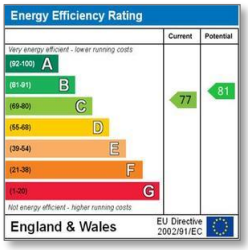
Opinion Research Services

Excellent research for the public, voluntary and private sectors



Gloucestershire Local Housing Needs Assessment 2019

Final Report and Summary

September 2020

Opinion Research Services | The Strand, Swansea SA1 1AF
Jonathan Lee | Trevor Baker | Belinda Herbert
Nigel Moore | Scott Lawrence | Hugo Marchant
enquiries: 01792 535300 · info@ors.org.uk · www.ors.org.uk

© Copyright September 2020

The below copyrights acknowledge the open source data that is provided by the respective bodies, and is used throughout this document

Contains Ordnance Survey data © Crown copyright and database right 2019
Contains Royal Mail data © Royal Mail copyright and database right 2019
Contains National Statistics data © Crown copyright and database right 2019
Contains public sector information licensed under the Open Government Licence v3.0

Contents

Executive Summary 6
Introduction 6
Housing Market Area 6
Calculating the Local Housing Need (LHN) 7
Affordable Housing Need 8
Needs of Different Groups 10
Housing for Older People 11
Housing for People with Disabilities 11

1. Introducing the Study 13
Introduction 13
Government Policy 13
The Standard Method for Local Housing Need Assessment 14
Changes to the Standard Method 16
Assessing Housing Needs 19
Duty to Co-operate 19

2. Defining the Housing Market Area 22
Functional Housing Market Areas 22
Planning Practice Guidance 22
Geography of Housing Market Areas (NHPAU/CURDS) 23
Identifying Travel to Work Areas 25
Travel to Work Patterns 26
Migration 27
Broad Rental Market Areas 29
Conclusions 31

3. Household Projections 32
Official Projections 32
Projected Household Size 34

4. Local Housing Need 36
Local Housing Need Based on Standard Methodology 36
Disaggregating the Minimum Local Housing Need Figure 37
Establishing the Housing Target 39

5. Jobs and Workers 40
Considering the Basis for Adjusting the Local Housing Need 40
Economically Active Population 41
Future Jobs Growth 43

6. Demographic Projections 46
Projected Population Age Profile 46
Household Projections by Age 49
Projected Household Types 51

7. Local Housing Market 53
Housing Tenure Trends 53
Housing Stock by Size (as at 2011) 57
Local Incomes 57
Cost of Home Ownership 58
Income Needed for Home Ownership 61
Cost of Renting 62
Income Needed to Rent Housing 64
Identifying the Gap for Affordable Home Ownership 70

8. Affordable Housing Need 72
Introduction 72
Establishing the Need for Affordable Housing to Rent and to Own 73
Home Ownership Trends 74
Affordable Housing Need: Households Unable to Afford 74
Current Unmet Need for Affordable Housing 75
Projected Future Affordable Housing Need 78
Overall Affordable Housing Need for Households Unable to Afford 82
Housing Mix: Size and Tenure 83
Future Policy on Housing Benefit in the Private Rented Sector 85
Affordable Housing Need: Households Aspiring to Home ownership 86
Additional Need for Affordable Home ownership 87
Identifying the Overall Affordable Housing Need 88
Affordable Housing Need by Area 92
Essential Local Workers 95

9. Needs of Different Groups....96
Introduction....96
The Private Rented Sector....96
Student Housing....99
Service Families....101
People Wishing to Build their Own Homes....104
Housing for Older People....107
Housing for People with Disabilities....116
Housing for Wheelchair Users....122
Home ownership for disabled people....126
Summary of Requirements....126
Space Standards....127
Gypsies and Travellers....131
The Gypsy and Traveller Accommodation Assessment 2016....132
Houseboats....133

Appendix A....136
Definitions....136
Acronyms and Initials....139

Appendix B....141
LPA Results relating to Figure 22 – Households Projections 2021 - 2041....143
LPA Results relating to Figure 42 – Current Affordable Housing Need....147
LPA Results relating to Figure 55 – Affordable homeownership housing mix by household affordability....153
LPA Results relating to Figure 56 – Overall Need for Housing by Size....155

Appendix C....157
Table of figures....157

Executive Summary

Summary of Key Findings and Conclusions

Introduction

1. Opinion Research Services (ORS) was commissioned by the six local planning authorities in Gloucestershire to prepare a Local Housing Needs Assessment (LHNA) to identify the minimum Local Housing Need (LHN) for the local planning authority areas using the standard method set out in Planning Practice Guidance (PPG). The study also considers the possible justification for any increase to the minimum LHN figure for plan-making purposes. The LHNA adheres to the requirements of the revised National Planning Policy Framework (NPPF) published in July 2018 (and updated in February 2019) and the associated PPG. The results will inform Local Plans.

2. The NPPF sets out government's planning policies for England and how these are expected to be applied. The Framework provides the national policy position for local planning authorities and decision-takers to follow, both in drawing up plans and making decisions about planning applications.

3. Under the revised NPPF 2019, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that "*strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach*". This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum LHN figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government unless it is possible to demonstrate exceptional local circumstances.

4. The Government has confirmed that it intends to comprehensively review the standard method over the next 18 months from February 2019,[1] and a technical consultation on proposed changes to the calculation was published in August 2020.[2] It may therefore be necessary to update the LHNA if the Government chooses to adopt a different approach following the proposed review of the formula.

Housing Market Area

5. Whilst the original NPPF 2012 expected Strategic Housing Market Assessments (SHMAs) to assess needs across Housing Market Areas (HMAs), the revised NPPF 2019 focusses on individual Local Planning Authority (LPA) areas. Nevertheless, in terms of plan-making, PPG retains the concept of the HMA [ID 61-010-20180913] within the Duty to Co-operate context, where joint working continues to be required.

6. Analysis of PPG-compliant data, such as migration and commuting patterns, confirms that the county boundary of Gloucestershire remains the most appropriate HMA for the six LPAs.

[1] "Government response to the technical consultation on updates to national planning policy and guidance" was published on 19 February 2019
[2] https://www.gov.uk/government/consultations/changes-to-the-current-planning-system

Calculating the Local Housing Need (LHN)

7. The revised NPPF 2019 confirms that planning authorities should normally use the standard methodology to establish a minimum LHN figure. Using the process set out in PPG [ID 2a-004-20190220] the minimum annual Local Housing Need figure for 2019 can be established as follows:

Figure 1: Establishing the minimum LHN figure by local authority area (Source: CLG, ORS; Note: All figures rounded to the nearest whole number)

	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
Step 1: Setting the baseline						
Annual average household growth 2019-2029	409	306	282	562	496	457
Step 2: An adjustment to take account of affordability						
Median workplace-based affordability ratio	8.97	13.63	9.09	6.68	9.01	8.50
Adjustment factor	31.1%	60.2%	31.8%	16.8%	31.3%	28.1%
Uncapped housing need	536	490	372	656	652	586
Step 3: Capping the increase						
Housing need cap based on Local Plan requirement with 40% uplift applied	769	588	462	1,005	638	693
Local Housing Need	**536**	**490**	**372**	**656**	**638**	**586**

8. The LHN figure for Stroud district is capped at 40% above the latest housing requirement given that the plan was adopted within the last five years; however, if the new plan is not submitted by November 2020 then the strategic policies for housing will no longer be considered up-to-date and the applicable cap will change, which would increase the minimum LHN to 652 dpa based on current figures.

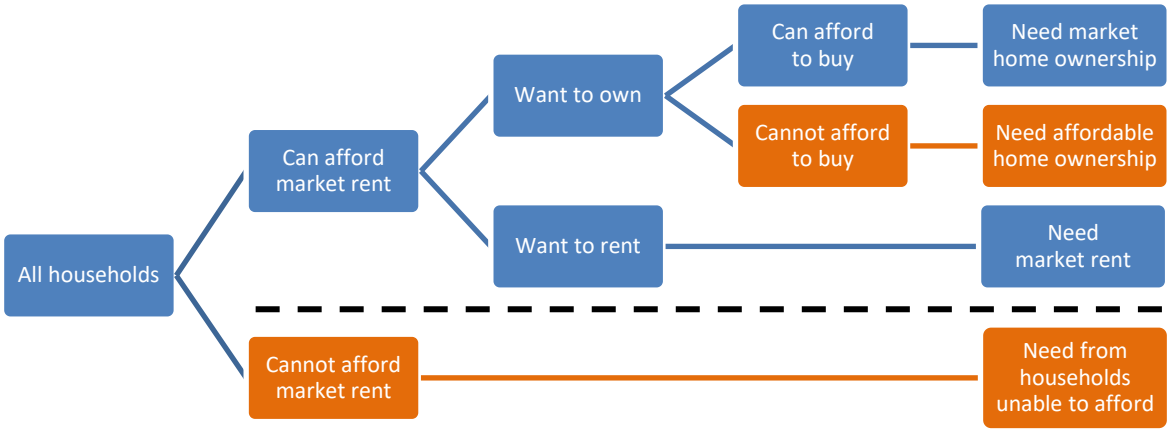
9. The LHNA has considered the alignment between future jobs and workers based on the minimum LHN figure based on jobs forecasts from Cambridge Econometrics and Oxford Economics. Of course, not all resident workers will work locally, and some jobs will be filled by workers commuting from other areas in Gloucestershire or from outside the study area. On the basis of the analysis, there will be sufficient resident workers to align with the jobs growth identified by the forecasts on the basis of no change in the commuting rates identified by the 2011 Census; so there is no justification for increasing the LHN above the minimum figure identified by the standard methodology.

10. The LHN only provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. In determining the local plan housing target, it will be necessary for the local authorities to consider whether or not the LHN could be met within their area, taking account of any constraints on land availability. In particular, it will be important to balance the need for housing against policies intended to restrict development in Areas of Outstanding Natural Beauty and any other areas with similar constraints. Where local authorities are unable to meet their LHN in full, it will be necessary for them to engage with neighbouring authorities through the Duty to Cooperate discussions in order to establish if any of the identified housing need that isn't able to be delivered locally (the "unmet need") could be provided for in other areas, either within or outside the county.

Affordable Housing Need

11. The revised NPPF 2019 introduced a new definition for affordable housing. Whilst the original NPPF 2012 identified that affordable housing should be provided for households "*whose needs are not met by the market*" [glossary, Annex 2 NPPF], the revised NPPF 2019 also includes "*housing that provides a subsidised route to home ownership and/or is for essential local workers*". On this basis, Figure 45 identifies the different groups of households that must now be considered when assessing the need for affordable housing. The needs of those households that cannot afford market rent must be added to the needs of those that can afford market rent but who want to own but cannot afford to buy.

Figure 2: Establishing the need for market and affordable housing



12. The LHNA has undertaken a comprehensive analysis of affordable housing need and established the number of dwellings needed to meet the existing and future needs of households unable to afford market rent and also the number of households aspiring to homeownership who cannot afford to buy.

13. Figure 62 provides a breakdown of the key components of the affordable housing assessment for each area. For those households unable to afford, the Affordable Housing Need is a "policy off" figure which assumes that the number of households in receipt of housing benefit in the private rented sector will not change. When considering those aspiring to homeownership, the analysis identifies those households with sufficient income and savings to afford affordable homeownership as the basis for the Planned Affordable Housing.

Figure 3: Key components of affordable housing by area (Source: ORS Housing Model)

	Households unable to afford			Households aspiring to home ownership			Total Affordable Housing	Planned Affordable Housing
	Affordable Housing Need 2021-41	Households supported by HB in PRS	TOTAL	Income and savings above minimum thresholds	No realistic prospect of buying	TOTAL		
	[A]	[B]	[A+B]	[C]	[D]	[C+D]	[A+B+C+D]	[A+C]
Cheltenham	1,510	2,022	**3,532**	2,364	7,836	**10,200**	13,732	**3,874**
Cotswold	1,477	1,068	**2,545**	1,020	3,822	**4,842**	7,387	**2,497**
Forest of Dean	1,470	1,534	**3,004**	725	2,060	**2,785**	5,789	**2,195**
Gloucester	3,039	3,675	**6,714**	1,566	4,804	**6,370**	13,084	**4,605**
Stroud	2,207	1,639	**3,846**	1,084	3,546	**4,630**	8,476	**3,291**
Tewkesbury	1,507	1,240	**2,747**	1,067	3,100	**4,167**	6,914	**2,574**
TOTAL	**11,210**	**11,178**	**22,388**	**7,826**	**25,169**	**32,995**	**55,383**	**19,036**

14. On this basis, the local authorities will need to plan to provide a total of 11,210 dwellings for households unable to afford in addition to the 7,826 dwellings for households aspiring to homeownership who are likely to form an effective demand for Affordable Home Ownership (AHO). Figure 4 provides a breakdown of the Gloucestershire LHN of 65,560 dwellings on this basis. Equivalent tables for each individual local area are provided in the main report.

15. In summary, there is a need for:
    - Social rented housing = 8,697 dwellings (13.7%) for households unable to afford affordable rent;
    - Affordable rent = 2,513 dwellings (4.0%) for households that can afford affordable rent but unable to afford market rent;
    - Affordable home ownership = 7,826 dwellings (12.4%), for households that can afford market rent but aspire to homeownership and have reasonable prospect of being able to afford this;
    - Market housing = 44,303 dwellings (69.9%); and
    - Allowance for C2 provision within the total housing need of 65,560 = equivalent to 2,221 dwellings that would be counted against the minimum LHN target; which represents almost 4,000 bedspaces.

16. Figure 4 also summarises the size mix identified for each tenure. This shows a significant need for 2-bedroom housing in affordable tenures; although there is also a need to provide a considerable number of larger affordable homes, including over 1,600 dwellings with four or more bedrooms (an average of 80 dwellings per annum) which is likely to be a significant challenge. In terms of market housing, the analysis identifies a significant need for family sized 3 and 4-bedroom housing to be provided. However, it will be important to consider whether more existing family housing could be released through providing smaller homes suited to older households looking to downsize.

Figure 4: Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need			Planned Affordable Housing	Planned Market Housing	TOTAL HOUSING
	Social rent	Affordable rent	Affordable Home Ownership			
1 bedroom	1,964	358	1,461	3,783	906	**4,689**
2 bedrooms	3,656	1,145	3,333	8,134	5,793	**13,927**
3 bedrooms	2,092	716	2,697	5,505	25,769	**31,274**
4+ bedrooms	985	293	336	1,614	11,834	**13,448**
TOTAL DWELLINGS	**8,697**	**2,513**	**7,826**	**19,036**	**44,303**	**63,339**
	13.7%	**4.0%**	**12.4%**	**30.1%**	**69.9%**	**100.0%**
Allowance for C2 need	-	-	-	-	-	**2,221**
LOCAL HOUSING NEED	**8,697**	**2,513**	**7,826**	**19,036**	**44,303**	**65,560**

17. Whilst it is relevant to consider the affordable housing as a percentage of the LHN as a starting point for developing policy targets, it will be important to demonstrate how the number of dwellings needed to be planned as affordable housing can be delivered. This will need to take account of the mix of sites likely to deliver housing over the plan period and the likely affordable housing that sites will contribute. In particular, it will be necessary to exclude small sites and conversions that will not deliver any affordable housing, and to make allowance for any existing permissions based on the amount of affordable housing to be delivered that has already been agreed.

18. The affordable housing policy targets would also need to be considered in the context of economic viability. Local viability assessments are likely to determine the actual affordable housing target (as a proportion of market housing sites) in each area and should help in providing a view on the deliverability of such a tenure mix, based upon local market evidence. The appropriate balance between rented affordable housing and affordable home ownership will also need to be considered in the context of economic viability; though it will be important to ensure that the identified affordable housing need for households unable to afford is met in full. It will also be necessary to consider the Government's target of at least 10% of new housing to be provided as affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

19. If the planned mix of sites and associated viability is unlikely to deliver the number of dwellings to be planned as affordable housing, there may be unmet need that would need to be considered under the Duty to Cooperate. It would also be necessary to consider whether an uplift to the housing requirement is justified. However, as the LHN itself already incorporates a significant uplift beyond the household projection-based housing need, a further uplift to market housing is likely to prove difficult to sustain; so it may be more appropriate to consider any uplift being identified as additional supply to provide flexibility within the plan rather than increasing the housing requirement and associated target.

20. In contrast, if economic viability assessments show that the planned mix of sites could deliver more than the number of dwellings to be planned as affordable housing in any of the local areas, it would be appropriate to maximise the amount of affordable housing that is delivered in the context of the housing needs evidence. In particular, it would be appropriate for the Councils to consider a higher affordable housing requirement based on a "policy on" position which sought to reduce the number of households that rent from a private landlord who are only able to afford their housing costs with housing benefit support.

Needs of Different Groups

21. Paragraph 61 of the revised NPPF 2019 requires that local planning authorities consider the housing needed for different groups in the community. In addition to the detailed analysis of local housing stock and the projected change in the mix of families and other households, and the affordable housing need assessment, the LHNA also considers each of the following groups:
    - The private rented sector;
    - Student housing;
    - Service families;
    - People wishing to build their own homes;
    - Housing for older people;
    - Housing for people with disabilities;
    - Space standards; and
    - Gypsies and travellers.

22. Whilst the needs of some of these groups are more relevant to individual local areas, others are relevant across the whole county – in particular housing for older people and housing for people with disabilities, which are summarised in the following sections.

Housing for Older People

23. The population projections identify that the population aged 75+ in Gloucestershire is likely to increase from 68,131 persons to 120,363 persons over the 20-year period 2021-41; a 20-year increase of 52,232 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.

24. Based on the current need and growth in population aged 75+ identified, the LHNA identified the potential requirement for new specialist housing for the period 2021-2041 using prevalence rates for sheltered housing from the Housing LIN SHOP resource pack and rates for extra care from Gloucestershire County Council. This analysis identifies a sheltered housing need of just over 14,500 dwellings (11,633 owned; 2,890 rented) in addition to a need for almost 900 dwellings provided as extra care (666 owned; 225 rented). Most of these properties will already be counted as part of the overall housing need; however, some extra care provision may offset some of the identified need for residential care counted in the allowance for C2 bedspaces.

25. Whilst many older person households plan to stay in their current home and some would never want to move, evidence from research projects undertaken both nationally and targeted to specific areas suggests that there are likely to be many thousands of older person households living in Gloucestershire who will be looking to move to suitable homes within the general housing stock. Most of those seeking to move currently occupy houses with three or more bedrooms and are seeking smaller homes, with a clear preference for two-bedroom bungalows (although there is also demand for three-bedroom homes from households living in properties with four or more bedrooms).

26. Providing suitable housing for these households would be likely to lead to a large number of family homes being vacated. However, if there were not enough bungalows available, it is likely that many of these households would not move from their existing family home. This has clear implications for the appropriate mix of market housing – as the identified need for additional three and four-bedroom homes could be reduced if more of the existing stock could be released by providing suitable housing in the community which older people find desirable and suitable to live in as they age.

Housing for People with Disabilities

27. 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 Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England). Three standards are covered:

    - M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
    - M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
    - M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

28. Given that the existing stock is considerably larger than projected new build, adapting existing stock through Disabled Facilities Grants (DFGs) is likely to form part of the solution. However, the English Housing Survey identifies that approaching half of all existing dwellings could not be adapted or would require major works in order for them to be made fully visitable, thereby meeting M4(1) standards; and given that many of the

requirements to meet M4(2) standards relate to dwelling design, it is often impossible for them to be retrospectively implemented except as part of major renovation works. On this basis, adapting existing stock alone is unlikely to provide sufficient properties to meet the needs of a growing older population.

29. In terms of new developments, Part M states that: *"Where no condition is imposed, dwellings only need to meet requirements M4(1)"* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) 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.

30. Based on the projected household growth and the changing demographics of the area, the LHNA has established the future need for adapted housing. Whilst there is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing; Figure 83 summarises the identified need for M4(3) Category 3 housing (both adaptable and adapted) and the minimum need for M4(2) Category 2 housing.

Figure 5: Summary of need for M4(2) and M4(3) housing by area

	Local Authority						TOTAL
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
Need for M4(2) housing	7,215	6,138	6,796	8,647	8,254	6,397	43,446
Need for M4(3) adaptable housing (market housing)	571	520	451	602	684	573	3,401
Need for M4(3) adapted housing (affordable housing)	213	210	170	387	297	232	1,509
Overall need for adapted housing	**7,999**	**6,868**	**7,417**	**9,636**	**9,235**	**7,202**	**48,356**

31. The evidence supports the need for a target of **67% of all housing to meet M4(2) Category 2 requirements**, and preferably more to take account of the lack of provision in the existing housing stock; and a target of **8% of all housing to meet M4(3) Category 3 requirements**.

32. As most of the identified growth in households with wheelchair users are aged 75 or over, it is likely that many of these households would also be identified as needing specialist housing for older persons. On this basis, the evidence also supports the need for a target of at least 25% and ideally 50% or more of specialist housing for older people to meet M4(3) Category 3 requirements; and all specialist housing for older people should meet M4(2) Category 2 requirements. This means that it may be appropriate to adopt higher targets for specialist housing for older persons that is wheelchair accessible, and this could reduce the proportion of general needs housing that would need to meet the Category 3 requirements.

1. Introducing the Study

Background to the project and wider policy context

Introduction

1.1 Opinion Research Services (ORS) was commissioned by the six local planning authorities in Gloucestershire to prepare a Local Housing Needs Assessment (LHNA) to identify the minimum Local Housing Need (LHN) for the local planning authority areas using the standard method set out in Planning Practice Guidance (PPG). The study also considers the possible justification for any increase to the minimum LHN figure for plan-making purposes. This LHNA adheres to the requirements of the new National Planning Policy Framework (NPPF) published in July 2018 (and updated in February 2019) and the associated PPG.

1.2 This LHNA considers how Local Housing Needs relate to the needs of different Local Authority Areas and considers the relationship between the minimum LHN (based on the standard method set out in PPG) and the employment growth identified by forecasts from Oxford Economics and Cambridge Econometrics. The analysis identifies how future employment growth might influence the scale and distribution of housing growth that the Councils' plan for the study area, considering the possible justification for increasing the housing requirement beyond the minimum LHN.

Government Policy

1.3 The Government published the National Policy Planning Framework (the original NPPF) in 2012. This set out the planning policies for England and how these were expected to be applied.

1.4 The original NPPF 2012 had a presumption in favour of sustainable development, and Paragraph 47 stated that Local Plans should meet *"the full, objectively assessed needs for market and affordable housing in the housing market area"*. The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the original NPPF 2012 set out that 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".*

1.5 A revised version of the National Policy Planning Framework (the revised NPPF) was published in July 2018. Whilst the revised NPPF 2018 maintained the underlying theme of sustainable development, several significant changes have been introduced in relation to identifying and meeting housing needs. The revised NPPF was updated in February 2019 to incorporate a number of detailed changes following a technical consultation. Whilst most of the changes appear relatively minor, they may have a substantial impact on identifying and meeting housing needs in some areas. The results of the consultation were summarised in the document "Government response to the technical consultation on updates to national planning policy and guidance".

1.6 Under the revised NPPF 2019, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *"strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach"*. This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum LHN figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with

the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

1.7 Local planning authorities are no longer required to prepare a Strategic Housing Market Assessment (SHMA) for the Housing Market Area (HMA), but they are now expected to produce a LHNA for their local area in order to assess the size, type and tenure of housing needed for different groups in the community.

1.8 This focus on local area has led to a change in the Duty to Cooperate, where neighbouring authorities are now required to produce Statements of Common Ground. Whilst HMAs are no longer mentioned explicitly in the revised NPPF 2019, Paragraph 60 identifies that *"any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for"*; and PPG identifies that HMAs are still one of the factors which must be considered when determining the relevant cross-boundary areas for plan-making [ID 61-010-20180913].

1.9 The revised NPPF 2019 has also introduced a new definition for affordable housing. Whilst the original NPPF 2012 identified in the Glossary at Annex 2 that affordable housing should be provided for households *"whose needs are not met by the market"*, the revised NPPF 2019 adds that this includes *"housing that provides a subsidised route to home ownership and/or is for essential local workers"*. This has led to a specific change in the PPG for assessing affordable housing need.

1.10 Under the original NPPF 2012, the need for affordable housing was based on those who could not afford to either buy or rent in the market – so households able to afford market rent would not be counted as part of the affordable housing need, even if they could not afford home ownership. However, the latest PPG states that assessments must now include the needs of *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [ID 2a-020-20190220]. On this basis, the needs of households able to afford market rent who aspire to but are unable to afford home ownership must now be counted.

The Standard Method for Local Housing Need Assessment

1.11 The original NPPF 2012 and associated PPG set out a methodology for establishing an Objectively Assessed Need for housing in a defined HMA. This methodology required that *"Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need"*, but allowed for adjustment based on local factors: *"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends."* Adjustments could therefore be made if there were concerns around the quality of local data (e.g. inaccurate migration estimates), along with evidence-based judgements on other need adjustments such as market signals uplift and alignment of jobs and workers based on local circumstances.

1.12 On 14 September 2017, the Department of Communities and Local Government (CLG) published a consultation on potential revisions to the NPPF 2012, including a standardised methodology for calculating the LHN. This included a number of key proposals.

- The starting point for calculating the LHN for any area should be the most up to date household projections published by CLG;
- While, deviation from this starting point can be considered, the consultation proposals note that; *There should be very limited grounds for adopting an alternative method which results in a lower need*; and
- The household projections published by CLG should be uplifted by a fixed affordability relationship based upon the ratio of house prices to earnings. The maximum uplift for a local authority area will be 40% above its CLG household projections or current Local Plan housing target.

1.13 CLG produced a spreadsheet of indicative housing needs figures which covered every local authority area in England based on the most up to date data at the time, the 2014 based household projections.

1.14 The revised NPPF 2019 confirms that planning authorities should use the standard methodology for plan-making, though alternative methodologies which result in a higher housing need figure may still be deemed appropriate. Therefore, the standard method identifies the minimum number of homes expected to be planned for. It does not produce a housing requirement figure. The LHN figure represents a minimum overall housing need, but local authorities can consider a higher figure for plan making if, for example, this reflects growth potential, or unmet need from elsewhere. This is confirmed by PPG, which states:

When might it be appropriate to plan for a higher housing need figure than the standard method?

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.

Paragraph: 010 Reference ID: 2a-010-20190220

1.15 PPG also suggests that local planning authorities will need to calculate their local housing need figure at the start of the plan-making process but that this number should be kept under review and revised where appropriate. This assessment is produced in line with this approach; several of the LPAs have not yet confirmed their local plan period but require updated local housing need figures. The LPAs have agreed that 2021-2041 is a suitable period for this assessment. Figures are also given for Stroud for their agreed local plan period of 2020-2040.

1.16 The housing need figure may change as the inputs are variable and this should be taken into consideration. It may therefore be prudent to consider a number that is higher than the minimum LHN to provide a buffer against possible future changes when testing different alternatives while reviewing local plans.

Changes to the Standard Method

1.17 Since the publication of the figures in September 2017, a range of new data has been released which allows for the calculation to be updated. This includes:

- New affordability data released in March 2018;
- New 2016-based sub-national population projections (SNPP) released in May 2018;
- A new methodology for calculating household projections released by the Office for National Statistics in June 2018; and
- New 2016-based household projections released in September 2018.

1.18 The national housing need produced using these new data is lower than previous estimates and below the Governments stated 300,000 dwelling per year target. As a consequence, the Ministry for Housing, Communities and Local Government (MHCLG) consulted on changes to the standard method approach, and on 26 October 2018 published ''*Technical consultation on updates to national planning policy and guidance October 2018*''.

1.19 At Paragraph 19 of the document, MHCLG set out their planned changes to the standard method:

> *19. The Government considers that the best way of responding to the new ONS household projections and delivering on the three principles in paragraph 18 above is to make three changes:*
>
> - *1. For the short-term, to specify that the 2014-based data will provide the demographic baseline for assessment of local housing need.*
> - *2. To make clear in national planning practice guidance that lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and*
> - *3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.*

1.20 Following on from this general context, the consultation asked the following specific questions:

> ***Question 1***
>
> *Do you agree that planning practice guidance should be amended to specify that 2014- based projections will provide the demographic baseline for the standard method for a time limited period?*
>
> ***Question 2***
>
> *Do you agree with the proposed approach to not allowing 2016-based household projections to be used as a reason to justify lower housing need?*

1.21 After considering the consultation responses received, the "*Government response to the technical consultation on updates to national planning policy and guidance*" was published on 19 February 2019.

1.22 Despite the majority of consultees disagreeing with the proposal at Question 1, the Government still considers that its proposed approach is the most appropriate in the short-term.

> ***Government response to Question 1***
>
> *Having taken the responses into account, the Government considers that its proposed approach to providing the demographic baseline for the standard method is the most appropriate approach for providing stability and certainty to the planning system in the short-term. This decision has been taken in the context that the standard method does not represent a mandatory target for local authorities to plan for, but the starting point for the planning process. Local planning authorities may decide that exceptional circumstances justify the use of an alternative method, but they will need to identify these reasons and can expect them to be tested by the Planning Inspectorate during the examination of their plans. Local authorities may also not be able to meet their identified housing need in full, for example because of land constraints (such as Green Belt) in their area and it may be that need is better met elsewhere. The proposed approach does not change this.*

1.23 On this basis, it would appear that any deviation from the standard methodology should only be considered if exceptional circumstances can be demonstrated. Nevertheless, the revisions to PPG [ID 2a-015-20190220] clarify that an alternative approach that identifies a need higher than using the standard method will be considered sound, providing that it adequately reflects current and future demographic trends and market signals, given that it will have exceeded the minimum starting point. Any figure lower than that identified using the standard method will need to be justified through exceptional local circumstances.

1.24 The Government's response goes on to say:

> *Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market.*
>
> *A key consideration of the standard method is to provide a degree of continuity between assessments of housing need over time. The changes to underlying assumptions in the population projections and methodological improvements to the household projections had led to significant variations in housing need at a local level, something that needs addressing in the short term.*

1.25 The end of the 18-month period that the Government cites (August 2020) will be shortly after the release of the 2018-based Sub National Population Projections which are likely to be published in May 2020, and likely to coincide with the publication of the associated 2018-based Household Projections.[3]

1.26 The Government has made it clear that it does not doubt the accuracy of the ONS 2016-based projections, as stated in the consultation: *"the Government is clear that this does not mean that it doubts the methodological basis of the 2016-based household projections."* (again, from the Question 1 response).

1.27 However, in its response to Question 2, the Government has made it clear that the existence of the lower 2016-based projections is not a justification for a lower local housing need assessment, despite further disagreement from respondents to the consultation.

> ***Government response to Question 2***
>
> *Taking into account these responses, the Government continues to think that the 2016- based household projections should not be used as a reason to justify lower housing need. We understand respondents' concerns about not using the latest evidence, but for the reasons set out in the consultation document we consider the consultation proposals to be the most appropriate approach in the short-term. We are specifying in planning guidance that using the 2016-based household projections will not be considered to be an exceptional circumstance that justifies identifying minimum need levels lower than those identified by the standard method.*

1.28 It seems likely that the concerns about not using the latest evidence will ultimately be tested in the courts. Whilst there are some uncertainties about the new method for calculating household formation that ONS has introduced for the 2016-based household projections, the 2016-based sub national population projections are based on a method that is largely consistent with that used for the 2014-based population projection but using more up-to-date data and based on improved mid-year population estimates. As part of the 2016-based household projections publication, the ONS included an output which applied the previous CLG 2014-based household formation rates to the new 2016-based population projection (variant output 2) which provides up-to-date figures using the previous method.

1.29 ONS published variant outputs for the 2016-based sub-national population projections in April 2019 and has recently consulted users on possible variants to the household projections. It seems likely that comparable variant scenarios will be included as part of the 2018-based projections which will enable the Government to propose an alternative scenario when the standard method is fully revised.

1.30 This analysis follows the standard method, using 2014-based household projections as the minimum LHN, which is then built on by considering factors such as the need for an uplift and jobs and workers.

[3] National population projections are published every two years, with the 2018-based projections expected to be released around October 2019. Sub National Population Projections usually follow approximately 6 months later, and household projections later that same year. The 2016-based SNPP was released in May 2018, and the 2016-based household projections were released in September 2018.

Assessing Housing Needs

1.31 The revised NPPF 2019 no longer requires local planning authorities to produce a SHMA to establish housing need for HMAs, but instead requires local planning authorities:

> *60. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*
>
> *61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> *62. Where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:*
>
> *a) off-site provision or an appropriate financial contribution in lieu can be robustly justified; and*
>
> *b) the agreed approach contributes to the objective of creating mixed and balanced communities*
>
> **National Planning Policy Framework 2019 (NPPF), paragraph 60-62**

1.32 Therefore, the revised NPPF 2019 does not contain any explicit reference to SHMAs and housing needs are to be established at a local authority level. However, a LHNA must now be prepared which will establish a minimum LHN figure using the standard method set out in PPG [ID 2a-004-20190220]. In addition, the LHNA will need to identify the size, type and tenure of housing needed for a range of different groups in the community, which are broadly similar to those identified by the original NPPF 2012.

1.33 However, whilst the original NPPF 2012 expected SHMAs to be undertaken to assess needs across HMAs, the focus of the revised NPPF 2019 is on the needs of individual Local Planning Authorities without any mention of HMAs. Nevertheless, in terms of plan-making, PPG has retained the concept of the HMA [ID 61-010-20180913] within the Duty to Co-operate context, where joint working continues to be required.

Duty to Co-operate

1.34 The Duty to Co-operate was introduced in the 2011 Localism Act and is a legal obligation.

1.35 The NPPF 2019 sets out an expectation that public bodies will co-operate with others on issues with any cross-boundary impact, in particular in relation to strategic priorities such as *"the homes and jobs needed in the area"*.

Maintaining effective cooperation

24. Local planning authorities and county councils (in two-tier areas) are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.

25. Strategic policy-making authorities should collaborate to identify the relevant strategic matters which they need to address in their plans. They should also engage with their local communities and relevant bodies including Local Enterprise Partnerships, Local Nature Partnerships, the Marine Management Organisation, county councils, infrastructure providers, elected Mayors and combined authorities (in cases where Mayors or combined authorities do not have plan-making powers).

26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary, and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.

27. In order to demonstrate effective and on-going joint working, strategic policy-making authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance, and be made publicly available throughout the plan-making process to provide transparency.

National Planning Policy Framework (NPPF 2019), paragraphs 24-27

1.36 The manner in which councils have complied with their legal requirements under the Duty to Co-operate will be considered when plans are submitted for examination. One key issue is how any unmet development and infrastructure requirements can be provided by co-operating with adjoining authorities (subject to tests of reasonableness and sustainability).

1.37 The PPG elaborates further on the requirement for a Statement of Common Ground (in the section on Plan-Making, updated 23 July 2019):

Maintaining effective cooperation

How are plan-making bodies expected to cooperate?

Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans (including minerals and waste plans), spatial development strategies, and marine plans.

The National Planning Policy Framework sets out that these authorities should produce, maintain, and update one or more statement(s) of common ground, throughout the plan-making process. Local planning authorities are also bound by the statutory duty to cooperate. Neighbourhood Planning bodies are not bound by the duty to cooperate, nor are they required to produce or be involved in a statement of common ground.

Reference ID: 61-009-20190315

1.38 In Paragraph 61-017 entitled *"Which geographical area does a statement of common ground need to cover?"*, PPG explicitly discusses the appropriate functional geography to which the Statement of Common ground should apply: *"For example, housing market and travel to work areas, river catchments, or landscape areas may be a more appropriate basis on which to plan than individual local planning authority, county, or combined authority areas".* It goes on to define housing market areas:

> **How can housing market areas be defined?**
>
> *A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. These can be broadly defined by analysing:*
>
> *The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
>
> *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
>
> *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*
>
> *Suggested data sources: Office for National Statistics (internal migration and travel to work areas statistics); Land Registry House Price Index and Price Paid data (including sales); data from estate agents and local newspapers about geographical coverage of houses advertised for sale and rent; Ministry of Housing, Communities and Local Government statistics including live tables on affordability (lower quartile house prices/lower quartile earnings); and neighbourhood data from the Census.*
>
> **Reference ID: 61-018-20190315**

1.39 This definition of an HMA is almost identical to that in the original PPG relating to housing need.

2. Defining the Housing Market Area

An evidence base to identify functional housing markets

2.1 It is important to agree the definitions for HMAs with neighbouring councils to ensure consistency as far as possible; therefore, it is helpful to undertake the required analysis across a wider geographical area. In addition, the revised NPPF February 2019, Paragraph 60 states that *"any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for"*. It is easier to identify and work with neighbouring areas that are in the same HMA. PPG on Plan Making (July 2019) says that authorities should:

> *[Work] with neighbouring authorities and key stakeholders to establish the housing market area, or geography which is the most appropriate to prepare policies for meeting housing need across local authority boundaries.*
>
> **Planning Practice Guidance (July 2019), ID 61-039**

Functional Housing Market Areas

2.2 The definition of a functional housing market area is well-established as being "*...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay*" (Maclennan et al, 1998)[4].

Planning Practice Guidance

2.3 Planning Practice Guidance (PPG) on Plan Making (July 2019) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

> *A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.*
>
> **Planning Practice Guidance (July 2019), ID 61-009**

2.4 Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:

- House prices and rates of change in house prices;
- Household migration and search patterns;
- Contextual data (e.g. travel to work area boundaries, retail and school catchment areas).

[4] Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes

2.5 These sources are consistent with those identified in the CLG advice note *"Identifying sub-regional housing market areas"* published in 2007.[5]

Geography of Housing Market Areas (NHPAU/CURDS)

2.6 CLG also published a report on the *"Geography of Housing Market Areas"* in 2010[6] which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. The report also proposed three overlapping tiers of geography for housing markets:

- **Tier 1:** framework housing market areas defined by long distance commuting flows and the long-term spatial framework with which housing markets operate;
- **Tier 2:** local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage;
- **Tier 3:** sub-markets defined in terms of neighbourhoods or house type price premiums.

2.7 The report recognised that migration patterns and commuting flows were the most relevant information sources for identifying the upper tier housing market areas, with house prices only becoming relevant at a more local level and when establishing housing sub-markets. The report also outlined that no one single approach (nor one single data source) will provide a definitive solution to identifying local housing markets; but by using a range of available data, judgements on appropriate geography can be made.

2.8 Advice published in the Local Government Association Planning Advisory Service (PAS) Objectively Assessed Need (OAN) technical advice note[7] also suggests that the main indicators will be migration and commuting.

> *"The PPG provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. In practice, the main indicators used are migration and commuting."*

2.9 The PAS OAN technical advice note also suggests that analysis reported in the CLG report *"Geography of Housing Market Areas"* (CLG, November 2010) should provide a starting point for drawing HMAs (Figure 6). This suggests that the Gloucestershire authorities are spread across several HMAs centred around Hereford, Gloucester, Cheltenham, Swindon/Wiltshire and Bristol. This scale does not produce a "convincing" analysis.

2.10 Figure 7 illustrates the output for the proposed two-tier geography based on 50% migration containment within 77.5% commuting containment. These containments percentages were used "*after being considered on theoretical, technocratic and spatial planning considerations*" (*Geography of Housing Market Areas* p34). This analysis suggests that the Gloucestershire authorities cut across several HMAs but that the main body of Gloucestershire; Cheltenham and Gloucester along with much of the Forest of Dean, Tewkesbury and Stroud, lies within a single HMA. A small area in the south of the Forest of Dean lies within a Monmouthshire HMA and a small area in the south of Stroud lies in the HMA centred around Bristol. The main geographic area of Cotswold lies within the Gloucestershire HMA, with a significant part also lying in other HMAs; small areas lie in a Worcestershire HMA and Oxford HMA, and a larger area in Swindon HMA.

[5] Identifying sub-regional housing market areas (CLG, March 2007); paragraph 1.6
[6] Geography of Housing Market Areas (CLG, November 2010); paragraph 1.6
[7] http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d; paragraph 5.4

2.11 The analysis of migration and commuting for the "starting point" of the CLG study was based on data from the 2001 Census. Given this context, the PAS OAN technical advice note recognises that "*more recent data should always 'trump' this geography*" (first edition, paragraph 4.9). Due to the complexities of the geographies in this area, a more fundamental analysis of the data is needed.

