

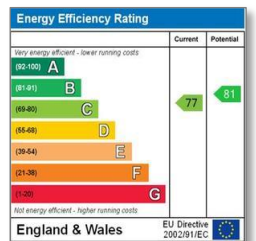


Darlington Strategic Housing Market Assessment 2015

Report of Findings: Part 2

Opinion Research Services

November 2015



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1. Introduction

Introduction

^{1.1} This Report is part of a Strategic Housing Market Assessment (SHMA) for Darlington prepared in 2 parts:

- » Part 1 (available separately) is the Objective Assessment of Need, including affordable housing needs and the size of mix of housing required.
- » Part 2 (this report) provides an assessment of the need for housing of specific types to meet particular needs

2. How should the needs for all types of housing be addressed?

Introduction

- ^{2.1} NPPG (Paragraph 021) sets out how the need for certain types of housing and the needs of different groups need to be considered:

How should the needs for all types of housing be addressed?

Once an overall housing figure has been identified, plan makers will need to break this down by tenure, household type (singles, couples and families) and household size. Plan makers should therefore examine current and future trends of:

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

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

Plan makers should look at the household types, tenure and size in the current stock and in recent supply, and assess whether continuation of these trends would meet future needs.

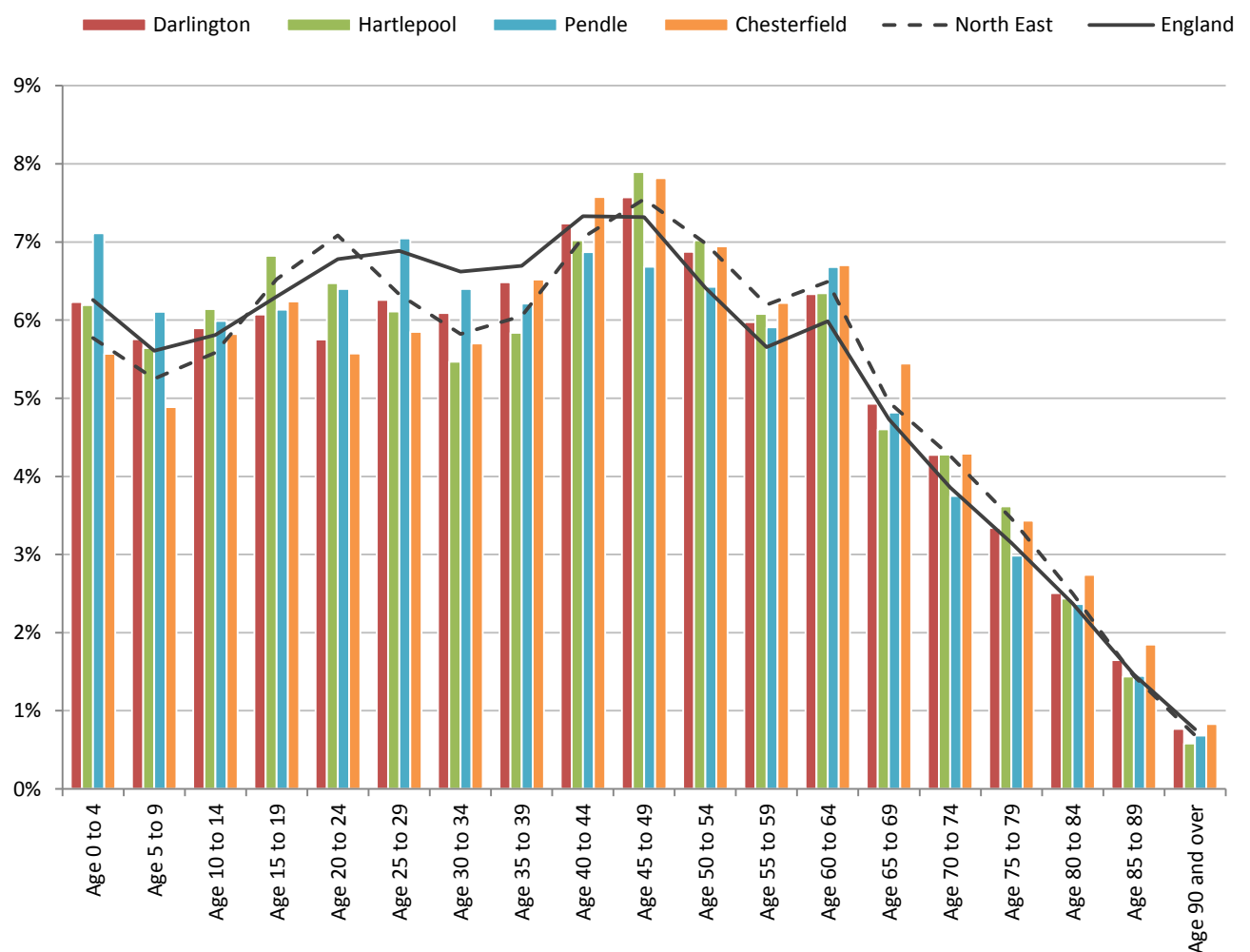
National Planning and Policy Guidance (2014; revised 2015)

Age Profile

^{2.2} When compared to England, Darlington has a relatively similar age profile, particularly for children and young adults, people in middle age and older people. However, there is a noticeable difference for younger people aged 20-39, where relative levels are lower in Darlington than in England. When compared to the North East, Darlington shows a broadly dissimilar profile, with more children, but fewer younger adults aged 20-39 and fewer Older People.

^{2.3} There are also future issues to consider in terms of the Darlington age profile. The relatively higher numbers in the 40-54 age range indicate a potential demand for specialist housing for Older People as the population ages. This is considered and quantified further in Chapter 6.

Figure 1: Age Profile for Darlington (Source: UK Census of Population 2011)



Types of Household

- 2.4 In terms of numbers of people in a household, the trend within Darlington from 2001 to 2011 is for an increase in smaller households of one or two people, and a significant decrease in large households with 5 or more people. This echoes trends in England and the North East which are broadly similar.

Figure 2: Number of people in the household in 2011 and % point change from 2001 (Source: Census 2001 and 2011)

	Number of People in the Household									
	One		Two		Three		Four		Five or more	
	2011	change	2011	change	2011	change	2011	change	2011	change
Darlington	32.4%	6.6%	35.7%	8.0%	15.4%	2.4%	11.5%	1.3%	5.1%	-18.2%
Hartlepool	33.1%	8.6%	33.3%	7.1%	16.4%	2.5%	11.8%	1.1%	5.4%	-19.2%
Pendle	32.4%	7.2%	33.2%	5.3%	14.5%	2.1%	11.2%	0.1%	8.8%	-14.7%
Chesterfield	32.9%	7.2%	36.3%	7.8%	15.2%	2.6%	11.1%	0.8%	4.5%	-18.4%
North East	31.9%	7.1%	35.0%	7.9%	16.0%	2.6%	11.9%	1.2%	5.2%	-18.8%
England	30.2%	5.5%	34.2%	6.2%	15.6%	2.9%	13.0%	2.0%	7.0%	-16.6%

- 2.5 In terms of household composition, inter-Censal comparison shows that local households have stayed broadly similar between 2001 and 2011. The largest change is for one person households under 65 (+3.2%).

