivalent to 58%) are households aged 75 or over. It is likely that many of these households would also be identified as needing specialist housing for older persons. The earlier analysis identified a need for around 3,000 specialist older person housing units for households aged 75 or over, whilst the above analysis identifies a need for around 760 wheelchair adapted dwellings for households in the same age group.

^{4.63} Whilst not all households aged 75 or over needing wheelchair adapted housing will live in specialist older person housing, at any point in time it is likely that a quarter of those living in specialist housing will need wheelchair adapted homes. However, it is important to recognise that as individual household circumstances change, it is likely that some households will start using a wheelchair whilst living in specialist housing if their health deteriorates. On this basis, a higher proportion of specialist older person housing units will need to be wheelchair adapted to avoid households being forced to move. On this basis, **a target of all specialist housing for older people meeting Category 3 requirements could be justified.**

^{4.64} The proportion of general needs housing that needs to meet Category 3 requirements will therefore depend on the number of specialist older person housing units provided; but given the need for an extra

550 wheelchair adapted homes for households aged under 75, **the Council should plan for at least 3% of all general needs housing to meet Category 3 requirements.** This would include both market housing and affordable housing.

- 4.65 When developing appropriate policies, it is important to note that Planning Practice Guidance for Housing optional technical standards states:

Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling.

Planning Practice Guidance (March 2015), ID 56-009

- 4.66 On this basis, **it is appropriate for the local authority to set a target requiring the provision of wheelchair accessible housing that meets Category 3 requirements in relation to affordable housing. Furthermore, as there is clearly evidence to support the need to provide market housing that is wheelchair accessible, it would be appropriate for the local authority to set a target requiring that a proportion of market housing is readily adaptable to wheelchair accessible housing that meets Category 3 requirements.**

Supported Housing Needs

- 4.67 Whilst it is important for SHMAs to consider the support needs of disabled people in terms of the housing requirement, it is necessary for this to be within the context of their support needs more generally. Figure 41 sets out the growth in vulnerable and older people needs for each client group over the 20-year period 2011-31 based on estimates from the Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit.

Figure 41: Estimates of Vulnerable and Older People Needs in Stevenage and North Hertfordshire 2011-31 (Source: Homes and Communities Agency Vulnerable and Older People Needs Estimation Toolkit)

	2011	2031	Change 2011-31
People aged under 18 in need			
Teenage parents	20	20	0
Young people aged 16-17	40	50	+10
People aged 18-64 in need			
Alcohol misuse	700	740	+40
Learning disabilities	350	380	+30
Mental health problems	440	470	+30
Offenders	260	280	+20
Moderate physical or sensory disability	240	270	+30
Serious physical or sensory disability	70	80	+10
Refugees	20	20	0
Rough sleepers	10	10	0
Single homeless with support needs	330	360	+30
People aged 65+ in need			
Frail elderly	810	1,300	+500
Older people with mental health needs	1,330	2,150	+820
Older people with support needs	4,380	7,070	+2,700

- ^{4.68} The modelling of supported housing needs is complex and it is essential that housing options are established within the context of the strategy for wider support. It therefore isn't appropriate for the SHMA to determine these figures in isolation. Nevertheless, the numbers of people involved, in terms of change over time, are relatively low; so the overall need for various types of additional specialist housing is likely to represent a very small proportion of the overall housing need for 21,700 dwellings over the 20-year period 2011-31.
- ^{4.69} There are also issues regarding new build viability for supported housing; economies of scale are not strong (schemes tend to be bespoke or involve low volumes) and competition for land (especially in desirable areas) drives up values and costs. Further, the role of housing benefit in viability becomes more pronounced. Consequently, some form of subsidy will be required either from planning gain, land subsidy or capital contribution.
- ^{4.70} Further, there is a (currently suspended) Welfare reform proposal to align supported housing with general needs affordable housing, with regard to Local Housing Allowances and Housing Benefit. All new general needs tenancies commencing after April 2016, will have their Housing Benefit capped at the Local Housing Allowance rate. Supported housing is currently exempt from this change, for one year, as the Government consider the implications. However, were the change to be introduced, it may impact on an individual supported housing tenant's ability to pay rent, and make providers re-consider their approach to scheme viability.
- ^{4.71} Overall, development and Welfare Reform issues may impact on capital and revenue viability. Therefore, the proposed delivery level may actually be lower than the identified need due to constraints. It will therefore be important for housing and planning officers to continue liaison, including with colleagues from social care, to ensure that appropriate housing is provided and remains viable for the needs of Stevenage and North Hertfordshire's residents.

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