Figure 6: NHPAU Study - PAS OAN technical advice note "Starting Point" (Note: this map is reproduced from the NHPAU study and is not editable)

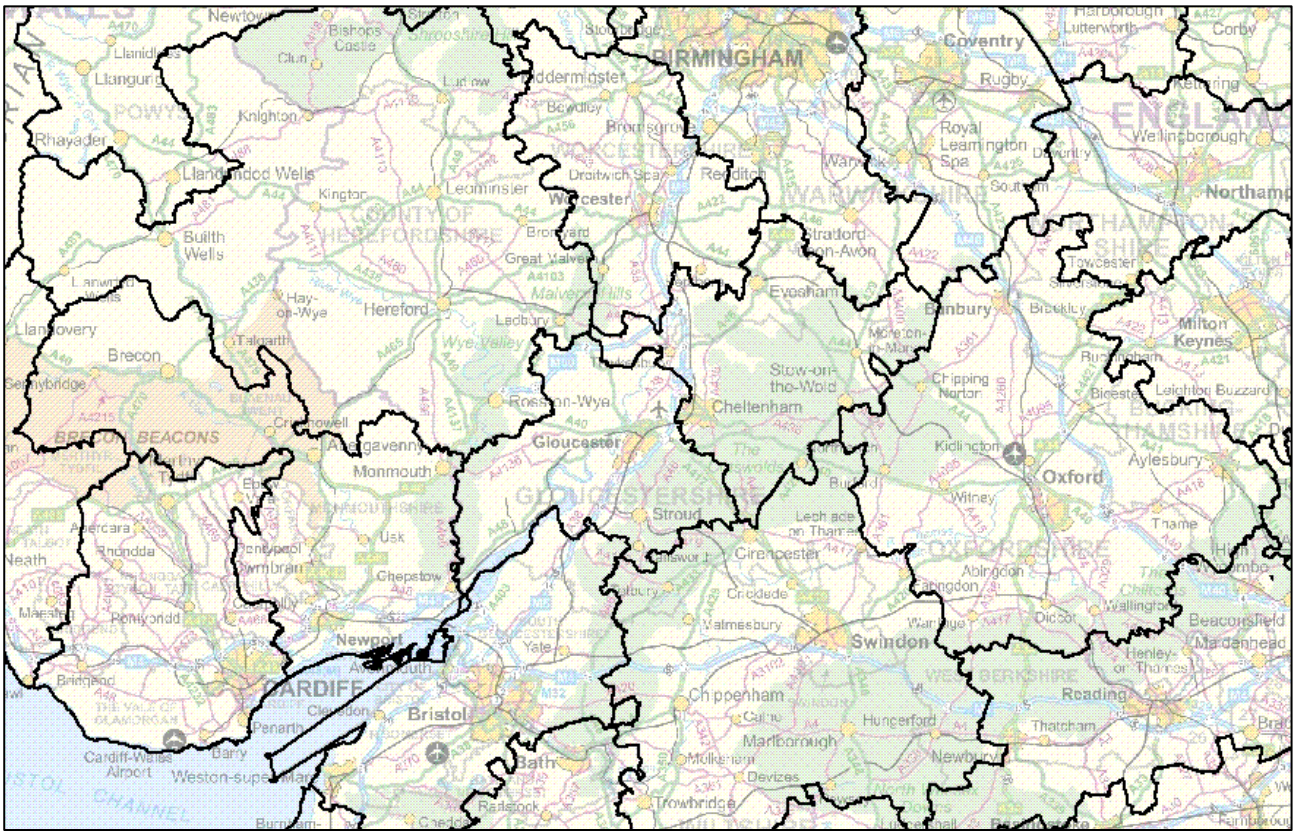
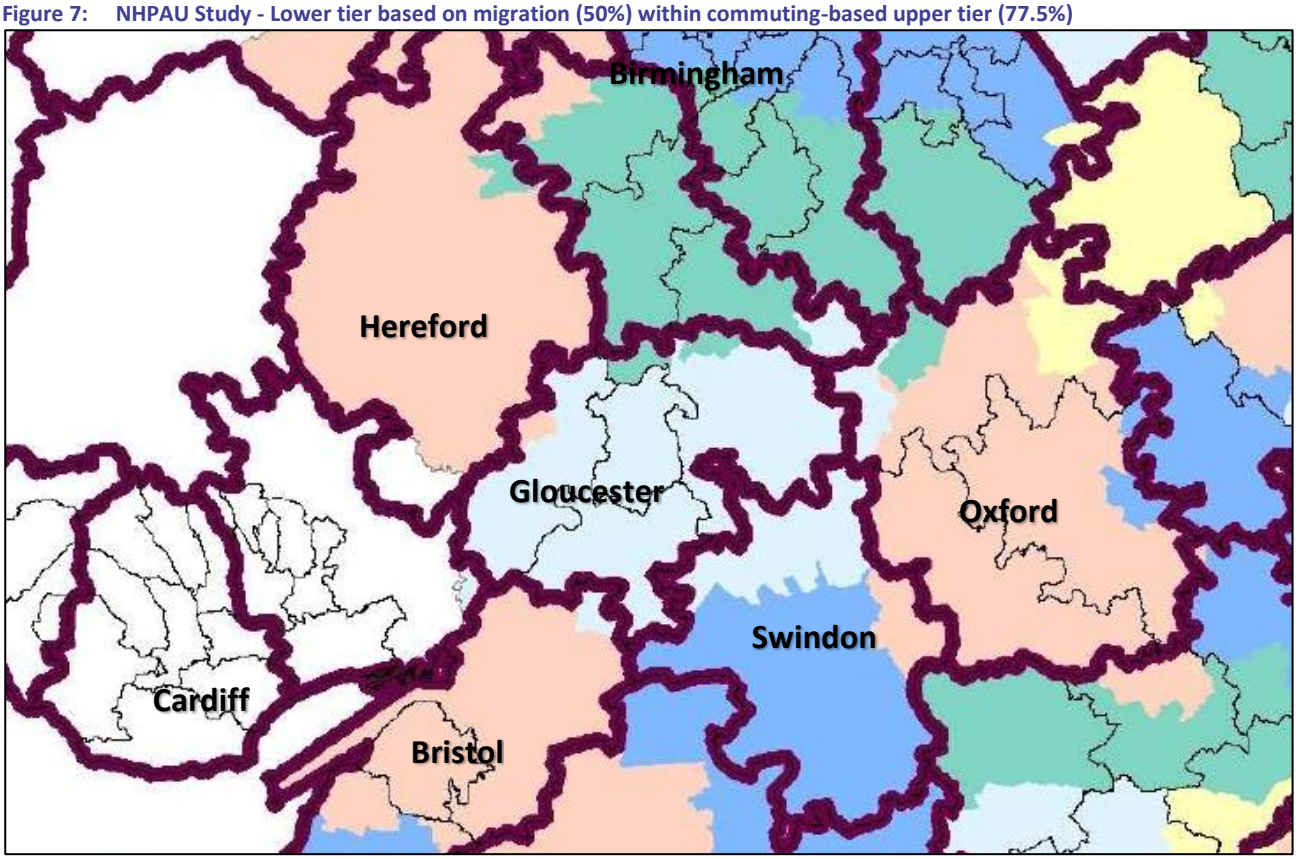


Figure 7: NHPAU Study - Lower tier based on migration (50%) within commuting-based upper tier (77.5%)



Identifying Travel to Work Areas

2.12 Housing market areas reflect *"the key functional linkages between places where people live and work"* (PPG March 2014, ID 2a-010) and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns. PPG states:

> *Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*
>
> **Planning Practice Guidance (March 2014), ID 2a-011**

2.13 PPG July 2019 does not relate Travel to Work Areas (TTWA) specifically to commuting flows, but confirms their use to provide information about where people will move without changing jobs, and this in turn will govern significant proportions of commuting:

> *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use)*
>
> **Planning Practice Guidance (July 2019), ID 61-018**

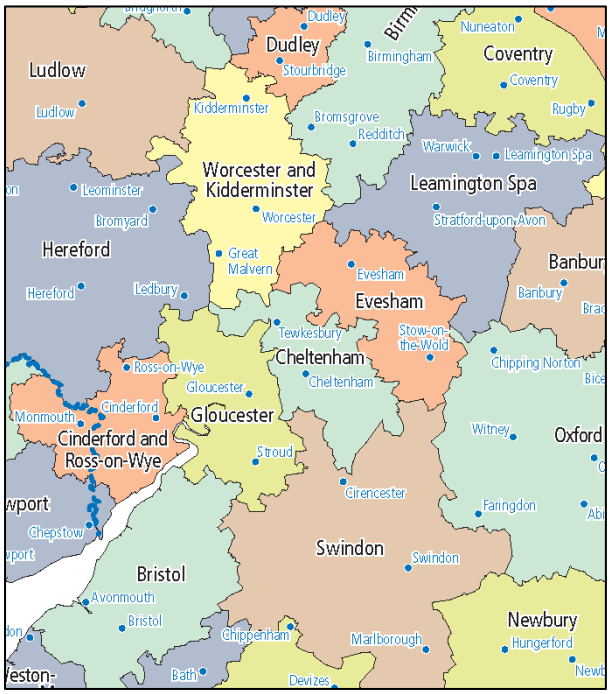
2.14 One of the most important sources identified by PPG is the Office for National Statistics TTWAs, given that these explicitly define areas based on the *"key functional linkages between places where people live and*

work". Figure 8 shows the ONS TTWAs based on the origin-destination data from the 2001 Census (published in 2007) and TTWAs based on commuting flow data from the 2011 Census.

Figure 8: ONS Travel To Work Areas (Source: ONS 2007; ONS 2015)

ONS TTWAs based on 2001 Census data

ONS TTWAs based on 2011 Census data



2.15 The TTWAs based on 2001 Census data identified a Travel to Work Area for Gloucester and one for Cheltenham and Evesham. Together these two TTWAs cover most of Gloucestershire. Cinderford lies in a Monmouth and Cinderford TTWA, Stroud and Cirencester lie in the Swindon TTWA.

2.16 The picture changes when based on 2011 Census data; the Gloucester TTWA has increased in size and includes Stroud, while Cheltenham and Evesham form two separate TTWAs, with Stow on the Wold lying in the Evesham TTWA. Cinderford is no longer strongly connected with Monmouth and forms a separate Cinderford and Ross on Wye TTWA. While this still suggests that a large part of the Forest of Dean population in the three market towns of Cinderford, Coleford and Lydney are in a separate TTWA to the central area of Gloucestershire, it also suggests that the majority of the Cinderford and Ross on Wye TTWA live in the Forest of Dean. Therefore, the separate Cinderford and Ross on Wye TTWA does not preclude the Forest of Dean being included within a Gloucestershire HMA.

Travel to Work Patterns

2.17 Figure 9 demonstrates the levels of self-containment in the Gloucestershire local authorities, i.e. those who live and work in the area. Overall, this shows that while between 50.9% (Tewkesbury) and 67.1% (Cotswold) of people who live in a particular LPA also work in that LPA, the levels of self-containment are much higher for the JCS area (83.2%) Gloucestershire County (86.6%). At the same time, a very high proportion of those who work within Gloucestershire also live in the County (87.3%), again suggesting the County to be an HMA.

2.18 The County is the important area to consider when defining the HMA. Nevertheless, the JCS area is included as the level of self-containment as demonstrated by residents living and working in the JCS area supports the decision to develop a joint plan covering the three LPAs involved.

Figure 9: Workplace Location by Area of Residence (Source: 2011 Census of Population)

Local Authority Area	Live and work in area	Total resident workers	% work in area	Total work in area	% workers live in area
Cheltenham	39,747	59,529	66.8%	63,895	62.2%
Gloucester	38,035	61,652	61.7%	64,166	59.3%
Tewkesbury	21,283	41,849	50.9%	46,494	45.8%
Sub-total for JCS Plan Area	**135,692**	**163,030**	**83.2%**	**174,555**	**77.7%**
Cotswold	28,228	42,048	67.1%	43,937	64.2%
Forest of Dean	24,745	39,372	62.8%	30,760	80.4%
Stroud	37,219	57,745	64.5%	50,506	73.7%
GLOUCESTERSHIRE	**261,610**	**302,195**	**86.6%**	**299,758**	**87.3%**

2.19 The likelihood of a person living and working in an area increases with the size of that area. The sub-total of those who live and work in the JCS Plan Area is greater than the sum of the three individual LPAs in the JCS Plan Area because residents in the JCS Plan Area can live in one LPA and work in another, as long as they remain within the JCS Plan Area. Similarly, the total of residents who live and work in Gloucestershire is greater than the sum of the individual LPAs in Gloucestershire. The percentages of residents who work in each area and workers who live in each area reflect this.

Migration

2.20 Whilst commuting flow data helps identify *"the key functional linkages between places where people live and work"*, PPG also suggests that migration patterns should be considered when defining functional housing market areas:

> *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
>
> **Reference ID: 61-018-20190315**

2.21 Analysis of Census migration flow data shows the Housing Market Area suggested by migration flows mirror exactly the HMA identified by commuting flow data; Gloucestershire.

2.22 PPG identifies that a *"relatively high proportion of household moves"* will be contained within a housing market area and suggests that this will be *"typically 70%"* or more; however, this *"excludes long-distance moves"* (ID 2a-011).

2.23 Figure 10 sets out these key statistics for the migration relating to Gloucestershire based on the two migration containment ratios set out in the PAS OAN technical advice note (second edition, paragraph 5.15):

> *"Supply side (origin); moves within the area divided by all moves whose origin is in the area, excluding long-distance moves*
>
> *Demand side (destination): moves within the area divided by all moves whose destination is in the area, excluding long-distance moves."*

Figure 10: Migration into Statistics for Gloucestershire Migration (Source: ONS, 2011 Census)

GLOUCESTERSHIRE	Supply side (originating in Gloucestershire)	Demand side (destination Gloucestershire)
Moves within the area	47,121	47,121
Moves to/from elsewhere	9,669	11,448
Total supply side moves	**56,790**	**58,569**
Moves within area as % of all moves	83.0%	80.5%

2.24 On both the supply side (i.e. moves originating in the area) and the demand side (i.e. moves whose destination is in the area) over 80% of migrants move within Gloucestershire.

2.25 Based on the statistics, it is reasonable to conclude that a *"relatively high proportion of household moves"* are contained within the Housing Market Area identified as Gloucestershire, and therefore this functional area meets the requirements of PPG in this regard.

Broad Rental Market Areas

2.26 Broad Rental Market Areas (BRMAs) are the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance (LHA), the allowance paid to Housing Benefit applicants. The BRMA area takes into account local house prices and rents and is based on where a person could reasonably be expected to live taking into account access to facilities and services.

2.27 The Rent Officer Handbook: Broad Rental Market Areas (Local Reference Rent)[8] identifies that:

> *"**A BRMA (LRR) is an area:** within which a tenant of the dwelling could reasonably be expected to live having regard to facilities and services for the purposes of health, education, recreation, personal banking and shopping, taking account of the distance of travel, by public and private transport, to and from those facilities and services*
>
> *The BRMA (LRR) is subject to two conditions.*
>
> > *Firstly it must contain: residential premises of a variety of types, including such premises held on a variety of tenures.*
> >
> > *Secondly, a BRMA (LRR) must contain sufficient privately rented residential premises, to ensure that, in the rent officer's opinion, the local reference rents for tenancies in the area are representative of the rents that a landlord might reasonably be expected to obtain in that area."*

2.28 The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area. Housing Market Areas (HMAs) and Broad Rental Market Areas (BRMAs) therefore both define areas based on housing along with the need to travel for work or to access services.

2.29 Bringing this together, it can be seen that HMAs are defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work; while BRMAs are areas within which a tenant of the dwelling could reasonably be expected to live having regard to facilities and services. Given that BRMAs should include residential premises of a variety of types, including such premises held on a variety of tenures, it is evident that the two definitions will tend to identify similar geographic areas in that they will be large enough to contain sufficient properties to be a market area, but limited in size by the need to travel for work or to access services. Travel, either for work or to access services, is a key element of both definitions.

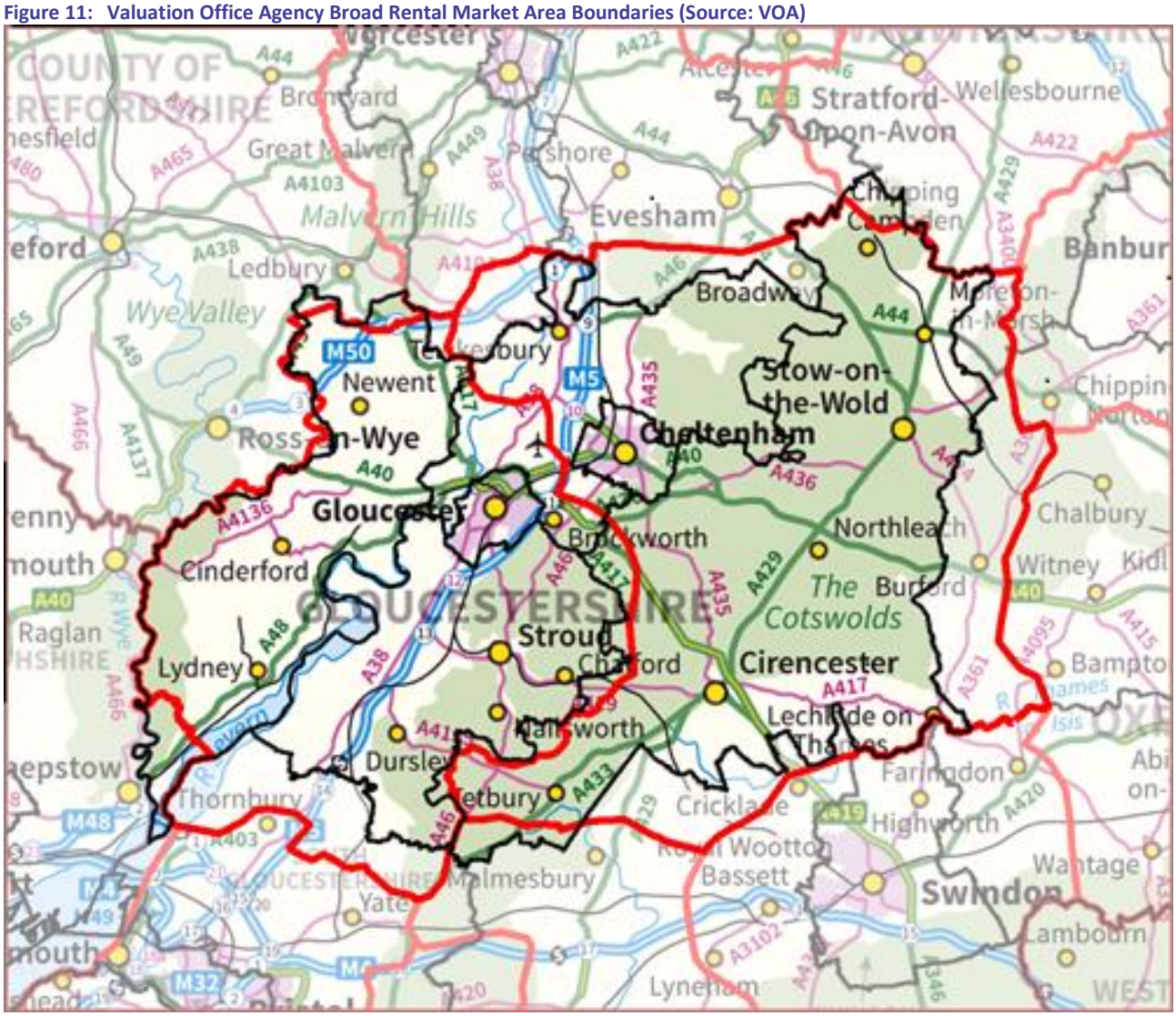
2.30 Both HMAs and BRMAs are based on *functional linkages* between where people live and work or where they live and access services. Places of work and services such as *health, education, recreation, personal banking and shopping* are predominantly based in larger settlements, becoming increasingly less common in smaller settlements and rural areas. Because of this, the definitions of HMAs and BRMAs in any area will tend to be centred around those urban centres, or on collections of settlements in rural areas without a major urban centre.

2.31 On this basis, it is helpful to review the previously identified HMA of Gloucestershire against BRMAs.

[8] http://manuals.voa.gov.uk/corporate/publications/Manuals/RentOfficerHandbook/HousingBenefitReferral/Determination/b-roh-broad-rental-market-areas-LRR.html

2.32 Figure 11 clearly shows two BRMAs; one centred around Gloucester, the other centred around Cheltenham. Taken together, the BRMA boundaries are very closely aligned to the Gloucestershire County boundary.

Figure 11: Valuation Office Agency Broad Rental Market Area Boundaries (Source: VOA)



Conclusions

2.33 There is no single correct definition of an HMA, but the CURDS HMA analysis and Migration analysis indicate that the main core of Gloucestershire lies within a single HMA. The ONS Travel to Work Areas identify Travel to Work Areas around Gloucester, Cheltenham, Evesham, and Cinderford and Ross on Wye, but does not preclude a single HMA for the County.

2.34 Overall, 86.6% of people who live in the County of Gloucestershire also work in the County and 87.3% of those who work in Gloucestershire also live in the County. These percentages are noticeably higher than the percentages for any individual LPA. This supports the suggestion that while there may be four TTWAs within Gloucestershire, Gloucestershire can be considered a single HMA.

2.35 Census migration statistics also strongly support Gloucestershire as a single HMA, with 83% of moves into Gloucestershire originating in the County, and 80.5% of moves with Gloucestershire as the destination also originating in the County.

2.36 The area bounded by two Valuation Office Agency (VOA) Broad Rental Market Areas (BRMA) is very closely aligned to the County boundary of Gloucestershire. Taken together, these datasets identify Gloucestershire as an HMA. This does not prevent overlaps occurring with other HMAs. However, from an administrative and pragmatic point of view it is necessary for HMAs to follow local authority boundaries and the six LPAs in the Gloucestershire HMA remain the most appropriate grouping.

3. Household Projections

The baseline for the Standard Method

Official Projections

3.1 Planning Practice Guidance revised in February 2019 identifies that **Household Projections** provide the baseline for determining the minimum Local Housing Needs figure.

> ***Why are 2014-based household projections used as the baseline for the standard method?***
>
> *The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.*
>
> **Planning Practice Guidance, ID 2a-005-20190220**

3.2 Given this context, Figure 12 sets out the 2014-based household projections over the period 2019-29, which is the period covered by the Standard Method and therefore allows for sensitivity testing. However, household projections can vary considerably at a local level which introduces a risk to the LHN figure. Therefore, Figure 12 also sets out the previous household projections that CLG produced for each area together with the 2016-based ONS household projections, including the associated outputs from the sensitivity analysis undertaken.

Figure 12: Household projections 2019-29 (Source: CLG, ORS; Note: All figures presented unrounded for transparency)

	Migration trends	10-year Change in Households 2019-2029						
		Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	TOTAL
CLG Household Projections								
2014-based projection: 2014-based population and CLG 2014-based HH formation	2009-14	+4,094	+3,054	+2,824	+5,622	+4,962	+4,571	**+25,127**
2012-based projection: 2012-based population and CLG 2012-based HH formation	2007-12	+4,619	+2,843	+2,513	+5,648	+4,518	+3,835	**+23,976**
ONS 2016-based Projections								
Principal projection: 2016-based population and ONS 2016-based HH formation	2011-16	+2,474	+2,928	+2,973	+4,831	+4,658	+4,253	**+22,117**
Sensitivity analysis 1: 2014-based population and ONS 2016-based HH formation	2009-14	+3,590	+2,953	+2,523	+5,001	+4,767	+4,454	**+23,288**
Sensitivity analysis 2: 2016-based population and CLG 2014-based HH formation	2011-16	+2,956	+3,017	+3,279	+5,388	+5,000	+4,374	**+24,014**

3.3 Each LPA is discussed in turn below.

» **For Cheltenham**, the CLG 2014-based household projections identify a growth of 4,094 households over the 10-year period 2019-2029; notably higher than the ONS 2016-based projections which identified the growth of 2,474 households. The 2016-based figures show less growth due entirely to lower population projections: sensitivity analysis 2 (using 2016-based population, but 2014-based HH) shows that the latest population figures decrease the growth to 2,956 households; lower than the 2014-based projection and HH formation rates. The new ONS method for household formation yields a higher growth than the 2016-based principal projection: sensitivity analysis 1 holds the HH formation rates at 2016 rates but shows that the new method increases the growth based on the previous 2014-base population projection to 3,590 households.

» **For Cotswold**, the CLG 2014-based household projections identify a growth of 3,054 households over the 10-year period 2019-2029; higher than the ONS 2016-based projections which identified the growth of 2,928 households. The 2016-based figures show little change due purely to population projections: sensitivity analysis 2 (using 2016-based population, but 2014-based HH) shows that the latest population figures reduce the growth to 3,017 households; only slightly lower than the 2014-based projection and HH formation rates. The new ONS method for household formation yields a very slightly higher growth than the 2016-based principal projection: sensitivity analysis 1 holds the HH formation rates at 2016 rates but shows that the new method increases the growth based on the previous 2014-base population projection to 2,953 households.

» **For Forest of Dean**, the CLG 2014-based household projections identify a growth of 2,824 households over the 10-year period 2019-2029; lower than the ONS 2016-based projections which identified the growth of 2,973 households. The 2016-based figures show more change being due purely to population projections: sensitivity analysis 2 (using 2016-based population, but 2014-based HH) shows that the latest population figures increase the growth to 3,279 households; higher than the 2014-based projection and HH formation rates. The new ONS method for household formation yields a lower growth than the 2016-based principal projection: sensitivity analysis 1 holds the HH formation rates at 2016 rates but shows that the new method decreases the growth based on the previous 2014-base population projection to 2,523 households.

» **For Gloucester**, the CLG 2014-based household projections identify a growth of 5,622 households over the 10-year period 2019-2029; notably higher than the ONS 2016-based projections which identified the growth of 4,831 households. The 2016-based figures show less growth due entirely to lower population projections: sensitivity analysis 2 (using 2016-based population, but 2014-based HH) shows that the latest population figures reduce the growth to 5,388 households; lower than the 2014-based projection and HH formation rates. The new ONS method for household formation yields a higher growth than the 2016-based principal projection: sensitivity analysis 1 holds the HH formation rates at 2016 rates but shows that the new method increases the growth based on the previous 2014-base population projection to 5,001 households.

» **For Stroud**, the CLG 2014-based household projections identify a growth of 4,962 households over the 10-year period 2019-2029; higher than the ONS 2016-based projections which identified the growth of 4,658 households. The 2016-based figures show some growth due entirely to lower population projections: sensitivity analysis 2 (using 2016-based population, but 2014-based HH)

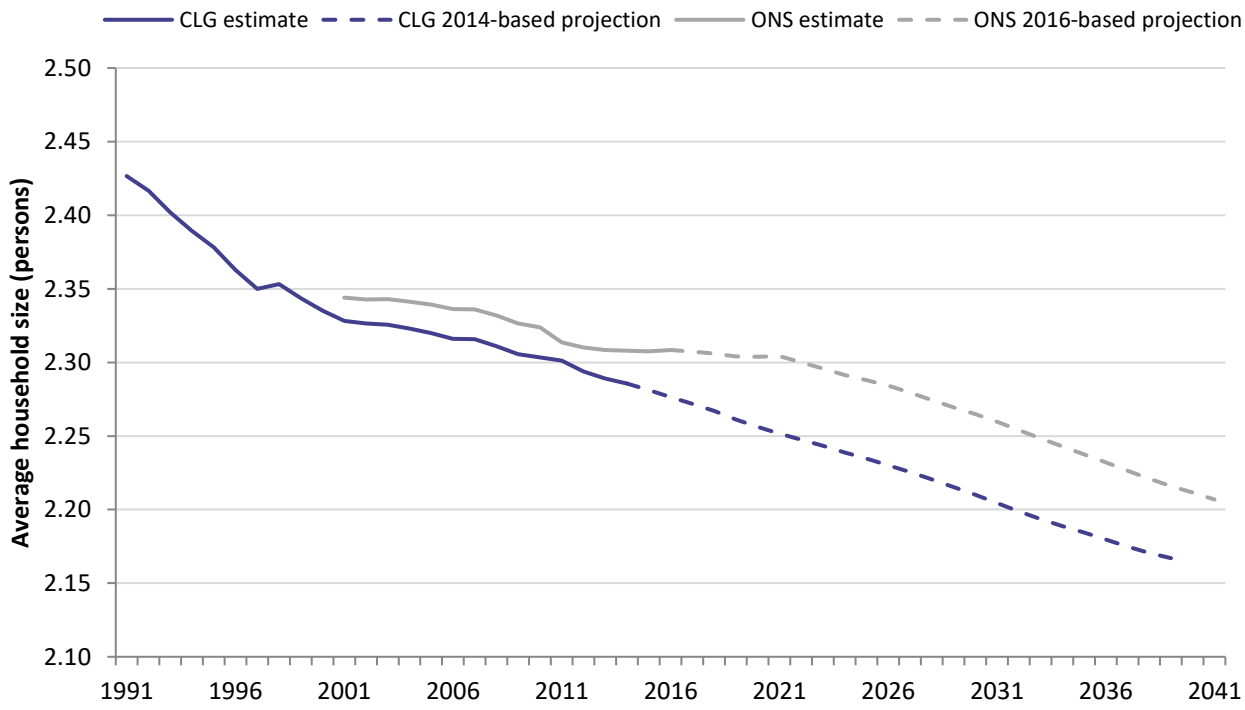
shows that the latest population figures reduce the growth to 5,000 households; slightly higher than the 2014-based projection and HH formation rates. The new ONS method for household formation yields a higher growth than the 2016-based principal projection: sensitivity analysis 1 holds the HH formation rates at 2016 rates but shows that the new method increases the growth based on the previous 2014-base population projection to 4,767 households.

» **For Tewkesbury**, the CLG 2014-based household projections identify a growth of 4,571 households over the 10-year period 2019-2029; notably higher than the ONS 2016-based projections which identified the growth of 4,253 households. The 2016-based figures show less growth due entirely to lower population projections: sensitivity analysis 2 (using 2016-based population, but 2014-based HH) shows that the latest population figures reduce the growth to 4,374 households; lower than the 2014-based projection and HH formation rates. The new ONS method for household formation yields a slightly higher growth than the 2016-based principal projection: sensitivity analysis 1 holds the HH formation rates at 2016 rates but shows that the new method increases the growth based on the previous 2014-base population projection to 4,454 households.

Projected Household Size

3.4 When considering household projections, it is often helpful to review changes to the average household size. Household size is a product of the population and household projections and not a variable used to create them. The data set out in Figure 13 divides the household population in Gloucestershire by the associated household projection.

Figure 13: Average household size estimates and projections for Gloucestershire for the period 1991-2041 (Source: CLG estimates 1991-2011; CLG 2016 is 2016-based SNPP with 2014-based CLG rates)



3.5 As the chart above demonstrates, average household sizes have steadily declined in Gloucestershire and are projected to continue falling in the future. This can largely be ascribed to an ageing population, given that older persons tend to live in smaller households (typically single persons or couples without children living in the household). There is no indication that any past suppressed household formation has been projected forward.

3.6 The ONS projection suggests that household sizes will remain larger than previously projected by CLG. The difference in household sizes are the reason for the different household growth patterns that the ONS 2016-based projections identify in sensitivity analysis 1.

4. Local Housing Need

Establishing the Minimum Local Housing Need figure

Local Housing Need Based on Standard Methodology

4.1 The revised NPPF 2019 confirms that planning authorities should normally use the standard methodology to establish a minimum LHN figure.

4.2 Using the process set out in PPG for Housing Need Assessment [ID 2a-004-20190220] the minimum annual Local Housing Need figure for 2019 can be established as follows:

Figure 14: Establishing the minimum LHN figure by local authority area (Source: CLG, ORS; Note: All figures rounded to the nearest whole number)[9]

	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
Step 1: Setting the baseline						
Total households 2019	53,830	38,610	36,686	55,354	51,756	39,395
Total households 2029	57,923	41,666	39,510	60,975	56,718	43,966
10-year change 2019-2029	4,093	3,056	2,824	5,621	4,962	4,571
Annual average	409	306	282	562	496	457
Step 2: An adjustment to take account of affordability						
Median workplace-based affordability ratio	8.97	13.63	9.09	6.68	9.01	8.50
Adjustment factor	31.1%	60.2%	31.8%	16.8%	31.3%	28.1%
Affordability uplift	127	184	90	94	155	129
Uncapped housing need	536	490	372	656	652	586
Step 3: Capping the increase						
Adoption date of most recent Local Plan	Dec 2017	Aug 2018	July 2018	Nov 2017	Nov 2015	Dec 2017
Annual requirement	549	420	330	718	456	495
[A] Annual requirement with 40% uplift applied	769	588	462	1,005	638	693
[B] Household projection with 40% uplift applied	573	428	395	787	695	640
Strategic policies for housing up-to-date	Yes	Yes	Yes	Yes	Yes	Yes
Applicable cap	[A]	[A]	[A]	[A]	[A]	[A]
Annual housing need cap	769	588	462	1,005	638	693
Local Housing Need	**536**	**490**	**372**	**656**	**638**	**586**

[9] Since the report has been signed off the latest March 2020 affordability ratio data has been published

4.3 Based on these calculations, the minimum Local Housing Need figures for 2019/20 that have been used for this Local Housing Need Assessment can be summarised as follows:

- Cheltenham = 536 dpa;
- Cotswold = 490 dpa;
- Forest of Dean = 372 dpa;
- Gloucester = 656 dpa;
- Stroud = 638 dpa;
- Tewkesbury = 586 dpa.

4.4 The LHN figure for Stroud district is capped at 40% above the latest housing requirement given that the plan was adopted within the last five years; however, if the new plan is not submitted by November 2020 then the strategic policies for housing will no longer be considered up-to-date and the applicable cap will change, which would increase the minimum LHN to 652 dpa based on current figures. It is also important to recognise that the Government has confirmed that it intends to comprehensively review the standard method over the next 18 months from February 2019[10]. It may therefore be necessary to update the LHNA if the Government chooses to adopt a different approach following the proposed review of the formula.

Disaggregating the Minimum Local Housing Need Figure

4.5 Whilst the LHN figures are informed by the trend-based household projections, the affordability adjustment means that the number of dwellings is higher than the household projection-based estimate of housing need. This increase is designed to help respond to housing market pressures which may have suppressed past rates of household formation. Given this context, delivering the number of homes that the minimum LHN identifies will yield a different population and household growth to that projected based on past trends alone; and in assessing the appropriate mix of housing it is necessary to establish demographic projections that are dwelling-led to align with the number of homes identified by the standard method.

4.6 The dwelling-led demographic projections for the LHNA are based on the latest official projections and cover the 20-year period 2021-2041. They are informed by the latest ONS mid-year estimates,[11] and take account of the most up-to-date fertility and mortality rates and the latest migration trends. Whilst recent trends provide the starting point, the model aligns household growth with the LHN target through varying two key assumptions:

- Firstly, household formation rates for younger households are adjusted on the basis that the Government's objective of providing more homes will enable more households to form; although this would depend on enough suitable homes (including affordable housing) being provided for these additional newly forming households. The analysis assumes that household formation rates for all age groups under 45 will progressively increase towards the equivalent rate that was recorded in 2001; and
- Secondly, where household formation rates for all age groups under 45 have returned to the levels recorded in 2001, the rate of net inward migration will increase once the overall household growth is accounted for, with the number of dwellings identified by the LHN target.

[10] "Government response to the technical consultation on updates to national planning policy and guidance" was published on 19 February 2019
[11] The ONS reissued the official estimates for mid-2012 to mid-2016 in March 2018 following methodological improvements

4.7 Figure 15 sets out the separate elements that will contribute to the LHN. These include:

- Household growth over the 20-year plan period based on trend-based projections;
- Institutional population growth over the 20-year plan period needing communal accommodation that will be counted within the housing supply;
- Dwellings without a usually resident household (either vacant homes or second homes);
- Additional dwellings to respond to housing market pressure.

Figure 15: Elements of housing need (Source: CLG 2019, ONS 2011 and 2016, ORS 2019; Note: All figures presented unrounded for transparency)

	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
Household growth						
Total households 2021	52,277	39,113	37,253	55,008	51,892	39,831
Total households 2041	57,895	44,269	42,569	64,572	60,390	47,491
20-year change 2021-2041 (households)	**5,618**	**5,156**	**5,338**	**9,564**	**8,498**	**7,660**
Institutional population growth [12]						
Total persons 2021	3,695	1,669	2,034	1,648	1,358	1,039
Total persons 2041	4,511	2,264	2,614	2,342	1,946	1,587
20-year change 2021-2041 (persons)	815	595	580	694	588	548
Ratio to equivalise persons to households as set out in the Housing Delivery Test [13]	1.78	1.81	1.87	1.83	1.84	1.83
20-year change 2021-2041 (households)	**459**	**329**	**310**	**379**	**320**	**299**
Allowance for dwellings without resident household						
Overall household growth	6,077	5,485	5,648	9,943	8,818	7,959
Dwellings without a usually resident household [14]	4.7%	9.3%	5.6%	4.9%	4.4%	5.2%
Household projection-based housing need (dwellings)	**6,379**	**6,050**	**5,981**	**10,452**	**9,221**	**8,399**
20-year LHN based on the Standard Method	**536 x 20 = 10,720 dwellings**	**490 x 20 = 9,800 dwellings**	**372 x 20 = 7,440 dwellings**	**656 x 20 = 13,120 dwellings**	**638 x 20 = 12,760 dwellings**	**586 x 20 = 11,720 dwellings**
Uplift for housing market pressures over the 20-year period 2021-2041	10,720 - 6,379 = **4,345 dwellings**	9,800 - 6,050 = **3,750 dwellings**	7,440 - 5,981 = **1,459 dwellings**	13,120 - 10,452 = **2,668 dwellings**	12,760 - 9,221 = **3,539 dwellings**	11,720 - 8,399 = **3,321 dwellings**
Enabling more households to form than projected by trend-based projections [15]	647 dwellings	190 dwellings	115 dwellings	1,305 dwellings	527 dwellings	606 dwellings
Enabling more net inward migration than projected by trend-based projections [16]	3,698 dwellings	3,560 dwellings	1,344 dwellings	1,363 dwellings	3,012 dwellings	2,715 dwellings

[12] Institutional population figures are included in the detailed modelling data published as part of the official household projections

[13] Housing Delivery Test measurement rule book (para 11) references PPG Paragraph: 043 Reference ID: 3-043-20180913 which suggests using a local ratio in place of the rounded national ratio of 1.8 pph and links to 2011 Census data at local authority level

[14] Based on 2011 Census data at local authority level

[15] Based on the assumption that household formation rates for all age groups under 45 are constrained such that they are increased towards the equivalent rates recorded in 2001

[16] Once household formation rates for all age groups under 45 are returned to the rates recorded in 2001, any additional uplift to the dwelling number is assumed to provide housing for additional population based on increased net migration

4.8 Comparing the minimum LHN figures (Figure 14) and the household growth to 2041 shown in Figure 15, all LPAs show a greater total of households 2041 compared to 2029 except Cheltenham which shows fewer households in 2041.

Establishing the Housing Target

4.9 It is important to recognise that the LHN only provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

> *Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.*
>
> **Planning Practice Guidance, ID 2a-001-20190220**

4.10 In determining the local plan housing target, it will be necessary for the local authorities to consider whether or not the LHN could be met within their area, taking account of any constraints on land availability. In particular, it will be particularly important to balance the need for housing against policies intended to restrict development in Areas of Outstanding Natural Beauty and any other areas with similar restrictions.

4.11 Where local authorities are unable to meet their LHN in full, it will be necessary for them to engage with neighbouring authorities through the Duty to Cooperate discussions in order to establish if any of the identified housing need that isn't able to be delivered locally (the "unmet need") could be provided for in other areas, either within or outside the county.

5. Jobs and Workers

Alignment of Future Jobs Growth with Resident Workers

Considering the Basis for Adjusting the Local Housing Need

5.1 Whilst PPG sets out a standard approach for establishing local housing need [ID 2a-004-20190220], this is a minimum figure and the PPG also provides examples of a number of circumstances where it may be more appropriate to use a higher figure for plan-making [ID 2a-010-20190220].

> ***When might it be appropriate to plan for a higher housing need figure than the standard method indicates?***
>
> *The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.*
>
> *This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:*
>
> » *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
>
> » *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
>
> » *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*
>
> **Planning Practice Guidance, ID 2a-010-20190220**

5.2 The PPG is clear that only in exceptional circumstances should an alternative to the standard method that results in a lower figure be used [ID 2a-015-20190220005D; therefore, preparing plans based on a number that is higher than the current LHN will help to ensure that fluctuations in the LHN in future years are more likely to be accommodated without changes being needed, given that the housing requirement is only fixed for 2 years from the point at which plans are submitted.

5.3 When considering the factors that could justify an uplift to the LHN, one of the most important is ensuring that the number of new homes takes account of changes that are anticipated in the local economy as well as population trends. Each settlement has different economic strengths and weaknesses, and these are a planning consideration which could mean that different areas have different prospects for growth. This section therefore looks at whether a housing number that is higher than the LHN may be considered for each area, and what alternative figure may be justified for the next steps of plan preparation. Ultimately, it will

be for each local planning authority to determine the extent of any increase when establishing the housing requirement. This will involve evidence-based judgements considering a range of different factors.

5.4 The Gloucestershire LPAs are awaiting a Gloucestershire Economic Needs Assessment, which will drill down in more detail than the Oxford and Cambridge econometrics data used in this LHNA. The Economic Needs Assessment may also have an impact on housing needs calculations and will need to be considered in updates to this LHNA.

5.5 Strategic infrastructure may also need to be considered in updates to this LHNA, in particular the A417 Missing Link project. The Missing Link project aims to reduce delays and increase safety on a three-mile stretch of single-lane carriageway on the A417 between the Brockworth bypass and Cowley (Gloucestershire) roundabout, thereby freeing up an important route from Gloucester to Swindon and from North to South. The scheme has four key objectives, including economic growth: "to help boost growth and prosperity by making journeys more reliable and improving connectivity[17]". Highways England plan to submit a Development Consent Order (DCO) to the Planning Inspectorate in spring 2020. The start and completion dates have yet to be confirmed.

Economically Active Population

5.6 While demographic trends are key to the assessment of housing need, it is also relevant to consider current employment trends and how the projected growth of the economically active population fits with the future changes in job numbers.

5.7 The LHNA has modelled the projected growth of the economically active population (i.e. the number of resident workers) based on the LHN figure together with changes in Economic Activity Rates forecast by the Office for Budget Responsibility (OBR). Figure 16 shows the projected growth in economically active residents by local authority area.

5.8 Whilst many residents work within the Gloucestershire study area, some travel to jobs elsewhere. Figure 16 identifies the proportion of resident workers in each area that work either within the same LA or another LA within the study area in order to establish the number of extra workers likely to be available to support additional jobs locally.

Figure 16: Change in Economically Active Population working within the Study Area 2021-2041 by LA (Source: Commuting rates based on 2011 Census)

Local Authority Area (residence)	Change in Economically Active population 2021-2041	Percentage of EA population working in the Study Area	Change in workers for extra jobs in the Study Area 2021-2041
Cheltenham	+6,466	-	-
Gloucester	+7,859	-	-
Tewkesbury	+7,561	-	-
Sub-total for JCS Plan Area	**+21,886**	**90.7%**	**+19,861**
Cotswold	+4,291	90.3%	+3,877
Forest of Dean	+3,103	76.8%	+2,384
Stroud	+7,658	82.0%	+6,282
TOTAL	**+36,938**	**-**	**+32,403**
Outside Study Area	-	-	+4,535

[17] https://highwaysengland.co.uk/projects/a417-missing-link/

5.9 On this basis, there is an overall increase of around 36,900 resident workers projected based on the LHN figure. Both the JCS Plan area and Cotswold district have over 90% of their economically active residents working within the study area; with over three quarters working locally in both the Stroud district and the Forest of Dean (82% and 77% respectively). Given this context, based on the LHN figure there is likely to be around 32,400 additional local workers, with an increase of around 4,500 workers commuting to jobs elsewhere.