Figure 3: Household Composition in 2011 and % point change from 2001 (Source: Census 2001 and 2011)

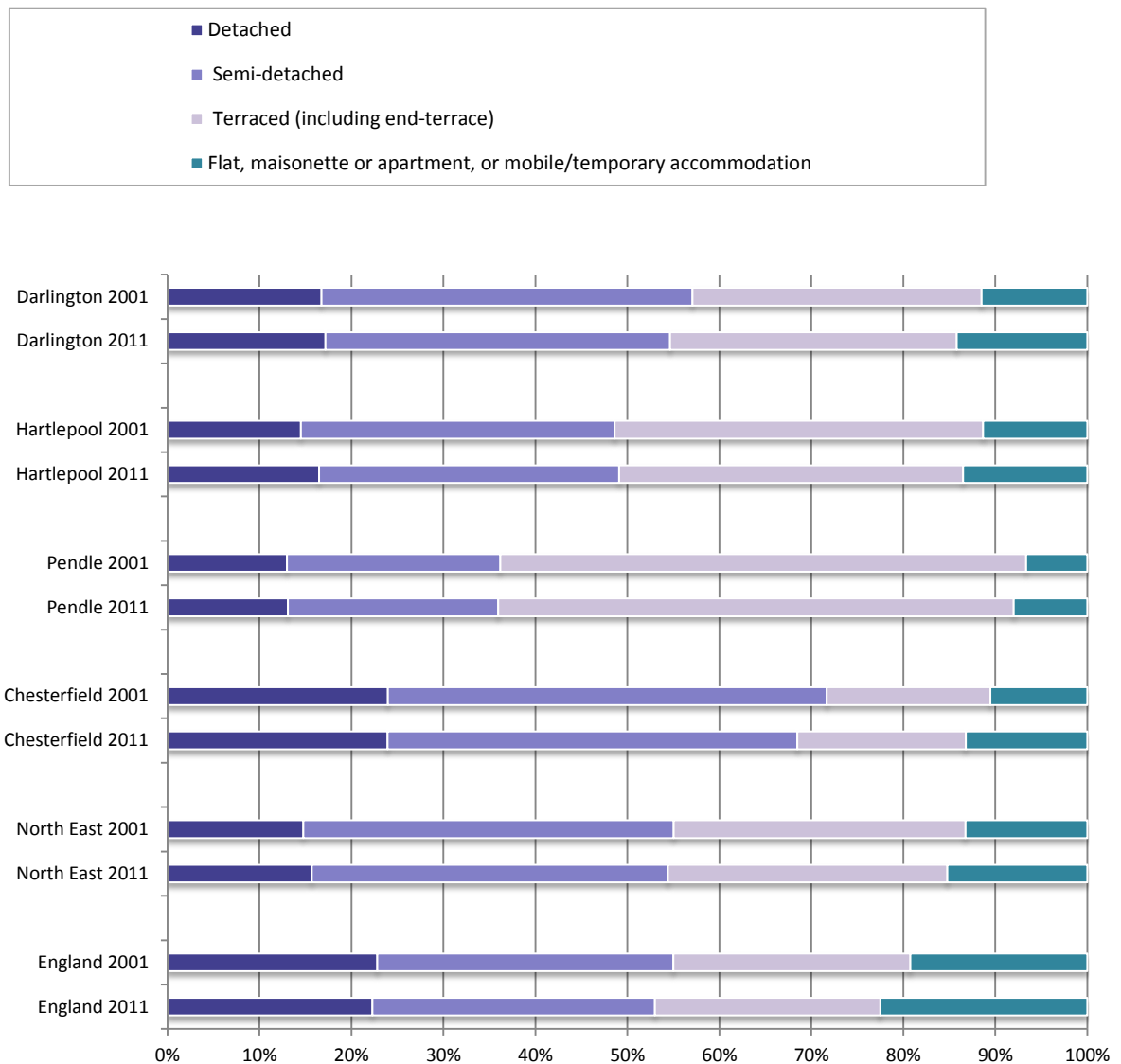
	Darlington 2011	Net Change	Hartlepool 2011	Net Change	Pendle 2011	Net Change
One person household	32.4%	0.6%	33.1%	2.6%	32.4%	2.5%
Aged 65 and over	13.1%	-2.6%	13.7%	-1.6%	12.8%	-2.1%
Other	19.2%	3.2%	19.4%	4.2%	19.6%	4.6%
One family only	62.9%	-1.2%	62.4%	-2.5%	61.1%	-2.8%
All aged 65 and over	8.3%	-0.7%	7.6%	-1.3%	7.8%	-0.9%
Couple: No children	18.5%	0.3%	16.7%	0.8%	17.6%	0.2%
Couple: Dependent children	18.4%	-1.9%	18.3%	-3.1%	19.2%	-2.9%
Couple: All children non-dependent	5.7%	-0.5%	6.6%	-0.3%	6.0%	-0.3%
Lone parent: Dependent children	8.7%	1.2%	9.7%	1.0%	7.2%	0.8%
Lone parent: All children non-dependent	3.3%	0.5%	3.7%	0.4%	3.2%	0.3%
Other household types	4.7%	0.6%	4.4%	-0.1%	6.5%	0.3%
With dependent children	1.7%	0.1%	1.9%	-0.2%	3.3%	-0.3%
Other (including all full-time students and all aged 65 and over)	3.0%	0.5%	2.5%	0.1%	3.2%	0.5%
All Households	100.0%		100.0%		100.0%	

	Chesterfield 2011	Net Change	North East 2011	Net Change	England 2011	Net Change
One person household	32.9%	1.1%	31.9%	1.2%	30.2%	0.1%
<i>Aged 65 and over</i>	13.5%	-2.3%	13.5%	-2.1%	12.4%	-2.0%
<i>Other</i>	19.4%	3.5%	18.4%	3.3%	17.9%	2.2%
One family only	62.8%	-1.8%	62.4%	-1.8%	61.8%	-1.4%
<i>All aged 65 and over</i>	9.0%	-0.7%	8.2%	-0.7%	8.1%	-0.8%
<i>Couple: No children</i>	19.4%	0.6%	17.7%	0.8%	17.6%	-0.1%
<i>Couple: Dependent children</i>	18.2%	-2.1%	17.9%	-2.7%	19.3%	-1.5%
<i>Couple: All children non-dependent</i>	5.8%	-0.7%	6.8%	-0.4%	6.1%	-0.2%
<i>Lone parent: Dependent children</i>	7.0%	0.7%	8.1%	0.7%	7.1%	0.7%
<i>Lone parent: All children non-dependent</i>	3.4%	0.5%	3.8%	0.4%	3.5%	0.4%
Other household types	4.2%	0.7%	5.7%	0.7%	8.0%	1.3%
<i>With dependent children</i>	1.4%	0.2%	1.9%	0.0%	2.6%	0.4%
<i>Other (including all full-time students and all aged 65 and over)</i>	2.8%	0.5%	3.8%	0.7%	5.4%	0.9%
All Households	100.0%		100.0%		100.0%	

Current Housing Stock Size of Dwellings

- ^{2.6} The main difference in the property type profile between 2001 and 2011 is the expansion in flats/maisonettes/apartments which have expanded their relative 'share' in Darlington. This trend is replicated in England and amongst comparator authorities.