5.10 Figure 17 develops this information further, identifying the commuting patterns between areas within the study area. Based on this information, the change in workplace population can be established. Whilst the increase in resident workers for the JCS Plan area is around 19,900, there is a smaller workplace increase of 18,900 workers. This is due to outward commuting to other areas, in particular Stroud and the Forest of Dean. Conversely, whilst the Forest of Dean and Stroud have increase of around 2,400 and 6,300 resident workers respectively, this translates to workplace increases of around 3,200 and 6,600 workers. Cotswold district has similar resident worker and workplace increases, 3,900 and 3,700 workers respectively.

Figure 17: Commuting flows between HMAs and associated change in workplace population resident in the Study Area (Source: Commuting rates based on 2011 Census. Note: Excludes additional service personnel living in SLA)

Area of Residence	Change in workers in the Study Area 2021-2041	Workplace Area			
		JCS Plan area	Cotswold	Forest of Dean	Stroud
JCS Plan area	+19,861	87.7%	1.9%	4.4%	6.0%
Cotswold	+3,877	10.4%	81.9%	1.0%	6.8%
Forest of Dean	+2,384	6.8%	0.5%	91.6%	1.0%
Stroud	+6,282	15.0%	2.1%	1.0%	81.8%
TOTAL	**+32,403**	**+18,936**	**+3,700**	**+3,154**	**+6,614**

5.11 Figure 18 summarises the change in workers living and working in each area for the respective assessment periods. The agreed assessment period is the 20-year period 2021-41 consistent with the figures already presented; however, the Stroud Local Plan covers the 20-year period 2020-40 – so the change in workers has also been established for these periods as summarised below.

Figure 18: Commuting flows between HMAs and associated change in workplace population resident in the Study Area (Source: Commuting rates based on 2011 Census)

Area of Residence	Period	Change in workers for extra jobs in the Study Area	
		Area of Residence	Workplace Area
JCS Plan area	2021-2041	+19,861	+18,936
Cotswold	2021-2041	+3,877	+3,700
Forest of Dean	2021-2041	+2,384	+3,154
Stroud	2020-2040	+6,296	+6,648

Future Jobs Growth

5.12 To inform the alignment of future jobs and workers, the six local planning authorities commissioned economic forecasts from Oxford Economics and Cambridge Econometrics.

- The **Oxford Economics** forecasts (May 2019) included a range of detailed spreadsheet outputs based on two scenarios: baseline growth and medium-high growth. This included information on total employment (both employees and self-employed) by broad industry sector from 1991 to 2041, including a people-based measure (i.e. the number of "main jobs"). Data was also provided about population, migration, resident employment, net commuting and unemployment (both ILO unemployment and claimant count).
- The **Cambridge Econometrics** forecasts (June 2019) included only summary outputs providing information on total employment (both employees and self-employed) from 1981 to 2041.

5.13 Oxford Economics baseline scenario forecast a growth of only 2,700 jobs over the 20-year period 2021-2041 across the whole study area; however, the medium high scenario forecast a growth of 23,200 jobs. Cambridge Econometrics forecast a growth of 36,000 jobs over the same 20-year period.

5.14 All these scenarios suggest lower growth than trends projected over the previous 20-year period 2001-2021. Oxford Economics estimated an increase of 54,800 jobs for the period 2001-18 with a further 6,500 additional jobs forecast for 2018-21 on their baseline scenario and 8,000 on their medium high scenario – total increases of between 61,200 and 62,800 jobs. Cambridge Econometrics estimated an increase of 53,100 jobs for the period 2001-18 with a further 2,600 additional jobs forecast for 2018-21 – an overall increase of 55,700 jobs.

5.15 Figure 19 summarises the change in jobs identified for the six local authority areas and the combined total for the JCS Plan area. This separates main jobs from second jobs where this data has been provided.

Figure 19: Forecast change in employment 2021-2041 by area (Source: Oxford Economics, Cambridge Econometrics)

	JCS Plan Area 2021-2041				Cotswold 2021-2041	Forest of Dean 2021-2041	Stroud 2020-2040
	Cheltenham	Gloucester	Tewkesbury	Total			
OE Baseline (May 2019)							
Total employment	+819	+3,987	-134	**+4,672**	+1,594	-1,191	-1,839
Main jobs	+1,376	+4286	-34	**+5,628**	+1,767	-1,129	-1,561
Second jobs	-557	-299	-100	**-956**	-173	-62	-278
OE Medium-high (May 2019)							
Total employment	+5,114	+7,189	+3,570	**+15,873**	+4,860	+676	+2,330
Main jobs	+5,446	+7,363	+3,697	**+16,506**	+4,851	+772	+2,338
Second jobs	-332	-174	-127	**-633**	+9	-96	-7
CE (June 2019)							
Total employment	+8,501	+5,840	+6,336	**+20,677**	+6,551	+2,381	+6,288

5.16 Of course, not all resident workers will work locally, and some jobs will be filled by workers commuting from other areas in Gloucestershire or from outside the study area. The analysis considers the percentage of main jobs in each of the areas fulfilled by commuters living outside the study area, and the calculations assume that there will be no change in commuting patterns compared to those recorded by the 2011 Census. Only a minority of workers commute from homes outside the study area, ranging from 10.0% of jobs in Stroud to 21.5% of jobs in the Cotswolds.

5.17 Figure 20 considers the alignment between future jobs and workers based on the OE baseline scenario. This shows a substantial surplus of workers in all four areas.

Figure 20: Resident Workers needed to fulfil growth in main jobs based on Oxford Economics Baseline scenario (May 2019) by area (Source: Oxford Economics; Commuting rates based on 2011 Census)

	JCS Plan Area 2021-2041	Cotswold 2021-2041	Forest of Dean 2021-2041	Stroud 2020-2040
OE Baseline (May 2019)				
Increase in Main Jobs	+5,628	+1,767	-1,129	-1,561
% inward commuting	11.4%	21.5%	12.2%	10.0%
Change in inward commuting	+642	+380	-138	-155
Resident workers needed	+4,986	+1,387	-991	-1,406
Projected workers from LHN	+18,936	+3,700	+3,154	+6,648
Net shortfall or surplus of Resident Workers	**13,950**	**2,313**	**4,145**	**8,053**

5.18 Figure 21 considers the alignment between future jobs and workers based on the OE medium-high scenario. This again shows an overall surplus of workers, with an overall balance of jobs and workers identified for Cotswold (the identified shortfall 107 workers over 20-years being equivalent to only 5 per year). This scenario assumes much higher rates of economic activity in 2041 than the OBR rates which informed the LHNA analysis. Assuming higher participation rates would yield more workers from within the same population, and therefore the minimum LHN could support an even higher jobs growth.

Figure 21: Resident Workers needed to fulfil growth in main jobs based on Oxford Economics Medium-high scenario (May 2019) by area (Source: Oxford Economics; Commuting rates based on 2011 Census)

	JCS Plan Area 2021-2041	Cotswold 2021-2041	Forest of Dean 2021-2041	Stroud 2020-2040
OE Medium-high (May 2019)				
Increase in Main Jobs	+16,506	+4,851	+772	+2,338
% inward commuting	11.4%	21.5%	12.2%	10.0%
Change in inward commuting	+1,882	+1,044	+94	+233
Resident workers needed	+14,623	+3,807	+678	+2,105
Projected workers from LHN	+18,936	+3,700	+3,154	+6,648
Net shortfall or surplus of Resident Workers	**4,312**	**-107**	**2,476**	**4,542**

5.19 Figure 22 considers the alignment between future jobs and workers based on the Cambridge Econometrics forecast. This again shows an overall surplus of workers, though a shortfall of workers for Cotswold. However, very small changes to net commuting patterns (possibly with fewer resident workers commuting to jobs elsewhere within the county) could ensure alignment.

Figure 22: Resident Workers needed to fulfil growth in total employment based on Cambridge Econometrics forecast (June 2019) by area (Source: Cambridge Econometrics; Commuting rates based on 2011 Census)

	JCS Plan area 2021-2041	Cotswold 2021-2041	Forest of Dean 2021-2041	Stroud 2020-2040
CE (June 2019)				
Increase in Total Employment	+20,677	+6,551	+2,381	+6,288
% inward commuting	11.4%	21.5%	12.2%	10.0%
Change in inward commuting	+2,358	+1,410	+291	+626
Resident workers needed	+18,319	+5,141	+2,090	+5,662
Projected workers from LHN	+18,936	+3,700	+3,154	+6,648
Net shortfall or surplus of Resident Workers	**617**	**-1,441**	**1,063**	**986**

5.20 On the basis of the analysis, to ensure that there will be sufficient resident workers to align with the jobs growth identified by the forecast on the basis of no change in the commuting rates identified by the 2011 Census, there would be no justification for increasing the minimum LHN based on the standard methodology.

6. Demographic Projections

The starting point for establishing Local Housing Need

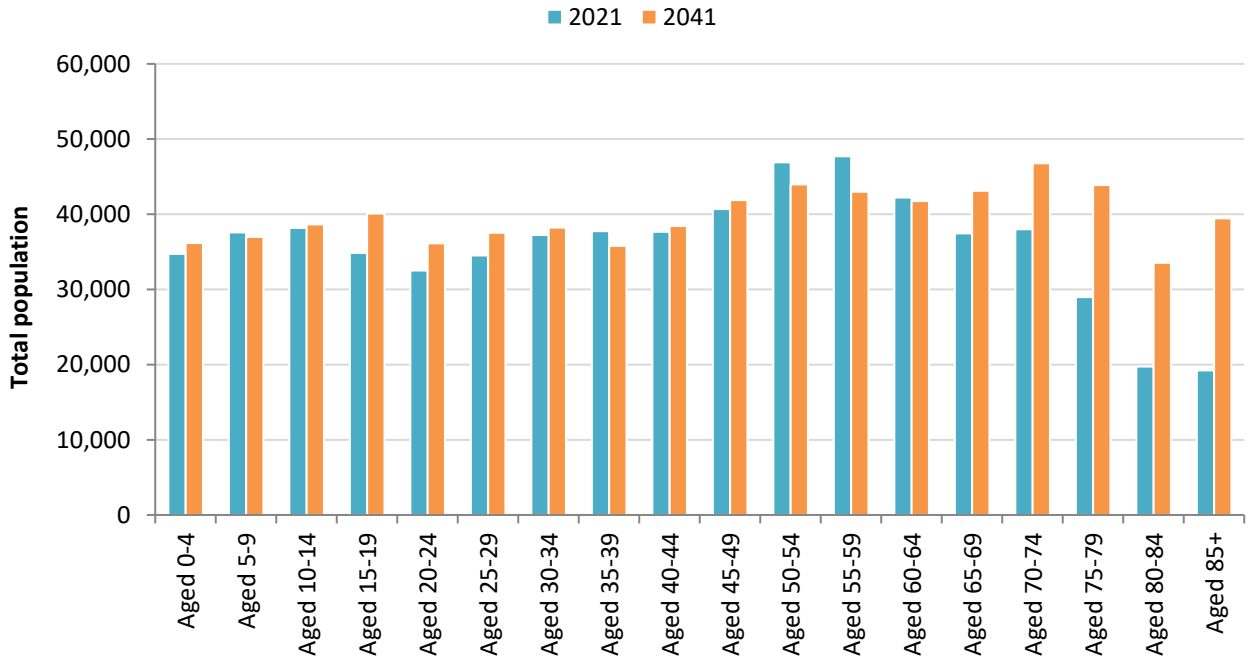
Projected Population Age Profile

6.1 Figure 23 shows the projected change in Gloucestershire population by 5-year age band for the 20-year period 2021-41.

6.2 Overall for Gloucestershire, the growth in the older population represents over 90% of the overall population growth; 63,368 persons from a total growth of 69,372 persons are projected to be aged 65 or over, including an increase of 20,218 persons aged 85 or over. This is particularly important when establishing the types of housing required and the need for housing specifically for older people.

6.3 There are decreases in some other age groups under 65, but these have considerably less effect on the net population growth of 69,372 persons.

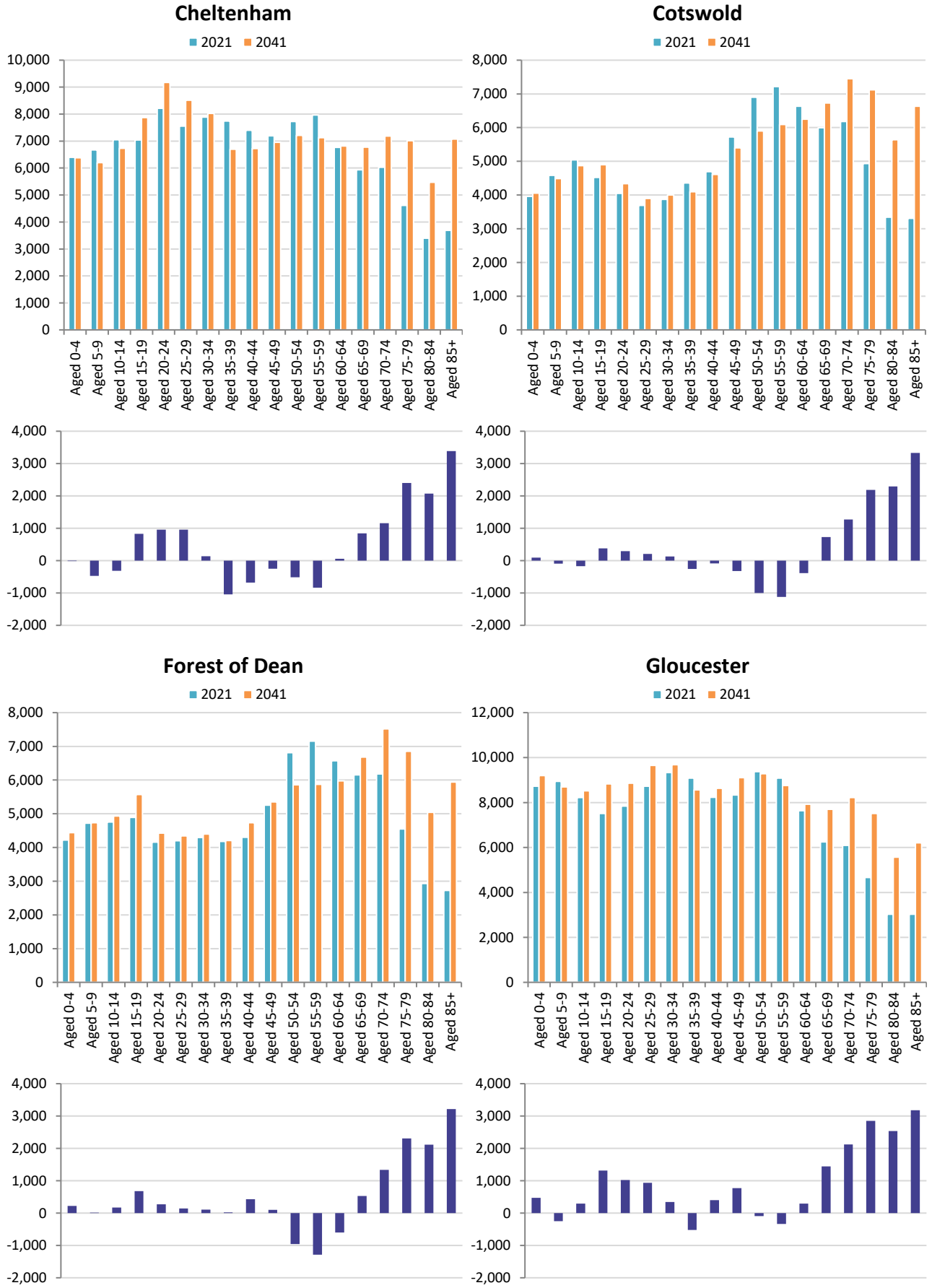
Figure 23: Population projections 2021-41 by 5-year age cohort for Gloucestershire (Source: ONS sub-national projections 2016)

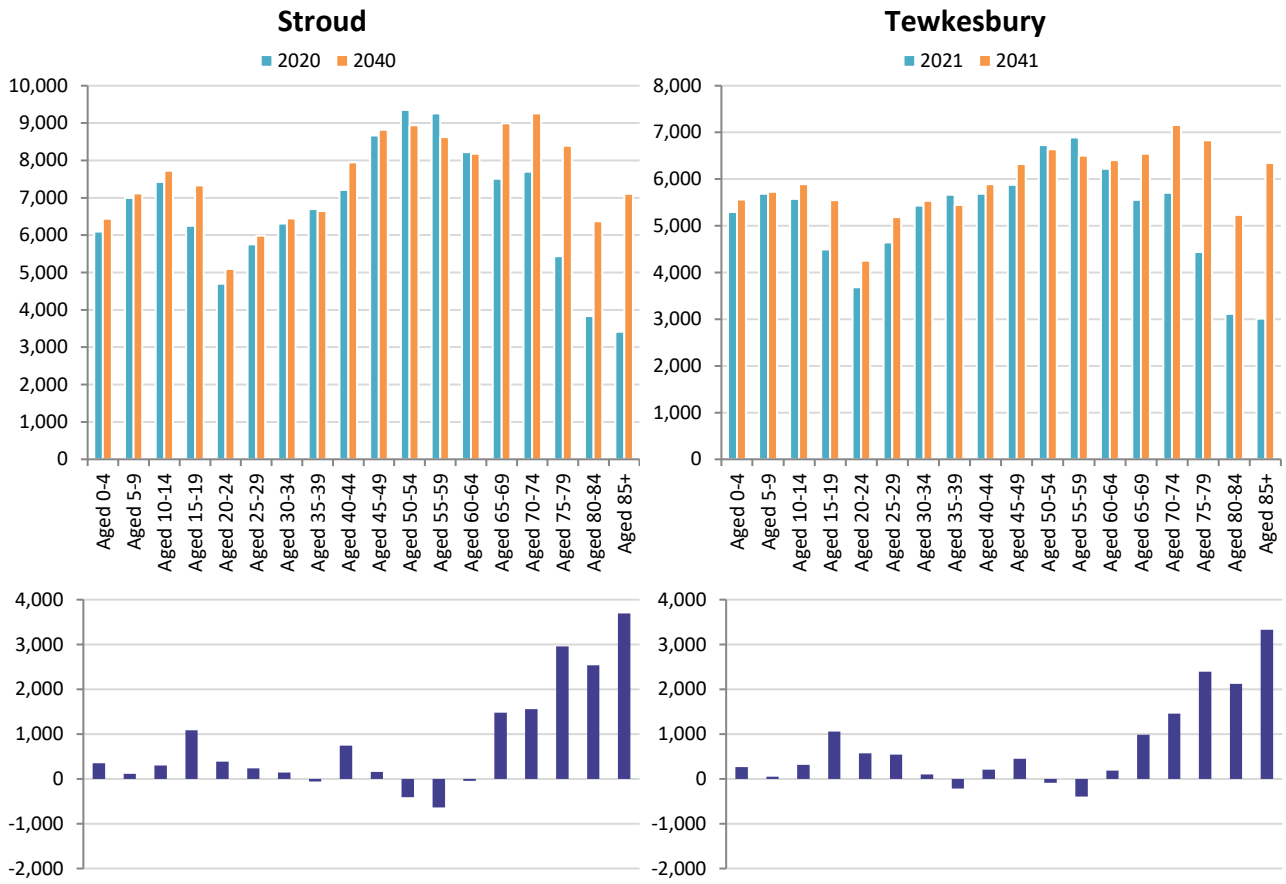


6.4 The picture varies between the LPAs. In summary:

- **In Cheltenham,** the growth in the older population aged 65 and over (9,863) is larger than the overall population growth of 8,687. The growth in the older population is offset by decreases in most of the under 65 age groups.
- **In Cotswold**, the growth in the older population aged 65 and over (12,071) is larger than the overall population growth of 10,359. The growth in the older population is offset by decreases in under 65 age groups, particularly those aged 40 – 54.
- **In the Forest of Dean**, the growth in the older population aged 65 and over (9,498) is larger than the overall population growth of 8,823. The growth in the older population is offset by decreases in under 65 age groups, particularly those aged 50 – 64.
- **In Gloucester**, the growth in the older population aged 65 and over (12,130) is a large proportion, but smaller than the overall population growth of 16,783. There is growth in most of the under 65 age groups, particularly those aged 15 – 29.
- **In Stroud**, the growth in the older population aged 65 and over (12,227) is a large proportion, but smaller than the overall population growth of 14,589. There is growth in most of the under 65 age groups, particularly those aged 15 – 19 combined with decreases in the 50 – 64 age groups.
- **In Tewkesbury**, the growth in the older population aged 65 and over (10,285) is a large proportion, but smaller than the overall population growth of 13,330. There is growth in most of the under 65 age groups, particularly those aged 15 – 29.

Figure 24: Population projections by 5-year age cohort for the relevant assessment period in each area (Source: ONS sub-national projections 2016)





Household Projections by Age

6.5 This section considers households as opposed to the previous section which considers individual persons. Figure 25 summarises the total number of households in Gloucestershire in 2021 and 2041 in terms of the age of household representatives, together with the change in the number of households in each category over the period 2021-41 using 5-year age bands.

Figure 25: Total projected households in Gloucestershire for 2021 and 2041 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									
2021	6,300	29,300	41,300	53,200	53,700	43,700	35,000	14,300	276,900
2041	9,600	35,300	43,200	54,000	52,400	54,200	57,600	30,400	336,700
TOTAL CHANGE 2021-2041	**+3,300**	**+6,000**	**+1,900**	**+900**	**-1,400**	**+10,500**	**+22,600**	**+16,100**	**+59,800**

6.6 Considering this growth in terms of the age of household representatives, it is important that the increase in older people is reflected in household types. The increase in households aged 65+ represents over 80% of the total household growth. Many of these older households will already be established and living in existing homes; they will simply get older during the 20-year period. It is therefore also important to consider household growth in relation to age cohorts.

6.7 Figure 26 shows the projected number of households in each cohort, showing their age in both 2021 and 2041. Clearly, no household representatives are aged under 5 (in 2021), but children aged 4 in 2021 or born between 2021 and 2026 will be aged 15-24 in 2041 and will form 9,600 households.

Figure 26: Total projected households for 2021 and 2041 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 2021	<5	5-14	15-24	25-34	35-44	45-54	55-64	65+	
Age in 2041	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
TOTAL HOUSEHOLDS									
2021	-	-	6,300	29,300	41,300	53,200	53,700	93,000	276,900
2041	9,600	35,300	43,200	54,000	52,400	54,200	57,600	30,400	336,700
TOTAL CHANGE 2021-2041	**+9,600**	**+35,300**	**+36,900**	**+24,700**	**+11,000**	**+1,000**	**+3,800**	**-62,600**	**+59,800**
TOTAL CHANGE BY AREA 2021-2041									
Cheltenham	+2,900	+8,700	+6,600	+2,400	+100	-900	+100	-10,200	+9,800
Cotswold	+900	+3,300	+4,400	+4,400	+2,900	+1,200	+1,700	-10,400	+8,600
Forest of Dean	+1,000	+3,600	+4,000	+3,400	+2,700	+1,400	+700	-10,000	+6,700
Gloucester	+2,600	+9,300	+8,400	+3,900	+400	-1,600	-600	-10,300	+12,100
Stroud	+1,200	+5,500	+7,500	+6,300	+3,100	+200	+700	-12,600	+11,800
Tewkesbury	+1,100	+4,900	+6,000	+4,300	+1,800	+700	+1,200	-9,100	+10,800
ALTERNATIVE PERIODS									
Stroud 2020-40	+1,200	+5,400	+7,500	+6,300	+3,000	+200	+600	-12,400	+11,900

6.8 For example, at Gloucestershire County level there were 29,300 households aged 25-34 in 2021 and these same households would be aged 45-54 by 2041. The trend-based projection identified that the total number of households aged 45-54 in 2041 would be 54,000; therefore, an extra 24,700 households: partly due to new household formations and partly due to net migration.

6.9 Based on the cohort analysis, it is apparent that around 122,300 extra households aged under 85 (in 2041) will be likely to form in Gloucestershire over the 20-year period 2021-41 against a total growth across all LPAs of 59,800 households, which is lower than the number of new households forming. The 62,600 extra households aged under 85 are offset against a reduction of 62,600 households aged 85 or over (in 2041). Most of this reduction is due to household dissolution following death (although some may be due to net migration):

- 93,000 households were aged 65+ in 2021, who would be aged 85+ in 2041 if they had survived;
- The projected number of households aged 85+ in 2041 is 30,400, which represents a reduction of 62,600 households whose existing homes would be vacated.

6.10 Whilst the increase in overall households is largely amongst those aged 65+, most of the new households seeking housing will be in their twenties and thirties at the time that they form. However, the total number of new households is likely to be over 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.

6.11 At an LPA level, the cohort analysis for 2021-41 shows (rounded figures may not sum exactly):

- **In Cheltenham**, the total increase is 9,800 households. The increase in households aged under 85 is 19,900 offset by a decrease of 10,200 in households aged 85 and over.
- **In Cotswold**, the total increase is 8,600 households. The increase in households aged under 85 is 18,800 offset by a decrease of 10,400 in households aged 85 and over.
- **In Forest of Dean**, the total increase is 6,700 households. The increase in households aged under 85 is 16,800 offset by a decrease of 10,000 in households aged 85 and over.
- **In Gloucester**, the total increase is 12,100 households. The increase in households aged under 85 is 22,400 offset by a decrease of 10,300 in households aged 85 and over.
- **In Stroud**, the total increase is 11,800 households. The increase in households aged under 85 is 24,500 offset by a decrease of 12,600 in households aged 85 and over.
- **In Tewkesbury**, the total increase is 10,800 households. The increase in households aged under 85 is 20,000 offset by a decrease of 9,100 in households aged 85 and over.

6.12 Considering the Local Plan period of 2020-2040 for Stroud, the cohort analysis shows:

- **In Stroud** (2020-2040), the total increase is 11,900 households. The increase in households aged under 85 is 24,200 offset by a decrease of 12,400 in households aged 85 and over.

Projected Household Types

6.13 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.

6.14 Figure 27 shows the household numbers for Gloucestershire for 2021 and 2041 based on the trend-based projections by household type and age; together with the net change 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. The totals differ slightly from those in Figure 25 and Figure 26 because of rounding and the composite effect of rounding.

Figure 27: Total projected households for 2021 and 2041 and summary of 20-year change by household type and age of household representative in Gloucestershire (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. 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 2021									
Single person	1,500	7,280	8,830	11,790	12,530	12,940	20,440	8,290	83,600
Couple without children	820	7,440	5,170	15,830	33,950	27,290	10,870	4,330	105,700
Families with child(ren)	2,280	12,220	26,670	23,460	5,110	460	160	10	70,400
Other households	1,740	2,390	670	2,080	2,130	3,040	3,520	1,660	17,200
TOTAL	6,300	29,300	41,300	53,200	53,700	43,700	35,000	14,300	276,900
Total Households 2041									
Single person	1,540	8,260	9,460	12,460	11,230	13,250	29,130	13,440	98,800
Couple without children	800	8,240	3,730	9,260	31,630	35,460	20,450	12,210	121,800
Families with child(ren)	4,140	14,950	29,710	31,190	7,750	800	460	50	89,000
Other households	3,170	3,850	330	1,130	1,770	4,700	7,520	4,710	27,200
TOTAL	9,600	35,300	43,200	54,000	52,400	54,200	57,600	30,400	336,800
Total Change 2021-2041									
Single person	+40	+980	+630	+670	-1,300	+310	+8,700	+5,150	+15,200
Couple without children	-20	+800	-1,430	-6,570	-2,310	+8,170	+9,580	+7,880	+16,100
Families with child(ren)	+1,850	+2,730	+3,040	+7,730	+2,630	+340	+300	+30	+18,700
Other households	+1,430	+1,470	-330	-950	-370	+1,650	+4,000	+3,050	+9,900
TOTAL CHANGE	+3,300	+6,000	+1,900	+900	-1,300	+10,500	+22,600	+16,100	+59,900

6.15 In summary:

- Families with dependent children represent around a third of the overall household growth: an increase of 18,700 households over the 20-year period;
- Single person households represent a quarter of the overall household growth: an increase of 15,200 households over the 20-year period, including 13,850 extra single person households aged 75 and over and 5,150 aged 85 and over;
- Couples without dependent children represent just over a quarter of the growth: an increase of 16,100 households formed of 25,630 aged 65+ offset against a reduction of 10,330 younger couples without children (the exception being the 800 newly forming households in the 25-34 age group);
- The increase in "Other" households represents 17% of the growth.[18]

6.16 Therefore, at the County level a little over 50% of the household growth is associated with households who require smaller dwellings. This is the case in all Gloucestershire LPAs except for Gloucester, where 33% of the growth is associated with households who require smaller dwellings and 40% in households of families with children.

[18] Other Households can be defined as: "multi-person households including unrelated adults sharing, student households, multi-family households and households of one family and other unrelated adults" (https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/articles/householdsandhouseholdcompositioninenglandandwales/2014-05-29)

7. Local Housing Market

Housing options and cost of housing in Gloucestershire

Housing Tenure Trends

7.1 National trends are evident in the local data for Gloucestershire. Figure 28 to Figure 30 show that the overall balance between owners and renters has changed in 2011 from the position in 1981, with 65% owning in 1981 and 70% owning in 2011, though the proportion of owners is less in 2011 than in 1991 and 2001. The balance between social rent and private rent has also changed significantly: only 31% of tenants rented privately in 1981 (11% of 35%) whereas 56% rented privately in 2011 (16.8% of 29.7%).

Figure 28: Number of Gloucestershire Households by Tenure 1981-2011 (Source: UK Census of Population)

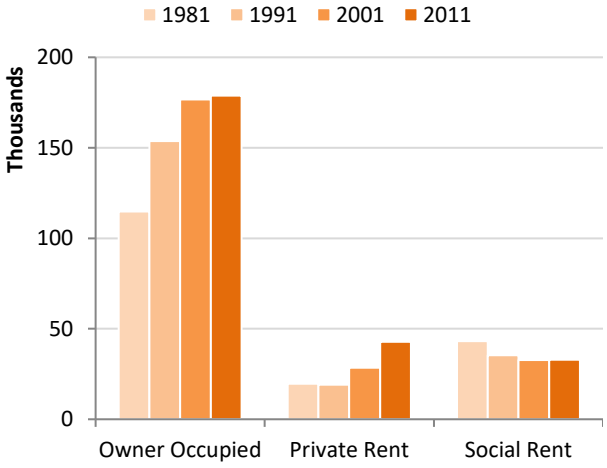


Figure 29: Percentage of Gloucestershire Households by Tenure 1981-2011 (Source: UK Census of Population)

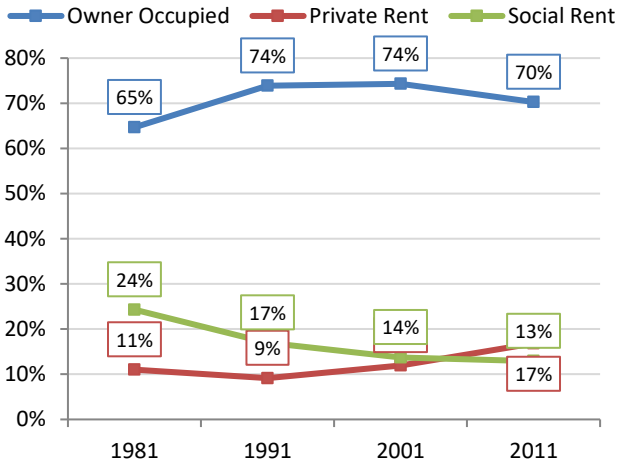


Figure 30: Gloucestershire Households by Tenure 1981-2011 (Source: UK Census of Population)

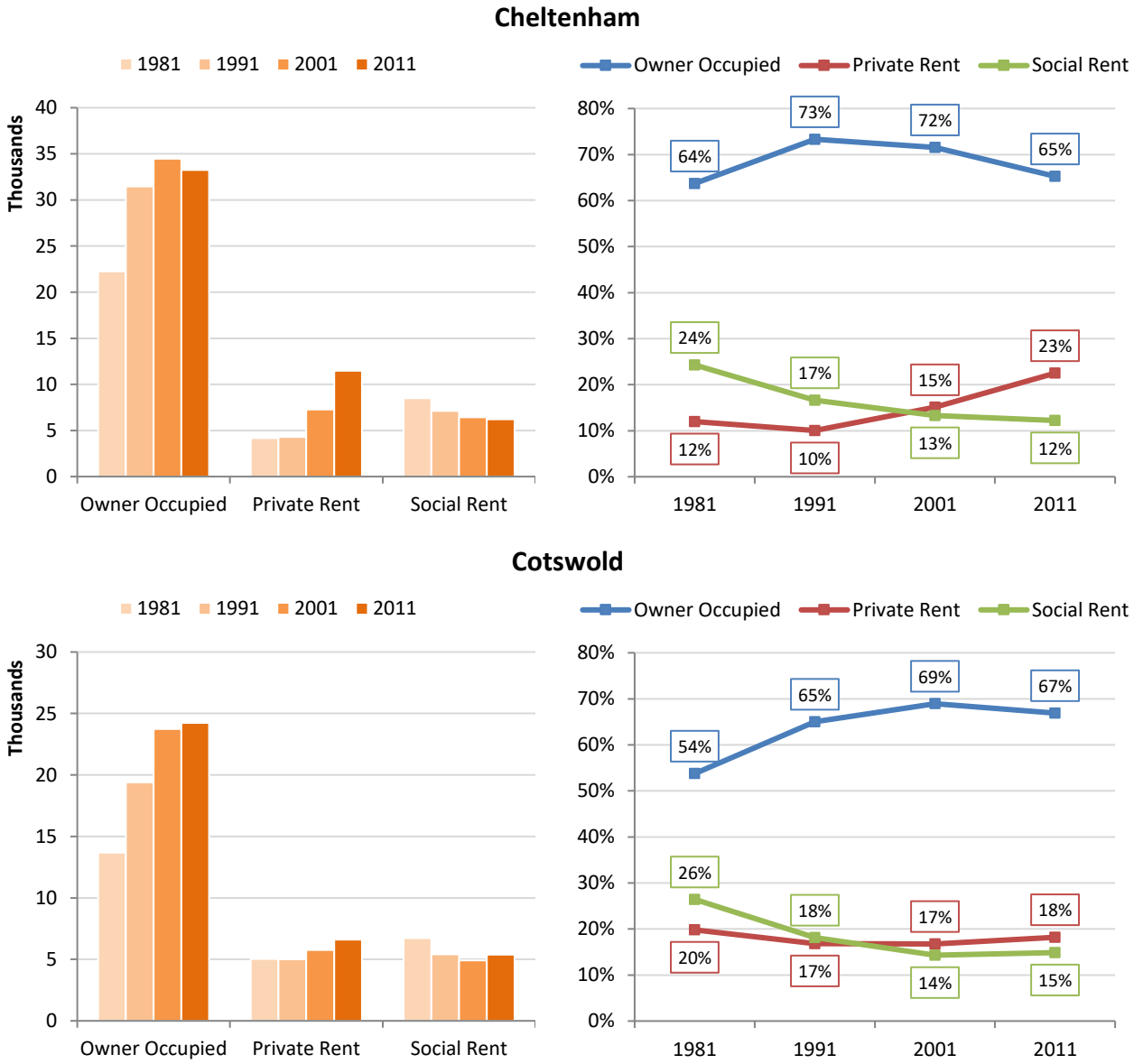
Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	114,734	153,702	176,746	178,902	+38,968	+23,044	+2,156
Private rent	19,555	19,024	28,426	42,860	-531	+9,402	+14,434
Social rent	43,121	35,344	32,700	32,853	-7,777	-2,644	+153
TOTAL	**177,410**	**208,070**	**237,872**	**254,615**	**+30,660**	**+29,802**	**+16,743**
Owner occupied	64.7%	73.9%	74.3%	70.3%	+9.2%	+0.4%	-4.0%
Private rent	11.0%	9.1%	12.0%	16.8%	-1.9%	+2.8%	+4.9%
Social rent	24.3%	17.0%	13.7%	12.9%	-7.3%	-3.2%	-0.8%

7.2 A similar change is reflected in each of the LPAs:

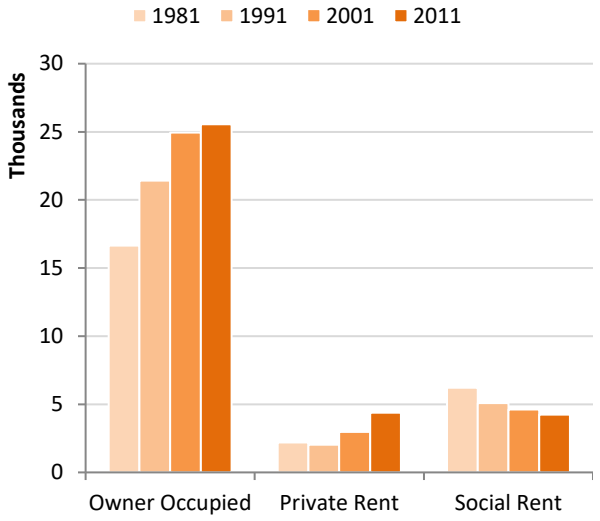
- Owner occupation increasing from 1981 to peak in 1991 and 2001, then decreasing to 2011, though generally at a higher level than in 1981. In Cheltenham and Gloucester, the 2011 level of home ownership is similar to the 1981 level.
- A greater percentage of tenants in 1981 lived in social rent than in private rent, but by 2011, private rent increased to be equal or a greater percentage than social rent. Some local factors

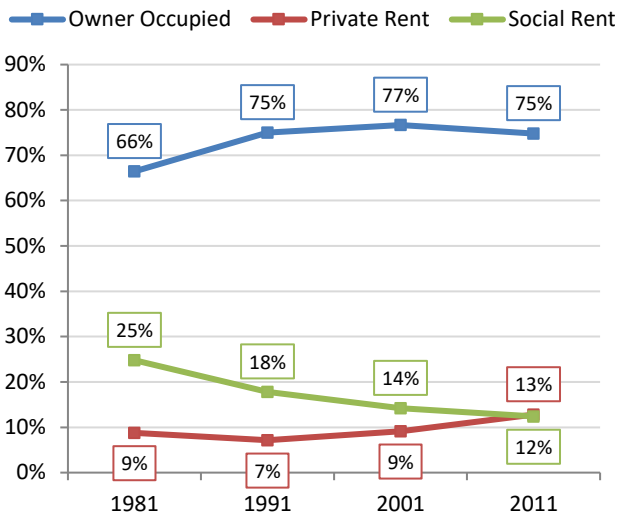
are evident, notably the high percentage of private rent in Cotswold in 1981 (20%) and the high percentage in Cheltenham in 2011 (23%) compared to 18% in Gloucester.

Figure 31: Tenure trends 1981-2011 by area (Source: UK Census of Population). Percentages may not sum to 100% due to rounding

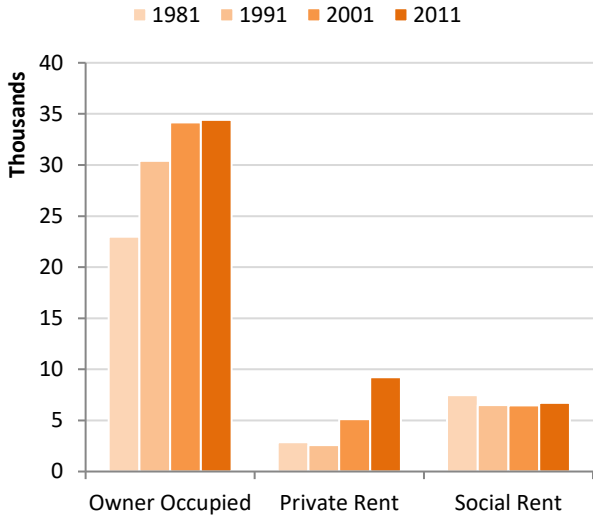


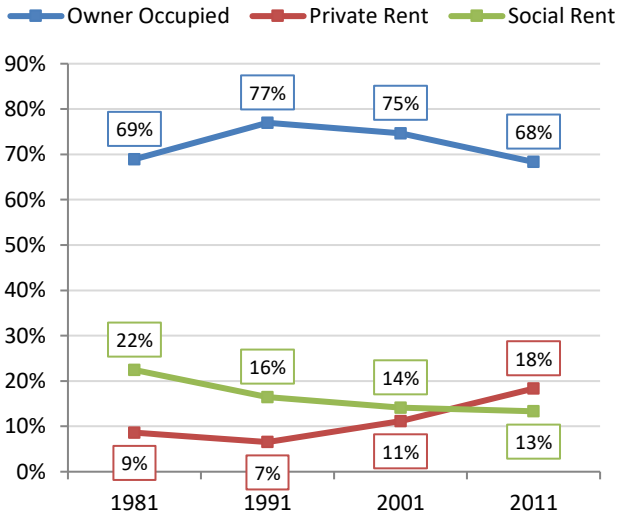
Forest of Dean



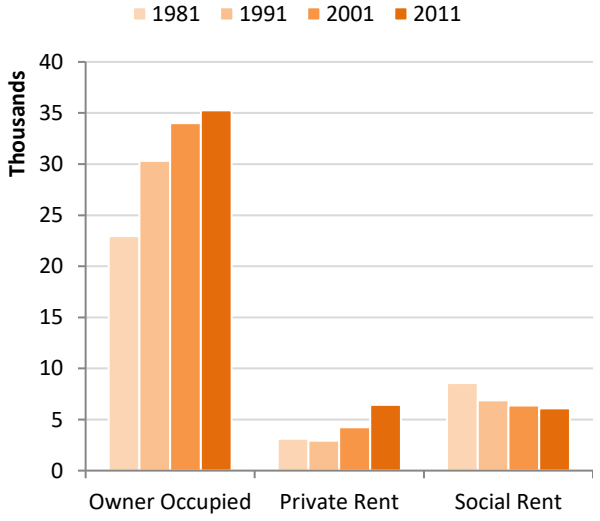


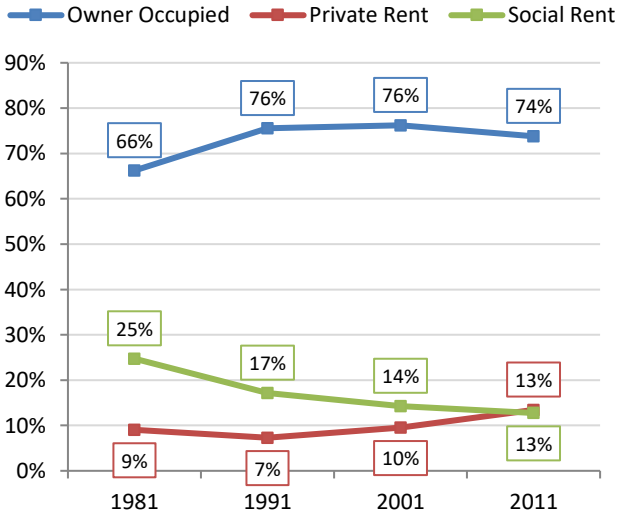
Gloucester

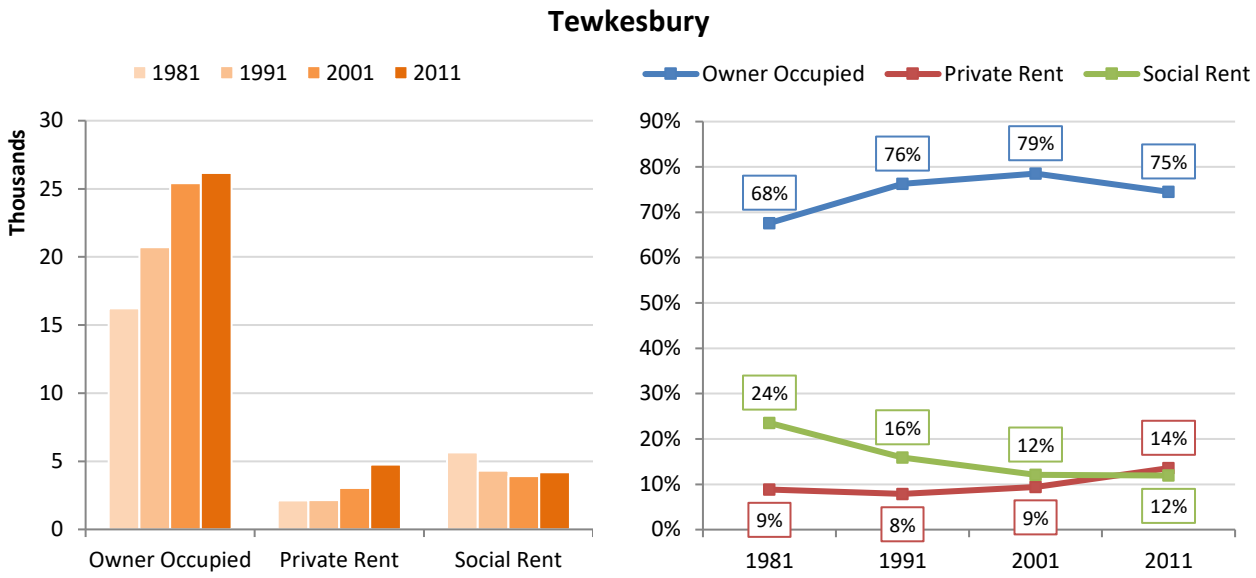




Stroud






Tewkesbury
1981
1991
2001
2011
Thousands
30
25
20
15
10
5
0
Owner Occupied
Private Rent
Social Rent
Owner Occupied
Private Rent
Social Rent
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
68%
76%
79%
75%
24%
16%
12%
12%
9%
8%
9%
14%
1981
1991
2001
2011

Housing Stock by Size (as at 2011)

7.3 Figure 32 shows the housing stock of the LPAs by tenure and number of bedrooms. In general, the owner occupied stock is dominated by 3 bedroom properties (45%) followed by equal percentages of 2 bedroom and 4 bedroom properties. The picture is broadly similar in all LPAs.

7.4 In general, 2 bedrooms are the most common private rented property size followed by 3 bedroom then 1 bedroom. Nevertheless, there is a smaller percentage of 1 bedroom properties and larger percentages of 3 bedroom properties in Cotswold, Forest of Dean and Tewkesbury.

7.5 In Social Rent there is a broadly three-way split between 1, 2 and 3 bedroom properties.

Figure 32: Dwelling stock by tenure and number of bedrooms by area (Source: UK Census of Population 2011)

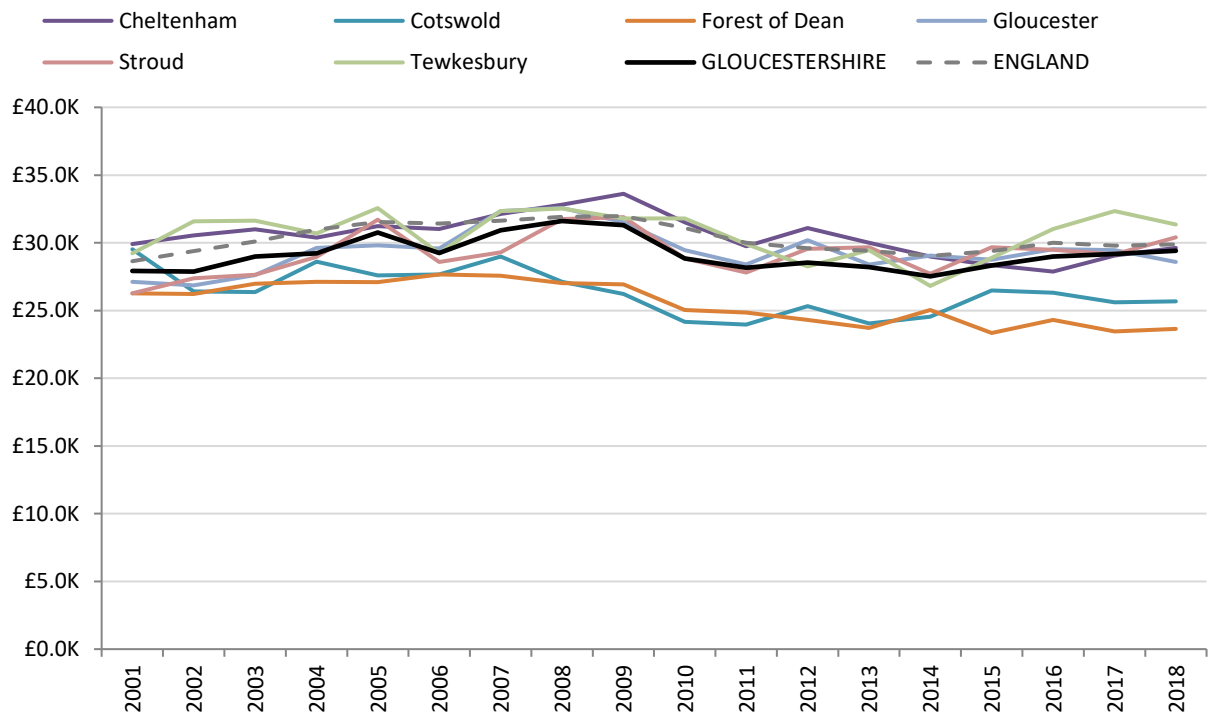
Property Type	Local Authority						TOTAL
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
OWNER OCCUPIED							
1 bedroom	5.0%	2.6%	2.2%	3.9%	3.1%	3.8%	3.5%
2 bedrooms	25.7%	18.6%	21.9%	22.0%	20.3%	19.4%	21.5%
3 bedrooms	42.4%	41.4%	48.1%	50.1%	42.6%	45.4%	45.1%
4 bedrooms	20.8%	25.4%	21.0%	20.1%	24.9%	24.7%	22.7%
5+bedrooms	6.1%	12.1%	6.8%	3.9%	9.1%	6.7%	7.3%
PRIVATE RENT							
1 bedroom	32.2%	13.4%	18.5%	24.1%	21.9%	16.3%	22.8%
2 bedrooms	36.9%	34.1%	36.2%	39.6%	38.2%	35.9%	37.1%
3 bedrooms	19.0%	36.8%	33.9%	27.3%	28.1%	35.7%	28.3%
4 bedrooms	7.1%	11.0%	8.5%	6.4%	8.7%	9.3%	8.2%
5+bedrooms	4.8%	4.8%	2.9%	2.6%	3.1%	2.7%	3.6%
SOCIAL RENT[19]							
1 bedroom	33.2%	26.7%	31.1%	34.0%	30.9%	25.2%	30.6%
2 bedrooms	34.2%	33.6%	29.5%	32.5%	34.5%	37.7%	33.6%
3 bedrooms	28.1%	36.5%	36.7%	28.8%	31.8%	33.2%	32.0%
4 bedrooms	3.4%	2.5%	2.0%	3.9%	2.1%	3.3%	2.9%
5+bedrooms	1.1%	0.7%	0.8%	0.7%	0.9%	0.7%	0.8%

Local Incomes

7.6 Trends in median earnings for local workers over the period 2001-2018 are shown in Figure 35. Of course, the value of money has also changed during this period, so the data is adjusted to take account of and remove the impact of inflation; therefore, the values reflect real changes in incomes since 2001.

[19] The "Affordable Rent" tenure was introduced in 2011 as part of the Coalition Government Affordable Homes Programme

Figure 33: Real Income Trends: Median Workplace Earnings adjusted to 2018 values using CPI (Source: ONS HPSSA Dataset 15; Bank of England)



7.7 Whilst the median workplace earnings data is a key part of the affordability input to the Government's current standard method, individual earnings do not typically provide a measure of household income. Many households will have more than one earner, and many households will have income from pensions, savings and benefits in addition to their earnings.

7.8 ONS publishes estimates of household income for small areas, but the latest data relates to the 2015-16 financial year and figures are only published for Middle-layer Super Output Areas (MSOAs). Figure 34 summarises the lowest, highest and average median household income for MSOAs in each of local authority area. The area with the lowest median is in Gloucester with income of £26,000; whereas the area with the highest income is in Cheltenham with income of £55,700 – so it is clear that incomes vary quite markedly between areas across the county.

Figure 34: Household Income Estimates 2015-16 (Source: ONS Modelled Household Income for Small Areas. Note: All incomes in 2016 values)

	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
MSOA with lowest median income	£29,800	£39,100	£33,700	£26,000	£35,000	£35,400
MSOA with highest median income	£55,700	£54,700	£47,500	£53,900	£50,900	£50,500
MSOA with average (median) median income	£43,900	£44,400	£37,250	£36,000	£43,000	£43,200

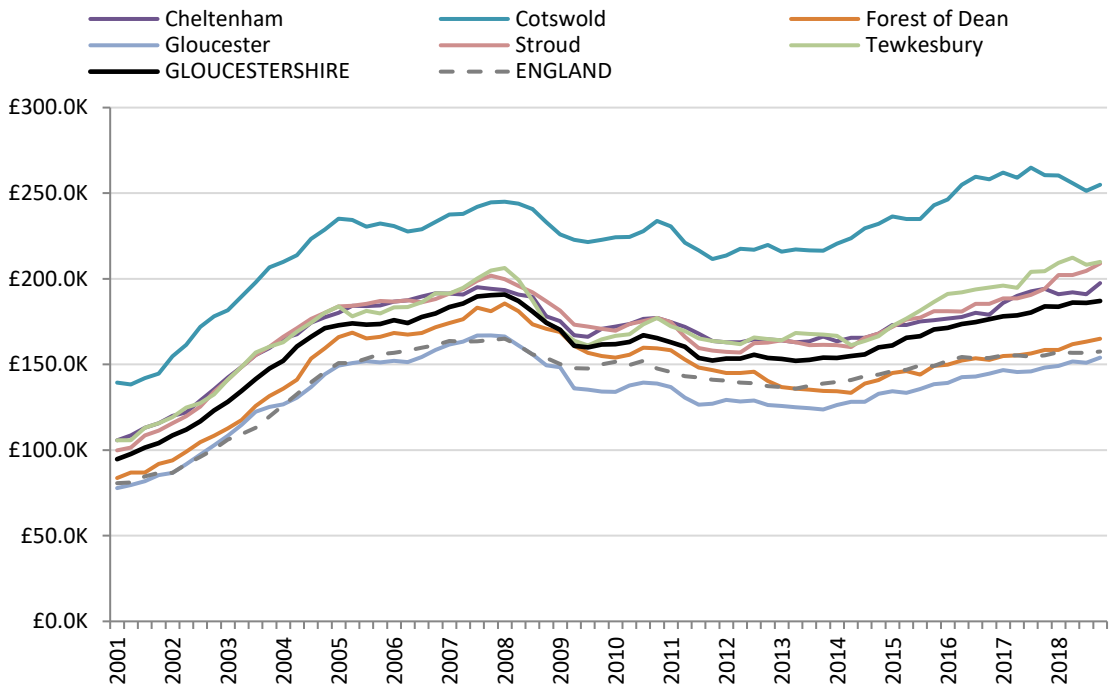
Cost of Home Ownership

7.9 House price trends (2001-2018) are shown in Figure 35 based on lower quartile house prices. Of course, the value of money has also changed during this period, so the data is adjusted to take account of and remove the impact of inflation; therefore, the values reflect real changes in house prices since 2001.

7.10 It is evident that real house prices in Gloucestershire increased substantially in the period 2001-2008 (from £94,700 to £190,800 at 2018 values, a real increase of 101%). Values reduced to around £170,000 by the start of 2009 and continued to decline over the period to 2013 reaching a low point of £152,000; but have since increased to a value of £187,000 by mid-2018.

7.11 House prices in all the LPAs follow this pattern closely, with the highest prices being found in the Cotswolds and the lowest prices being found in Gloucester. Gloucester and the Forest of Dean have similar prices to England overall, while prices in the other LPAs are above those of England. Prices in Cotswold are considerably higher than the other LPAs; £255,000 in 2018 compared to £187,000 for Gloucestershire and £157,500 for England. The other LPAs are relatively close, ranging from £155,000 in Gloucester to £210,000 in Tewkesbury in 2018.

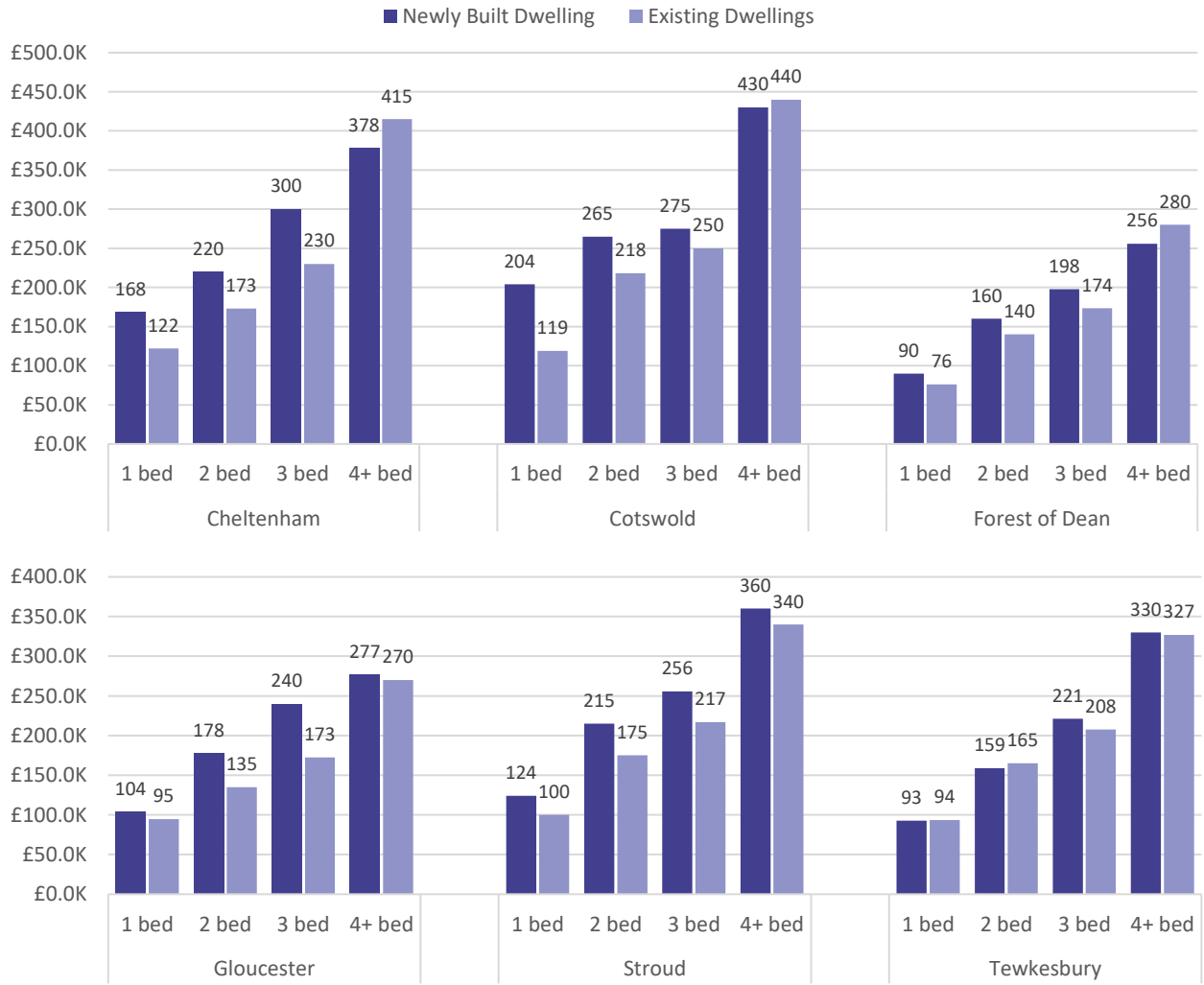
Figure 35: Real House Price Trends: Lower Quartile Prices adjusted to 2018 values using CPI (Source: ONS HPSSA Dataset 15; Bank of England)



7.12 Figure 36 shows the lower quartile house prices by bedroom size for each LPA. The data shows both the lower quartile price for existing properties and also new build dwellings. When considering first time buyers in particular, many of the purchasers are likely to be newly forming households seeking smaller properties.

7.13 The degree to which new build properties are more expensive than existing homes is influenced by a number of factors, including the location of new build housing, the relative size of properties, gardens and the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character. It is notable that the lowest quartile prices of newly built 4+ bedroom houses are below that of existing house prices in Cheltenham, Cotswold and Forest of Dean. This could be simply because of the relative desirability of older, period, properties. The lowest quartile price for newly-built one bed homes in Tewkesbury is the same as for existing dwellings, while the price of two bed homes is lower than the lower quartile for existing dwellings. This is may be due to many of the existing dwellings being houses whereas many new two bed properties will be apartments.

Figure 36: Lower quartile prices for existing dwellings and newly built dwellings (2018-19) by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)[20]



[20] Note that Figure 35 and Figure 36 may initially appear counter intuitive. For example, Figure 35 shows Tewkesbury as more expensive than Cheltenham in 2018, while Figure 36 shows Tewkesbury as the less expensive of the two. This is because Figure 35 is affected by the proportion of dwellings of different sizes, such as there being a higher proportion of larger, more expensive properties in Tewkesbury than in Cheltenham which are more expensive than smaller properties combined with a larger proportion of small properties in Cheltenham.

Income Needed for Home Ownership

7.14 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).

7.15 To give an illustrative example based on the Forest of Dean prices, taking an existing 1-bedroom property from Figure 36:

- The lower quartile price recorded was £76,000;
- Based on a 90% loan-to-value mortgage, a deposit of £7,600 would be needed (equivalent to 10% of the overall price) with the mortgage covering the remaining £68,400;
- Using a mortgage income multiplier of 3.5x would therefore need an annual income of £19,500 (rounded).

7.16 To purchase the same property with a 95% loan-to-value mortgage would reduce the deposit needed to £3,800 (equivalent to 5% of the overall price) but the income required would increase to £20,600 per year. Borrowing at a 4.0x income multiplier would reduce the income needed; but households would still need an income of between £17,100 and £18,050 based on a 5-10% deposit. Therefore, to purchase an existing 1-bedroom property at an overall cost of £76,000 is likely to require an annual income of at least £17,100 (assuming a 10% deposit and a 4.0x multiplier); but with a smaller deposit and a lower income multiplier an income of up to £20,600 per year could be needed.

7.17 Given that newly built dwellings are typically more expensive than existing dwellings, households would normally need a higher income in order to purchase a new property. Nevertheless, many home buyers purchasing a new home are currently eligible for the Government's Help to Buy which provides up to 20% of the purchase price as an equity loan. Buyers must provide a deposit of at least 5%, but together with the equity loan their mortgage borrowing would typically be 75% of the sale price. Through the Help to Buy scheme a 1-bed newly built property in the Forest of Dean (with a lower quartile cost of £90,000) could be purchased with an income of £19,300 and a deposit of £4,500.

7.18 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, taking the initial assumptions of a 10% deposit (but 5% when bought through Help-to-Buy) and a 3.5x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to afford home ownership. Based on these assumptions, Figure 44 shows the household income levels needed to buy 1-bedroom, 2-bedroom and 3-bedroom properties in terms of both existing dwellings and newly built dwellings in the local authority area. When purchasing larger homes, households will typically have larger deposits available which often include equity from the sale of a smaller property. Nevertheless, assuming a 10% deposit allows us to assess the income that is needed, rather than the higher income that some households have.

Figure 37: Annual income required to afford proprieties based on a 10% deposit and 3.5 times income mortgage by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)

Annual Income Needed to Own at Lower Quartile Prices		Local Authority					
		Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
1 BEDROOM PROPERTIES							
Existing dwelling		£31,400	£30,600	£19,500	£24,400	£25,700	£24,000
Newly built dwelling	With Help to Buy	£36,000	£43,700	£19,200	£22,300	£26,600	£19,800
	Without Help to Buy	£43,200	£52,400	£23,100	£26,700	£31,900	£23,800
2 BEDROOM PROPERTIES							
Existing dwelling		£44,500	£56,100	£36,000	£34,700	£45,000	£42,400
Newly built dwelling	With Help to Buy	£47,100	£56,800	£34,300	£38,100	£46,100	£34,100
	Without Help to Buy	£56,600	£68,100	£41,100	£45,800	£55,300	£40,900
3 BEDROOM PROPERTIES							
Existing dwelling		£59,100	£64,300	£44,600	£44,400	£55,800	£53,400
Newly built dwelling	With Help to Buy	£64,300	£58,900	£42,400	£51,400	£54,800	£47,400
	Without Help to Buy	£77,100	£70,700	£50,900	£61,700	£65,700	£56,900

Cost of Renting

7.19 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit based on Broad Rental Market Areas (BRMAs). The LHA was previously based on the 30th percentile private rent, however more recent increases have been based on the consumer price index (CPI)[21] and rates were frozen in the July 2015 Budget.

7.20 Whilst the BRMAs do not align with local authority boundaries, the Cheltenham BRMA covers Cheltenham Borough and most of Cotswold district; and the Gloucester BRMA covers Gloucester City, Stroud district and most of the Forest of Dean. Tewkesbury district is divided, with around two thirds covered by Cheltenham BRMA and a third covered by Gloucester BRMA.

Figure 38: Maximum Local Housing Allowance thresholds 2019 (Source: Valuation Office Agency)

Weekly Rent £	Broad Rental Market Area	
	Cheltenham BRMA	Gloucester BRMA
LOCAL HOUSING ALLOWANCE		
Room only	£70.40	£70.23
1 bedroom	£111.83	£92.05
2 bedrooms	£143.34	£126.03
3 bedrooms	£174.43	£151.54
4+ bedrooms	£240.59	£192.75

7.21 Figure 39 sets out the weekly rents for different property sizes. This includes:

- Median and lower quartile private rent;
- Affordable rent, based on existing average rents; and
- Social rent, based on existing average rents.

[21] The consumer price index (CPI) is a measure of inflation defined as: "the change in the prices of a basket of goods and services that are typically purchased by specific groups of households." https://data.oecd.org/price/inflation-cpi.htm

7.22 Comparing the LHAs against private rents in each of the BRMAs:

- The Cheltenham BRMA LHA is lower than lower quartile private rents in Cheltenham and Cotswold.
- The Gloucester BRMA LHA is higher than lower quartile private rents for all sized properties in Forest of Dean, but lower than in the City of Gloucester and in Stroud.
- The Gloucester LHA is lower than lower quartile private rents for all sizes of property in Tewkesbury while the Cheltenham LHA is higher for 1, 2 and 3-bedroom properties and lower for 4-bedroom.

7.23 Where LHA rates are higher than the equivalent lower quartile private rents, it is important to note that the private rent figures exclude housing benefit funded tenancies. Therefore, there would appear to be only limited opportunity for an increase in the number of households in receipt of housing benefit given that lower quartile rents are already above or close to the maximum housing benefit.

Figure 39: Weekly rents 2019 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing. Note: Private rent data excludes housing benefit funded tenancies)

Weekly Rent £	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
MEDIAN PRIVATE RENT						
1 bedroom	£136.84	£139.14	£103.49	£113.84	£123.04	£116.14
2 bedrooms	£174.78	£182.83	£132.24	£149.49	£155.24	£149.49
3 bedrooms	£212.73	£218.48	£159.84	£182.83	£195.48	£183.98
4+ bedrooms	£321.97	£344.97	£205.83	£252.98	£264.48	£275.98
LOWER QUARTILE PRIVATE RENT						
1 bedroom	£126.49	£128.33	£91.99	£103.49	£111.08	£103.49
2 bedrooms	£158.23	£166.74	£126.49	£136.84	£143.74	£134.54
3 bedrooms	£195.48	£195.48	£149.49	£166.74	£180.53	£166.74
4+ bedrooms	£252.98	£287.47	£189.73	£218.48	£224.23	£252.98
LOCAL HOUSING ALLOWANCE						
1 bedroom	£111.83	£111.83	£92.05	£92.05	£92.05	£111.83
2 bedrooms	£143.34	£143.34	£126.03	£126.03	£126.03	£143.34
3 bedrooms	£174.43	£174.43	£151.54	£151.54	£151.54	£174.43
4+ bedrooms	£240.59	£240.59	£192.75	£192.75	£192.75	£240.59
AFFORDABLE RENT						
1 bedroom	£105.73	£106.83	£80.51	£94.87	£92.10	£95.90
2 bedrooms	£123.36	£132.08	£107.36	£111.08	£117.02	£128.32
3 bedrooms	£153.16	£154.07	£117.07	£132.14	£142.01	£155.18
4+ bedrooms	£189.78	£193.30	£145.60	£157.45	£162.22	£167.17
SOCIAL RENT						
1 bedroom	£84.38	£83.45	£82.43	£71.36	£81.97	£80.20
2 bedrooms	£96.59	£101.32	£92.65	£86.21	£95.91	£91.90
3 bedrooms	£106.72	£115.14	£101.17	£97.53	£108.58	£103.69
4+ bedrooms	£120.74	£131.57	£109.89	£115.90	£125.51	£123.24

7.24 With a few exceptions, affordable rents (at 80% of median private rent) are currently below the maximum LHA rate for all property sizes in the area, but this relationship could change in future. The Welfare Reform and Work Act, 2016 required social landlords to reduce their rents by 1% every year for four years from 2015 or 2016 (depending on the landlord). However, in February 2019 the Government confirmed that social

housing rents will rise by the consumer price index (CPI) measure of inflation plus 1% for five years from 2020. At the same time, LHA rates generally increase in line with CPI (although they were updated by a fixed 1% in 2014/15 and 2015/16). Together these changes will typically have increased the "gap" for existing Affordable Rent properties. However, the rent for new properties is based on market rents; so, if market rents increase faster than the maximum LHA, it is possible that new Affordable Rent properties could have rents that are higher than the LHA.

7.25 The Local Housing Allowance Guidance Manual (April 2014)[22] confirms that *"the LHA arrangements apply to HB customers in the deregulated private sector only"*; where HB refers to Housing Benefit, so the LHA rate does not apply to Affordable Rent, and households are currently able to claim housing benefit to cover the full cost of Affordable Rent (where they were entitled to do so based on their circumstances). However, whilst housing associations could set rents above the maximum LHA, many operate a rent policy where rent levels must be within the LHA for the area concerned – partly due to perceived risks of future welfare reforms (which could change the rules), such as Universal Credit - but also to keep properties as affordable as possible.

7.26 This is particularly relevant as all households claiming out-of-work benefits are subject to a cap of £384 per week (for lone parents and couples living outside of London) or £257 per week (for single people living outside of London), which could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying from £291 to £542 or more, depending on age) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

Income Needed to Rent Housing

7.27 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)[23] stated:

> *"A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income"* (page 42).

7.28 However, this previous Guidance was rescinded in March 2014 following the publication of the original NPPF 2012 and the launch of the new PPG. The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that "*care should be taken … to include **only those households who cannot afford** to access suitable housing in the market*" [ID 2a-020-20190220] (emphasis added).

7.29 Results from the English Housing Survey (EHS) 2015-16[24] provide information about the percentage of gross household income that households currently spend on their housing costs[25]:

» For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent; and

[22] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/324708/lha-guidance-manual.pdf (para 1.070)
[23] https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance
[24] https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report
[25] "Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16"

» For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.

7.30 The EHS demonstrates that many households in both private and social rented properties currently pay considerably more than 25% of gross household income on their housing costs. Whilst it is recognised that some households currently pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.

7.31 It is useful to consider work by the Affordable Housing Commission (AHC) to provide some context to measuring affordability. In its interim report "Defining and measuring housing affordability – an alternative approach" (June 2019), the AHC proposes:

> *a new measure of housing affordability in England. Rather than focusing on market rents and house prices it defines and measures housing affordability as being what people can afford, be it to rent or to buy. Viewed from the perspective of who is facing housing stress and under what circumstances, this approach replaces existing market-based definitions as encapsulated by the 'Affordable Rent' product, which misleadingly defines affordable housing as 80% of market rents regardless of a household's income.*

7.32 It is notable that the AHC is primarily concerned about the approach to affordability used for policies such as setting Affordable Rents. This is a different purpose to the affordability measures outlined in this LHNA. However, the report continues:

> *The new measures are based on an affordability threshold at the point when rents or purchase costs exceed a third of household income (for those in work). From this starting point it seeks to capture other issues around housing quality, overcrowding, adequacy of Housing Benefit, household size and regional variations.*

7.33 For the purposes of the calculation, the AHC suggests that it is more appropriate for income to be considered excluding any Housing Benefit (HB), with a recommendation that Housing Benefit is instead discounted from the rent when calculating percentage housing costs:

> *to factor HB into housing costs rather than income and would be calculated thus:*
> *(£100 rent - £100 HB) / £100 income = 0% rent to income ratio.*

7.34 The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that households renting privately currently spend 41% of their gross income on average, there must be many households currently spending more than 41% of their income on housing costs (which will be offset against others spending lower proportions). On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the **maximum** that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.

7.35 As an illustrative example, we can establish the income needed to rent a 1-bedroom property in the private rented sector based on a 35% income multiplier:

» The lower quartile weekly rent recorded was £88.60;

» Based on a 35% income multiplier, a weekly income of £253 would be needed which equates to a gross annual income of £13,200.

7.36 To rent the same property based on a 25% income multiplier would increase the gross income required to £18,480 per year whereas households with an annual income of £10,270 per year could afford the rent if 45% of their income was allocated to housing costs. Therefore, to rent a self-contained 1-bedroom property in Gloucester at a median rent overall cost of £113.84 per week is likely to require an annual income of at least £16,971 (assuming a 35% multiplier); although it is evident that the required income is very sensitive to the multiplier used. To rent a self-contained 1-bedroom property in Cotswold at an overall cost of £139.14 is likely to require an annual income of £20,743.

7.37 Given this context, although some households will choose to pay a higher proportion of their income to rent their home (and others might be forced to do so due to the lack of any other housing options), taking the initial assumption of a 35% income multiplier provides a reasonable benchmark to establish the rental income needed. Based on this assumption, Figure 40 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent.

Figure 40: Annual income required to rent proprieties in median and lower quartile private rent, affordable rent and social rent based on 35% income multiplier by property size (Source: ORS based on VOA data April 2017 to March 2018)

Annual Income £	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
MEDIAN PRIVATE RENT						
1 bedroom	£20,400	£20,743	£15,429	£16,971	£18,343	£17,314
2 bedrooms	£26,057	£27,257	£19,714	£22,286	£23,143	£22,286
3 bedrooms	£31,714	£32,571	£23,829	£27,257	£29,143	£27,429
4+ bedrooms	£48,000	£51,429	£30,686	£37,714	£39,429	£41,143
LOWER QUARTILE PRIVATE RENT						
1 bedroom	£18,857	£19,131	£13,714	£15,429	£16,560	£15,429
2 bedrooms	£23,589	£24,857	£18,857	£20,400	£21,429	£20,057
3 bedrooms	£29,143	£29,143	£22,286	£24,857	£26,914	£24,857
4+ bedrooms	£37,714	£42,857	£28,286	£32,571	£33,429	£37,714
LOCAL HOUSING ALLOWANCE						
1 bedroom	£16,672	£16,672	£13,723	£13,723	£13,723	£16,672
2 bedrooms	£21,369	£21,369	£18,789	£18,789	£18,789	£21,369
3 bedrooms	£26,004	£26,004	£22,592	£22,592	£22,592	£26,004
4+ bedrooms	£35,868	£35,868	£28,735	£28,735	£28,735	£35,868
AFFORDABLE RENT						
1 bedroom	£15,762	£15,926	£12,003	£14,143	£13,730	£14,297
2 bedrooms	£18,391	£19,691	£16,005	£16,560	£17,446	£19,130
3 bedrooms	£22,833	£22,969	£17,453	£19,700	£21,171	£23,134
4+ bedrooms	£28,293	£28,817	£21,706	£23,473	£24,184	£24,921
SOCIAL RENT						
1 bedroom	£12,580	£12,441	£12,289	£10,638	£12,220	£11,956
2 bedrooms	£14,400	£15,105	£13,812	£12,852	£14,298	£13,701
3 bedrooms	£15,910	£17,165	£15,083	£14,540	£16,187	£15,458
4+ bedrooms	£18,001	£19,614	£16,382	£17,279	£18,712	£18,373

7.38 However, as previously noted, the required income is very sensitive to the multiplier used. Insofar as we would consider 35% to provide an appropriate benchmark for the maximum amount that households should be assumed to pay (and Figure 40 identifies the lowest incomes for households to be able to afford on that basis), the Councils may consider it appropriate to provide rented affordable housing for some households with higher incomes on the basis that they may not be able to afford payments of 35% in other tenures and may still be eligible for welfare support through housing benefit.

7.39 To illustrate the impact of the assumption, Figure 41 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent based on 25% of household income being allocated to housing costs. For example, a household in Cheltenham would need an income of £36,480 to pay for a 2 bedroom median private rent property using 25% of their income (as opposed to 35% of their income).

Figure 41: Annual income required to afford to rent proprieties at the lower quartile and median price based on 25% income multiplier by property size (Source: ORS based on Valuation Office Agency data April 2017 to March 2018)

Annual Income £	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
MEDIAN PRIVATE RENT						
1 bedroom	£28,560	£29,040	£21,601	£23,759	£25,680	£24,240
2 bedrooms	£36,480	£38,160	£27,600	£31,200	£32,400	£31,200
3 bedrooms	£44,400	£45,599	£33,361	£38,160	£40,800	£38,401
4+ bedrooms	£67,200	£72,001	£42,960	£52,800	£55,201	£57,600
LOWER QUARTILE PRIVATE RENT						
1 bedroom	£26,400	£26,783	£19,200	£21,601	£23,184	£21,601
2 bedrooms	£33,025	£34,800	£26,400	£28,560	£30,001	£28,080
3 bedrooms	£40,800	£40,800	£31,200	£34,800	£37,680	£34,800
4+ bedrooms	£52,800	£60,000	£39,600	£45,599	£46,801	£52,800
LOCAL HOUSING ALLOWANCE						
1 bedroom	£23,341	£23,341	£19,212	£19,212	£19,212	£23,341
2 bedrooms	£29,917	£29,917	£26,305	£26,305	£26,305	£29,917
3 bedrooms	£36,406	£36,406	£31,629	£31,629	£31,629	£36,406
4+ bedrooms	£50,215	£50,215	£40,229	£40,229	£40,229	£50,215
AFFORDABLE RENT						
1 bedroom	£22,067	£22,296	£16,804	£19,800	£19,222	£20,016
2 bedrooms	£25,747	£27,567	£22,407	£23,184	£24,424	£26,782
3 bedrooms	£31,966	£32,157	£24,434	£27,580	£29,639	£32,388
4+ bedrooms	£39,610	£40,344	£30,388	£32,862	£33,858	£34,889
SOCIAL RENT						
1 bedroom	£17,612	£17,417	£17,205	£14,893	£17,108	£16,738
2 bedrooms	£20,160	£21,147	£19,337	£17,993	£20,017	£19,181
3 bedrooms	£22,274	£24,031	£21,116	£20,356	£22,662	£21,641
4+ bedrooms	£25,201	£27,460	£22,935	£24,191	£26,197	£25,722

7.40 Given the conclusion that it would be unreasonable to assume households should spend more than 35% of their income on housing costs, this provides a reasonable maximum for the calculations; however, figures are also provided based on households spending 25% of their income on housing costs, based on previous Government guidance that has since been withdrawn.

7.41 Figure 42 identifies the household income needed based on the midpoint of this range, taking the assumption that up to 30% of gross household income (excluding housing benefit) is available for housing costs.

Figure 42: Annual income required to afford to rent proprieties at the lower quartile and median price based on 30% income multiplier by property size (Source: ORS based on Valuation Office Agency data April 2017 to March 2018)

Annual Income £	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
MEDIAN PRIVATE RENT						
1 bedroom	£23,800	£24,200	£18,000	£19,800	£21,400	£20,200
2 bedrooms	£30,400	£31,800	£23,000	£26,000	£27,000	£26,000
3 bedrooms	£37,000	£38,000	£27,800	£31,800	£34,000	£32,000
4+ bedrooms	£56,000	£60,000	£35,800	£44,000	£46,000	£48,000
LOWER QUARTILE PRIVATE RENT						
1 bedroom	£22,000	£22,320	£16,000	£18,000	£19,320	£18,000
2 bedrooms	£27,520	£29,000	£22,000	£23,800	£25,000	£23,400
3 bedrooms	£34,000	£34,000	£26,000	£29,000	£31,400	£29,000
4+ bedrooms	£44,000	£50,000	£33,000	£38,000	£39,000	£44,000
LOCAL HOUSING ALLOWANCE						
1 bedroom	£19,451	£19,451	£16,010	£16,010	£16,010	£19,451
2 bedrooms	£24,931	£24,931	£21,921	£21,921	£21,921	£24,931
3 bedrooms	£30,338	£30,338	£26,357	£26,357	£26,357	£30,338
4+ bedrooms	£41,846	£41,846	£33,524	£33,524	£33,524	£41,846
AFFORDABLE RENT						
1 bedroom	£18,389	£18,580	£14,003	£16,500	£16,018	£16,680
2 bedrooms	£21,456	£22,973	£18,673	£19,320	£20,354	£22,318
3 bedrooms	£26,638	£26,797	£20,362	£22,983	£24,699	£26,990
4+ bedrooms	£33,008	£33,620	£25,324	£27,385	£28,215	£29,074
SOCIAL RENT						
1 bedroom	£14,677	£14,514	£14,337	£12,411	£14,257	£13,949
2 bedrooms	£16,800	£17,623	£16,114	£14,994	£16,681	£15,984
3 bedrooms	£18,562	£20,026	£17,597	£16,963	£18,885	£18,034
4+ bedrooms	£21,001	£22,883	£19,112	£20,159	£21,831	£21,435

7.42 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid.

7.43 Considering some examples of disposable income:

» A single person household with a gross income of £20,000 from employment would have £16,880 (£324 per week) after income tax and national insurance contributions. Therefore, housing costs at 35% of gross income would represent 41.4% of their net income, which would leave £9,880 (£189 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £73.10 for those aged 25 or over and £57.90 for those aged 16-24; so, on this basis, this household could afford to pay at least 35% of their income on housing costs and still have sufficient disposable income;

» A couple with two children with a gross income of £20,000 from employment would have up to £19,559 (£375 per week) after income tax and national insurance contributions (assuming both earned £10,000). Therefore, housing costs at 35% of gross income would represent 35.8% of their net income, which would leave £12,559 (£241 per week) as disposable income to cover their other living expenses. The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £248.65 (if one or both are aged 18 or over); so this household could not afford to pay 35% of their income on housing costs as it would not leave them with sufficient disposable income.

7.44 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take account of different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for different types of household on different incomes, based on the rents for suitable housing in terms of the number of bedrooms needed.

7.45 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 43 sets out the incomes for housing benefit eligibility for different types of households.

Figure 43: Maximum annual income for households in receipt of housing benefit (2018-19) support by household type (Source: ORS based on Department for Work and Pensions data)

Maximum Annual Income for HB support		Cheltenham BRMA	Gloucester BRMA
ROOM ONLY	Single person aged 16-24	£8,672	£8,659
	Single person aged 25-34	£9,466	£9,452
1 BEDROOM PROPERTIES	Single person aged 35+	£12,791	£11,204
	Couple (both aged under 18)	£13,543	£11,955
	Couple (one or both aged 18 or over)	£14,970	£13,382
2 BEDROOM PROPERTIES	Lone parent (aged 18 or over) with 1 child	£18,812	£17,422
	Lone parent (aged 18 or over) with 2 children	£22,302	£20,913
	Couple (aged 18 or over) with 1 child	£20,990	£19,600
	Couple (aged 18 or over) with 2 children	£24,481	£23,091

Identifying the Gap for Affordable Home Ownership

7.46 When identifying the need for Affordable Home Ownership (AHO) including Starter Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs. Figure 44 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents across Gloucestershire using maximum income for HB support from Figure 43. The income is gross income before Tax and National Insurance are paid.