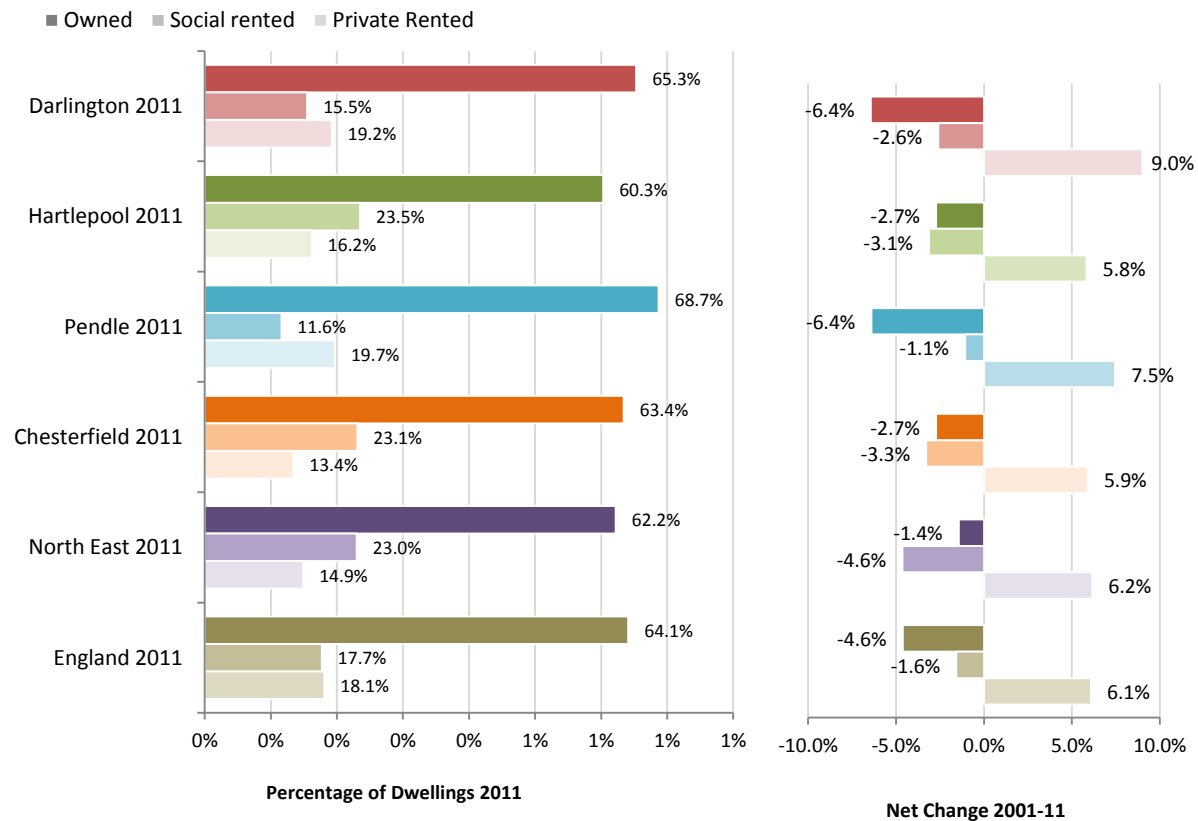
Figure 4: Property Type (Source: Census 2001 and 2011)



Tenure Composition of Housing

- ^{2.7} The dominant form of housing tenure in Darlington is owner occupation, although the proportion of housing in this tenure has declined relatively by 6.4% between 2001 and 2011. In the same period, the private rented sector has grown by 9.0%; a higher rate than the North East and England. Affordable housing has declined slightly in the same period, but below the England rate.
- ^{2.8} Amongst comparator authorities, the tenure patterns and change over time is similar to Darlington. Each has seen decline in relative share for social rent and owner occupation. Interestingly, Hartlepool, as the closest comparator, has seen less of a fall in ownership and smaller PRS growth compared to Darlington.

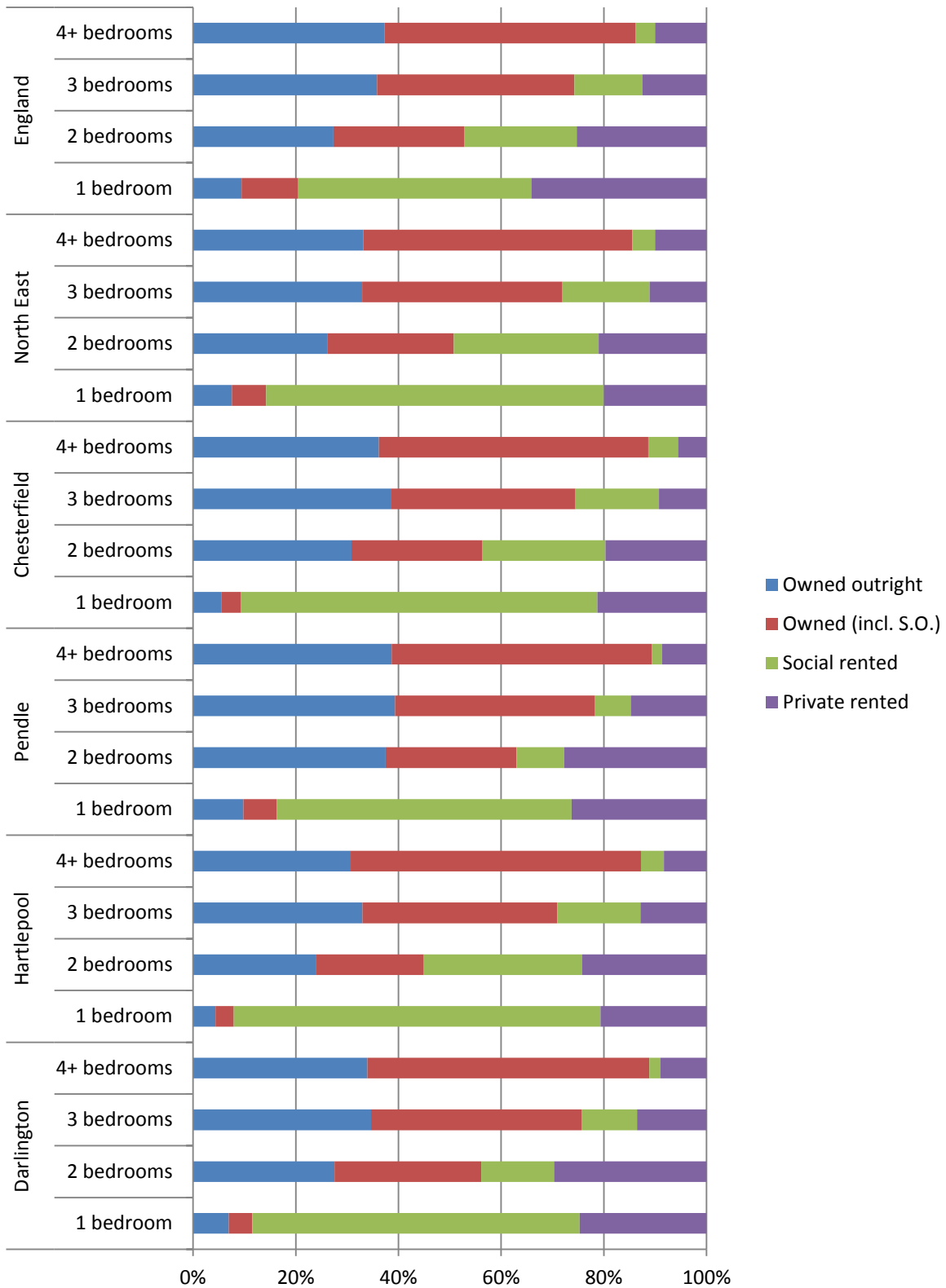
Figure 5: Household Tenure by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free)



Size of Property by Tenure

^{2.9} When the relative proportion of dwellings in different sizes and different tenures between Darlington and England are considered, there is a broadly similar distribution. However, there are fewer one bedroom Private Rented properties but more one bed social rent in Darlington. Comparator authority profiles are relatively similar to Darlington.