Figure 44: Annual income thresholds for different housing options in single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Notes: Full homeownership based on 10% deposit and Help-to-Buy based on 5% deposit and 20% equity loan. All figures rounded to nearest £100)

Annual Income Needed to Own or Rent at Lower Quartile Prices		Local Authority					
		Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
SINGLE BEDROOM PROPERTIES							
Minimum income to own with 3.5x mortgage	Newly built dwelling	£43,200	£52,400	£23,100	£26,700	£31,900	£23,800
	New with Help-to-Buy	£36,000	£43,700	£19,200	£22,300	£26,600	£19,800
	Existing dwelling	£31,400	£30,600	£19,500	£24,400	£25,700	£24,000
Minimum income needed for rent to not exceed 30% of income	Median private rent	£23,800	£24,200	£18,000	£19,800	£21,400	£20,200
	LQ private rent	£22,000	£22,300	£16,000	£18,000	£19,300	£18,000
	Local housing allowance	£19,500	£19,500	£16,000	£16,000	£16,000	£19,500
	Affordable rent	£18,400	£18,600	£14,000	£16,500	£16,000	£16,700
	Social rent	£14,700	£14,500	£14,300	£12,400	£14,300	£13,900
Maximum income for HB support	Upper end of range	£15,000	£15,000	£13,400	£13,400	£13,400	£15,000
	Lower end of range	£12,800	£12,800	£11,200	£11,200	£11,200	£12,800
TWO BEDROOM PROPERTIES							
Minimum income to own with 3.5x mortgage	Newly built dwelling	£56,600	£68,100	£41,100	£45,800	£55,300	£40,900
	New with Help-to-Buy	£47,100	£56,800	£34,300	£38,100	£46,100	£34,100
	Existing dwelling	£44,500	£56,100	£36,000	£34,700	£45,000	£42,400
Minimum income needed for rent to not exceed 30% of income	Median private rent	£30,400	£31,800	£23,000	£26,000	£27,000	£26,000
	LQ private rent	£27,500	£29,000	£22,000	£23,800	£25,000	£23,400
	Local housing allowance	£24,900	£24,900	£21,900	£21,900	£21,900	£24,900
	Affordable rent	£21,500	£23,000	£18,700	£19,300	£20,400	£22,300
	Social rent	£16,800	£17,600	£16,100	£15,000	£16,700	£16,000
Maximum income for HB support	Upper end of range	£24,500	£24,500	£23,100	£23,100	£23,100	£24,500
	Lower end of range	£18,800	£18,800	£17,400	£17,400	£17,400	£18,800
THREE BEDROOM PROPERTIES							
Minimum income to own with 3.5x mortgage	Newly built dwelling	£77,100	£70,700	£50,900	£61,700	£65,700	£56,900
	New with Help-to-Buy	£64,300	£58,900	£42,400	£51,400	£54,800	£47,400
	Existing dwelling	£59,100	£64,300	£44,600	£44,400	£55,800	£53,400
Minimum income needed for rent to not exceed 30% of income	Median private rent	£37,000	£38,000	£27,800	£31,800	£34,000	£32,000
	LQ private rent	£34,000	£34,000	£26,000	£29,000	£31,400	£29,000
	Local housing allowance	£30,338	£30,338	£26,357	£26,357	£26,357	£30,338
	Affordable rent	£26,638	£26,797	£20,362	£22,983	£24,699	£26,990
	Social rent	£18,562	£20,026	£17,597	£16,963	£18,885	£18,034

7.47 Two indicative examples demonstrate what Figure 44 shows:

- A single person aged 35+ living in Cheltenham with an income below £12,800 can receive Housing Benefit (HB) which would pay towards LQ private rent, affordable rent or social rent, though the HB may not cover the full shortfall. However, if the same person had an income of over £12,800 then that person would not be eligible for HB and this would mean that the person would be expected to pay their rent in full, which would require them to spend more than 30% of their income to pay for Social rent (£14,700 income required), Affordable rent (£18,400 income required) and LQ private rent (£22,000 income required). It is very unlikely that this person could afford to own based only on their income.
- A couple aged 18+ with two children living in Stroud with an income below £23,100 can receive Housing Benefit (HB), which would pay towards 2-bedroom LQ private rent, affordable rent or social rent, though the HB may not cover the full shortfall. If the same family had an income of £23,100 then that family would not be eligible for HB. Nevertheless, that family could afford 2-bedroom social rent (£16,700) and Affordable rent (£20,400) based on the housing cost being less than 30% of income, but could not afford LQ private rent (£25,000) and median private rent (£27,000) without spending more than 30% of their income on housing costs. This household is also unlikely to be able to afford homeownership based only on their income.

7.48 There is a clear income gap between being able to afford market rent and being able to afford home ownership in every LPA, though this is particularly the case when considering 2-bed housing. Households with incomes between £23,000 (in the Forest of Dean) to £31,800 (in Cotswold) can afford to rent a median price 2-bed property in the area; but require incomes of £32,900 and £51,300 respectively to afford to buy an existing property (at 10% deposit and 3.5 times income) in the same area. On this basis, there is a wide income range that could benefit from Affordable Home Ownership (AHO) products if these could be provided at an appropriate price, though it may not be viable to deliver AHO products for households at the lower end of these income ranges – therefore, some households may not be able to realise their aspiration to own.

7.49 The cost of AHO products would need to be less than the purchase cost for market housing; however, the income needed to buy an AHO product may be higher than the income needed for market rent. This recognises that some households who could afford market rent would prefer to own their own home, and the revised NPPF 2019 encourages local authorities to widen opportunities for home ownership.

7.50 On this basis, it is likely that single bedroom properties would need to be provided at a price affordable to households with annual gross incomes between £22,000 and £31,000 in Cheltenham and Cotswold, and typically between £18,000 and £24,000 in other areas.

7.51 For two-bedroom homes, properties would need to be affordable to those with incomes between £29,000 and £45,000 in Cheltenham but up to around £56,000 in Cotswold, and typically between £23,000 and £35,000 in Gloucester and the Forest of Dean but up to £45,000 in Stroud and Tewkesbury.

7.52 Three-bedroom homes would need to be affordable to households with incomes from around £28,000 in Forest of Dean, £32,000 in Gloucester, Tewkesbury and Stroud, and £38,000 in Cheltenham and Cotswold, up to around £45,000 in Forest of Dean and Gloucester, £55,000 in Stroud and Tewkesbury, approaching £60,000 in Cheltenham and £65,000 in Cotswold.

7.53 The detailed incomes for each area were presented in Figure 44; although it is important to recognise that many households purchasing homes with three bedrooms will not rely on income alone, as many will have equity available from the sale of a smaller property.

8. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

8.1 The definition of affordable housing was changed by the revised NPPF 2019, with a specific emphasis now placed on affordable home ownership. Annex 2 of the revised NPPF 2019 now defines affordable housing as being:

> ***Affordable housing***
>
> *Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*
>
> **revised NPPF 2019, Annex 2**

8.2 To reflect this change, the relevant paragraphs of PPG were updated in February 2019. These were further updated with a new set of guidance on "*Housing needs of different groups*" published on 22nd July 2019[26], which covered:

- Addressing the need for different types of housing;
- Affordable housing;
- Rural Housing.

8.3 The changes between the archived PPG and the current revision are highlighted below:

> ***How can the current unmet gross need for affordable housing be calculated?***
>
> *Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market.*
>
> *The unmet (gross) need for affordable housing by assessing (sic) past trends and 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 over-crowded housing;*
> - *the number of concealed households;*
> - *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
> - *the number of households from other tenures in need and those that cannot afford their own homes, **either to rent, or to own, where that is their aspiration**.*
>
> **Planning Practice Guidance, ID 67-006-20190722**
> Emphasis added shows change introduced in September 2018

[26] https://www.gov.uk/guidance/housing-needs-of-different-groups#affordable-housing

8.4 On this basis, it is clear that the assessment of affordable housing need must now consider those households who would like to own but are unable to do so, in addition to those households unable to afford to own or rent which have formed the longstanding basis for assessing affordable housing needs.

8.5 The Gloucestershire Local Authorities along with West Oxfordshire Council use Homeseeker Plus to allocate affordable housing to those in affordable housing need. In Homeseeker Plus, households can be allocated to four categories of housing need, which are, in priority order: Emergency, Gold, Silver and Bronze. This terminology is different from that in the Housing Act 1996, which refers to Priority Need and to households being given Reasonable Preference. The Homeseeker Plus Silver and above categories are equivalent to Priority Need or being given Reasonable Preference as defined in the 1996 Act. The Homeseeker Plus Policy Document[27] states that the Silver category includes '*Applications before 1st April 2018 Homeless or Threatened with Homeless*' and '*Applications after 1st April 2018 homeless prevention or relief duty owed or assessed as homeless after all homeless duties have ended.*' Under the 1996 Act; *Housing authorities have duties to try and prevent or relieve homelessness for all applicants who are eligible for assistance and are homeless or threatened with homelessness, irrespective of whether or not they may have a priority need for accommodation. If a housing authority is unable to prevent an applicant from becoming homeless, or to help them to secure accommodation within the 'relief' stage, they are required to reach a decision as to whether the applicant has a priority need for accommodation*[28]. This study uses the terms defined in the 1996 Act and in the MHCLG P1E returns. Using this standard approach will not exclude any applicants who would fall into the Priority Need category under the 1996 Act but happen to be in the Bronze category under Homeseeker Plus. The Homeseeker policy is under review at the time of writing.

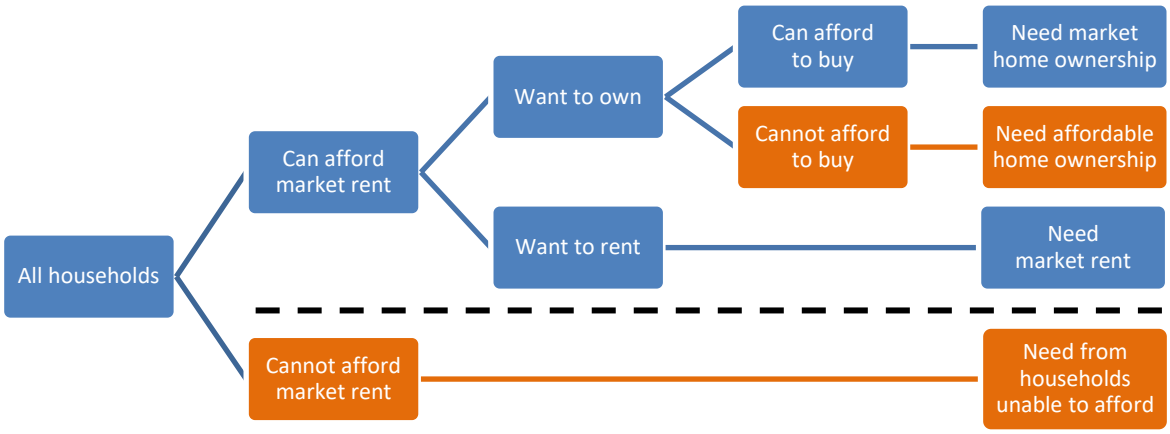
Establishing the Need for Affordable Housing to Rent and to Own

8.6 Demographic projections provide the basis for identifying the LHN for all types of housing, including both market housing and affordable housing. There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing; however, when considering the needs of households who can afford to rent but would prefer to own, it is necessary to further develop the existing methods given that the PPG provides no additional guidance on this need should be assessed.

8.7 Figure 45 illustrates the different groups of households that must now be considered when assessing the need for affordable housing. The needs of those households that cannot afford market rent must be added to the needs of those that can afford market rent but who want to own but cannot afford to buy.

[27] https://www.homeseekerplus.co.uk/choice/uploads/GHPolicy13.4.18homeseekerplus.pdf
[28] https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities/chapter-8-priority-need (rev 15 April 2019)

Figure 45: Establishing the need for market and affordable housing

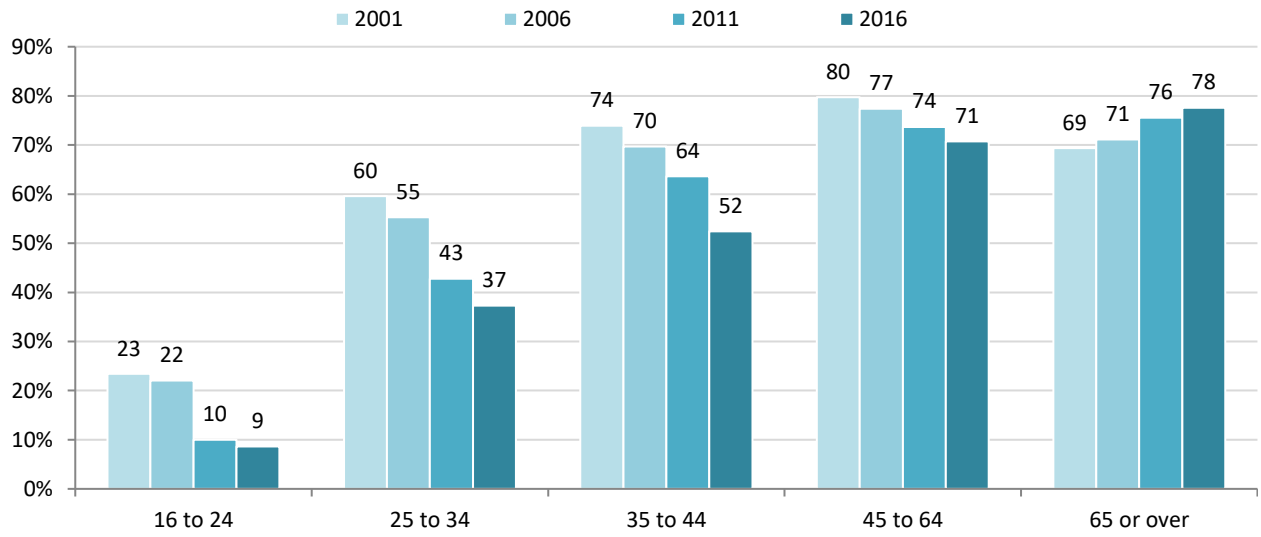


Home Ownership Trends

8.8 The emphasis on households that cannot afford to own their home reflects the Government's concerns about the proportion of owner occupiers having reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey 2008 to 2018 suggest that the proportion of owner occupiers reduced from around 68.7% in 2006 to 65.3% in 2011 and reduced yet further to 62.6% by 2016. Over the same period 2006-2016, the proportion of households renting from a social landlord also reduced from 19.0% to 17.1% whilst the proportion renting privately increased from 12.3% to 20.3%.

8.9 The proportion of owner occupiers also varies notably by age. Younger age groups have typically been less likely to own their home than older households, so the proportions of younger households owning their own home has fallen at a faster rate than older households. In contrast, the proportion of older households (aged 65 or over) owning their home has been increasing (Figure 46).

Figure 46: Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)



Affordable Housing Need: Households Unable to Afford

8.10 PPG notes that affordable housing need is based on households *"who lack their own housing or who cannot afford to meet their housing needs in the* market" [ID 67-006-20190722]; though goes on to say that this should include the needs of those that can afford market rent but who want to own but cannot afford to buy.

Given this context, the following section firstly considers the needs of those households who cannot afford to meet their housing needs, either through buying or renting. The additional needs of those who can afford to rent but who want to own will be considered in the next section.

8.11 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 is the total annual need for affordable housing calculated?***
>
> *The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.*
>
> **Planning Practice Guidance, ID 67-008-20190722**

Current Unmet Need for Affordable Housing

8.12 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 can the current unmet gross need for affordable housing be calculated?***
>
> *Strategic policy-making authorities will need to estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. The unmet (gross) need for affordable housing by assessing (sic) past trends and 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 over-crowded housing;*
>
> » *the number of concealed households;*
>
> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and*
>
> » *the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.*
>
> *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, ID 67-006-20190722**

Establishing Current Unmet Need for Affordable Housing for Households Unable to Afford

8.13 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.

8.14 A local authority's allocation scheme must give reasonable preference to:

- homeless people;
- people occupying insanitary or overcrowded housing, or otherwise living in unsatisfactory housing conditions;
- people with a need to move on medical or welfare grounds, including grounds relating to a disability; or
- people who need to move to a particular area to avoid hardship to themselves or to others.[29]

8.15 Given this context, our analysis counts the needs of all these households when establishing the need for affordable housing at a base date of 2018.

8.16 Figure 47 sets out the assessment of current affordable housing need for Gloucestershire[30].

Figure 47: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	92		92	92
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	29		29	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	82	82	0	
Households accepted as homeless but without temporary accommodation provided	74		74	74
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	503		503	503
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	1,072		1,072	
Households living in overcrowded social rented housing	1,627	1,627	0	
Reduction in spare rooms [Source: DWP Housing Benefit 2018]				
Households likely to move from under-occupied social rented housing	2,040	2,040	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	1,381	96	1,285	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	102	10	92	
TOTAL	**7,002**	**3,855**	**3,147**	**669**

8.17 Less than a quarter of households currently living in **overcrowded** housing (based on the bedroom standard)[31] are registered in a reasonable preference category, which will partly reflect their affordability. It

[29] For a full definition of reasonable preference, see: https://england.shelter.org.uk/legal/housing_options/allocation_of_local_authority_housing/priorities_and_preference/reasonable_and_additional_preference

[30] This includes applicants in the Silver and above categories on Home Seeker and excludes those in the Bronze category. Reasons for which groups are included and excluded are given in the text below the table. This analysis will reflect the situation in Gloucestershire because of being based on MHCLG P1E returns from the Gloucestershire councils.

[31] The definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance 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).

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.

8.18 The analysis counts the needs of all households living in overcrowded rented housing when establishing the need 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 Gloucestershire.

8.19 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. To put this another way, households may be in need because of being in insanitary housing, but this does not add to the number of homes required. The problem of insanitary housing cannot be solved by moving households; it can only be solved by fixing the insanitary conditions. This contrasts with overcrowding, where the property can be in good condition, but is too small for the particular household living in it.

8.20 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).

8.21 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). The needs of these households are counted when establishing the need for affordable housing**.**

8.22 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 **7,002 households are currently living in unsuitable housing in Gloucestershire and 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).

8.23 Of these households, 3,855 currently occupy affordable housing that does not meet the households' current needs, mainly due to the number of bedrooms. 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 3,147 households** (7,002 less 3,855 = 3,147) **who currently need affordable housing and do not currently occupy affordable housing in Gloucestershire** (although a higher number of new homes may be needed to resolve all the identified overcrowding).

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.

8.24 This number includes 669 households that would not be counted by the household projections because of their being homeless or concealed households. There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households.

8.25 Providing the 3,147 net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of **2,478 households** (3,147 less 669 concealed households) that are currently in need of affordable housing and who are unable to afford.

Projected Future Affordable Housing Need

8.26 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 can the number of newly arising households likely to be in affordable housing need be calculated (gross annual estimate)?***
>
> *Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need. This process will need to identify the minimum household income required to access lower quartile (entry level) market housing (strategic policy-making authorities can use current costs in this process, but may wish to factor in anticipated changes in house prices and wages). It can then assess what proportion of newly-forming households will be unable to access market housing.*
>
> **Planning Practice Guidance, ID 2a-021-20190220**

8.27 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 LHN. The Model uses a 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.[32] 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.

8.28 Whilst PPG identifies that "*Projections of affordable housing need will have to reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need*." [ID: 2a-021-20190220], **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 by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.

8.29 The affordability percentages in Figure 48 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household and age group combination, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing <u>or</u> receive housing benefit to enable them to afford market housing. A large percentage for any particular household type and age group combination does not imply that there are a large number of households in that household type and

[32] Detailed data from CLG 2014-based household projections and sources identified in Figure 47 and Figure 48

age group; for example, there are 21 "Lone parent family with 1 or more dependent children" aged 65+ in Gloucester and 72% of those 21 (=15) are unable to afford.

Figure 48: Assessing affordability by household type and age (Source: Census 2011 and DWP Stat-Xplore – Housing Benefit – Data to March 2018)

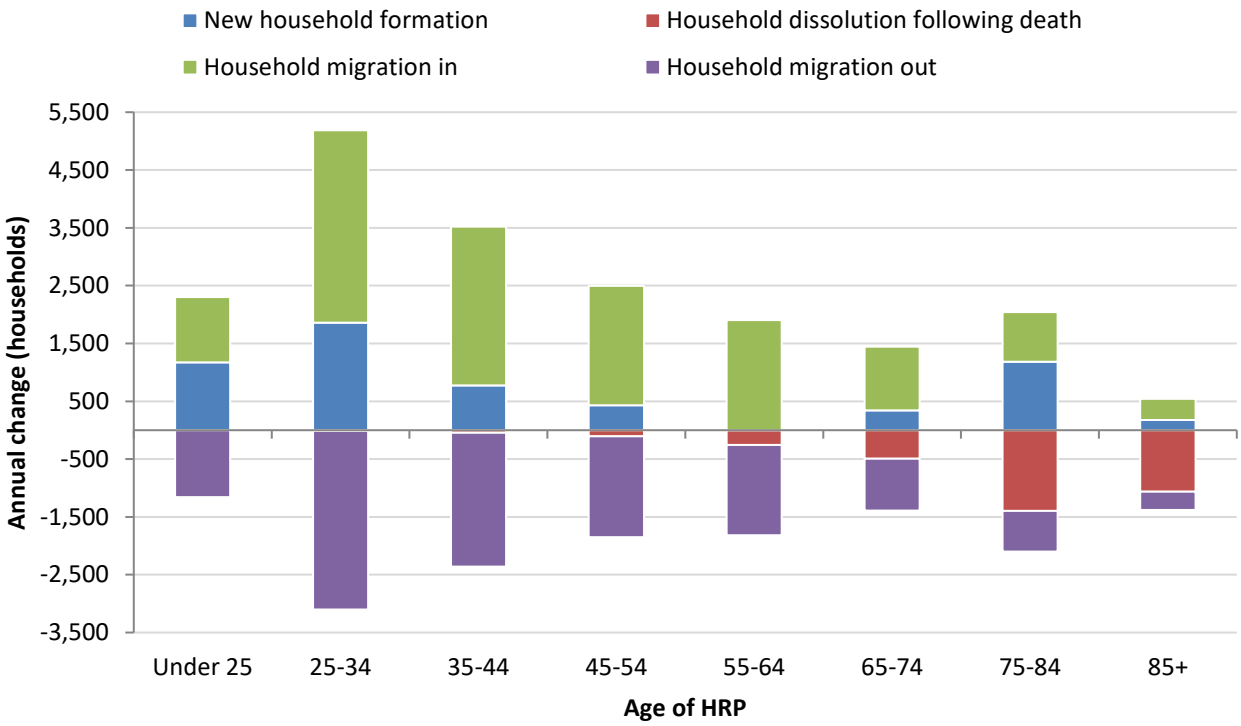
Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
CHELTENHAM						
Single person household	22%	10%	22%	26%	27%	20%
Couple family with no dependent children	7%	3%	6%	8%	6%	7%
Couple family with 1 or more dependent children	52%	27%	12%	7%	9%	13%
Lone parent family with 1 or more dependent children	81%	82%	49%	36%	36%	30%
Other household type	9%	12%	22%	22%	23%	8%
COTSWOLD						
Single person household	36%	21%	21%	24%	25%	25%
Couple family with no dependent children	16%	8%	10%	10%	9%	10%
Couple family with 1 or more dependent children	51%	31%	16%	9%	10%	15%
Lone parent family with 1 or more dependent children	71%	74%	53%	41%	41%	61%
Other household type	17%	15%	18%	23%	23%	13%
FOREST OF DEAN						
Single person household	22%	14%	27%	25%	26%	25%
Couple family with no dependent children	19%	8%	8%	7%	6%	9%
Couple family with 1 or more dependent children	44%	29%	11%	9%	8%	19%
Lone parent family with 1 or more dependent children	72%	86%	48%	38%	44%	62%
Other household type	70%	45%	26%	20%	18%	10%
GLOUCESTER						
Single person household	30%	16%	30%	36%	37%	30%
Couple family with no dependent children	11%	4%	8%	8%	6%	11%
Couple family with 1 or more dependent children	44%	24%	12%	8%	11%	44%
Lone parent family with 1 or more dependent children	72%	86%	55%	44%	42%	72%
Other household type	28%	31%	27%	22%	18%	28%
STROUD						
Single person household	34%	14%	25%	22%	26%	24%
Couple family with no dependent children	14%	4%	9%	7%	6%	9%
Couple family with 1 or more dependent children	57%	25%	11%	6%	6%	14%
Lone parent family with 1 or more dependent children	70%	73%	51%	36%	35%	35%
Other household type	40%	27%	42%	22%	16%	10%
TEWKESBURY						
Single person household	28%	12%	15%	21%	24%	23%
Couple family with no dependent children	11%	4%	8%	7%	6%	9%
Couple family with 1 or more dependent children	66%	25%	10%	7%	8%	14%
Lone parent family with 1 or more dependent children	70%	81%	56%	34%	37%	16%
Other household type	44%	30%	24%	21%	15%	9%

Establishing the Future Affordable Housing Need for Households Unable to Afford

8.30 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a *"gross annual estimate"* [ID 2a-021-20190220] suggesting that *"the total need for affordable housing should be converted into annual flows"* [ID 2a-024-20190220].

8.31 Figure 49 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.

Figure 49: Annual change in household numbers in each age cohort by age of HRP (Source: ORS Housing Model)



8.32 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, identified in Figure 48.

8.33 The Model identifies an average of 6,028 new households projected to form in Gloucestershire each year, and of these 25% are unable to afford their housing costs which represents 1,489 households each year. The Model separately considers new households migrating to the area and identifies that a lower proportion of these households are unable to afford (20%); although this represents 2,872 households moving into 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 4,361 new households each year who are unable to afford their housing costs.**

8.34 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-021-20190220]. Whilst established households that continue to live in Gloucestershire LPAs 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 **645 established households fall into need each year** in Gloucestershire.

8.35 Whilst the PPG recognises that established households' circumstances can deteriorate to such a degree that they fall into need, it is also important to recognise that established households' circumstances can improve. For example:

- When two 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), though in some cases they will still be unable to afford housing as a separate household.
- 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.

8.36 These improved circumstances can therefore reduce the need for affordable housing over time. The Model identifies that the circumstances of 1,102 households improve each year such that they become able to afford their housing costs despite previously being unable to afford (Figure 50; existing households climbing out of need). Therefore, considering the changing needs of existing households overall, **there is a net decrease of 458 existing households** (1,102 minus 645 = 458) **needing affordable housing each year**.

8.37 PPG identifies that "*there will be a current supply of housing stock that can be used to accommodate households in affordable housing need*" and that it is necessary to establish "*the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in affordable housing need*" [ID 67-007-20190722]. It is also important to recognise that not all households unable to afford housing are allocated affordable housing immediately and some will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections.

8.38 The Model identifies that 5,751 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright; however, 944 are unable to afford market housing: most living in social rented housing. The Model separately identifies that an average of 12,483 households will leave the area each year, including 2,562 unable to afford their housing costs. Some will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting, including in the private rented sector (although some might prefer to stay if housing costs were cheaper or more affordable housing was available). **Together, there are 3,506 households each year who will vacate affordable dwellings or will no longer be waiting for a home.**

8.39 Figure 50 summarises each of the components that contribute to future affordable housing need.

Figure 50: Components of average annual household growth 2021-41 (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	6,028	4,539	1,489	25%
Households migrating into the area	14,298	11,425	2,872	20%
All new households	**20,325**	**15,964**	**4,361**	**21%**
Household dissolutions following death	5,751	4,806	944	16%
Households migrating out of the area	12,483	9,921	2,562	21%
All households no longer present	**18,233**	**14,727**	**3,506**	**19%**
Household growth	**+2,092**	**+1,237**	**+855**	**41%**
Existing households falling into need	-	-645	+645	100%
Existing households climbing out of need	-	+1,102	-1,102	0%
Change in existing households	**-**	**+458**	**-458**	**-**
Average annual future need for market and affordable housing 2021-41	**+2,092**	**+1,695**	**+397**	**19%**

Overall Affordable Housing Need for Households Unable to Afford

8.40 Figure 51 brings together the information on assessing the unmet need for affordable housing in 2021 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 20-year period 2021-41.

Figure 51: 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 2021 (see Figure 47)			
Total unmet need for affordable housing (a)	-	7,002	7,002
Supply of housing vacated (b)	2,478	3,855	6,333
Current housing need (c) = (a) - (b)	**-2,478**	**3,147**	**669**
Projected future housing need 2021-41 (see Figure 50)			
Average annual housing need (d)	1,695	397	2,092
Future housing need (e) = (d) x 20	**33,891**	**7,943**	**41,838**
Total need for market and affordable housing (f) = (c) + (e)	**31,413**	**11,090**	**42,507**
Average annual household growth (g) = (f) / 20	1,571	555	2,125

8.41 Overall, there is a need to provide affordable housing for 11,090 households unable to afford to rent or buy over the assessment period 2021-41, which equates to 555 households per year. Adding an allowance for vacancies to take account of transactional voids and also longer-term voids associated with major works across the stock (based on data for the existing affordable housing stock), this **identifies a total affordable housing need of 11,210 dwellings in addition to the current stock, a net annual need of 561 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.

Housing Mix: Size and Tenure

8.42 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.

8.43 Figure 52 identifies the need for affordable housing of different sizes (in terms of number of bedrooms). This converts the households identified as currently in need (Figure 47) to the number of dwellings required to house those households, then adds the future need projected for the period 2021-2041.

8.44 This analysis suggests that almost two fifths of the affordable housing need (38%) is for family housing with at least three bedrooms. This includes a need to provide almost 1,300 affordable homes with four or more bedrooms over the 20-year period 2021-41, which represents 12% of the overall need. Much of this need will be from existing households living in overcrowded accommodation. The analysis also identifies that just over two fifths of the need (42%) is for dwellings with two bedrooms and a fifth (21%) with a single bedroom. Some of these smaller homes will need to be specialist housing for older people, which is further analysed in chapter 9.

Figure 52: Assessing affordable housing mix 2021-2041 (Source: ORS Housing Model)

	Current Housing Need			Future Housing Need 2021-2041	Overall Housing Need	
	Gross Need	Supply	Net Need		Number	%
1 bedroom	1,830	449	1,381	941	2,322	21%
2 bedrooms	2,710	1,350	1,360	3,293	4,653	42%
3 bedrooms	1,447	1,857	-410	3,347	2,937	26%
4+ bedrooms	1,087	239	848	451	1,299	12%
Total Dwellings	**7,074**	**3,896**	**3,179**	**8,031**	**11,210**	**100%**

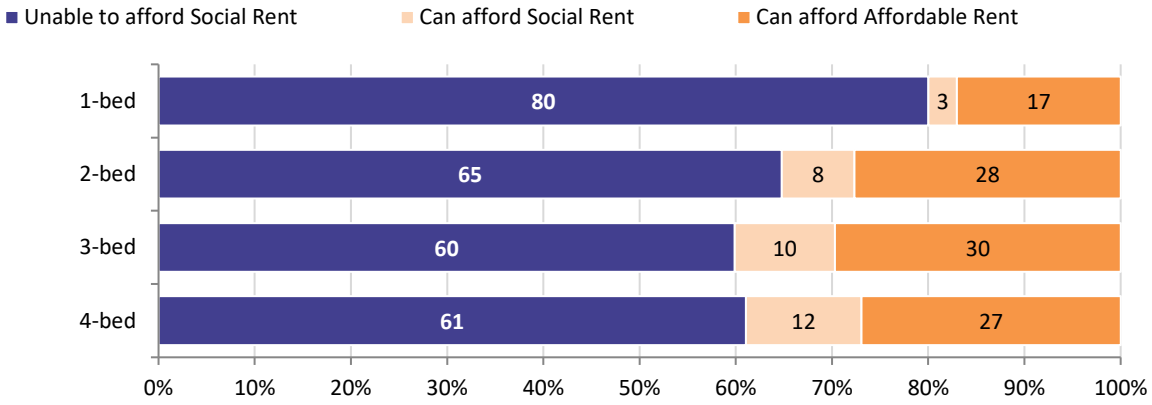
8.45 Within the overall need of 11,210 affordable homes identified, it is possible to consider the mix of different affordable housing products that would be appropriate based on the mix of households needing affordable housing[33]. In order to profile affordability, income data from the English Housing Survey (2012-14) and ONS Survey of Personal Incomes (2014 and 2018) has been combined and modelled to establish the income distribution by household type and age. 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.

8.46 As discussed in chapter 7, the types of affordable housing that households could afford is influenced by the percentage of income that is assumed to be available to pay rent or mortgage costs. This concluded that it would be unreasonable to assume households should spend more than 35% of their income on housing costs, and this provided a maximum for the calculations; however, figures were also provided based on households spending 25% of their income on housing costs. Figure 53 illustrates the affordability of households needing affordable housing by property size based on the midpoint of this range, taking the assumption that up to 30% of gross household income (excluding housing benefit) is available for housing costs. This identifies

[33] While this section is about need and not supply, nor whether is it feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

those able to afford shared ownership, affordable rent and social rent (all without housing benefit subsidy) and those that would need financial support to afford social rent.

Figure 53: Affordability of households needing affordable housing by property size (Note: Costs based on weekly rents 2019)



8.47 Figure 54 sets out the affordable housing mix, which identifies that over two thirds of households unable to afford and in need of affordable housing would not be able to afford the relevant Social Rent for a property of the size needed: 7,422 households (66%) based on up to 30% of income being spent on housing costs. Providing new affordable rented housing based on Social Rents would enable around 883 households (8%) to pay their rent without housing benefit support that could not afford to do so if new housing was provided as Affordable Rent. If new affordable rented housing was provided with Affordable Rents, these households would continue to depend on housing benefit.

8.48 Around 2,904 households (26%) in need of affordable housing could afford Affordable Rent (without housing benefit support). The need for housing benefit would not disappear if Affordable Rents were all at or below LHA rates, though on average the affordability would improve simply because of removing properties with rents above the LHA rate; rental costs above LHA would not be eligible for housing benefit.

Figure 54: Affordable housing mix by household affordability to 2021-2041 (Source: ORS Housing Model)

	Unable to afford Social Rent	Can afford Social Rent but unable to afford Affordable Rent	Can afford Affordable Rent	TOTAL
1 bedroom	1,857	69	395	2,322
2 bedrooms	3,014	352	1,287	4,653
3 bedrooms	1,759	306	872	2,937
4+ bedrooms	793	156	350	1,299
TOTAL	**7,422**	**883**	**2,904**	**11,210**
Overall percentage	*66.2%*	*7.9%*	*25.9%*	***100%***

Future Policy on Housing Benefit in the Private Rented Sector

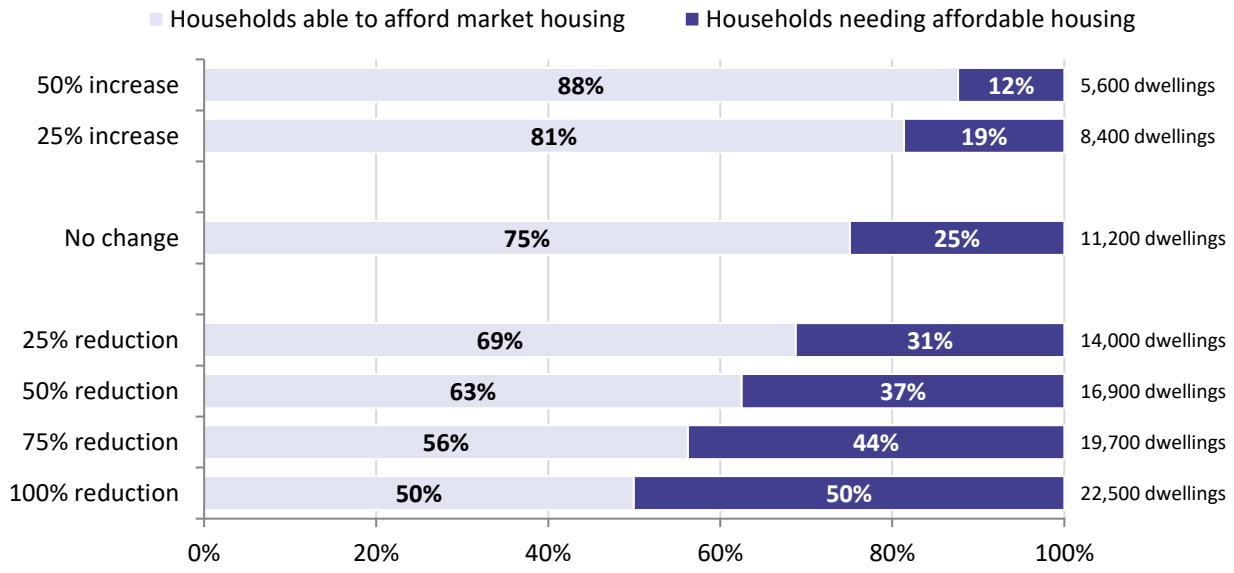
8.49 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Councils control.

8.50 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition 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 are not 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.

8.51 The analysis 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 assessment 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.

8.52 To sensitivity test this position, Figure 55 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 55: 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 2021-41 and associated number of affordable dwellings



8.53 The baseline analysis identified 11,090 households that would be unable to afford housing costs, which yielded an affordable housing need of around 11,200 dwellings. This assumed no change in the number of households receiving housing benefit to enable them to live in the private rented sector.

8.54 There are currently around 11,178 households renting privately with housing benefit support, and to also provide affordable housing for these households would increase the overall affordable housing need to around 22,500 dwellings. In this scenario, it is also important to recognise that the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market, which is likely to have significant consequences on the housing market which are difficult to predict.

Affordable Housing Need: Households Aspiring to Home ownership

8.55 Considering aspirations for home ownership, English Housing Survey data identifies that just over a quarter (28.8%) of those currently renting privately plan to stay in that tenure in the long-term compared to over three quarters (77.0%) of those households in social rent. Over half (53.5%) of all households who rent privately and almost a fifth (18.1%) of those in social rented housing aspire to home ownership.[34]

Figure 56: Long-term Tenure Plan by Current Tenure (Source: English Housing Survey 2013-14)

Current Tenure	Long-term Tenure Plan				
	Owner Occupier	Shared Ownership	Rent from Private Landlord	Rent from Social Landlord	Other
Owner occupied	96.1%	0.4%	0.7%	1.1%	1.6%
Private rent	53.5%	2.6%	28.8%	11.4%	3.8%
Social rent	18.1%	1.8%	1.9%	77.0%	1.1%

8.56 Considering the long-term expectations of the different types of households who currently live in the private rented sector, Figure 57 compares the expectations of those who are currently in receipt of housing benefit with those who are paying their own rent.

Figure 57: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)

Household type	PRS tenants without HB				PRS tenants in receipt of HB			
	Own	Private rent	Social rent	Other	Own	Private rent	Social rent	Other
One person aged 60+	16.2%	38.1%	16.7%	29.1%	4.8%	66.3%	24.2%	4.7%
Couple, no dependent child(ren) aged 60+	13.9%	54.2%	18.2%	13.6%	0.0%	70.8%	29.2%	0.0%
Sub-total	**15.4%**	**43.9%**	**17.3%**	**15.7%**	**3.5%**	**67.5%**	**25.5%**	**3.4%**
One person under 60	56.7%	34.1%	5.1%	4.2%	13.5%	47.7%	30.3%	8.5%
Couple, no dependent child(ren) under 60	76.9%	17.1%	4.0%	1.8%	26.0%	58.8%	10.5%	4.7%
Couple with dependent child(ren)	71.7%	19.6%	6.4%	2.3%	53.3%	28.5%	15.9%	2.3%
Lone parent with dependent child(ren)	59.6%	19.8%	8.8%	12.0%	33.1%	31.9%	31.6%	3.4%
Other multi-person households	66.7%	24.8%	2.4%	6.2%	21.3%	44.8%	26.0%	7.9%
Sub-total	**65.2%**	**23.2%**	**4.7%**	**3.8%**	**32.7%**	**37.1%**	**25.5%**	**4.7%**
Total	**64.8%**	**24.5%**	**5.6%**	**5.0%**	**27.9%**	**42.1%**	**25.5%**	**4.4%**

8.57 For those households paying their own rents, 65% expected to become owner occupiers, 24% expected to remain in the private rented sector and only 6% expected to move to the social rented sector. Therefore, there is a much higher expectation of moving to owner occupation and a much lower expectation of moving to social rent, particularly for couples aged under 60. Tenants aged 60 years or over who are paying their own rent are more likely to expect to move to social rent, but they do represent a relatively small number of households.

8.58 For those in receipt of housing benefit, a total of 28% of households had a long-term expectation that they would be owner occupiers, 42% expected to remain in the private rented sector and 25% expected to move to social rent. Therefore, a significant number of the households in receipt of housing benefit expected to move to social rent. Couples and lone parents with dependent children were less likely to expect to remain in the private rented sector. Over twice as many PRS tenants who are not in receipt of Housing Benefit expect

[34] EHS 2013 – 14 defines social renters as including: "households renting from Local Authorities (including Arms Length Management Organisations (ALMOs) and Housing Action Trusts) and Housing Associations, Local Housing Companies, co-operatives and charitable trusts" https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/461439/EHS_Households_2013-14.pdf

to own than those who are in receipt of Housing Benefit: 65.2% compared to 32.7%. More of those who receive Housing Benefit expect to remain in the PRS or 'other' housing, and most notably, 25.5% of PRS tenants in receipt of Housing benefit expect to move to social rent in the long-term compared to 5.6% of those who do not receive Housing Benefit.

Additional Need for Affordable Home ownership

8.59 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 58 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 58: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (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+	
Single person	470	2,080	1,590	580	280	220	5,230
Couple without children	480	2,890	760	700	530	180	5,540
Families with child(ren)	250	1,470	1,870	830	0	0	4,420
Other households	940	740	90	110	70	0	1,950
Total	**2,140**	**7,170**	**4,310**	**2,220**	**890**	**410**	**17,150**
Percentage of households	*13%*	*42%*	*25%*	*13%*	*5%*	*2%*	*100%*

8.60 Based on this analysis, we can estimate that there is a total of around 17,150 households currently resident in Gloucestershire who cannot afford to own their own home but would aspire to do so. Over half of these households are aged 25-34 with the substantial majority (80%) aged under 45.

8.61 As previously reported (Figure 30), Census data identified 28,400 households renting privately in 2001 compared to 42,900 households in 2011 – an increase of around 14,500 households over the decade, equivalent to an average of 1,450 households per year. More recent EHS data shows that the private rented sector has continued to grow over the years since the Census. On this basis, the number of households identified as currently renting privately that aspire to homeownership is consistent with the growth of the private rented sector.

8.62 In addition to the current need, it is also important to consider new households that are projected to form over the period 2021-2041. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 14,030 households that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration.

8.63 Overall, there are likely to be 31,180 households who aspire to homeownership but who cannot afford to buy their own home over the assessment period 2021-41. Adding an allowance for vacancies (based on Census 2011 rates for dwellings without a usually resident household), this **identifies an affordable housing need of 32,995 dwellings for households who can afford to rent but who aspire to homeownership and cannot afford to buy, a net annual need of 1,650 dwellings per year**.

Identifying the Overall Affordable Housing Need

8.64 Figure 59 brings together the information on assessing the unmet need for affordable housing in 2021 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2021-41.

Figure 59: Assessing total need for affordable housing and aspiration to home ownership 2021-2041 (Source: ORS Housing Model)

	Affordable Housing Need (dwellings)		Overall Affordable Housing Need	LHN based on standard method	Affordable Housing Need as % of LHN
	Households unable to afford	Households aspiring to home ownership			
Current housing need in 2021	3,179	18,163	21,342	-	-
Future housing need 2021-41	8,031	14,832	22,863	-	-
TOTAL HOUSING NEED	**11,210**	**32,995**	**44,205**	**65,560**	**67%**

8.65 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 44,205 dwellings over the 20-year period 2021-2041, equivalent to an average of 2,210 dwellings per annum.

8.66 This is comparable to the annual growth of 2,213 households identified by the ONS 2016-based principal projection for the LHN period 2019-2029, and only marginally lower than the 2,513 households identified by the CLG 2014-based projections. It also represents a substantial proportion of the minimum LHN figure of 3,278 dwellings per annum, a total of 65,560 dwellings over 20-years (67%). This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

How does the housing need of particular groups relate to overall housing need calculated using the standard method?

The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.

This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?

Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- *the anticipated deliverability of different forms of provision, having regard to viability.*

Planning Practice Guidance, ID 67-001-20190722

8.67 The size, type and tenure of homes also needs to be calculated separately from the standard method. PPG February 2019 says:

> ***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***
>
> *The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore, the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

8.68 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the overall need established.

8.69 It will be important for the local authorities to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need for 11,210 dwellings, of which at least 8,697 should be provided at social rent with the remaining 2,513 as affordable rent.

8.70 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new build Affordable Home Ownership if it was available, as some may prefer to secure full ownership in the less expensive second-hand housing market. Similarly, some households may not ultimately need affordable home ownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if Affordable Home Ownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.

8.71 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices.[35]

8.72 Given this context, Figure 60 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

8.73 Of the 32,995 dwellings needed for households who can afford to rent but who aspire to homeownership and cannot afford to buy, there would be 12,680 where the household had insufficient income to have a realistic prospect of being able to afford at 60% of open market values. Of the remaining dwellings for households with incomes above the minimum threshold, there would be 12,488 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit in any of the local areas.

[35] The commissioning local authorities have advised that developers will typically receive 50-60% of open market value when delivering Affordable Rented units

Figure 60: Affordable homeownership housing mix by household affordability to 2021-2041 (Source: ORS Housing Model)

	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**4,663**	1,379	**3,255**	1,794	**1,461**
2 bedrooms	**12,904**	4,380	**8,523**	5,191	**3,333**
3 bedrooms	**13,648**	5,865	**7,782**	5,086	**2,697**
4+ bedrooms	**1,810**	1,056	**754**	418	**336**
TOTAL	**32,995**	**12,680**	**20,314**	**12,488**	**7,826**

8.74 On this basis, only 7,826 dwellings are needed for households that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold. This is less than a quarter of the total that was originally identified.

8.75 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those households likely to form an effective demand (i.e. those able to afford the various products that will be available).

8.76 It would therefore seem appropriate for the local authorities to plan to provide 7,826 dwellings for households aspiring to homeownership in addition to the 11,210 dwellings for households unable to afford. Figure 61 provides a breakdown of the minimum LHN of 65,560 dwellings between market and affordable housing on this basis. The headings 'Planned Affordable Housing' and 'Planned Market Housing' refer to the fact that these numbers are what LPAs are required to plan for based on the Standard Method LHN. In summary, there is a need for:

- Social rented housing = 8,697 dwellings (13.7%) for households unable to afford affordable rent;
- Affordable Rent = 2,513 dwellings (4.0%) for households that can afford affordable rent but unable to afford market rent;
- Affordable home ownership = 7,826 dwellings (12.4%), for households that can afford market rent but aspire to homeownership and have reasonable prospect of being able to afford this;
- Market housing = 44,303 dwellings (69.9%); and
- Allowance for C2 provision within the total housing need of 65,560 = equivalent to 2,221 dwellings that would be counted against the minimum LHN target; which represents almost 4,000 bedspaces.

Figure 61: Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need			Planned Affordable Housing	Planned Market Housing	TOTAL HOUSING
	Social rent	Affordable rent	AHO			
1 bedroom	1,964	358	1,461	3,783	906	**4,689**
2 bedrooms	3,656	1,145	3,333	8,134	5,793	**13,927**
3 bedrooms	2,092	716	2,697	5,505	25,769	**31,274**
4+ bedrooms	985	293	336	1,614	11,834	**13,448**
TOTAL DWELLINGS	**8,697**	**2,513**	**7,826**	**19,036**	**44,303**	**63,339**
	13.7%	**4.0%**	**12.4%**	**30.1%**	**69.9%**	**100.0%**
Allowance for C2 need (see Figure 15)	-	-	-	-	-	**2,221**
LOCAL HOUSING NEED	**8,697**	**2,513**	**7,826**	**19,036**	**44,303**	**65,560**

8.77 Therefore, the LHNA identifies an overall affordable housing need of 19,037 dwellings delivered over the 20-year period 2021-41, equivalent to 30% of the LHN (Figure 61). This will provide for the needs of all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product. However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the Councils may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

8.78 The identified need for affordable housing would need to be considered in the context of economic viability when establishing appropriate policy targets. Local viability assessments are likely to determine the actual affordable housing target (as a proportion of market housing sites) in each area and should help in providing a view on the deliverability of such a tenure mix, based upon local market evidence. However, in the context of the housing needs evidence it would be appropriate to maximise the amount of affordable housing that is delivered. Other factors which need to be considered include affordable housing thresholds on development sites, in particular the number of smaller sites and larger sites which may have different thresholds.

8.79 The Councils should also consider whether an uplift to the LHN could be justified when establishing the housing requirement. However, as the LHN itself already incorporates a significant uplift beyond the household projection-based housing need, a further uplift to market housing is likely to prove difficult to sustain and would exacerbate the surplus of workers previously identified. On this basis, whilst an uplift might be appropriate, it would be necessary to fully understand the impact of any proposed increase on other aspects of the plan (such as employment growth) to ensure consistency. It would also be important to ensure that there was clearly identified demand for the additional market housing and that this could be sustained over the longer-term plan period; and where there was uncertainty, it may be more appropriate to consider any uplift being identified as additional supply to provide flexibility within the plan rather than increasing the housing requirement and associated target.

8.80 The appropriate balance between rented affordable housing and affordable home ownership will also need to be considered in the context of economic viability; though it will be important to ensure that the identified affordable housing need for households unable to afford is met in full. It will also be necessary to consider

the target for affordable home ownership in the context of the Government's target of at least 10% of new housing to be provided in this way, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

Affordable Housing Need by Area

8.81 Figure 62 provides a breakdown of the key components of affordable housing assessment for each area. These figures are presented in some detail and is best read in conjunction with Figure 63, which summarises the affordable housing need that LPAs should plan to deliver.

Figure 62: Key components of affordable housing by area (Source: ORS Housing Model)

	Households unable to afford			Households aspiring to home ownership			Total Affordable Housing	Planned Affordable Housing
	Affordable Housing Need 2021-41	Households supported by HB in PRS	TOTAL	Income and savings above minimum thresholds	No realistic prospect of buying	TOTAL		
Cheltenham	1,510	2,022	**3,532**	2,364	7,836	**10,200**	13,732	3,874
Cotswold	1,477	1,068	**2,545**	1,020	3,822	**4,842**	7,387	2,497
Forest of Dean	1,470	1,534	**3,004**	725	2,060	**2,785**	5,789	2,195
Gloucester	3,039	3,675	**6,714**	1,566	4,804	**6,370**	13,084	4,605
Stroud	2,207	1,639	**3,846**	1,084	3,546	**4,630**	8,476	3,291
Tewkesbury	1,507	1,240	**2,747**	1,067	3,100	**4,167**	6,914	2,574
TOTAL	**11,210**	**11,178**	**22,388**	**7,826**	**25,169**	**32,995**	**55,383**	**19,036**

8.82 Figure 63 brings together the affordable housing to be planned for the period 2021-41 for each area in the context of the LHN based on the standard method. Cheltenham and Gloucester have the highest affordable housing need when considered as a proportion of the LHN (38% and 36% respectively) with lower percentages in the other local authority areas.

Figure 63: Affordable housing need and LHN by area (Source: ORS Housing Model)

	Planned Affordable Housing			LHN based on standard method	Allowance for C2 need	Affordable Housing Need as % of LHN (excluding C2)
	Households unable to afford	Households aspiring to home ownership	Total			
Cheltenham	1,510	2,364	3,874	10,720	482	38%
Cotswold	1,477	1,020	2,497	9,800	363	26%
Forest of Dean	1,470	725	2,195	7,440	328	31%
Gloucester	3,039	1,566	4,605	13,120	399	36%
Stroud	2,207	1,084	3,291	12,760	335	26%
Tewkesbury	1,507	1,067	2,574	11,720	315	23%
TOTAL	**11,210**	**7,826**	**19,036**	**65,560**	**2,221**	**30%**

8.83 Nevertheless, whilst it is relevant to consider the affordable housing as a percentage of the LHN as a starting point for developing policy targets, it will be important to demonstrate how the number of dwellings needed to be planned as affordable housing can be delivered. This will need to take account of the mix of sites likely to deliver housing over the plan period and the likely affordable housing that sites will contribute. In particular, it will be necessary to exclude small sites and conversions that will not deliver any affordable

housing, and make allowance for any existing permissions based on the amount of affordable housing to be delivered that has already been agreed.

8.84 It will also be necessary to consider viability, and if the number of dwellings to be planned as affordable housing cannot be delivered in any of the areas there may be unmet need that should be considered under the Duty to Cooperate.

8.85 Figure 64 provides a breakdown of the housing mix for the planned affordable housing in terms of the number of bedrooms needed across the different components of need within each area.

Figure 64: Assessing affordable housing mix by area 2021-2041 (Source: ORS Housing Model)

	Households unable to afford					Households aspiring to home ownership	Planned Affordable Housing
	Current Housing Need			Future Housing Need	Total		
	Gross Need	Supply	Net Need				
CHELTENHAM							
1 bedroom	441	121	320	214	534	738	1,272
2 bedrooms	481	331	149	332	481	828	1,309
3 bedrooms	202	305	-103	367	265	724	989
4+ bedrooms	225	34	190	39	230	75	305
Cheltenham Total	**1,349**	**791**	**558**	**952**	**1,510**	**2,364**	**3,874**
COTSWOLD							
1 bedroom	220	62	158	149	307	160	467
2 bedrooms	306	154	152	516	667	462	1,129
3 bedrooms	120	243	-123	459	336	339	675
4+ bedrooms	96	34	62	105	167	59	226
Cotswold Total	**742**	**493**	**248**	**1,229**	**1,477**	**1,020**	**2,497**
FOREST OF DEAN							
1 bedroom	301	61	240	105	345	86	431
2 bedrooms	377	177	200	467	668	323	991
3 bedrooms	104	299	-194	500	306	292	598
4+ bedrooms	158	40	118	33	151	24	175
Forest of Dean Total	**940**	**576**	**364**	**1,106**	**1,470**	**725**	**2,195**
GLOUCESTER							
1 bedroom	283	64	218	38	257	39	296
2 bedrooms	874	343	531	942	1,474	796	2,270
3 bedrooms	571	506	65	917	982	641	1,623
4+ bedrooms	286	67	220	108	328	91	419
Gloucester Total	**2,015**	**981**	**1,034**	**2,005**	**3,039**	**1,566**	**4,605**
STROUD							
1 bedroom	284	77	207	291	497	254	751
2 bedrooms	427	199	227	735	962	477	1,439
3 bedrooms	239	266	-27	559	532	308	840
4+ bedrooms	157	38	119	96	215	45	260
Stroud Total	**1,106**	**580**	**526**	**1,681**	**2,207**	**1,084**	**3,291**
TEWKESBURY							
1 bedroom	302	64	238	144	382	184	566
2 bedrooms	291	152	139	410	549	446	995
3 bedrooms	166	229	-62	450	387	393	780
4+ bedrooms	164	31	133	55	188	43	231
Tewkesbury Total	**923**	**475**	**448**	**1,059**	**1,507**	**1,067**	**2,574**

Essential Local Workers

8.86 Annex 2 of the Revised NPPF also includes the needs of essential local workers.

> *Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.*

8.87 It is notable that the definition provided by the revised NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership

8.88 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers.

9. Needs of Different Groups

Identifying the need for different types of housing

Introduction

9.1 Paragraph 61 of the revised NPPF 2019 requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers each group in turn.

> *61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> **revised NPPF 2019, paragraph 61**

The Private Rented Sector

9.2 The growth in the private rented sector in Gloucestershire has been considered as part of the housing trends section (Figure 28 to Figure 31) which showed the sharp growth in the sector over recent years. This is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying that 20% of households (4.7 million) rent from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting.

9.3 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector.

> *Tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. The level of changes in rents, (known as "market signals"), may reflect the demand in the area for private rented sector housing. Evidence can also be sourced from the English Housing Survey, Office for National Statistics Private Rental Index, the Valuation Office Agency, HomeLet Rental Index and other commercial sources.*
>
> **Planning Practice Guidance, ID 67-002-20190722**

9.4 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:

- Increasing demand from more households;
- Recent reductions in incomes (in real terms);
- Affordability of owner occupation reducing;
- Changing bank lending practices;

» Pensions reform: pension drawdowns invested in Buy to Let property.

9.5 The growth of the sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (supported by findings from the Intermediary Mortgage Lenders Association) have forecasted that the private rented sector will increase in size to 35% nationally by 2032.[36] On this basis, the number of households renting privately could double again over the next twenty years.

9.6 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the most recent recession.

9.7 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)[37]:

> *"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19. … We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating."* (paragraphs 4.152-154)

9.8 Importantly, the Government sees the PRS having an important and long-term role in meeting the housing needs of the nation; and although the revised NPPF 2019 and PPG do not mention the current or future role of housing benefit, 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.

9.9 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply[38] (including the Build to Rent investment scheme[39]). The Government published "Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities" in March 2015[40], and the Foreword by the Minister stated:

> *"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."*

9.10 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences for the wider housing market as more properties come on to the market; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing

[36] http://news.rla.org.uk/rpi-rent-revolution/
[37] http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf
[38] https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment
[39] https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence
[40] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

The Future Role of the Private Rented Sector

9.11 PRS is an important tenure that has grown since 1991 to house a significant proportion of households in the area. At the same time, young households have been less likely to meet their housing need in social and affordable rented housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting polices and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.

9.12 Furthermore, there have been other changes announced by HM Government, (including Starter Homes and Right to Buy for Housing Association tenants) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first time buyers. This duty to promote the supply of Starter Homes alongside the definition in the revised NPPF 2019 of Starter Homes 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.

9.13 As shown in Figure 59 there are many households residing in the private rented sector in Gloucestershire who aspire to home ownership. If affordable home ownership could be provided for this group, it would help to reduce the size of the private rented sector. This is based on the assumption that many households who are renting but aspire to home ownership would move out of renting and into home ownership if affordable home ownership options were available. Not all would move into affordable home ownership because of factors such as location and price. Many of the PRS voids from aspiring homeowners moving out would remain empty because newly forming aspiring homeowners would be able to access affordable home ownership immediately rather than moving into private renting as a temporary or permanent measure. In this way the market would rebalance with fewer private rented properties balancing the increase in affordable home ownership.

9.14 However, if the new supply of affordable homes changes to include a large proportion of Starter Homes or other affordable to own properties, 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 PRS stock may continue or increase further. This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.

9.15 In practice this implies that unless current trends are reversed there will be a further growth in the private rented sector.

Student Housing

9.16 PPG includes specific reference to identifying the needs of students:

> *Strategic policy-making authorities need to 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 ... Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements*
>
> **Planning Practice Guidance, ID 67-004-20190722**

9.17 Each of the Gloucestershire universities were contacted by email then telephone. Once a contact name was established, they were contacted again at least three times by email and, where a number was made available, by telephone. The only information received was HESA registration data provided by the University of Gloucestershire.

9.18 There are two Higher Education Institutions (HEIs) in Gloucestershire which are covered by Higher Education Statistics Agency (HESA) publications: University of Gloucestershire and the Royal Agricultural University. They had a combined total of 9,685 students registered in the 2017/18 academic year, which represents an increase of around 680 students since 2014/15 when there were 9,040 students registered. The change has largely been associated with a larger number of undergraduate students registered at the University of Gloucester (which has increased from 7,855 in 2014/15 to 8,495 in 2017/18).

Figure 65: Students at the two largest Higher Education Establishments (Source: HESA, January 2019)

	Academic Year			
	2014/15	2015/16	2016/17	2017/18
UNIVERSITY OF GLOUCESTER				
Undergraduate	6,530	6,495	6,965	7,080
Postgraduate	1,325	1,340	1,540	1,415
University of Gloucester Total	**7,855**	**7,835**	**8,505**	**8,495**
ROYAL AGRICULTURAL UNIVERSITY				
Undergraduate	950	965	1,030	1,045
Postgraduate	235	235	255	145
Royal Agricultural University Total	**1,185**	**1,200**	**1,280**	**1,190**

9.19 University of Gloucestershire 2017/18 financial report states it has 9,220 students, which compares to 8,495 students reported by HESA.[41] The University has 1,900 places in halls on or near a campus in Cheltenham and Gloucestershire. Significant numbers of students at the University of Gloucestershire will be looking for accommodation in Cheltenham and Gloucester; with almost 8,500 students and 1,900 units of Purpose Built Student Accommodation (PBSA), there are around 6,600 students likely to be living in student households in Cheltenham and Gloucester. Assuming an occupancy rate of 3.6 students per dwelling, this would equate to around 1,830 dwellings in Cheltenham and Gloucester.

9.20 Currently there are 1,108 'student exempt properties' which do not have to pay council tax[42] because of being all-student households in the Cheltenham and Gloucester; 741 in Cheltenham 367 in Gloucester. Students in the remaining 722 dwellings, or the equivalent to 722 all-student dwellings, may be in

[41] https://www.glos.ac.uk/docs/download/Finance/Financial-statements/Financial-Statements-University-of-Gloucestershire-2017-2018.pdf
[42] Student exempt all-student dwellings have been identified from Council Tax data provided by the partner Authorities.

Cheltenham and Gloucester, but in not all-student households, or may be in the surrounding rural area. There are a further 63 all student households in Tewkesbury and 86 in Stroud.

9.21 The Royal Agricultural University (RAU) is situated on the outskirts of Cirencester. RAU has 1,200 students and aims to increase the student body to 1,500. There are 333 beds on campus with the remainder living off campus, notably in private rented sector in the Cirencester area. RAU has around 870 living off campus and this could increase to around 1,170 if no additional PBSA is built. While these are comparatively small numbers, they are likely to be a significant factor for the private rented sector in Cirencester[43]. Assuming an occupancy rate of 3.6 students per dwelling, this equates to around 240 to 325 dwellings.

9.22 Currently there are 107 'student exempt' all-student households in Cotswold. If the majority of these are studying at the RAU then 133 of the current 240 dwellings remain unaccounted for; for example, some may not be all student households.

9.23 **Overall, the evidence from HESA data, college literature and Council Tax data suggests that there is a need for accommodation for around:**

- **6,600 students in Cheltenham and Gloucester, which, assuming an occupancy rate of 3.6 students per dwelling, this would equate to around 1,830 dwellings compared to 1,108 all-student dwellings identifiable as existing in Cheltenham and Gloucester;**
- **870 to 1,170 students around Cirencester, which, assuming an occupancy rate of 3.6 students per dwelling this would equate to around 240 dwellings compared to 107 all-student dwellings identifiable in Cotswold. Up to a further 85 dwellings may be required if the RAU expands as planned.**

9.24 There are a further three Higher Education Institutions in the county, with approaching 2,500 students overall – so there are around 11,000 registered students in total currently studying at HEIs across the county:

- Hartpury University – 1,800+ students in 2018;[44]. Hartpury have put forward a proposal to build 165 units of student accommodation.
- Gloucestershire College (GLOSCOL) – around 300-400 students in 2018;[45] and
- South Gloucestershire and Stroud College – around 200 students in 2013/14.[46]

9.25 Cirencester College is a specialist sixth form college on the outskirts of Cirencester which offers some foundation degrees in conjunction with the Royal Agricultural University.[47]

9.26 Many students studying at Gloucestershire colleges live at home or in PBSA, whilst others live in homestay or out of county (for example, in Bristol)[48].

[43] https://www.rau.ac.uk/sites/files/rau/RAU-year-ended-1-JULY-2018-signed-dated-v2.pdf; https://www.rau.ac.uk/university-life/accommodation
[44] https://www.hartpury.ac.uk/news/2018/11/hartpury-celebrates-record-numbers-of-new-students/
[45] https://www.gloscol.ac.uk/media/995612/annual-review-2018-web-final.pdf
[46] http://sgs.mosweb.co.uk/repository/documents/policies/2015-16_Strategy_approved_2Jul15_Corporatioin.pdf
[47] https://www.cirencester.ac.uk/about-the-college/about-cirencester-college/
[48] Source: individually referenced college websites

Service Families

9.27 Paragraph 61 of the revised NPPF 2019 identifies that local planning authorities should plan for the needs of different groups in the community, including service families. Local planning authorities should:

> *Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes*
>
> **revised NPPF 2019, Paragraph 61**

9.28 Figure 66 below shows the most recent breakdown of the total deployment of military personnel across Gloucestershire:

Figure 66: Deployment of Ministry of Defence personnel by location, April 2019 (Source: MOD Quarterly Location Reports. Figures may not sum due to rounding)

Personnel	Local Authority						TOTAL
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
MILITARY PERSONNEL							
Officers	50	60	40	< 5	0	190	340
Other Ranks	200	490	570	10	0	380	1,660
CIVILIAN PERSONNEL							
Non-industrial	40	60	20	10	0	180	310
Industrial	0	20	0	< 5	0	< 5	30
TOTAL	**290**	**640**	**630**	**30**	**0**	**760**	**2,340**

9.29 It is clear that there are significant number of MoD personnel stationed in Gloucestershire and the number has remained broadly constant since 2016 at around 2,350.

9.30 There are military personnel stationed in five of the six LPAs and the numbers in each LPA have remained broadly the same since 2014. Significant numbers are shown in Tewkesbury (760 in 2019) followed by Cotswold (640) and Forest of Dean (630).

9.31 Two major changes are planned which will affect the number of service personnel in Gloucestershire; the planned closure of Beachley Barracks and the increase of USAF personnel at RAF Fairford in Cotswold.

9.32 The Beachley Barracks and the surrounding area is currently home to around 550 Riflemen from the 1st Battalion Rifles and their dependents. Disposal of the site is planned to take place in 2027 and as at December 2016 reprovision was yet to be confirmed[49]. Moving all 550 Riflemen and associated officers out of Beachley would reduce the number of military personnel in the Forest of Dean to zero or a very small number. It is not clear how many of the civilian personnel would remain, but they constitute a small number; 60 non-industrial and 20 industrial in April 2019. A small number of private rented properties may be released into the market along with some owner occupied properties.

[49] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/576401/Better_Defence_Estate_Dec16_Amends_Web.pdf

9.33 The USAF intend to increase the number of personnel at RAF Fairford. The housing requirements for this move are assessed in the "RAF Fairford Housing Requirements and Market Analysis 2018-2023" prepared for the USAF by RDN Inc. This assessment lays out that:

- In total, these actions will increase housing responsibilities at RAF Fairford from zero to 781 military personnel. Some will not require housing off-base.
- 395 families will require private sector housing by 2023; 209 assumed to require 2-bedrooms; 133 3-bedrooms, and 53 assumed to require 4 or more bedrooms.
- 210 unaccompanied personnel will require private sector housing by 2023; 161 assumed to require 1-bedroom, 48 requiring 2-bedrooms and 1 requiring 3 bedrooms.
- The identified HMA for the base is bordered by and includes the towns of Burford, Witney, Faringdon, Swindon and Cirencester. Stroud is just outside of the HMA for the base while Gloucester, Cheltenham and Oxford are all outside of the HMA but within 30 miles of the base.
- Private sector housing should be within a 60 minute commute at peak times.
- The allowances available may also place economic constraints on where properties can be rented.

9.34 The 605 private rented dwellings required are likely to be spread across much of the HMA for the base and possibly beyond to Oxford, Cheltenham and Gloucester in some cases. A comparatively large proportion of the private rented dwellings could be sought in Swindon as the closest large town. The increased housing need can be considered as within the uplift applied to the LHN from the standard method.

9.35 To sensitivity test the possibility of RAF Fairford growing more than in the RDN assessment; should it grow by 50% more than in the assessment, then 908 private rented dwellings would be required, whilst should the growth be double that in the assessment then 1,210 private rented dwellings would be required. It is difficult to estimate the property size mix because it would depend on the mix of personnel involved.

9.36 The largest effect on private rented housing in Gloucestershire is likely to be seen in Cirencester and less so in Stroud as the two closest Gloucestershire towns to the base, though Stroud is outside the defined HMA in the Market Analysis 2018-2023. However, there is no clear data at present to indicate with any certainty what proportion of the private rented housing need will be accommodated in Gloucestershire, and resultantly within any of its six district authority areas.

9.37 Information from with Defence Infrastructure Organisation (DIO) Estates and MoD staff indicated that there is little detailed analysis of plans to the level of the "RAF Fairford Housing Requirements and Market Analysis". DIO Estates commented that estate planning is still evolving, and the final picture is not clear:

> *Focusing on additional housing requirements for Service Personnel (SP), and given our estate optimisation plans, we would expect to see at least a marginal increase in the number of SP in Gloucestershire across the period from 2021-2041, indeed by 2030. That said, our estate planning work is constantly evolving and we don't yet have a clear future picture of all our sites. These estate optimisation plans will mean MOD focusing more of our units and investment into core, enduring sites. There are a number of these across the county. One of these, for instance, is Imjin Barracks in Gloucester. And, given the need for us to provide high quality homes for SP in close proximity to where they work, it is likely that new housing will be required in locations like this.*

9.38 As at 2017 there were around 39,000 veterans living in Gloucestershire. In the South West region, 81% either own their property or are buying with a mortgage, 18% rent or part rent, and 2% are classed as 'other'[50]. Some of the renters and 'other' may be eligible for affordable housing. Some of these veterans can be identified via the Homeseeker Plus (Locata) system. Veterans will have a reasonable preference status on Homeseeker Plus.

9.39 Overall, the redeployment is likely to have minimal effect on the need for affordable housing. Serving USAF and RAF service personnel will not require, or be eligible for, affordable housing. After leaving the RAF, some service personnel and service families who remain in Gloucestershire will become eligible for affordable housing, but their eligibility will depend on standard factors such as the household income. Therefore, the level of need directly from ex-service families is difficult to assess. The demand for PRS properties in parts of the County, such as Cirencester, is likely to push up rents and this would have a knock on effect on affordability in those areas.

[50] https://www.gov.uk/government/statistics/annual-population-survey-uk-armed-forces-veterans-residing-in-great-britain-2017

People Wishing to Build their Own Homes

9.40 Paragraph 61 of the revised NPPF 2019 identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

> ***How can Self-build and custom housebuilding needs be assessed?***
>
> *Most local planning authorities (including all district councils and National Park Authorities) are now required 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 their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.*
>
> *To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing 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.*
>
> **Planning Practice Guidance, ID: 67-003-20190722**

9.41 Over half of the population (53%) say that they would consider building their own home[51] (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.

9.42 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 away from those unable to afford mainstream housing towards those who want an individual property or a particular location. *"Laying the Foundations – a Housing Strategy for England"* (HM Government, 2011)[52] redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "*Build-it-yourself? Understanding the changing landscape of the UK self-build market*" (University of York, 2013) subsequently 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 previous Government also 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.

9.43 In the 2014 Budget, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act[53] 2015 places a duty on local planning authorities to:

- Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register; and

[51] Building Societies Association Survey of 2,051 UK consumers 2011
[52] https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2
[53] http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html

» Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

9.44 The 2015 Act was amended by the Housing and Planning Act 2016[54] which placed the following duty on local planning authorities for self or custom build:

> *An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.* (Section 2(a)(2))

9.45 Limited Government funding[55] is currently available via the Homes England 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. Given this context, it is important to recognise that self-build could either be market housing or low cost home ownership affordable housing products. Nevertheless, it is likely that the majority will be market homes.

9.46 The number of registrations over time in each of the Gloucestershire LPAs is shown below. The number of registrations varies considerably between LPAs, which may partly due to the approach adopted by different local authorities for charging.

» Cotswold introduced a charge in November 2017-18;

» Forest of Dean introduce a charge in 2017-18;

» Stroud introduced a charge in October 2017; and

» Cheltenham and Tewkesbury do not charge.

9.47 In Cotswold, Forest of Dean and Stroud, the number of applications peaked in 2016-17, falling dramatically after then. The introduction of a charge appears to be one reason for this decrease, but this is not necessarily the only reason. Overall, 56% of applicants have a local connection of some form; self-build in Gloucestershire attracts applicants who wish to move into the Authorities rather than being restricted to those already living there.

Figure 67: Self-Build Registrations (Note: "-" denotes no data. The Cheltenham register has a total of 54 applicants, but only 19 responded to the most recent email confirming that they wished to remain registered)

Period	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury
2016	-	66	14	-	48	-
2016-2017	-	69	49	-	112	-
2017-2018	-	9	10	-	2	-
2018-2019 (provisional)	-	7	-	-	8	-
TOTAL	**(54) 19**	**151**	**75**	**46**	**170**	**61**
Percentage of applicants with a local connection	*No test*	*51%*	*56%*	*74%*	-	-

[54] http://services.parliament.uk/bills/2015-16/housingandplanning.html
[55] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

9.48 In conclusion, there remain a small number of registrations for self-build. Individuals and small groups developing their own homes continue to play a small part in the overall level of development.

Housing for Older People

9.49 Britain's population is ageing, and people can expect to live longer, healthier lives than previous generations. **The older population (aged 60 or over)** is forecast to grow; to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.[56]

9.50 Given this context, PPG recognises the importance of providing housing for older people. Additional PPG "Housing for older and disabled people" was published on 26th June 2019, which states:

> *The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector … Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes*
>
> **Planning Practice Guidance, ID 63-004-20190626**

9.51 The 2014-based dwelling-led projections identify that the population of Gloucestershire is likely to increase from 649,630 persons to 747,085 persons over the 20-year period 2021-41; a 20-year increase of 97,455 persons.

9.52 The population in older age groups is projected to increase substantially during this period, with an increase in the population aged 65 or over of 69,526,[57] compared to an increase of 27,929 persons amongst under 65s. Of the growth in the 65 or over population, three quarters are projected to be 75+ (52,231 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.

Figure 68: Resident population for 2021 and 2041 and summary of 20-year change by age for each area (Note: Figures may not sum due to rounding. Source: Dwelling-led population projections based on the identified Local Housing Need)

	Age					TOTAL
	0-15	16-64	65-74	75-84	85+	
RESIDENT POPULATION						
2021	118,465	387,332	75,702	48,843	19,288	649,630
2041	126,062	407,664	92,996	79,734	40,629	747,085
TOTAL CHANGE 2021-2041	**+7,597**	**+20,332**	**+17,295**	**+30,890**	**+21,341**	**+97,455**
TOTAL CHANGE BY AREA 2021-2041						
Cheltenham	+653	+4,044	+2,492	+4,867	+3,638	+15,694
Cotswold	+938	+942	+2,959	+5,292	+3,706	+13,838
Forest of Dean	+986	+213	+2,140	+4,598	+3,291	+11,227
Gloucester	+966	+4,732	+3,639	+5,441	+3,205	+17,982
Stroud	+2,096	+5,081	+3,115	+5,797	+3,958	+20,046
Tewkesbury	+1,958	+5,321	+2,949	+4,896	+3,544	+18,668
ALTERNATIVE PERIODS						
Stroud 2020-40	+2,329	+5,006	**+3,583**	+5,846	+3,867	+20,632

[56] ONS 2016-based sub-national population projections

[57] The increase of 69,526 in Figure 68 is from dwelling-led projections based on the LHN, including additional housing need and therefore is higher than the figure from purely projecting the population forward of 63,368 in Figure 23

9.53 It is widely recognised that many older households often occupy larger family housing. Figure 69 identifies the number of spare rooms that older person households had available to them at the time of the Census. Overall, three quarters of older households that own their home, almost half of those renting from a social landlord (48%) and three-in-ten of those renting privately had two or more spare rooms. Whilst many of these households will choose not to move, around a quarter of older households nationally would move to another home if there was suitable housing available that met their aspirations in the right place. Many of these households would have considerable equity available from the sale of their larger home, therefore affordability is far less of a consideration for this group.

Figure 69: Occupancy for older person households by tenure (Source: 2011 Census. Note: Older person households include single persons aged 65+ and one family where all aged 65+)

	Local Authority						TOTAL
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
OWNED							
Two or more spare rooms	75%	80%	71%	71%	76%	76%	75%
One spare rooms	24%	19%	27%	27%	22%	22%	23%
No spare rooms	2%	1%	2%	2%	2%	2%	2%
PRIVATE RENT							
Two or more spare rooms	41%	31%	31%	23%	30%	27%	30%
One spare rooms	27%	47%	28%	45%	41%	47%	40%
No spare rooms	32%	22%	41%	32%	28%	27%	30%
SOCIAL RENT							
Two or more spare rooms	30%	56%	41%	43%	52%	47%	48%
One spare rooms	48%	38%	40%	47%	36%	41%	40%
No spare rooms	23%	5%	19%	11%	12%	12%	12%

9.54 The Housing Learning and Improvement Network (Housing LIN) published "More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people" [58] in February 2008; and subsequently published the "Strategic Housing for Older People (SHOP)" [59] 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**, and these have informed the evidence base for many adopted Local Plans.

Figure 70: 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**

[58] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf
[59] http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf

9.55 These rates provide a useful framework for understanding the potential demand for different forms of older peoples housing, but neither publication provides any detail about the derivation of the figures. 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)

9.56 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). There is no one correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.

9.57 The Older People housing options considered in this section meets the definitions in the 2012 Housing Our Ageing Population report (HAPPI2)[60] and the PPG on Housing for older and disabled people, June 2019[61]. HAPPI2 defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes), while PPG on "*Housing for older and disabled people*" identifies the main types of specialist housing for older people as:

> ***Age-restricted general market housing**: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services.*
>
> ***Retirement living or sheltered housing**: This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.*
>
> ***Extra care housing or housing-with-care**: This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.*
>
> ***Residential care homes and nursing homes**: These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.*
>
> *There is a significant amount of variability in the types of specialist housing for older people. The list above provides an indication of the different types of housing available, but is not definitive. Any single development may contain a range of different types of specialist housing.*
>
> *Paragraph: 010 Reference ID: 63-010-20190626*

[60] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf
[61] https://www.gov.uk/guidance/housing-for-older-and-disabled-people

9.58 Both these definitions can be modelled using the Housing LIN SHOP resource pack methodology (2012).[62] This forecasts future population and then applies a benchmark need for particular housing types per thousand people aged 75+. Additional data from Gloucestershire County Council is also used.

9.59 Because there is no single correct answer when estimating the need for older persons housing, it is therefore appropriate to establish a local framework which takes account of local data. Gloucestershire County Council (GCC) have undertaken research to support work to improve commissioning of extra care as part of a continuum of housing provision for older people:

> *Our approach to housing with care is to see housing with care as a continuum across all housing, from general needs to residential and nursing care. Change and development at each end of the housing with care continuum will impact on the requirement for any specialist older people housing. For example more adaptable, lifetime home standards in general needs will impact on the need for sheltered and extra care. Potential reduction in residential beds may impact on the need to increase extra care. As such the requirement of extra care housing needs to be reviewed as part of the whole housing spectrum to ensure unnecessary extra care schemes are not being developed as potential for voids will impact on financial vitality for developers, housing providers and care providers.*

9.60 When considering general needs properties, it is essential to follow the building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England). Part M regulations are considered below.

9.61 The GCC research demonstrates a high level of void properties in some types of housing with care. In Cheltenham, for instance, GCC's research has shown that in 2019 there is a level of 24% voids amongst market extra care housing and 14% void level in market sheltered housing (retirement living) with a further 94 units of accommodation currently in development. Factors that are impacting on voids are location and affordability. The County Council research concludes that the levels of voids across market extra care and sheltered housing should act as an indicator to the market that there is an over capacity in the market for this type of provision.

9.62 Prevalence rates for extra care housing were calculated based on the existing provision of extra care housing (where an element of care would be needed by a proportion of residents).

Figure 71: Extra care prevalence rates in Gloucestershire (Source: GCC 2019)

Form of Provision	Existing Extra Care Provision (2019)		
	Owned	Rented	Total
Rate per 1,000 persons aged 75+	10	5	15

[62] www.housinglin.org.uk/housinginlaterlife_planningtool

9.63 Figure 72 identifies the existing stock of specialist Older Person housing provided by GCC, based on data published by the Elderly Accommodation Counsel (EAC)[63] and verified with each provider of specialist accommodation. This verification ensures that the data is as robust as possible and identified a total of 8,007 units. "Housing with support" is predominantly housing with the support as an add-on service and is usually low level support. It refers to such models as sheltered housing. In "housing with care" the care or support is an integral part of the model and a much higher level of care or support is offered than with "housing with support". It generally refers to models such as extra care.

Figure 72: Existing Stock of Specialist Older Person Housing for each area (Source: EAC database 2015, GCC and FoDC 2019)

Property Type		Local Authority						TOTAL
		Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
Housing with support	Owned	691	794	134	331	411	450	2,811
	Rented	778	806	644	674	810	620	4,332
Housing with care	Owned	225	59	0	161	56	32	533
	Rented	49	60	94	128	0	43	374
TOTAL		**1,743**	**1,719**	**872**	**1,294**	**1,277**	**1,145**	**8,050**

9.64 While the Housing LIN model identifies future need, this is on the basis of existing types of provision (sheltered, extra care etc). It is unclear, at the present time, if Older People will aspire to these types of specialist housing in the future; indeed, demand for some types are already experiencing low demand, and other, newer types of provision may appear to meet changing aspirations in the market. Further, the policy aim of supporting people at home for longer could mean, for example, that floating support services and assistive technologies could help older people live in their own homes longer.

9.65 The table below identifies the potential requirement for new specialist housing, taking account of the current population end existing stock together with the additional demand for the period 2021-2041 **based on the projected change in population aged 75+**. This table uses sheltered housing prevalence rates from the SHOP resource pack (Figure 70) and local extra care prevalence rates from GCC (Figure 71).

9.66 The GCC modelling shows no extra care backlog at the start of the period and no requirement for additional extra care in some LPAs due to the number of voids identified. At the same time, the number of voids were not large enough to show a surplus in 2021. An increase in the number of adaptable and accessible dwellings could help to reduce the requirement for sheltered housing.

[63] http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf
The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within the following definition: *"a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group"*. It is important to note that a considerable proportion of housing intended for older people falls outside this definition and is therefore excluded. Extra care, assisted living, and other forms of 'housing with care' are included.

Figure 73: Modelled Demand for Older Person Housing in Gloucestershire based on Housing LIN Toolkit and GCC Modelling

		Rate per 1,000 persons aged 75+	Gross need 2021	Existing supply	Backlog at start of period	Gross need 2041	New need 2021-41	Overall need
Sheltered Housing	Owned	120	8,176	2,811	5,365	14,444	6,268	11,633
	Rented	60	4,088	4,332	-244	7,222	3,134	2,890
Extra Care	Owned	10	677	533	144	1,199	521	666
	Rented	5	339	374	-35	600	261	225
TOTAL		**195**	**13,280**	**8,050**	**5,230**	**23,465**	**10,184**	**15,414**

9.67 Figure 74 shows the analysis for older persons housing in each LPA (**aged 75+**)[64].

[64] The totals for the individual LPAs in Figure 74 may not sum to the total Gloucestershire wide totals in Figure 73. This is a product of modelling from the individual LPA populations and the total County population, with much of the difference due to rounding. The total difference is 92 units, which is 0.6%.