Figure 6: Size of property by Tenure (Source: Census 2011) (NB PRS includes tied housing and rent free)



Conclusion

- ^{2.10} The comparison of Darlington with England regarding age, households tenure and stock size, highlights no issues or challenges that make the HMA significantly different.
- ^{2.11} However, there is a need to consider further other specific housing needs for parts of the local community to meet the requirements set out in PPG Paragraph 021.

3. Need for Certain Types of Housing

^{3.1} In Paragraph 021, PPG sets out what needs to be done to identify *‘the need for certain types of housing and the needs of different groups’*. These groups are:

- » The private rented sector
- » People wishing to build their own homes
- » Family Housing
- » Housing for Older People
- » Households with Specific Needs
- » Student Housing (since PPG Revision March 2015)

4. Private Rented Sector

- 4.1 The English Housing Survey (EHS) 2013-14 identified that 19% (4.4 million) of households were renting from a private landlord, almost double the rate of 11% a decade earlier in 2003-04. The EHS also shows that households aged 25-34 were more likely to be renting privately (48%) than buying a home, up from 21% in 2003-04. Owner occupation in this age group dropped from 59% to 36% over the same 10 year period.
- 4.2 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: the number of Buy-to-Let (BTL) mortgages granted in 2014 (c.30,000 monthly average) is higher than those granted to First-time Buyers (c.25,000); and
 - » Pension's reform: pension drawdowns invested in BTL property.
- 4.3 The growth of the Sector has been acknowledged as both a growing and long term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032. On this basis, the number of households renting privately could double again over the next twenty years.
- 4.4 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

The private rented sector

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

Planning Practice Guidance (March 2014), ID 2a-021

National Context

- 4.5 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 recent recession.

¹ <https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-headline-report>

² <http://news.rla.org.uk/rpi-rent-revolution/>

^{4.6} DWP data shows that there were 1.0m such families in 2012-13 compared to 0.4m a decade earlier, although there were around 0.6m claimants in the sector throughout much of the 1990s (Figure 7). Nevertheless, the proportion of those renting privately in receipt of housing benefit has reduced from around a third to less than a fifth over the 15-year period 1993-94 to 2008-09, but increased to around a quarter following the recent recession (Figure 8).

Figure 7: Number of UK households in receipt of housing benefit by tenure (Source: DWP)

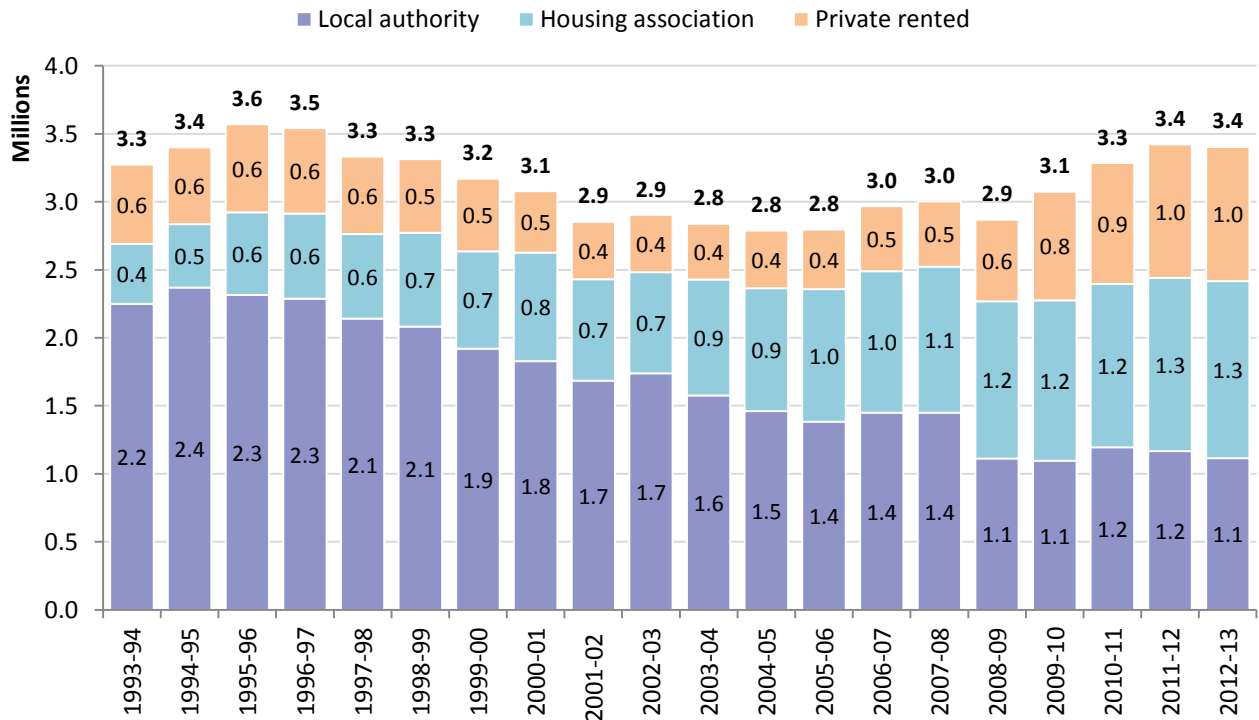
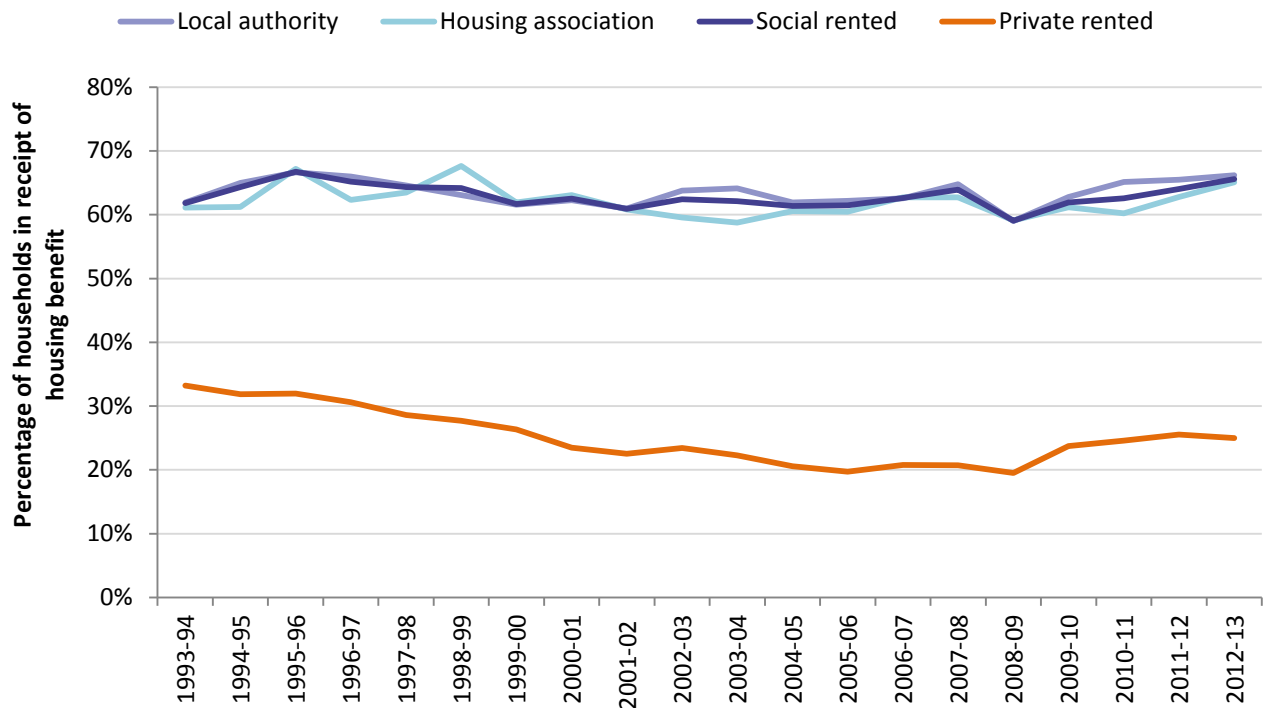