Figure 74: Modelled Demand for Older Person Housing in Gloucestershire based on Housing LIN Toolkit and GCC Modelling

		Rate per 1,000 persons aged 75+	Gross need	Existing supply	Backlog at start of period	Gross need 2041	New need	Overall Need
CHELTENHAM			*2021*		*2021*	*2041*	*2021-41*	*2021-41*
Sheltered Housing	Owned	120	1,404	691	713	2,425	1,021	1,734
	Rented	60	702	778	-76	1,212	510	434
Extra care	Owned	10	117	225	-108	202	85	-23
	Rented	5	59	49	10	101	43	52
Cheltenham Total		**195**	**2,282**	**1,743**	**539**	**3,940**	**1,659**	**2,197**
COTSWOLD			*2021*		*2021*	*2041*	*2021-41*	*2021-41*
Sheltered Housing	Owned	120	1,413	794	619	2,493	1,080	1,699
	Rented	60	707	806	-99	1,246	540	440
Extra care	Owned	10	118	59	59	208	90	149
	Rented	5	59	60	-1	104	45	44
Cotswold Total		**195**	**2,297**	**1,719**	**578**	**4,051**	**1,755**	**2,332**
FOREST OF DEAN			*2021*		*2021*	*2041*	*2021-41*	*2021-41*
Sheltered Housing	Owned	120	1,225	134	1,134	2,172	904	2,038
	Rented	60	613	644	-31	1,086	473	442
Extra care	Owned	10	102	0	102	181	79	181
	Rented	5	51	94	-43	91	39	-4
Forest of Dean Total		**195**	**1,991**	**872**	**1,162**	**3,530**	**1,495**	**2,658**
GLOUCESTER			*2021*		*2021*	*2041*	*2021-41*	*2021-41*
Sheltered Housing	Owned	120	1287	331	956	2325	1,037	1,994
	Rented	60	644	674	-30	1162	519	488
Extra care	Owned	10	107	161	-54	194	86	33
	Rented	5	54	128	-74	97	43	-31
Gloucester Total		**195**	**2,092**	**1,294**	**798**	**3,778**	**1,686**	**2,484**
STROUD			*2020*		*2020*	*2040*	*2020-40*	*2020-40*
Sheltered Housing	Owned	120	1,522	411	1,111	2,688	1,166	2,277
	Rented	60	761	810	-49	1,344	583	534
Extra care	Owned	10	127	56	71	224	97	168
	Rented	5	63	0	63	112	49	112
Stroud Total		**195**	**2,473**	**1,277**	**1,196**	**4,368**	**1,895**	**3,091**
TEWKESBURY			*2021*		*2021*	*2041*	*2021-41*	*2021-41*
Sheltered Housing	Owned	120	1,268	450	818	2,281	1,013	1,831
	Rented	60	634	620	14	1,140	506	520
Extra care	Owned	10	106	32	74	190	84	158
	Rented	5	53	43	10	95	42	52
Tewkesbury Total		**195**	**2,061**	**1,145**	**916**	**3,706**	**1,646**	**2,561**

9.68 Over the 20-year period 2021-41, these analyses identify an increase in need of 15,414 additional homes to be provided over the assessment period, including around 14,523 sheltered homes (11,633 owner occupied

and 2,890 for rent) and around 891 extra care homes (666 owner occupied and 225 for rent). Most of these properties will already be counted as part of the overall housing need; however, some extra care provision may offset some of the identified need for residential care and would therefore be additional to the household projections.

9.69 Of course, it is important that the delivery of specific schemes for specialist older person housing are considered in partnership with other agencies, in particular those responsible for accommodating older people's support needs. It will also be 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. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
- **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. Nevertheless, other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;
- **Adaptable and accessible dwellings:** increasing the provision of adaptable and accessible housing could lower the need for sheltered and extra care housing by allowing people to live in their own homes for longer by making these homes adaptable and suitable to accommodate older people's needs, and by facilitating the provision of support;
- **Other agencies:** any procurement of existing supply needs to be undertaken in partnership 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.

9.70 ORS has undertaken a range of specific research projects on older people's aspirations and preferences for housing both nationally and targeted to specific areas. From this data, it is evident that the substantial majority of households seeking to move currently occupy houses, most with at least three or four bedrooms. Therefore, providing suitable housing for these households would be likely to lead to a large number of family homes being vacated[65].

9.71 Most households are seeking two bedrooms, although there is also a reasonable demand for three bedroom homes – typically from households currently living in properties with four bedrooms or more. There is a clear preference for bungalows, and this is also the expectation for most. On this basis, **if there were not enough bungalows available, it is likely that many of these households would not vacate their existing family home.** It is evident that there is very little demand for apartments from these households, which may be part of the reason for them not choosing specialist older person housing but wanting to remain in the general housing stock.

[65] For example: https://centralbedfordshire.app.box.com/s/j0np77dmwd7dqhoo2lo1wkrwara35tjx

9.72 Considering the net difference in the research results between the housing currently occupied and the homes sought by these households, it is possible to identify some very clear conclusions.

- We can conclude that **for every bungalow built there will be a family home vacated** (the provision of 50 bungalows yields a comparable supply of around 50 houses); and
- At a more detailed level, we see that providing the ratio of 4 one-bed, 34 two-bed and 14 three-bed bungalows together with 9 two-bed houses suited to rightsizers will lead to an equivalent number of family homes being vacated, all with at least three bedrooms and over two-thirds having four bedrooms or more.

9.73 On this basis, whilst many older person households plan to stay in their current home and some would never want to move, the evidence shows that there are many thousands of older person households who will be looking to move to suitable homes within the general housing stock. Some of these households will require housing to M4 Category 2 and M4 category 3 standards.

9.74 In conclusion, population projections show a large increase in older people between 2021 and 2041, an increase of 52,232 persons aged 75+ and a corresponding need for dedicated housing options. However, it must be recognised that the identified need is based upon increasing the level of older persons housing provision to idealised levels. In practice, this level of delivery is likely to be unachievable, but it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix. The provision of suitable housing in the community which older people find desirable and suitable to live in as they age will release a considerable number of larger properties which will then be available for families.

Housing for People with Disabilities

9.75 Paragraph 61 of the revised NPPF 2019 identifies that local planning authorities should plan households with specific needs, and PPG states:

> ***What evidence can plan-makers consider when identifying the housing needs of people with disabilities?***
>
> *Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment (replacing Disability Living Allowance) / Attendance Allowance benefit claimants. Whilst these data sources can provide an 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 (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.*
>
> *Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.*
>
> **Planning Practice Guidance, ID 63-005-20190626**

9.76 Personal Independence Payments started to replace the Disability Living Allowance from April 2013, and 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). Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over. 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"*.

9.77 Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works and major adaptations to the property to minor adaptations.

9.78 However, PPG notes that whilst patterns of DFG applications *"provide an indication of levels of expressed need"* it cautions that this could *"underestimate total need"*. Of course, it is also important to recognise that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

9.79 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 Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).[66]

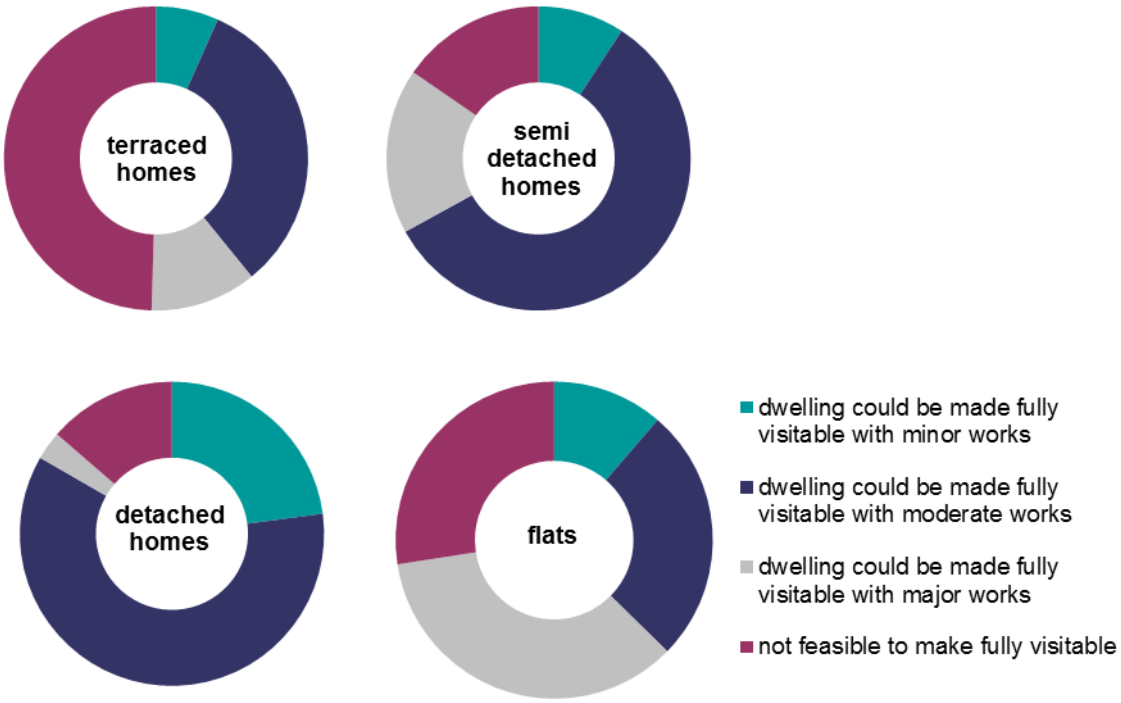
[66] https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m

9.80 Three standards are covered:

- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- » M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

9.81 Given that the existing stock is considerably larger than projected new build, adapting existing stock through DFGs is likely to form part of the solution. However, the English Housing Survey (2014-15) identifies that approaching half of all existing dwellings could not be adapted or would require major works in order for them to be made fully visitable, thereby meeting M4(1) standards; and given that many of the requirements to meet M4(2) standards relate to dwelling design, it is often impossible for them to be retrospectively implemented except as part of major renovation works. On this basis, adapting existing stock alone is unlikely to provide sufficient properties to meet the needs of a growing older population.

Figure 75: Level of work required to create full visitability (Source: EHS 2014-15 Annex Figure 2.5)



9.82 In terms of new developments, Part M states that: *"Where no condition is imposed, dwellings only need to meet requirements M4(1)"* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) 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.

9.83 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, ID 56-007-20150327**

9.84 The summary data sheet forms the basis of the data used in this report.

9.85 Building Regulations for M4(2) Category 2: Accessible and adaptable dwellings states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

> *"The provision made must be sufficient to-*
>
> *(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*
>
> *(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time." (Page 10)*

9.86 On this basis, in establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.

9.87 When considering the housing mix, the analysis above identified that many households moving into new housing are likely to be younger at the time that they form. However, these will include some households with mobility problems. Furthermore, it is likely that the needs of these households will change over time – partly through progressive change as health deteriorates with households growing older, but also immediate change may occur following an accident or a health condition impacting mobility. Some households may also gain additional members with existing conditions, including children born with disabilities.

9.88 Our analysis also identified a substantial growth in older households, although many of these will not move from their current home and will make adaptations as required to meet their needs. However, a large number of older households will still choose to move to an accessible home and others may have to move where it is not viable for their current home to be adapted. Not all of these households want to live in specialist older person housing, so it is important to ensure that accessible general needs housing that is suitable for older people is also provided. This will often free up family housing occupied by older households.

9.89 Not all health problems will affect households' housing needs. Data from the English Housing Survey (2014-15) identifies that 70.9% of households have no limiting long-term illness (LLTI) or disability with a further 20.3% where there is a household member with an illness or disability but this does not affect their housing need. Nevertheless, around 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. The proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively).

9.90 Within this group, the substantial majority of households (82.6%) live in a home that is suitable for their needs (either having already moved or adapted their existing home). Nevertheless, just over 17% of households with a disability that affects their housing need either require adaptations or need to move to a more suitable home, which equates to 1.5% of all households.

Figure 76: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

	Market housing	Affordable housing	TOTAL
Households without limiting long-term illness or disability	75.2%	50.2%	70.9%
Households with one or more persons with a limiting long-term illness or disability			
Does not affect their housing need	18.3%	29.9%	20.3%
Current home suitable for needs	5.4%	16.2%	7.3%
Current home requires adaptation	0.6%	1.6%	0.8%
Need to move to a more suitable home	0.5%	2.0%	0.7%
Total households where a limiting long-term illness or disability affects their housing need:	**6.5%**	**19.8%**	**8.8%**
Of those households where a limiting long-term illness or disability affects their housing need:			
Current home suitable for needs	83.1%	81.9%	82.6%
Current home requires adaptation	9.4%	8.1%	8.9%
Need to move to a more suitable home	7.4%	10.0%	8.4%

9.91 Through combining the national data from the English Housing Survey (2014-15) with Census data about relative levels of limiting long-term illness and disability in Gloucestershire, it is possible to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

9.92 Figure 77 identifies the number of households with one or more persons having a limiting long-term illness or disability and the likely impact on their housing needs.

Figure 77: Households with a long-term illness or disability in 2021 by effect on housing need for each area (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Local Authority						TOTAL
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
Households with one or more persons with a LLTI or disability	14,126	10,798	12,513	17,077	15,118	11,385	81,017
Does not affect housing need	9,612	7,078	8,450	11,824	10,205	7,632	54,801
Households where a LLTI or disability affects housing need	**4,513**	**3,721**	**4,063**	**5,254**	**4,913**	**3,753**	**26,216**
Current home suitable for needs	3,773	3,145	3,405	4,345	4,125	3,166	21,960
Current home needs adaptation	375	288	334	458	401	298	2,155
Need to move to a suitable home	365	287	323	450	387	289	2,101

9.93 The analysis identifies that there will be around 81,017 households living in Gloucestershire in 2021 where one or more persons with a limiting long-term illness or disability. This includes around 26,216 households where their health problems affected their housing needs, but the majority of these households (around 21,960) are likely to already live in a suitable home.

9.94 Nevertheless, it is estimated that in 2021 there will be around 2,101 households needing to move to a more suitable home due to a disability or another long-term health problem. These households would represent an existing need for M4(2) housing, however some of these households would be wheelchair users needing M4(3) housing. A further 2,155 households needed adaptations to their current home.

9.95 The identified need for 2,101 adapted homes at the start of the assessment period is based on households' current needs. The M4(2) standard also requires *"the changing needs of occupants over time"* to be considered. Therefore, even without any change to the number of households in Gloucestershire, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.

9.96 The ORS housing model uses household projections and prevalence rates by age to allow a cohort analysis of the level of health problems. For example, the prevalence rate for those currently aged 55 to 64 gives us the number in that age group with a health problem. The prevalence rate for the 65 to 74 age group gives us the number for this same cohort (currently aged 55 to 64) once they have aged 10 years; the difference between the two is the growth in the number of health problems over 10 years for that cohort. All cohorts are analysed.

9.97 Whilst around 26,216 households living in Gloucestershire in 2021 will have a health problem that will already affect their housing requirements, the ORS housing model cohort health analysis suggests that it is likely that a further 12,095 households will develop health problems within 10 years. These households would also require adaptations to their current home or would need to move to a more suitable home.

9.98 Based on the household projections and the overall housing need, we can establish the future need for adapted housing in the housing market area based on the projected household growth and the changing demographics of the area.

9.99 Continuing the modelling of health needs suggests that by 2041 there will be an additional 34,160 households either already experiencing health problems or likely to develop health problems within 10 years. Some of these will be new households, but many will be existing households resident in 2021 whose health has deteriorated over the assessment period.

9.100 Therefore, considering the needs of households resident at the start of the assessment period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 46,256 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 2,101 households needing to move and the 2,155 households needing adaptations based on their current health in 2021.

Figure 78: Households with a long-term illness or disability in Gloucestershire in 2021 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Local Authority						TOTAL
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
Households where a LLTI or disability affects housing need in 2021							
Current home suitable for needs	3,773	3,145	3,405	4,345	4,125	3,166	21,960
Current home needs adaptation	375	288	334	458	401	298	2,155
Need to move to a suitable home	365	287	323	450	387	289	2,101
Households where a LLTI or disability affects housing need	**4,513**	**3,721**	**4,063**	**5,254**	**4,913**	**3,753**	**26,216**
Existing households in 2021 likely to develop health problems that affect housing need within 10 yrs	2,093	1,662	1,870	2,460	2,287	1,723	12,095
Additional households in 2041 with problems or likely to develop problems within 10 yrs	5,542	4,918	5,223	6,726	6,561	5,190	34,160
Additional households in 2041 where a LLTI or disability will affect housing need within 10 yrs	**7,634**	**6,580**	**7,093**	**9,186**	**8,848**	**6,913**	**46,256**

9.101 To provide M4(2) housing for all of the identified need would require housing for up to 48,356 households to be provided, consisting of 46,256 additional households plus 2,101 households who need to move to a suitable home (these rounded numbers are taken from Figure 78). Figure 75 identified that many existing homes were not suitable for adaptation to meet even the M4(1) Category 1 standard, and the additional requirements needed to meet M4(2) Category 2 standard mean that it is likely that most existing dwellings could not be adapted without major renovation. Whilst some households will seek to meet their housing needs without moving, there is inevitably uncertainty about how many households will be able to do this and how many will move.

9.102 Therefore, given that very few existing dwellings meet the M4(2) Category 2 standard, it would be appropriate for the local authorities to provide for as many of the 48,356 households identified in Figure 78 as possible. It is important to recognise that this would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

Housing for Wheelchair Users

9.103 Building Regulations for M4(3) Category 3: Wheelchair user dwellings also states that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

> *"The provision made must be sufficient to-*
> *(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;*
> *(b) to meet the needs of occupants who use wheelchairs." (Page 23)*

9.104 On this basis, in establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

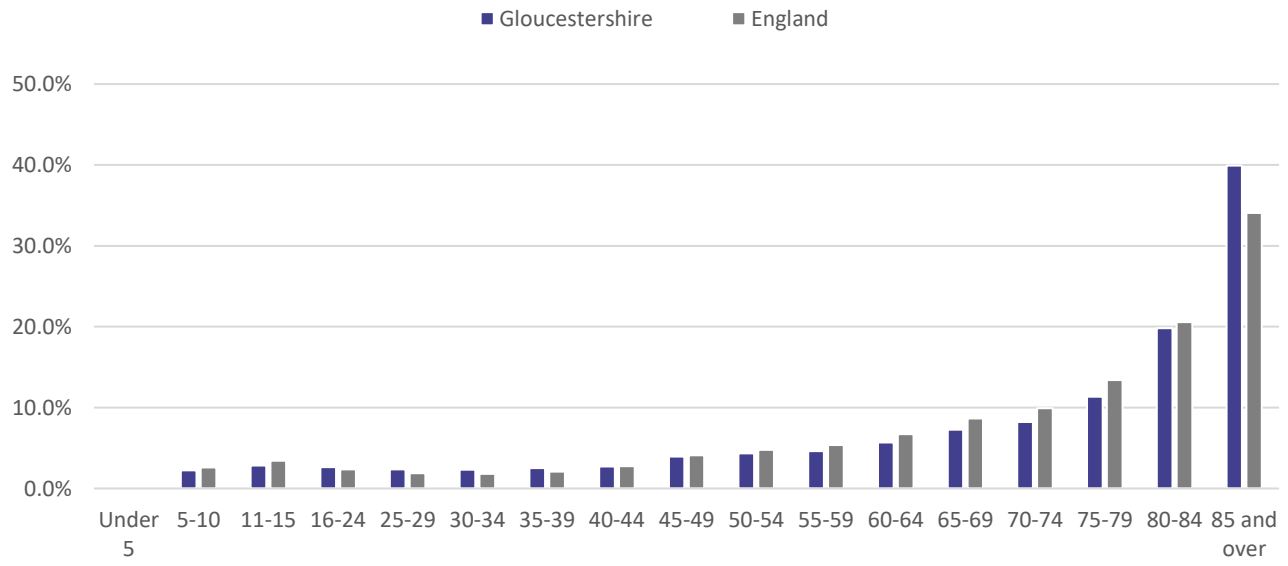
9.105 The CLG guide to available disability data[67] referenced by PPG [ID 56-007-20150327] shows that around 1-in-30 households in England (3.3%) currently have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 79 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

Figure 79: 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%

9.106 Figure 80 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Gloucestershire against the figures for England.

Figure 80: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2017)



[67] https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data

9.107 Through combining the information on local rates with the national data, we can establish the proportion of households in Gloucestershire likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 81).

Figure 81: Percentage of households with a wheelchair user by type of housing and age of household representative for each area (Source: ORS based on English Housing Survey combined with DWP)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
CHELTENHAM								
Market housing	< 0.1%	0.40%	0.97%	1.57%	2.93%	3.88%	5.88%	9.76%
Affordable housing	0.29%	2.00%	2.90%	5.90%	5.97%	10.04%	12.35%	20.99%
COTSWOLD								
Market housing	< 0.1%	0.40%	0.96%	1.54%	2.84%	3.75%	5.64%	9.21%
Affordable housing	0.29%	1.98%	2.88%	5.79%	5.82%	9.76%	11.92%	19.87%
FOREST OF DEAN								
Market housing	< 0.1%	0.41%	1.00%	1.63%	2.98%	3.97%	6.21%	10.48%
Affordable housing	0.30%	2.04%	3.00%	6.09%	6.06%	10.24%	12.97%	22.38%
GLOUCESTER								
Market housing	< 0.1%	0.40%	0.99%	1.64%	3.05%	4.11%	6.43%	11.27%
Affordable housing	0.30%	2.03%	2.97%	6.10%	6.15%	10.52%	13.36%	23.85%
STROUD								
Market housing	< 0.1%	0.40%	0.97%	1.58%	2.90%	3.82%	5.87%	10.81%
Affordable housing	0.30%	2.01%	2.92%	5.92%	5.91%	9.92%	12.35%	23.52%
TEWKESBURY								
Market housing	< 0.1%	0.40%	0.97%	1.57%	2.88%	3.85%	5.76%	9.66%
Affordable housing	0.29%	2.00%	2.91%	5.89%	5.90%	9.98%	12.12%	20.78%

9.108 Figure 82 identifies the net change in the number of households with a wheelchair user over the period 2021 to 2041. It is evident that the number of households likely to need wheelchair adapted housing in Gloucestershire is likely to increase by 4,910 over the 20-year period, equivalent to around 8% of the LHN figure.

Figure 82: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding)

Modelled Need for Wheelchair Adapted Housing		Local Authority						TOTAL
		Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
MARKET HOUSING								
Households aged under 75	Total 2021	692	555	587	754	768	575	3,931
	Total 2041	730	579	594	840	825	645	4,213
	Net change 2021-2041	+38	+24	+7	+86	+57	+70	+282
Households aged 75+	Total 2021	513	460	447	504	588	451	2,963
	Total 2041	1,046	956	891	1,020	1214	954	6,081
	Net change 2021-2041	+534	+496	+443	+516	+627	+503	+3,118
Market Housing: Overall change 2021-2041		**+571**	**+520**	**+451**	**+602**	**+684**	**+573**	**+3,401**
% of market housing need		7.3%	7.3%	8.5%	7.3%	7.3%	6.4%	7.3%
AFFORDABLE HOUSING								
Households aged under 75	Total 2021	339	293	272	441	344	243	1,932
	Total 2041	386	327	305	545	396	283	2,242
	Net change 2021-2041	+47	+35	+33	+104	+53	+39	+311
Households aged 75+	Total 2021	175	349	178	229	234	169	1,335
	Total 2041	340	141	315	512	478	362	2,149
	Net change 2021-2041	+166	+176	+137	+283	+244	+193	+1,198
Affordable Housing: Overall change 2021-2041		**+213**	**+210**	**+170**	**+387**	**+297**	**+232**	**+1,509**
% of affordable housing need		10.8%	11.9%	11.8%	10.0%	11.6%	12.5%	11.2%

9.109 **The evidence supports the need for a target of 8% of all housing to meet M4(3) Category 3 requirements.**

9.110 However, it is important to recognise that most of the identified growth in households with wheelchair users (4,316 households, equivalent to 88%) are aged 75 or over, and 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 2,221 C2 specialist older person housing units for households aged 75 or over in Gloucestershire. Whilst not all households needing wheelchair adapted housing will live in specialist older person housing, at any point in time it is likely that around a quarter of those living in specialist housing will need wheelchair adapted homes, and it is likely that some older households will start using a wheelchair whilst living in specialist housing if their health deteriorates. On this basis, it may be appropriate to adopt higher targets for specialist housing for older persons that is wheelchair accessible, and this could reduce the proportion of general needs housing that would need to meet the Category 3 requirements. **The evidence supports the need for a target of at least 25% and ideally 50% or more of specialist housing for older people to meet M4(3) Category 3 requirements; and all specialist housing for older people should meet M4(2) Category 2 requirements.**

9.111 Based on the earlier conclusion that the need for adapted housing is around 48,356 households (Figure 78), then 75% of all new housing should be suitable for the needs of households with health problems or disabilities that affect their housing requirement. Therefore, allowing for the 8% provision at M4(3) standard **the evidence also supports the need for a target of 67% of all housing to meet M4(2) Category 2 requirements, and preferably more to take account of the lack of provision in the existing housing stock.**

9.112 Some LPAs have a policy of higher levels of new build to M4 Category 2 and Category 3 standards. For example, Cambridge City Council look to 100% of new build to be to M4 Category 2. The Cambridge City Council research report "Accessible Housing in Cambridge – A study into accessible housing requirements in Cambridge for the emerging Local Plan[68]", 2017 concluded that:

> *10.4 {Other Cambridge City Council} reports considered the implementation of a Lifetime Homes standard to be viable and achievable. Paragraphs 2.6.4 to 2.6.6 of the Cambridge City Council Local Plan – Community Infrastructure Levy Viability Assessment summarises the approach taken to this and also explained that an additional allowance of 5 to 7% of build costs was factored into the calculations to cover any contingencies.*
>
> *10.5. Cambridge City Council's Statement of Consultation and Audit Trails also adds that "At present, local authorities and health authorities bear the cost of adapting housing and re-housing people who become disabled. This budget is unlikely to expand and will encounter more demand with an ageing population and people living longer with profound disabilities and illnesses. Lifetime Home provision will help reduce future costs and will not require considerable resources to make further adaptations for people who become disabled....As Lifetime Homes design standards can be incorporated into development at an early stage and are already required for all affordable housing delivered in the city, it is considered appropriate to set out a requirement for all homes to comply with Lifetime Homes standards."*

9.113 It is clear from the Cambridge City and other research that providing dwellings that are accessible at the start can save considerable costs later in retrofitting adaptations as well as often providing a more satisfactory result.

9.114 Two further points need to be considered before a policy of requiring all new dwellings to be built to M4 Category 2 standard. The first of these is to consider the viability in areas with lower land values than Cambridge City (and London, where the London Plan also requires all new build dwellings to be to M4(2) except those which are to M4(3) standard[69]). The second is to include allow for exceptions to the policy. Policy HOU7 - Accessible and Adaptable Homes of the East Hertfordshire District Plan 2018[70] says:

> *(a) all new residential development should meet the Building Regulations Requirement M4(2): Category 2 – Accessible and Adaptable Dwellings; and (b) on sites proposing 11 or more gross additional dwellings, a proportion of dwellings will be expected to meet the Building Regulations Requirement M4(3): Category 3 – Wheelchair User Dwellings, where appropriate.*
>
> *II. Only where circumstances exist where it can be demonstrated by the applicant that it is not practically achievable or financially viable to deliver this policy, will new development be exempt from the requirement.*

[68] https://democracy.cambridge.gov.uk/documents/s37574/Appendix%20E%20Accessible%20Housing%20Document.pdf
[69] https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/chapter-3-design/policy-d5-accessible-housing
[70] https://cdn-eastherts.onwebcurl.com/s3fs-public/documents/District_Plan_Publish_web_view.pdf

Home ownership for disabled people

9.115 There are several routes to home ownership or shared ownership for disabled people. While it is possible for some disabled people to get a standard mortgage, for many disabled people that is not possible, usually because of being in receipt of benefits.

9.116 The Home Ownership scheme for people with Long-term Disabilities (HOLD) is a Government backed scheme which assists long-term disabled people to buy a 25% to 75% share in a shared ownership property. To be eligible, households must have an income of £80,000 or under outside London and £90,000 or under in London and be first time buyer. Nevertheless, mortgages are available for disabled people who are reliant on benefits, often through a housing association working with My Safe Home mortgage advocates for people with disabilities. To be eligible, people need to be on the highest or middle rate of Disability Living Allowance (or Personal Independence Payment Enhanced or Standard Rate of Daily Living and in receipt of Employment Support Allowance (ESA) within the ESA 'support group', where the severity of the persons disability means they are not be able to take up any work now or in the future[71]. However, a 5% or 10% deposit is required, about which the Peabody website says:

> *That money usually comes from one of three sources: savings that the individuals have themselves, inheritance or – like a lot of first-time-buyers that we're working with at the moment – the Bank of Mum and Dad would put that deposit down.*

9.117 It is clear then, that there are options for home ownership for disabled people who are reliant on benefits, but there are also hurdles for disabled people to overcome, notably raising a deposit.

Summary of Requirements

9.118 As previously noted, there is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing; however, Figure 83 summarises the identified need for M4(3) Category 3 housing (both adaptable and adapted, as set out in Figure 82) and the resulting minimum need for M4(2) Category 2 housing.

Figure 83: Summary of need for M4(2) and M4(3) housing by area

	Local Authority						TOTAL
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud	Tewkesbury	
Need for M4(2) housing	7,215	6,138	6,796	8,647	8,254	6,397	43,446
Need for M4(3) adaptable housing (market housing)	571	520	451	602	684	573	3,401
Need for M4(3) adapted housing (affordable housing)	213	210	170	387	297	232	1,509
Overall need for adapted housing	**7,999**	**6,868**	**7,417**	**9,636**	**9,235**	**7,202**	**48,356**

[71] https://www.peabodysales.co.uk/blog/shared-ownership/shared-ownership-for-disabled-homebuyers/

Space Standards

9.119 The Nationally Described Space Standards (NDSS) are a form of optional Technical Housing standards and apply to space standards in new build housing. The White Paper *Fixing our broken housing market*, 2017, aims to reviews the NDSS.

9.120 The Technical Housing standards cover:

- Accessibility and wheelchair housing standards.
- Water efficiency standards.
- Internal space standards.

9.121 The accessibility and wheelchair standards are contained in building regulations *Access to and use of buildings: Approved Document M*. The optional Nationally Described Space Standards (NDSS) cover internal space standards.

9.122 The revised NPPF 2019 chapter 12 *Achieving well-designed places* deals with design policies. Plans or supplementary planning documents are suggested to *"provide a framework for creating distinctive places, with a consistent and high quality standard of design"*, but *"their level of detail and degree of prescription should be tailored to the circumstances in each place"* (paragraph 126).

9.123 The use of national space standards is encouraged in the revised NPPF 2019:

> *Planning policies for housing should make use of the Government's optional technical standards for accessible and adaptable housing, where this would address an identified need for such properties. Policies may also make use of the nationally described space standard, where the need for an internal space standard can be justified*
>
> **(footnote to paragraph 127 (f))**

9.124 CLG published the PPG *Housing: optional technical standards* - Nationally Described Space Standards (NDSS) in March 2015. The NDSS replaced various existing standards such as the 'Code for Sustainable Homes', 'Lifetime Homes' and 'Secured by Design'. While the revised NPPF 2019 encourages the use of the NDSS, their adoption by Local Planning Authorities is voluntarily. Further, to be able to adopt the NDSS, interested local authorities are required to justify the need for space standards before it can be introduced into their local plan, stated in the Housing Optional Technical Standards[72]:

> *"Local planning authorities have the option to set additional technical requirements exceeding the minimum standards required by Building Regulations in respect of access and water, and an optional nationally described space standard. Local planning authorities will need to gather evidence to determine whether there is a need for additional standards in their area, and justify setting appropriate policies in their Local Plans."*
>
> **(Paragraph: 002 Reference ID: 56-002-20160519, 2016)**

[72] http://planningguidance.communities.gov.uk/blog/guidance/housing-optional-technical-standards/internal-space-standards/

9.125 In justifying the need for space standards, LPAs should take account of viability:

> *Local planning authorities should consider the impact of using these standards as part of their Local Plan viability assessment. In considering the costs relating to optional Building Regulation requirements or the nationally described space standard, authorities may wish to take account of the evidence in the most recent Impact Assessment issued alongside the Housing Standards Review.*
>
> **(Paragraph: 003 Reference ID: 56-003-20150327, 2015)**

9.126 If internal space standards are required by a Local Plan, those standards must be in accordance with the specified standards:

> *"Where a local planning authority (or qualifying body) wishes to require an internal space standard, they should only do so by reference in their Local Plan to the nationally described space standard."*
>
> **(Paragraph: 018 Reference ID: 56-018-20150327, 2015)**

9.127 The NDSS set out requirements for the Gross Internal floor Area (GIA) for new dwellings on new developments by the level of occupancy. The GIA, measured in square metres, is defined in the Standards as being *"the total floor space measured between the internal faces of perimeter walls that enclose the dwelling"* and includes all internal spaces such as cupboards and other elements such as partitions.

9.128 RIBA argue that the lack of statutory space standards has led to smaller homes being developed. Based on RIBA evidence, spaces standards of homes delivered in London appear to be higher than outside the Capital and, while causation cannot be assumed, it is notable that the London Mayor has adopted the national standard in the MALP.

9.129 In September 2011, RIBA published research in "*The Case for Space: The size of England's new homes"*[73], which showed that:

> *"the family homes being sold by the UK's eight largest private housebuilders was on average 8m² – the size of a single bedroom – smaller than the minimum standards drawn up for London".*
>
> **(Quoted from Space Standards for Homes, 2015)**

9.130 Following lobbying by RIBA and the publication of the Housing: optional technical standards PPG, RIBA revisited the evidence for space standards on new developments, published as *Space Standards for Homes*, 2015[74]. This research focussed on 3-bedroom homes as an exemplar using a sample of 100 sites regionally spread across England built by the top 10 volume housebuilders by turnover. The main conclusions which are relevant here were:

- Outside London, the average new three bedroom home is 4m² smaller than the new standard, which is the equivalent size of a bathroom.
- Homes in London are bigger than in the rest of the Country. The average 3-bedroom home in London is now 25m² bigger than in Yorkshire, "*the equivalent of a double bedroom and a family living room"*.

[73] https://www.architecture.com/knowledge-and-resources/resources-landing-page/space-standards-for-homes
[74] https://www.architecture.com/knowledge-and-resources/resources-landing-page/space-standards-for-homes

9.131 The published Space Standards are shown in the table below.

Figure 84: Minimum gross internal floor areas and storage (m2) Table and notes reproduced from *Housing: optional technical standards*, March 2015

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) *			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

9.132 The NDSS are to be reviewed as stated in *Fixing our broken housing market*: "*The Government will review the Nationally Described Space Standard to ensure greater local housing choice*" (Paragraph 155).

9.133 To benchmark whether developments in Gloucestershire meet the NDSS, a short review was carried out of dwellings being delivered in the County. This involved taking measurements from floor plans on developers' websites and calculating the floor space using two different methods. The first method was to estimate the total floor area by calculating the lengths of the external ground floor walls and multiplying those to give the square metreage over the number of floors; the External Wall Test. The floor areas given by this method will be estimates, but within the margin of error of those estimates what they measure is close to the NDSS standards. The second was to calculate the floor area of each individual room according to the measurements on the floor plan; the Measured Rooms Test. This method gives a minimum floor area which is accurate for what it measures (living rooms, kitchen and bedrooms), but omits other areas which could count towards the NDSS. The floor areas produced by this method will be accurate, but below the NDSS standard definition because they do not measure every countable space. This is therefore the more difficult test to meet, but if a property does meet this test then it clearly meets NDSS. The estimated floor areas produced by these methods is indicative rather than being precise, but can be used to indicate whether the housing being delivered meets the NDSS. Because the estimates are only indicative, individual developers are not named here.

9.134 The review considered 16 different types of property across several developments in Gloucestershire and a range of prices; two 2-bed; six 3-bed; five 4-bed; and three 5-bed properties.

9.135 A broad scale was used to assess the properties based on the floor areas compared against the NDSS:

- Meets Measured Rooms Test – the area of the measured rooms is at least 5% above the NDSS: these properties meet and probably exceed the standard.
- Meets External Walls Test – the area of the external walls is at least 5% above the NDSS: these properties can be assumed to meet the standard.
- Uncertain – the area of the external walls is less than 5% above the NDSS but less than 10% below the NDSS: these properties may meet or fall below the standard, but the margin of error in the measurements does not allow us to distinguish which.
- Fails – the area of the external walls is at least 10% below the NDSS: these properties clearly fail to meet the standard.

9.136 The results for each property are shown below.

Figure 85: Results of the NDSS tests

	Meets Measured Rooms Test	Meets External Wall Test	Fails	Uncertain	Total Meeting Standard	
					Number	%
2 bedrooms	0	0	0	2	0	0%
3 bedrooms	0	2	0	4	2	33%
4 bedrooms	1	3	0	1	4	80%
5 bedrooms	1	2	0	0	3	100%
Total Dwellings	**2**	**7**	**0**	**7**	**9**	**56%**

9.137 The results show that:

- Nine properties meet at least one of the tests and can be assumed to meet the NDSS
- The results for seven properties are Uncertain.
- None clearly fall below the NDSS on the measure used here.
- The tests for both 2-bed properties, four 3-bed properties, and one 4-bed property are Uncertain: these properties may meet or fall below the NDSS.
- Two 3-bed properties Meet the External Wall Test and therefore can be assumed to meet the NDSS.
- Three 4-bed properties Meet the External Wall Test and therefore can be assumed to meet the NDSS.
- Two 5-bed properties Meet the External Wall Test and therefore can be assumed to meet the NDSS.
- One 4-bed property, and one 5-bed property meet the more stringent Measured Rooms Test; these properties clearly meet and may exceed the NDSS.
- Larger properties are more likely to meet the NDSS than smaller properties. This reflects results from other studies we have carried out.

9.138 In conclusion, while most properties being delivered by major housing developers meet the relevant NDSS, Gloucestershire LPAs, evidence is required that the standards ae being met. This could be achieved through carrying out a robust research project, or through monitoring property sizes through developers providing LPAs with the floor areas of the homes they are developing with the way the floor areas are measured to be in line with floor areas defined by the NDSS.

Gypsies and Travellers

9.139 Planning Policy for Traveller Sites (PPTS) came into force in March 2012 and was updated in August 2015. This document sets out the Government's policy for Gypsies and Travellers and represents the only household group not directly covered by the revised NPPF. However, PPTS notes at Paragraph 1 that:

> *This document sets out the Government's planning policy for traveller sites. It should be read in conjunction with the National Planning Policy Framework.*
>
> **Planning Policy for Traveller Sites, paragraph 1**

9.140 Paragraph 61 of the revised NPPF 2019 states that:

> *Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> **Revised National Planning Policy Framework 2019, paragraph 61**

9.141 The footnote to this section states that *"Planning Policy for Traveller Sites sets out how travellers' housing needs should be assessed for those covered by the definition in Annex 1 of that document."* This essentially sets out that the needs of Traveller households that meet the planning definition should be addressed under the PPTS, and that the needs of households that are not found to meet the planning definition should be addressed as part of the wider housing needs of an area.

9.142 Following the publication of the revised NPPF 2018 and the Housing Delivery Test Measurement Rule Book in July 2018, the current position is that under the Housing Delivery Test, Paragraph 10, the need for Travellers that meet the PPTS planning definition are not now included in the overall 5 year Housing Land Supply.

> *Where applicable, the housing requirement for Gypsies and Travellers under the Planning Policy for Traveller Sites (PPTS) will be added to the housing requirement. Plan-making authorities should inform MHCLG of their housing requirement for Gypsies and Travellers under the PPTS through the annual Housing Delivery Test DELTA data collection.*
>
> **Planning Policy for Traveller Sites, paragraph 10**

9.143 However, PPG for the Housing needs of different groups (ID 67) states in paragraph 1 that:

> *The household projections that form the baseline of the standard method are inclusive of all households including travellers as defined in Planning policy for traveller sites.*
>
> **Planning Practice Guidance, ID: 67-001-20190722**

9.144 There therefore appears to be a possible inconsistency between the statement that Gypsies and Travellers who meet the PPTS definition are included in the LHN (which forms the basis of the housing requirement) but that their specific needs should also be added to the housing requirement.

The Gypsy and Traveller Accommodation Assessment 2016

9.145 This section presents a summary of the 2016 Gypsy and Traveller Accommodation Assessment (GTAA) carried out by ORS.

9.146 The primary objective of the 2016 GTAA was to provide a robust assessment of current and future need for Gypsy, Traveller and Travelling Showpeople accommodation in the local authority areas of Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud and Tewkesbury.

9.147 As well as updating previous GTAAs, another key reason for completing the study was the publication of a revised version of Planning Policy for Traveller Sites (PPTS) in August 2015. This included a change to the definition of Gypsies, Travellers and Travelling Showpeople for planning purposes. The key change that was made was the removal of the term persons…who have ceased to travel permanently, meaning that those who have ceased to travel permanently will not now fall under the planning definition of a Traveller for the purposes of assessing accommodation need in a GTAA.

9.148 The GTAA provides a credible evidence base which can be used to aid the implementation of Development Plan policies and the provision of new Gypsy and Traveller pitches and Travelling Showpeople plots for the period up to 2031. The outcomes of this study supersede the outcomes of any previous GTAAs completed in Cheltenham, Cotswold, Forest of Dean, Gloucester, Stroud and Tewkesbury.

9.149 As this was an update, the GTAA has primarily sought to understand the accommodation needs of the Gypsy, Traveller and Travelling Showpeople population in Cheltenham, Cotswold, Forest of Dean, Gloucester City, Stroud and Tewkesbury through a combination of desk-based research and engagement with members of the travelling community living on all known sites and yards. A total of 96 interviews were completed with Gypsies and Travellers and a further 28 were completed with Travelling Showpeople living on authorised and unauthorised sites and yards. Despite extensive efforts to identify them no interviews were completed with Travellers living in bricks and mortar.

9.150 The baseline date for the study is March 2016. The fieldwork was completed between February and March 2016, which was after the publication of PPTS (2015). As a result of this, changes were made to the household interview questions to enable the determination of the travelling status of households. The main results of the GTAA, showing the need for Gypsy/Traveller pitches and Travelling Showperson plots are detailed in Figure 86.

9.151 There is an identified need for a total of 14 Gypsy and Traveller pitches spread across Cotswold, Forest of Dean and Tewkesbury. There is also an identified need for accommodation for 61 households who do not meet the planning definition, with none in Cheltenham and most required in Cotswold, Forest of Dean and Tewkesbury. Finally, there is likely to be a need for accommodation for households whose status with regard to the planning definition is uncertain – anything from 0 to 78 households; none in Gloucester and mostly in Tewkesbury (0-48), with some required in each of the other LPAs.

9.152 There is an identified need for a total of 38 Traveller Showperson plots spread across Gloucester, Stroud and Tewkesbury. There is no identified need for Travelling Showpeople who do not meet the planning definition. Finally, there is likely to be a need for accommodation for households whose status with regard to the planning definition is uncertain – anything from 0 to 14 households, again spread across Gloucester, Stroud and Tewkesbury. These households may wish to be accommodated in general bricks and mortar, though given that they will be ethnic Gypsies and Travellers it is highly likely that they will continue to want to live on caravan sites.

Figure 86: Need for additional Gypsy/Traveller pitches and Travelling Showperson plots to 2031 (Source: 2016 Gypsy and Traveller Accommodation Assessment)

	Gypsy and Traveller			Travelling Showpeople		
	Meet planning definition	Unknown	Do not meet planning definition	Meet planning definition	Unknown	Do not meet planning definition
CHELTENHAM	0	0-3	0	0	0	0
COTSWOLD	3	0-11	13	0	0	0
FOREST OF DEAN	6	0-9	18	0	0	0
GLOUCESTER	0	0	2	8	0-8	0
STROUD	0	0-7	3	8	0-4	0
TEWKESBURY	5	0-48	25	22	0-2	0
GLOUCESTERSHIRE	14	0-78	61	38	0-14	0

9.153 It has been suggested that there will need to be an increase in transit provision across the country as a result of changes to PPTS (2015) leading to more households travelling. This may well be the case, but it will take some time for any changes to materialise. As such the use of historic evidence to make an assessment of future transit need is not recommended at this time. Any recommendation for future transit provision will need to make use of a robust post-PPTS (2015) evidence base and there has not been sufficient time yet for this to happen.

9.154 It is therefore recommended that the situation relating to levels of unauthorised encampments should be continually monitored whilst any potential changes associated with PPTS (2015) develop, and in the short-term the Councils should consider the use of short-term toleration or negotiated stopping agreements to deal with any encampments. A review of the evidence base relating to unauthorised encampments should be undertaken in autumn 2018 once there is a new 3 year evidence base following the changes to PPTS in August 2015. This will establish whether there is a need for investment in more formal transit sites or emergency stopping places.

In conclusion, there is an identified need for Gypsy and Traveller pitches and Showpeople plots to 2031 along with a need for accommodation for those households who do not meet the planning definition. However, there are a large number of households (0-78) of unknown status with regard to the planning definition. No additional transit pitches were suggested at the time the GTAA was carried out.

Houseboats

9.155 The Housing and Planning Act (2016) includes a duty (under Section 8 of the 1985 Housing Act that covers the requirement for a periodical review of housing needs) for local authorities to consider the needs of people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed, or places on inland waterways where houseboats can be moored.

9.156 For houseboats, Draft Guidance[75] was issued by the Government suggesting a detailed assessment of need through the collection of primary data (i.e. site and household interviews). The Guidance was issued in March 2016 with no consultation attached to it and has yet to be issued as official guidance. ORS feel that this approach is only needed to assess the needs of the Gypsy and Traveller Community. Indeed, the Guidance continues to set out that the exact approach will need to be adapted to local circumstances.

[75] "*Draft guidance to local housing authorities on the periodical review of housing needs for caravans and houseboats.*" (CLG, March 2016)

9.157 ORS are of the view that there are 3 types of potential need associated with those who live permanently on a boat, or who may wish to live permanently on a boat:

- Need for additional permanent residential moorings.
- Need for additional temporary moorings for boats with Continual Cruiser Licences.
- Need for additional waterside facilities.

9.158 As far as need for Boat Dwellers is concerned, it cannot be assumed that all need can be met through the provision of additional moorings as many Boat Dwellers do not seek permanent moorings and navigate waterways on a permanent basis. As such, other issues that need to be considered may include the availability and distance between facilities such as water taps, rubbish disposal, chemical toilet disposal and fuel pumps; the threat of eviction from moorings seen as inappropriate; restrictions placed on boat dwellers through licence restrictions; and access to 'off-side' moorings – i.e. those not on a tow path.

9.159 As with Gypsies and Travellers who do not meet the planning definition of Travellers and wider Caravan Dwellers, permanent Boat Dwellers also form part of the LHN because they are included in the overall population and household projections.

9.160 Data released by the Valuation Office Agency (VOA) in June 2016 indicates that there were around 30 households living in boats as their main place of residence paying Council Tax in Gloucestershire. This included around 20 in Tewkesbury, fewer than 5 in both Cheltenham and Stroud, and none in Cotswold, Forest of Dean or Gloucester. However, it may well be that tenancy agreements at private marinas for permanent residential moorings include a contribution towards local taxes and rates. Evidence from across the country indicates that most households with leisure moorings are only able to spend part of the year on their boat and would not pay Council Tax as a main place of residence, while others are Continuous Cruisers who move regularly from location to location with stays of no more than 14 days in any one location.

9.161 The Canal and River Trust[76] have reported that the total number of Continuous Cruiser Licences was 4,400 in 2014. Out of those 4,400 boats 23% moved less than 5 kilometres, and 45% moved under 10 kilometres in a year, so a high number of boats are moving around relatively small areas of the canal network. The Canal and River Trust suggest that this is due to affordability as much as preference, with many households moving on to houseboats to find cheaper accommodation.

9.162 The draft Guidance is not particularly relevant or helpful when it comes to assessing need for Boat Dwellers. The first issue to consider is the definition of a houseboat. The Housing and Planning Act defines a "houseboat" as a boat or similar structure designed or adapted for use as a place to live. However, this conflicts with the definition of a houseboat under waterways legislation (for example Section 3 of the British Waterways Act 1971) which suggests that a houseboat is a static vessel and is not used for navigation, as opposed to more mobile Boat Dwellers who do travel either from permanent moorings or as continual cruisers. ORS choose to include all permanent Boat Dwellers in assessments of need as opposed to the more limited definitions of a houseboat.

9.163 In terms of other evidence on the needs of Boat Dwellers, the Canal and River Trust undertook a detailed survey of London's houseboat dwellers[77] between September and October 2016. In total they received

[76] https://canalrivertrust.org.uk/media/library/2305.pdf
[77] https://canalrivertrust.org.uk/refresh/media/thumbnail/30901-whos-on-londons-boats-survey-summary-report.pdf

responses from 1,323 boat dwellers who had been recorded on London's waterways in the previous year. In summary the survey found that:

- 58% of respondents to the survey said that they use their boat as their primary place of residence.
- 50% of respondents said that affordability/financial reasons were their motivation for living on a boat.
- 50% of respondents said that they have been living on boats on London's waterways for three years or less.
- 70% of respondents said that they owned their boats outright, a further 11% said they owned their boat with a loan or mortgage.
- The top three specific improvement people want to see on the London waterways are (1) more mooring places, (2) more mooring rings, (3) more water points.
- 45% of respondents said they would have some or definite interest in a mooring if permanent or long-term moorings were more readily available in the London.

9.164 Putting all of this together in terms of identifying need for any further additional moorings in Gloucestershire, there is again a situation which requires a careful consideration of the word 'need' as there is no evidence to suggest any specific need for additional permanent moorings in the county, but instead an alternative means of meeting a small proportion of general housing need.

9.165 If more residential moorings were to be made available on a commercial basis then there could well be a demand for them, as in other parts of the country. However, this is not in response to an evidenced local need for additional moorings to meet local demand. If more moorings were to be made available households may choose to live on houseboats due to wider housing market pressures which have made houseboats a cheaper option to live on than bricks and mortar housing. In this context, additional permanent residential moorings should be seen in the context of providing for a more diverse set of housing options and as part of the wider housing delivery, as opposed to meeting any identified local need.

9.166 It is not therefore considered that there is a direct need for any additional permanent residential moorings in Gloucestershire that is driven by a local demand for additional moorings, but instead that more moorings could help to address the wider housing needs of the area. ORS would suggest the role of additional moorings in meeting current housing needs in Gloucestershire is likely to be very small and this figure would form part of the existing LHN and is not an additional to it.

Appendix A

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable home ownership is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage) without some form of subsidy. **Shared ownership** is one form of affordable home ownership.

Affordable housing Includes housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers). For the purpose of this report we have used the definition in the revised NPPF 2019, which specifies the main categories of affordable housing to be: affordable housing for rent; starter homes; discounted market sales housing (sold at a discount of at least 20% below market value); shared ownership, relevant equity loans, other low cost homes for sale and rent to buy.

Affordable housing for rent on the NPPF definiton is housing where the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents; and the landlord is a registered provider, except where it is included as part of a Build to Rent scheme; and includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; *"family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"*[78].

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household"*[79]

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

[78] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf
[79] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or **Registered Provider** is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership is a form of affordable home ownership designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme you buy a share in the property with a Housing Association or other organisation.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CE	Cambridge Econometrics
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DWP	Department of Work and Pensions
EHA	English Housing Survey
GCC	Gloucestershire County Council
HB	Housing Benefit
HEI	Higher Education Institution
HESA	Higher Education Statistics Agency
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
JCS	Joint Core Strategy
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leashold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NDSS	Nationally Described Space Standard
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
OE	Oxford Economics
ONS	Office for National Statistics

ORS	Opinion Research Services
PAS	Planning Advisory Service
PBSA	Purpose Built Student Accommodation
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
TTWA	Travel To Work Area
VOA	Valuation Office Agency

Appendix B

Local Planning Authority Level Tables

This appendix presents data tables at LPA level, expanding some of the tables in the main report.

Data Tables relating to Figure 24 - population Projections by 5-year age group

Figure 87: Population projections by 5-year age cohort for the relevant assessment period in each area (Source: ONS sub-national projections 2016)

Population	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud (2020-40)	Tewkesbury
START YEAR	**2021**	**2021**	**2021**	**2021**	**2040**	**2021**
Aged 0-4	6,402	3,962	4,220	8,731	6,096	5,299
Aged 5-9	6,676	4,583	4,720	8,945	7,001	5,684
Aged 10-14	7,048	5,041	4,758	8,220	7,422	5,580
Aged 15-19	7,042	4,519	4,892	7,518	6,251	4,497
Aged 20-24	8,215	4,046	4,156	7,842	4,704	3,682
Aged 25-29	7,551	3,693	4,199	8,722	5,753	4,645
Aged 30-34	7,890	3,868	4,293	9,332	6,309	5,435
Aged 35-39	7,745	4,355	4,182	9,084	6,699	5,666
Aged 40-44	7,402	4,693	4,305	8,233	7,210	5,684
Aged 45-49	7,199	5,721	5,257	8,336	8,669	5,878
Aged 50-54	7,726	6,901	6,814	9,371	9,350	6,731
Aged 55-59	7,964	7,217	7,157	9,092	9,259	6,892
Aged 60-64	6,762	6,631	6,574	7,634	8,221	6,220
Aged 65-69	5,932	5,997	6,153	6,252	7,512	5,559
Aged 70-74	6,027	6,182	6,181	6,098	7,699	5,706
Aged 75-79	4,615	4,937	4,549	4,661	5,439	4,437
Aged 80-84	3,395	3,346	2,935	3,033	3,832	3,117
Aged 85+	3,689	3,305	2,728	3,032	3,413	3,012

Population	Local Authority					
	Cheltenham	Cotswold	Forest of Dean	Gloucester	Stroud (2020-40)	Tewkesbury
END YEAR	**2041**	**2041**	**2041**	**2041**	**2040**	**2041**
Aged 0-4	6,384	4,058	4,441	9,203	6,443	5,565
Aged 5-9	6,204	4,489	4,738	8,694	7,118	5,731
Aged 10-14	6,732	4,871	4,930	8,516	7,724	5,895
Aged 15-19	7,873	4,901	5,574	8,830	7,334	5,553
Aged 20-24	9,172	4,339	4,424	8,862	5,092	4,255
Aged 25-29	8,511	3,900	4,343	9,655	5,987	5,188
Aged 30-34	8,028	3,999	4,400	9,678	6,448	5,537
Aged 35-39	6,702	4,098	4,205	8,565	6,644	5,447
Aged 40-44	6,724	4,610	4,737	8,635	7,953	5,893
Aged 45-49	6,952	5,399	5,354	9,107	8,824	6,328
Aged 50-54	7,215	5,903	5,857	9,281	8,944	6,641
Aged 55-59	7,127	6,094	5,874	8,758	8,622	6,502
Aged 60-64	6,822	6,247	5,975	7,929	8,176	6,404
Aged 65-69	6,775	6,729	6,684	7,696	8,993	6,546
Aged 70-74	7,186	7,452	7,518	8,219	9,256	7,163
Aged 75-79	7,017	7,120	6,855	7,510	8,397	6,829
Aged 80-84	5,470	5,639	5,046	5,573	6,369	5,236
Aged 85+	7,074	6,633	5,940	6,209	7,107	6,344

LPA Results relating to Figure 27 – Households Projections 2021 - 2041

Figure 88: Total projected households for 2021 and 2041 and summary of 20-year change by household type and age of household representative (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)

CHELTENHAM	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2021									
Single person	167	2,171	2,636	2,677	3,051	2,370	3,665	1,715	18,452
Couple without children	274	1,891	1,209	2,242	5,197	4,209	1,637	751	17,412
Families with child(ren)	207	2,210	4,987	4,269	771	121	56	1	12,623
Other households	1,239	851	127	370	206	427	417	153	3,790
TOTAL	1,887	7,123	8,960	9,559	9,225	7,128	5,775	2,620	52,277
Total Households 2041									
Single person	0	2,351	2,606	2,675	3,134	2,435	5,586	3,096	21,883
Couple without children	311	2,103	863	976	4,766	5,481	2,931	2,007	19,437
Families with child(ren)	201	2,990	5,063	5,741	1,187	230	155	1	15,568
Other households	2,419	1,253	0	135	0	545	664	175	5,191
TOTAL	2,931	8,697	8,532	9,526	9,086	8,691	9,335	5,278	62,078
Total Change 2021-2041									
Single person	-167	+180	-30	-2	+83	+65	+1,921	+1,381	+3,431
Couple without children	+37	+212	-347	-1,267	-432	+1,272	+1,294	+1,256	+2,025
Families with child(ren)	-6	+780	+75	+1,472	+416	+108	+99	0	+2,945
Other households	+1,180	+403	-127	-235	-206	+118	+246	+22	+1,401
TOTAL CHANGE	+1,044	+1,574	-428	-32	-138	+1,563	+3,560	+2,659	+9,802

COTSWOLD	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2021									
Single person	228	534	965	1,632	2,136	2,227	3,795	1,398	12,916
Couple without children	96	802	742	2,387	5,078	4,667	1,723	889	16,384
Families with child(ren)	317	1,416	3,195	3,345	826	57	33	0	9,189
Other households	128	291	94	371	236	216	487	198	2,021
TOTAL	769	3,043	4,996	7,736	8,276	7,167	6,038	2,485	40,510
Total Households 2041									
Single person	207	421	1,095	1,692	2,078	2,489	5,947	2,339	16,268
Couple without children	57	716	581	1,305	4,506	6,242	2,994	2,525	18,927
Families with child(ren)	464	1,743	3,451	4,176	1,208	96	103	0	11,242
Other households	136	465	47	315	147	152	950	417	2,630
TOTAL	864	3,346	5,174	7,488	7,939	8,979	9,994	5,281	49,066
Total Change 2021-2041									
Single person	-22	-113	+130	+60	-59	+262	+2,153	+941	+3,352
Couple without children	-39	-85	-160	-1,082	-572	+1,575	+1,271	+1,636	+2,543
Families with child(ren)	+148	+327	+256	+831	+383	+39	+70	0	+2,053
Other households	+9	+174	-47	-56	-88	-64	+463	+219	+608
TOTAL CHANGE	+95	+302	+179	-248	-336	+1,812	+3,956	+2,796	+8,556

FOREST OF DEAN	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2021									
Single person	234	578	692	1,369	1,889	1,780	2,894	1,200	10,635
Couple without children	36	682	443	2,779	5,094	4,525	1,812	578	15,948
Families with child(ren)	392	1,759	3,001	2,603	767	44	30	1	8,598
Other households	20	129	113	201	185	709	551	164	2,072
TOTAL	682	3,148	4,249	6,952	7,935	7,057	5,288	1,943	37,253
Total Households 2041									
Single person	322	657	882	1,484	1,793	1,503	3,759	2,153	12,554
Couple without children	0	707	209	2,200	4,115	5,600	3,696	1,758	18,285
Families with child(ren)	638	2,046	3,465	2,869	1,024	55	89	0	10,187
Other households	0	150	113	27	5	1,192	1,060	406	2,951
TOTAL	960	3,561	4,669	6,580	6,937	8,350	8,604	4,317	43,978
Total Change 2021-2041									
Single person	+88	+79	+191	+115	-96	-276	+865	+953	1,920
Couple without children	-36	+25	-234	-579	-979	+1,075	+1,884	+1,180	2,336
Families with child(ren)	+246	+287	+464	+266	+257	+11	+59	-1	1,589
Other households	-20	21	0	-174	-180	+483	+509	+242	879
TOTAL CHANGE	+278	+412	+420	-372	-998	+1,293	+3,316	+2,374	6,724

GLOUCESTER	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2021									
Single person	525	1,849	2,040	2,157	2,024	2,400	3,200	1,054	15,249
Couple without children	122	1,679	949	3,506	6,476	4,105	1,688	713	19,239
Families with child(ren)	699	3,434	6,477	4,905	841	84	13	0	16,454
Other households	254	621	245	464	749	586	625	521	4,066
TOTAL	1,601	7,584	9,712	11,033	10,089	7,175	5,526	2,289	55,008
Total Households 2041									
Single person	657	2,040	1,962	1,903	1,349	2,670	4,629	915	16,125
Couple without children	0	1,816	551	2,382	6,689	5,511	3,396	2,043	22,389
Families with child(ren)	1,429	4,294	7,303	6,905	1,204	163	41	0	21,339
Other households	545	1,149	174	276	867	1,040	1,450	1,773	7,274
TOTAL	2,631	9,299	9,990	11,466	10,109	9,385	9,516	4,731	67,128
Total Change 2021-2041									
Single person	+132	+190	-79	-255	-674	+271	+1,429	-139	+876
Couple without children	-122	+137	-398	-1,124	+213	+1,406	+1,708	+1,330	+3,150
Families with child(ren)	+730	+860	+826	+2,000	+362	+79	+28	0	+4,886
Other households	+290	+527	-71	-189	+119	+455	+825	+1,252	+3,208
TOTAL CHANGE	+1,030	+1,715	+279	+433	+20	+2,210	+3,990	+2,442	+12,120

STROUD (2021-41)	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2021									
Single person	186	1,121	1,417	2,269	2,065	2,466	4,010	1,610	15,144
Couple without children	97	1,084	931	2,988	6,842	5,412	2,393	788	20,534
Families with child(ren)	461	1,967	4,984	4,682	1,199	94	14	0	13,402
Other households	70	415	37	397	422	778	576	265	2,961
TOTAL	815	4,587	7,369	10,335	10,527	8,751	6,993	2,664	52,041
Total Households 2041									
Single person	143	1,409	1,709	2,684	1,801	2,619	5,429	2,794	18,587
Couple without children	52	1,097	729	1,660	6,326	6,421	4,699	2,231	23,214
Families with child(ren)	953	2,240	5,868	6,282	1,944	169	36	0	17,492
Other households	53	772	0	239	366	1,362	1,052	737	4,581
TOTAL	1,201	5,517	8,305	10,865	10,437	10,571	11,216	5,761	63,875
Total Change 2021-2041									
Single person	-43	+287	+292	+415	-264	+153	+1,419	+1,184	+3,443
Couple without children	-45	+13	-202	-1,327	-515	+1,009	+2,306	+1,443	+2,681
Families with child(ren)	+492	+273	+883	+1,601	+744	+75	+22	0	+4,090
Other households	-17	+357	-37	-158	-55	+583	+476	+471	+1,620
TOTAL CHANGE	+387	+930	+937	+530	-90	+1,820	+4,223	+3,098	+11,835

STROUD (2020-40)	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2020									
Single person	196	1,108	1,392	2,296	2,036	2,471	3,868	1,599	14,967
Couple without children	101	1,081	929	3,108	6,723	5,402	2,266	764	20,375
Families with child(ren)	462	1,949	4,896	4,695	1,142	92	14	0	13,250
Other households	74	400	39	412	416	758	548	257	2,904
TOTAL	834	4,538	7,257	10,511	10,317	8,722	6,696	2,620	51,495
Total Households 2040									
Single person	148	1,385	1,702	2,656	1,789	2,678	5,348	2,774	18,479
Couple without children	56	1,091	744	1,726	6,264	6,525	4,544	2,162	23,111
Families with child(ren)	928	2,214	5,850	6,185	1,880	169	35	0	17,261
Other households	55	747	0	246	364	1,361	1,021	714	4,509
TOTAL	1,186	5,437	8,296	10,813	10,297	10,732	10,948	5,650	63,360
Total Change 2020-2040									
Single person	-49	+277	+309	+360	-247	+207	+1,480	+1,175	+3,512
Couple without children	-45	+10	-185	-1,382	-460	+1,123	+2,278	+1,398	+2,737
Families with child(ren)	+466	+265	+954	+1,490	+738	+77	+21	0	+4,010
Other households	-19	+347	-39	-165	-52	+603	+473	+457	+1,605
TOTAL CHANGE	+353	+898	+1,039	+303	-21	+2,010	+4,252	+3,030	+11,864

TEWKESBURY	Age of Household Representative								TOTAL
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
Total Households 2021									
Single person	161	1,025	1,083	1,686	1,366	1,699	2,873	1,308	11,201
Couple without children	196	1,306	892	1,931	5,261	4,371	1,614	610	16,180
Families with child(ren)	208	1,429	4,029	3,661	711	59	16	12	10,125
Other households	25	80	54	278	337	327	864	360	2,325
TOTAL	590	3,840	6,058	7,556	7,674	6,456	5,367	2,290	39,831
Total Households 2041									
Single person	216	1,379	1,206	2,020	1,077	1,533	3,783	2,138	13,351
Couple without children	378	1,800	801	738	5,233	6,205	2,735	1,642	19,531
Families with child(ren)	451	1,633	4,564	5,220	1,182	82	37	47	13,216
Other households	12	64	0	144	380	407	2,341	1,199	4,548
TOTAL	1,057	4,876	6,571	8,121	7,871	8,227	8,896	5,026	50,646
Total Change 2021-2041									
Single person	+54	+354	+123	+334	-289	-166	+910	+831	+2,150
Couple without children	+182	+494	-91	-1,194	-28	+1,834	+1,121	+1,032	+3,350
Families with child(ren)	+243	+204	+535	+1,559	+471	+23	+21	+35	+3,091
Other households	-13	-16	-54	-134	+43	+80	+1,477	+839	+2,223
TOTAL CHANGE	+467	+1,036	+513	+565	+198	+1,770	+3,529	+2,736	+10,815

LPA Results relating to Figure 47 – Current Affordable Housing Need

Figure 89: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)

CHELTENHAM	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	0		0	0
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	1		1	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	12	12	0	
Households accepted as homeless but without temporary accommodation provided	6		6	6
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	83		83	83
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	324		324	
Households living in overcrowded social rented housing	368	368	0	
Reduction in spare rooms [Source: DWP Housing Benefit 2018]				
Households likely to move from under-occupied social rented housing	399	399	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	147	7	140	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	**1,340**	**786**	**554**	**89**

COTSWOLD	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	0		0	0
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	2		2	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	8	8	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	40		40	40
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	87		87	
Households living in overcrowded social rented housing	184	184	0	
Reduction in spare rooms [Source: DWP Housing Benefit 2018]				
Households likely to move from under-occupied social rented housing	273	273	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	132	18	114	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	**726**	**483**	**243**	**40**

FOREST OF DEAN	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	0		0	0
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	0		0	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	0	0	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	69		69	69
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	87		87	
Households living in overcrowded social rented housing	192	192	0	
Reduction in spare rooms [Source: DWP Housing Benefit 2018]				
Households likely to move from under-occupied social rented housing	357	357	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	128	13	115	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	101	11	90	
TOTAL	**934**	**573**	**361**	**69**

GLOUCESTER	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	73		73	73
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	22		22	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	59	59	0	
Households accepted as homeless but without temporary accommodation provided	57		57	57
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	130		130	130
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	346		346	
Households living in overcrowded social rented housing	405	405	0	
Reduction in spare rooms [Source: DWP Housing Benefit 2018]				
Households likely to move from under-occupied social rented housing	481	481	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	420	25	395	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	**1,993**	**970**	**1,023**	**260**

STROUD	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	12		12	12
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	2		2	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	1	1	0	
Households accepted as homeless but without temporary accommodation provided	0		0	0
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	57		57	57
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	142		142	
Households living in overcrowded social rented housing	282	282	0	
Reduction in spare rooms [Source: DWP Housing Benefit 2018]				
Households likely to move from under-occupied social rented housing	282	282	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	317	9	308	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	0	0	0	
TOTAL	**1,095**	**574**	**521**	**69**

TEWKESBURY	Affordable Housing			Increase in Overall Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2018]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	7		7	7
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	2		2	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	2	2	0	
Households accepted as homeless but without temporary accommodation provided	11		11	11
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	124		124	124
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	86		86	
Households living in overcrowded social rented housing	196	196	0	
Reduction in spare rooms [Source: DWP Housing Benefit 2018]				
Households likely to move from under-occupied social rented housing	249	249	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG LAHS 2018]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	237	24	213	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship	1	0	0	
TOTAL	**915**	**471**	**444**	**142**

LPA Results relating to Figure 60 - Affordable homeownership housing mix by household affordability

Figure 90: Affordable homeownership housing mix by household affordability to 2021-2041 (Source: ORS Housing Model)

CHELTENHAM	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**2,293**	786	**1,506**	769	**738**
2 bedrooms	**3,343**	1,229	**2,115**	1,287	**828**
3 bedrooms	**4,111**	2,168	**1,943**	1,219	**724**
4+ bedrooms	**454**	278	**176**	101	**75**
TOTAL	10,200	4,460	5,740	3,376	2,365

COTSWOLD	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**587**	262	**324**	165	**160**
2 bedrooms	**2,000**	976	**1,024**	561	**462**
3 bedrooms	**1,841**	846	**995**	656	**339**
4+ bedrooms	**414**	288	**126**	67	**59**
TOTAL	4,842	2,373	2,469	1,449	1,020

FOREST OF DEAN	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**265**	40	**225**	139	**86**
2 bedrooms	**1,148**	277	**871**	548	**323**
3 bedrooms	**1,283**	368	**915**	622	**292**
4+ bedrooms	**90**	38	**52**	28	**24**
TOTAL	2,785	722	2,063	1,338	725

GLOUCESTER	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**122**	21	**101**	62	**39**
2 bedrooms	**2,900**	802	**2,098**	1,302	**796**
3 bedrooms	**2,993**	1,169	**1,824**	1,183	**641**
4+ bedrooms	**355**	161	**194**	103	**91**
TOTAL	6,370	2,154	4,216	2,650	1,567

STROUD	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**800**	186	**614**	360	**254**
2 bedrooms	**1,946**	742	**1,204**	727	**477**
3 bedrooms	**1,613**	701	**912**	604	**308**
4+ bedrooms	**271**	165	**106**	61	**45**
TOTAL	**4,630**	**1,794**	**2,836**	**1,752**	**1,084**

TEWKESBURY	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**567**	83	**484**	299	**184**
2 bedrooms	**1,566**	354	**1,212**	766	**446**
3 bedrooms	**1,808**	614	**1,194**	801	**393**
4+ bedrooms	**226**	126	**100**	57	**43**
TOTAL	**4,167**	**1,177**	**2,990**	**1,923**	**1,066**

LPA Results relating to Figure 61 – Overall Need for Housing by Size

Figure 91: Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing Need			Planned Affordable Housing	Planned Market Housing	TOTAL HOUSING
	Social Rent	Affordable Rent	AHO			
CHELTENHAM						
1 bedroom	515	19	738	1,272	-98	**1,174**
2 bedrooms	371	83	828	1,282	1,124	**2,406**
3 bedrooms	233	55	724	1,012	3,618	**4,630**
4+ bedrooms	205	29	75	309	1,719	**2,028**
TOTAL DWELLINGS	**1,325**	**186**	**2,365**	**3,875**	**6,363**	**10,238**
	12.9%	**1.8%**	**23.1%**	**37.9%**	**62.1%**	**100.0%**
COTSWOLD						
1 bedroom	273	33	160	467	249	**716**
2 bedrooms	490	167	462	1,119	949	**2,068**
3 bedrooms	249	97	339	685	3,518	**4,203**
4+ bedrooms	114	54	59	226	2,224	**2,450**
TOTAL DWELLINGS	**1,126**	**351**	**1,020**	**2,497**	**6,940**	**9,437**
	11.9%	**3.7%**	**10.8%**	**26.5%**	**73.5%**	**100.0%**
FOREST OF DEAN						
1 bedroom	309	35	86	430	123	**553**
2 bedrooms	520	133	323	976	329	**1,305**
3 bedrooms	223	95	292	609	3,588	**4,197**
4+ bedrooms	120	34	24	179	877	**1,056**
TOTAL DWELLINGS	**1,171**	**298**	**725**	**2,194**	**4,917**	**7,111**
	16.5%	**4.2%**	**10.2%**	**30.9%**	**69.1%**	**100.0%**
GLOUCESTER						
1 bedroom	87	170	39	296	100	**396**
2 bedrooms	874	554	796	2,225	1,066	**3,291**
3 bedrooms	645	376	641	1,661	5,139	**6,800**
4+ bedrooms	215	119	91	425	1,816	**2,241**
TOTAL DWELLINGS	**1,821**	**1,218**	**1,567**	**4,606**	**8,122**	**12,728**
	14.3%	**9.6%**	**12.3%**	**36.2%**	**63.8%**	**100.0%**

	Affordable Housing Need			Planned Affordable Housing	Planned Market Housing	TOTAL HOUSING
	Social Rent	Affordable Rent	AHO			
STROUD						
1 bedroom	422	75	254	751	228	**979**
2 bedrooms	684	243	477	1,403	1,307	**2,710**
3 bedrooms	403	163	308	874	4,973	**5,847**
4+ bedrooms	148	70	45	263	2,627	**2,890**
TOTAL DWELLINGS	**1,657**	**550**	**1,084**	**3,291**	**9,135**	**12,426**
	13.3%	**4.4%**	**8.7%**	**26.5%**	**73.5%**	**100.0%**
TEWKESBURY						
1 bedroom	319	63	184	566	305	**871**
2 bedrooms	427	106	446	979	1,170	**2,149**
3 bedrooms	312	87	393	793	4,807	**5,600**
4+ bedrooms	147	45	43	235	2,549	**2,784**
TOTAL DWELLINGS	**1,205**	**301**	**1,066**	**2,573**	**8,831**	**11,404**
	10.6%	**2.6%**	**9.3%**	**22.6%**	**77.4%**	**100.0%**
Allowance for C2 provision (see Figure 15)						
CHELTENHAM	-	-	-	-	-	482
COTSWOLD	-	-	-	-	-	363
FOREST OF DEAN	-	-	-	-	-	329
GLOUCESTER	-	-	-	-	-	398
STROUD	-	-	-	-	-	334
TEWKESBURY	-	-	-	-	-	316
LOCAL HOUSING NEED	**-**	**-**	**-**	**-**	**-**	**-**
CHELTENHAM	1,325	186	2,365	3,875	6,363	10,720
COTSWOLD	1,126	351	1,020	2,497	6,940	9,800
FOREST OF DEAN	1,171	298	725	2,194	4,917	7,440
GLOUCESTER	1,821	1,218	1,567	4,606	8,122	13,120
STROUD	1,657	550	1,084	3,291	9,135	12,760
TEWKESBURY	1,205	301	1,066	2,573	8,831	11,720

Appendix C

Table of figures

Figure 1: Establishing the minimum LHN figure by local authority area (Source: CLG, ORS; Note: All figures rounded to the nearest whole number) 7
Figure 2: Establishing the need for market and affordable housing 8
Figure 3: Key components of affordable housing by area (Source: ORS Housing Model) 8
Figure 4: Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding) 9
Figure 5: Summary of need for M4(2) and M4(3) housing by area 12
Figure 6: NHPAU Study - PAS OAN technical advice note "Starting Point" (Note: this map is reproduced from the NHPAU study and is not editable) 24
Figure 7: NHPAU Study - Lower tier based on migration (50%) within commuting-based upper tier (77.5%) 25
Figure 8: ONS Travel To Work Areas (Source: ONS 2007; ONS 2015) 26
Figure 9: Workplace Location by Area of Residence (Source: 2011 Census of Population) 27
Figure 10: Migration into Statistics for Gloucestershire Migration (Source: ONS, 2011 Census) 28
Figure 11: Valuation Office Agency Broad Rental Market Area Boundaries (Source: VOA) 30
Figure 12: Household projections 2019-29 (Source: CLG, ORS; Note: All figures presented unrounded for transparency) 32
Figure 13: Average household size estimates and projections for Gloucestershire for the period 1991-2041 (Source: CLG estimates 1991-2011; CLG 2016 is 2016-based SNPP with 2014-based CLG rates) 34
Figure 14: Establishing the minimum LHN figure by local authority area (Source: CLG, ORS; Note: All figures rounded to the nearest whole number) 36
Figure 15: Elements of housing need (Source: CLG 2019, ONS 2011 and 2016, ORS 2019; Note: All figures presented unrounded for transparency) 38
Figure 16: Change in Economically Active Population working within the Study Area 2021-2041 by LA (Source: Commuting rates based on 2011 Census) 41
Figure 17: Commuting flows between HMAs and associated change in workplace population resident in the Study Area (Source: Commuting rates based on 2011 Census. Note: Excludes additional service personnel living in SLA) 42
Figure 18: Commuting flows between HMAs and associated change in workplace population resident in the Study Area (Source: Commuting rates based on 2011 Census) 42
Figure 19: Forecast change in employment 2021-2041 by area (Source: Oxford Economics, Cambridge Econometrics) 43
Figure 20: Resident Workers needed to fulfil growth in main jobs based on Oxford Economics Baseline scenario (May 2019) by area (Source: Oxford Economics; Commuting rates based on 2011 Census) 44
Figure 21: Resident Workers needed to fulfil growth in main jobs based on Oxford Economics Medium-high scenario (May 2019) by area (Source: Oxford Economics; Commuting rates based on 2011 Census) 44
Figure 22: Resident Workers needed to fulfil growth in total employment based on Cambridge Econometrics forecast (June 2019) by area (Source: Cambridge Econometrics; Commuting rates based on 2011 Census) 45
Figure 23: Population projections 2021-41 by 5-year age cohort for Gloucestershire (Source: ONS sub-national projections 2016) 46
Figure 24: Population projections by 5-year age cohort for the relevant assessment period in each area (Source: ONS sub-national projections 2016) 48
Figure 25: Total projected households in Gloucestershire for 2021 and 2041 and summary of 20-year change by age of household representative (Note: Figures may not sum due to rounding) 49
Figure 26: Total projected households for 2021 and 2041 and summary of 20-year change by age cohort of household representative (Note: Figures may not sum due to rounding) 50

Figure 27: Total projected households for 2021 and 2041 and summary of 20-year change by household type and age of household representative in Gloucestershire (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding)....52
Figure 28: Number of Gloucestershire Households by Tenure 1981-2011 (Source: UK Census of Population)....53
Figure 29: Percentage of Gloucestershire Households by Tenure 1981-2011 (Source: UK Census of Population)....53
Figure 30: Gloucestershire Households by Tenure 1981-2011 (Source: UK Census of Population)....53
Figure 31: Tenure trends 1981-2011 by area (Source: UK Census of Population). Percentages may not sum to 100% due to rounding....54
Figure 32: Dwelling stock by tenure and number of bedrooms by area (Source: UK Census of Population 2011)....57
Figure 33: Real Income Trends: Median Workplace Earnings adjusted to 2018 values using CPI (Source: ONS HPSSA Dataset 15; Bank of England)....58
Figure 34: Household Income Estimates 2015-16 (Source: ONS Modelled Household Income for Small Areas. Note: All incomes in 2016 values)....58
Figure 35: Real House Price Trends: Lower Quartile Prices adjusted to 2018 values using CPI (Source: ONS HPSSA Dataset 15; Bank of England)....59
Figure 36: Lower quartile prices for existing dwellings and newly built dwellings (2018-19) by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)....60
Figure 37: Annual income required to afford proprieties based on a 10% deposit and 3.5 times income mortgage by property size (Source: ORS based on ONS House Price Statistics, Valuation Office Agency and Land Registry Price Paid Data)....62
Figure 38: Maximum Local Housing Allowance thresholds 2019 (Source: Valuation Office Agency)....62
Figure 39: Weekly rents 2019 (Source: Private Rental Market Statistics, Valuation Office Agency; Regulator of Social Housing. Note: Private rent data excludes housing benefit funded tenancies)....63
Figure 40: Annual income required to rent proprieties in median and lower quartile private rent, affordable rent and social rent based on 35% income multiplier by property size (Source: ORS based on VOA data April 2017 to March 2018)....66
Figure 41: Annual income required to afford to rent proprieties at the lower quartile and median price based on 25% income multiplier by property size (Source: ORS based on Valuation Office Agency data April 2017 to March 2018)....67
Figure 42: Annual income required to afford to rent proprieties at the lower quartile and median price based on 30% income multiplier by property size (Source: ORS based on Valuation Office Agency data April 2017 to March 2018)....68
Figure 43: Maximum annual income for households in receipt of housing benefit (2018-19) support by household type (Source: ORS based on Department for Work and Pensions data)....69
Figure 44: Annual income thresholds for different housing options in single bedroom and two bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Notes: Full homeownership based on 10% deposit and Help-to-Buy based on 5% deposit and 20% equity loan. All figures rounded to nearest £100)....70
Figure 45: Establishing the need for market and affordable housing....74
Figure 46: Percentage of Owner Occupiers in England by Age Group 2001-2016 (Source: English Housing Survey)....74
Figure 47: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics)....76
Figure 48: Assessing affordability by household type and age (Source: Census 2011 and DWP Stat-Xplore – Housing Benefit – Data to March 2018)....79
Figure 49: Annual change in household numbers in each age cohort by age of HRP (Source: ORS Housing Model)....80
Figure 50: Components of average annual household growth 2021-41 (Source: ORS Housing Model)....82
Figure 51: Assessing total need for market and affordable housing (Source: ORS Housing Model)....82
Figure 52: Assessing affordable housing mix 2021-2041 (Source: ORS Housing Model)....83
Figure 53: Affordability of households needing affordable housing by property size (Note: Costs based on weekly rents 2019)....84
Figure 54: Affordable housing mix by household affordability to 2021-2041 (Source: ORS Housing Model)....84

Figure 55: 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 2021-41 and associated number of affordable dwellings 85
Figure 56: Long-term Tenure Plan by Current Tenure (Source: English Housing Survey 2013-14) 86
Figure 57: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership) 86
Figure 58: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding) 87
Figure 59: Assessing total need for affordable housing and aspiration to home ownership 2021-2041 (Source: ORS Housing Model) 88
Figure 60: Affordable homeownership housing mix by household affordability to 2021-2041 (Source: ORS Housing Model) 90
Figure 61: Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding) 91
Figure 62: Key components of affordable housing by area (Source: ORS Housing Model) 92
Figure 63: Affordable housing need and LHN by area (Source: ORS Housing Model) 92
Figure 64: Assessing affordable housing mix by area 2021-2041 (Source: ORS Housing Model) 94
Figure 65: Students at the two largest Higher Education Establishments (Source: HESA, January 2019) 99
Figure 66: Deployment of Ministry of Defence personnel by location, April 2019 (Source: MOD Quarterly Location Reports. Figures may not sum due to rounding) 101
Figure 67: Self-Build Registrations (Note: "-" denotes no data. The Cheltenham register has a total of 54 applicants, but only 19 responded to the most recent email confirming that they wished to remain registered) 105
Figure 68: Resident population for 2021 and 2041 and summary of 20-year change by age for each area (Note: Figures may not sum due to rounding. Source: Dwelling-led population projections based on the identified Local Housing Need) 107
Figure 69: Occupancy for older person households by tenure (Source: 2011 Census. Note: Older person households include single persons aged 65+ and one family where all aged 65+) 108
Figure 70: Benchmark Figures for Specialist Older Person Housing 108
Figure 71: Extra care prevalence rates in Gloucestershire (Source: GCC 2019) 110
Figure 72: Existing Stock of Specialist Older Person Housing for each area (Source: EAC database 2015, GCC and FoDC 2019) 111
Figure 73: Modelled Demand for Older Person Housing in Gloucestershire based on Housing LIN Toolkit and GCC Modelling 112
Figure 74: Modelled Demand for Older Person Housing in Gloucestershire based on Housing LIN Toolkit and GCC Modelling 113
Figure 75: Level of work required to create full visitability (Source: EHS 2014-15 Annex Figure 2.5) 117
Figure 76: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey) 119
Figure 77: Households with a long-term illness or disability in 2021 by effect on housing need for each area (Source: ORS Housing Model. Note: Figures may not sum due to rounding) 119
Figure 78: Households with a long-term illness or disability in Gloucestershire in 2021 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding) 121
Figure 79: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14) 122
Figure 80: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2017) 122
Figure 81: Percentage of households with a wheelchair user by type of housing and age of household representative for each area (Source: ORS based on English Housing Survey combined with DWP) 123
Figure 82: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding) 124
Figure 83: Summary of need for M4(2) and M4(3) housing by area 126
Figure 84: Minimum gross internal floor areas and storage (m2) Table and notes reproduced from *Housing: optional technical standards*, March 2015 129

Figure 85: Results of the NDSS tests 130
Figure 86: Need for additional Gypsy/Traveller pitches and Travelling Showperson plots to 2031 (Source: 2016 Gypsy and Traveller Accommodation Assessment) 133
Figure 87: Population projections by 5-year age cohort for the relevant assessment period in each area (Source: ONS sub-national projections 2016) 141
Figure 88: Total projected households for 2021 and 2041 and summary of 20-year change by household type and age of household representative (Note: Figures rounded to nearest 10; total figures rounded to nearest 100. All calculations based on unrounded data. Figures may not sum due to rounding) 143
Figure 89: Assessing current unmet gross need for affordable housing (Sources: CLG P1E returns; Census 2001 and 2011; English Housing Survey; DWP Housing Benefit; CLG Local Authority Housing Statistics) 147
Figure 90: Affordable homeownership housing mix by household affordability to 2021-2041 (Source: ORS Housing Model) 153
Figure 91: Overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding) 155