Figure 8: Percentage of UK households in receipt of housing benefit by tenure (Source: DWP)

- 4.7 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)³:

"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)

- 4.8 Figure 9 shows that the change in PRS caseload as a share of the 16+ population will remain constant from 2012-13 to 2018-19; so no reduction in the number of claimants is assumed. Furthermore, the OBR long-term forecasts include an allowance for housing benefit payments at between 1.4 and 1.6% of GDP for the next 50 years.

³ <http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf>

Figure 9: OBR projected trends in housing benefit spending as a share of GDP (Source: OBR Economic and Fiscal Outlook March 2014, table 4.33)

	Per cent of GDP			
	2007-08	2009-10	2012-13	2018-19
Housing benefit spending	1.09	1.40	1.52	1.34
Percentage point change since 2007-08		0.31	0.43	0.26
<i>of which percentage points contribution from:</i>				
<i>Private-rented sector (PRS) - 30% of HB in 2007-08 - of which:</i>				
Change in PRS caseload as a share of 16+ population		0.20	0.27	0.21
Change in average PRS award relative to GDP per 16+ person		0.14	0.24	0.24
<i>LAs, social-rented and other (SRS) - 70% of HB in 2007-08 - of which:</i>				
Change in SRS caseload as a share of 16+ population		0.06	0.02	-0.03
Change in average SRS award relative to GDP per 16+ person		0.10	0.17	0.05
Change in average SRS award relative to GDP per 16+ person		0.02	0.04	0.00
Change in average SRS award relative to GDP per 16+ person		0.09	0.13	0.05

4.9 Importantly, the Government sees the PRS having an important and long term role in meeting the housing need of the nation; and although the NPPF 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.

4.10 Policy by both Government and Local Authorities is focussed on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply⁴ (including the Build to Rent investment scheme⁵). The Government published “Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities” in March 2015⁶, and the Forward 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.”

4.11 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; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing 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.

⁴ <https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment>

⁵ <https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence>

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

^{4.12} There have been a number of legislative changes affecting the calculation and payment of housing benefit in the private rented sector, and these are set out below:

Figure 10: Summary of legislative changes affecting private tenants' LHA (Source: HM Treasury, DWP)

Effective from	Change
April 2011	Introduction of absolute caps on the maximum rates that can be paid for each size of property
	Ending of the 5 bedroom rate – LHA restricted to 4 bedroom rate
	Stopping claimants being able to keep up to a £15 'excess' above their actual rent if it is below the LHA
	Increasing deductions for non-dependants living with HB claimants
	Increasing the Government's contribution to Discretionary Housing Payments
	Amending size criteria to allow an extra bedroom for disabled claimants with a non-resident carer
October 2011	Setting maximum LHA at the 30th percentile of local rents instead of the median
January 2012	Increasing age qualification for Shared Accommodation Rate from 25 to 35 years old
April 2013	Increasing LHA rates over time by the Consumer Price Index instead of referencing market rents – increase by 1% from April 2014 except in high rent areas
	Reducing LHA by 10% for those claiming JSA for over a year – not implemented
	Council Tax Benefit replaced by localised Council Tax Reduction schemes
	Parts of the Social Fund abolished, including Community Care grants and Crisis Loans
	Universal Credit implementation begins (with a pathfinder) to complete by 2017
	Spare room subsidy ('bedroom tax') introduced
June 2013	End of DLA, PIP begins for new claims
July 2013	Benefit cap implementation
	Universal Credit pathfinder expands
October 2013	Temporary Accommodation to have housing costs met in line with Local Housing Allowance rates
	Reassessment of existing Disability Living Allowance migration to Personal Independence Payment begins
	Universal Credit roll-out begins
	Incapacity benefit abolished; all claimants move to Employment Support Allowance (ESA) by late 2017
	Expansion of PIP/DLA reassessment for existing claimants
April 2014	Removal of access to Housing Benefit for EEA Jobseekers
	LHA uprating limited to 1 per cent
	Help to work scheme introduced for those unemployed 2 years +
April 2016	State Pensions Age increases begin
	Four year freeze to certain working age benefits (pensioner benefits, DLA, PIP not frozen)
	Four-year freeze to local housing allowance rates
	Lowering the benefit cap to £23,000 in London and £20,000 elsewhere
	Universal credit claims will be limited to two children from April 2017 (with some exceptions)
	Removing entitlement to housing support for those aged 21 or under (with some exemptions)

^{4.13} At the same time, young households are less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting policies 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.

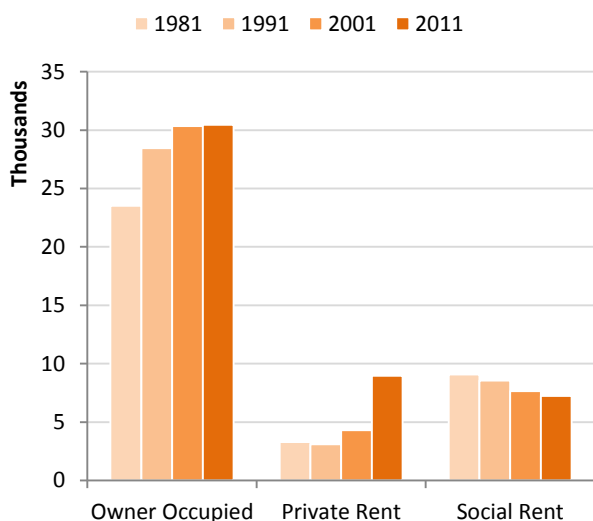
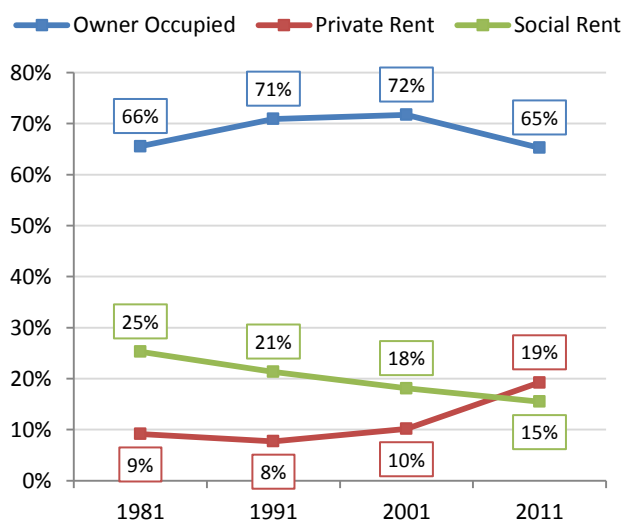
^{4.14} This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.

Private Rented Sector in Darlington

^{4.15} Considering the trends of tenure mix for Darlington over the last thirty years, it is evident that there have been some changes in the balance between owner occupiers and tenants renting their home.

- » **From 1981-1991:** the number of owner occupiers climbed significantly (increasing from around 24K to around 28K households, a gain of 5 thousand). This was partly as a consequence of the Right to Buy, which led to a decline in the number of social tenants (reducing from 9K to 8.5K households, a loss of 5 hundred); however there was no change in the number of private tenants (constant at 3K).
- » **From 1991-2001:** the number of owner occupiers continued to climb albeit at a slower pace (increasing from 28K to 30K households, a gain of 2 thousand); however this was alongside a growth of private tenants (increasing from 3K to 4K households, a gain of 1 thousand). The number of social tenants continued to decline (reducing from 8.5K to 7.5K households, a further loss of one thousand).
- » **From 2001-2011:** the number of owner occupiers increased fractionally (by around 100 households) whilst the number of private tenants increased substantially (from 4K to 9K households, a gain of 5 thousand). The number of social tenants reduced marginally (from 7.5K to 7K households, a loss of five hundred).

^{4.16} It is evident that the overall balance between owners and renters is similar in 2011 to the position in 1981, with just over a third renting and almost two thirds owning. Nevertheless, the balance between social rent and private rent has changed significantly: around a quarter of tenants rented privately in 1981 (9% out of 34%) whereas more than half rented privately in 2011 (19% out of 35%).

Figure 11: Number of Households by Tenure 1981-2011
(Source: UK Census of Population)**Figure 12: Percentage of Households by Tenure 1981-2011**
(Source: UK Census of Population)**Figure 13: 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	23,500	28,500	30,400	30,500	+4,900	+1,900	+100
Private rent	3,300	3,100	4,300	9,000	-200	+1,200	+4,700
Social rent	9,100	8,600	7,700	7,200	-500	-900	-400
TOTAL	35,900	40,100	42,300	46,700	+4,200	+2,200	+4,400
Owner occupied	65.6%	70.9%	71.7%	65.3%	+116%	+87%	+3%
Private rent	9.1%	7.7%	10.2%	19.2%	-4%	+55%	+107%
Social rent	25.3%	21.3%	18.1%	15.5%	-12%	-42%	-10%

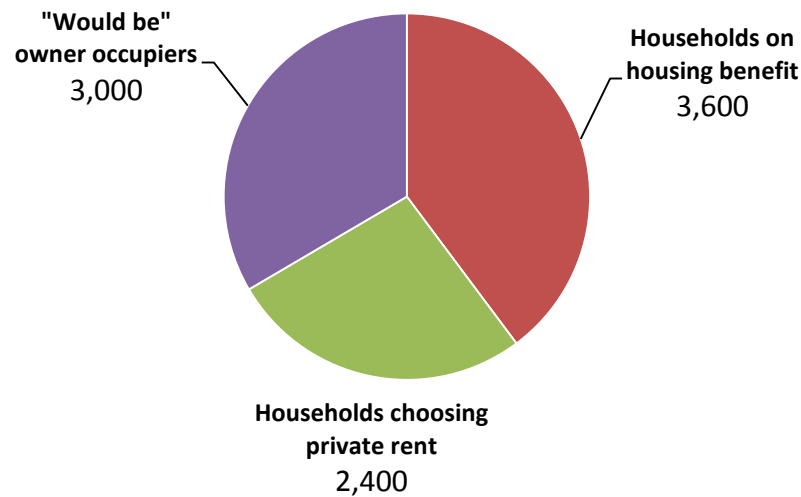
^{1.1} Based on the range of information available about tenants currently renting privately in Darlington, it is helpful to consider the mix of different types of household living in the area:

- » Only a handful of properties are rented by households that are students, representing just 0.1% of the sector;
- » 3,600 properties are rented by households in receipt of housing benefit, two-fifths (40%) of the sector;
- » A further 5,400 households renting privately; however if the proportion of households in owner occupation had not changed between 2001 and 2011, 3,000 of these households would have been owner occupiers. This represents over a third (34%) of all households renting privately; and
- » 2,400 households are therefore renting privately through choice, due to their current personal, family, employment or other circumstances.

^{4.17} It is important to recognise that the 3,000 households identified as “would be” owner occupiers are not included within the need for affordable housing, as they are able to rent market housing without financial support through housing benefit even if they cannot afford to buy. As previously noted, the NPPF seeks to “widen opportunities for home ownership” (paragraph 50)

and national schemes such as Help-to-Buy and the Starter Home Initiative aim to help people onto the housing ladder. Given the number of “would be” owner occupiers in Darlington the Councils may wish to consider any local options for extending home ownership to these households.

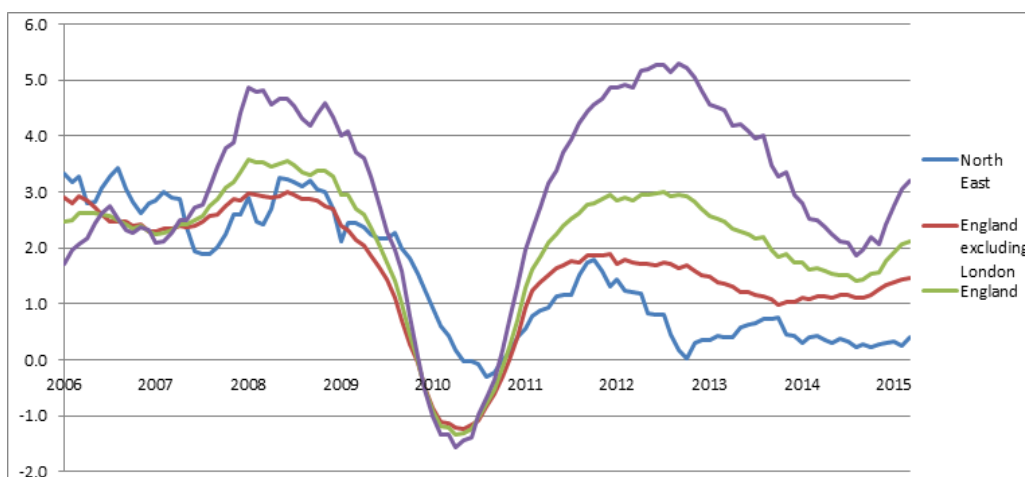
Figure 14: Mix of household types living in the private rented sector (Source: UK Census of Population 2011 and DWP)



Private Sector Rents

^{4.18} The Index for PRS rents (below) shows rents in the North East region were increasing at a much lower rate than England since 2006. However, overall, North East rents are still rising modestly but show less volatility than other markets.

Figure 15: Index of Private Housing Rental Prices (Source: ONS Index of Private Housing Rental Prices)



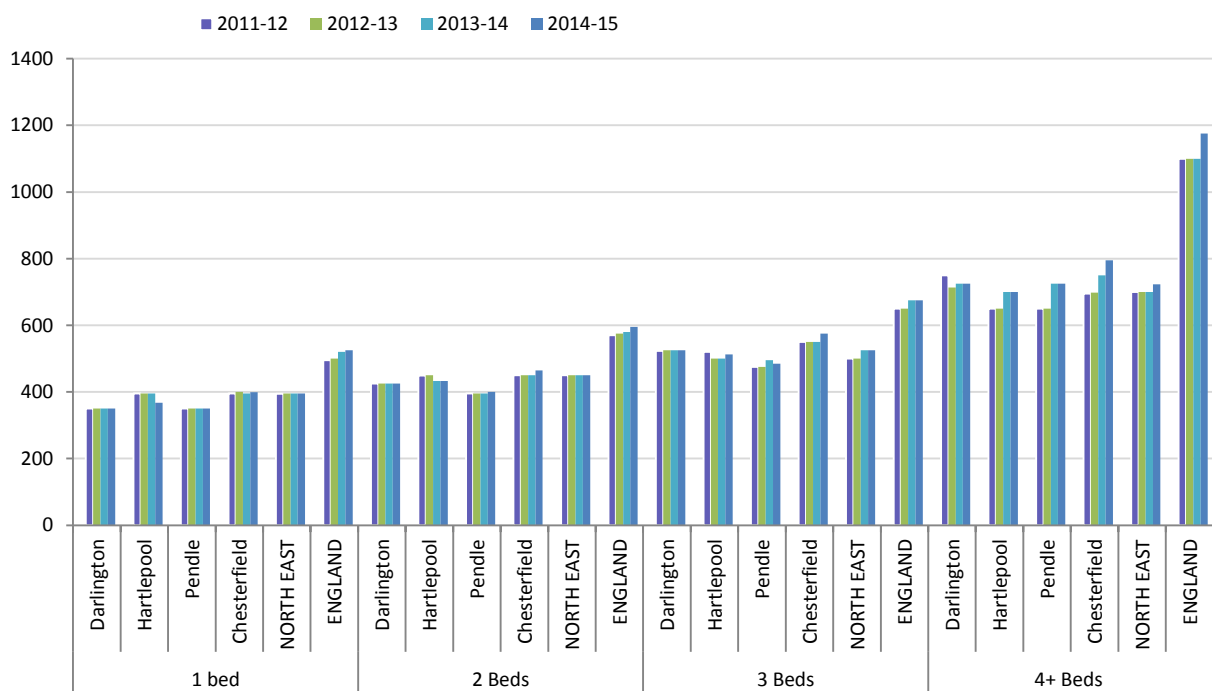
Homelet Rental Index

4.19 The Homelet Rental Index⁷ gives regional trends in rents and indicates that rents went up by 3.8% for the year ending March 2015 for properties in the North East of England. Average rents in the 3 months ending March 2015 were £520.

Rents in Darlington

4.20 Rental trends are relatively stable for all property sizes in the Darlington area since 2010/11 indicating demand and supply are in reasonable balance. With the exception of Chesterfield as comparator, other areas (Pendle, Hartlepool) show a relatively similar pattern, with the exception of four bedroom properties which show an increase.

Figure 16: Median Monthly Rents (Source: Valuation Office Agency 2011-2015)



4.21 PPG states that:

'market signals in the demand for private rented sector housing could be indicated from a change in rents' (Paragraph 21).

4.22 Median monthly rents also show the relatively stable local private rent levels indicating that demand and supply of private rented properties are in relative balance.

⁷ <http://homelet.co.uk/assets/documents/M3692-March-2015-HomeLet-Rental-Index-14.04.15.pdf>

Figure 17: Median Monthly Rent Values (Source: Valuation Office Agency 2011 -2015)

	October 2011-September 2012	October 2012-September 2013	October 2013-September 2014	April 2014-March 2015
Darlington				
1 bedroom	£350	£350	£350	£350
2 bedroom	£425	£425	£425	£425
3 bedrooms	£523	£525	£525	£525
4 or more bedrooms	£750	£713	£725	£725
Hartlepool				
1 bedroom	£395	£395	£395	£368
2 bedroom	£449	£450	£433	£433
3 bedrooms	£520	£500	£500	£513
4 or more bedrooms	£650	£650	£700	£700
Pendle				
1 bedroom	£350	£350	£350	£350
2 bedroom	£395	£395	£395	£400
3 bedrooms	£475	£475	£495	£485
4 or more bedrooms	£650	£650	£725	£725
Chesterfield				
1 bedroom	£395	£400	£395	£399
2 bedroom	£450	£450	£450	£465
3 bedrooms	£550	£550	£550	£575
4 or more bedrooms	£695	£698	£750	£795
North East				
1 bedroom	£394	£395	£395	£395
2 bedroom	£450	£450	£450	£450
3 bedrooms	£500	£500	£525	£525
4 or more bedrooms	£700	£700	£700	£723
England				
1 bedroom	£495	£500	£520	£525
2 bedroom	£570	£575	£580	£595
3 bedrooms	£650	£650	£675	£675
4 or more bedrooms	£1,100	£1,100	£1,100	£1,175

Policy Developments in Private Rented Sector

^{4.23} The increase in size of England’s PRS has had policy implications at the national and local levels, to which Government and Local Authorities have responded.

Improving Management and Maintenance in the Sector

^{4.24} Part 3 of the Housing Act 2004 (the Act) sets out the scheme for licensing private rented properties in a local housing authority area⁸. Under section 80 of the Act a local housing authority can designate the whole or any part or parts of its area as subject to selective licensing.

^{4.25} Many local authorities have used these powers as part of their response to the expanded PRS by seeking to improve management and property standards via licensing or self-regulation schemes including:

- » Self-regulation by landlords to an agreed standard or voluntary accreditation schemes.
- » Licensing schemes.
- » Others such as increased and improved monitoring of HMO conversion rates, programmes to tackle fuel poverty and improve energy efficiency for eligible PRS households.

Seeking New Build in the Private Rented Sector

Government initiatives for New Build PRS Supply

^{4.26} The Government is encouraging more investment in the private rented sector through schemes like new loan guarantees and the Build to Rent Fund. A private rented sector task force was established in 2013 to encourage and support build-to-let investment and is developing voluntary standards for landlords⁹.

^{4.27} New build initiatives for the PRS include a £1 billion Build to Rent Fund, which will provide equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these new homes.

^{4.28} There are concerns any increase in PRS new build delivery which targets lower income households could increase the Housing Benefit bill to Treasury from households who need HB support to sustain their PRS tenancy.

^{4.29} More recently, institutional investors have shown greater inclination to invest in Private Rented Schemes, especially in London. Insurance companies and pension funds have been expanding into property lending in recent years; nearly a quarter of new UK commercial property finance came from non-bank lenders in 2013.

⁸

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf

⁹ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-9-private-rented-sector>

4.30 Developer fieldwork interviews indicate that though they have an interest in new build PRS, their focus is on new build for sale; if this is purchased by BTL landlords, then this is really a market consequence.

4.31 Overall, New Build Market Rent remains attractive, but volumes are currently relatively low.

Local Authority initiatives for New Build PRS Supply

4.32 Several options have been identified whereby councils could enable new PRS supply to come forward, including:

- » Local authority land invested
- » Financial support from councils such as loan guarantees
- » Joint ventures with housing associations, developers or private investors under the Localism Act
- » Planning levy using s106

4.33 Overall, LA initiatives may make a contribution to new build PRS but this may yet take time to deliver significant numbers of units.

Registered Providers initiatives for New Build PRS Supply

4.34 RPs are potential key players in the delivery of new PRS supply and recently several have begun to enter the market in significant scale¹⁰, particularly in response to the Build to Rent fund, although other institutional funding is also being sought.

4.35 Overall, although interest is high, it remains unclear as to the scale of development which RPs may deliver.

Local Enterprise Partnerships (LEPs)

4.36 There are now 24 Local Enterprise Partnerships and these are a potential source of new build PRS homes¹¹. The Growing Places Fund provides £500 million to enable the development of local funds to address infrastructure constraints, promote economic growth and enable the delivery of jobs and houses. Any funding for housing, however, has to compete with other priorities e.g. skills and infrastructure.

4.37 Potentially, LEPs could enable new PRS housing delivery and some attempts have been made in this regard to increase supply.

Other Features

4.38 There are other features influencing the growth and potential growth in the size of the PRS.

¹⁰ <http://www.insidehousing.co.uk/business/development/transactions/lq-to-launch-prs-subsiary/7009701.article>

¹¹ <https://www.gov.uk/government/publications/growing-places-fund-prospectus>

The Sector Nationally

- 4.39 PRS stock size is relatively uniform in England (but higher in London¹²) and the proportion of households living in the PRS reflects this pattern - uniform across the English regions and higher in London.
- 4.40 Most PRS landlords have small portfolios: 89% of PRS landlords are private individuals¹³, accounting for 71% of all PRS dwellings. 78% of all landlords own a single dwelling for rent – 40% of the total PRS housing stock. Only 5% of landlords were companies, accounting for 15% of PRS stock. The majority of new entrants to the market in recent years have been individuals (often ‘accidental’ landlords unable to sell).

Pension reform

- 4.41 The pensions reforms introduced from April 2015 allow people aged 55 or over to withdraw their entire pension fund from any private scheme they belong to. This may encourage a boom in buy to let sales as pensioners turn away from annuities with high commissions/low income, and turn to buying/renting property as a means to a better yield.

Welfare reform

- 4.42 Welfare reform is having an impact on Landlord behaviour regarding letting to households on benefits. Some have refused to house benefit recipients and (in a few high profile cases) evicting tenants on benefits or disposing of their lower quartile portfolio.

Changing Market: Buy to Let and First Time Buyers, Buy to Leave Empty, Let to Buy

- 4.43 Figures released by the Council of Mortgage Lenders show a drop in lending to First Time Buyers (FTB) in January 2015, down 14% on January 2014 and 27% on December 2014. This contrasts with an increase in Buy to Let (BTL) loans, up 12% on January 2014 and 6% on December 2014. Critically, the number of BTL mortgages granted in 2014 (c.30,000 monthly average) is higher than those granted to First time Buyers (c.25,000).
- 4.44 FTBs face significant disadvantage relative to BTL investors. A report¹⁴ in May 2014 by the Intermediary Mortgage Lenders Association (IMLA) states that *‘under the Mortgage Market Review¹⁵ at an interest rate of 4%, first time buyers required to take out a capital repayment mortgage will face monthly mortgage payments 58% higher than a landlord borrowing the same amount on an interest only basis.’*
- 4.45 Nationally, home ownership is becoming more unaffordable to younger households (where most First time buyers come from). Between 1991 and 2013, homeownership among 16-24 year olds

¹² Birmingham University’s Centre on Housing Assets and Savings Management (CHASM) (December 2013)

¹³ CLG Private Landlords Survey 2010

¹⁴ <http://www.imla.org.uk/perch/resources/imla-reshaping-housing-tenure-in-the-uk-the-role-of-buy-to-let-may-2014.pdf>

¹⁵ <http://www.fsa.gov.uk/about/what/mmr>

in England dropped from 36% to 11% while among 25-34s it fell from 67% to 40%. For these households, Private Rent is often the only option if they wish to establish a household due qualification criteria for social or affordable homes.

- 4.46 A significant proportion of BTL purchases do not require mortgages; the IMLA report notes that between 2007 and 2012 only 420,000 (32%) of the additional 1,310,000 properties in the PRS were financed by BTL loans, further highlighting the extent of the difficulties face by FTBs as they compete with property investors in a market with limited supply.
- 1.1 Concerns have been raised in recent years about the effect of investor behaviour on housing market supply, in particular Buy to Leave Empty, Buy to Let and Let to Buy.

Buy to Leave Empty

4.47 A report in 2007 for the CLG Housing Markets and Planning Expert Panel¹⁶ examined the phenomenon of Buy to Leave Empty (BTLE), where investors buy property and leave it empty. The report concluded that although BTLE was a genuine issue, it was confined to particular markets and locations:

- » It was a feature of city centre markets, and some Housing Market Renewal areas
- » It was associated with larger investors buying multiple properties at the same time
- » It was typically associated with bulk buying off plan in large new build flatted developments, and possibly also with overseas investors
- » Cities affected were mostly in the north – Leeds, Manchester, Liverpool, Sheffield, Newcastle/Gateshead – with some evidence in Bristol, but not London, Edinburgh or Glasgow

4.48 The CLG report, however, concluded at the time that BTLE was unlikely to have a significant effect on the housing market nationally. However, changes in the property market since 2007 mean there is now more concern about the effects of BTLE, but that this is a primarily London phenomenon. The available evidence suggests that BTLE is unlikely to be a factor in Darlington's housing market.

Let to Buy

4.49 High demand for rental properties, and high rents, mean some homeowners have taken the opportunity to use the value of their current property to finance a purchase of another home. Let to Buy (LTB) offers the possibility of two lots of property price growth, plus tax breaks in the form of a reduction in Capital Gains Tax when the LTB property is sold.

4.50 LTB mortgages are similar to BTL mortgages in that the maximum loan is likely to be 75% of the value of the property to be let and lending and the rental income must be at least 125% of the mortgage repayment.

¹⁶ http://www.reading.ac.uk/web/FILES/REP/Buy_to_Leave_Empty.pdf

Conclusion

- 4.51 The Government sees the growth in the PRS as positive; it offers a flexible form of tenure and meets a wide range of housing needs. Further, *‘it contributes to greater labour market mobility and is increasingly the tenure of choice for young people’*¹⁷. Continued policy support for expansion of the sector seems likely.
- 4.52 Policy is also focussed on improving the quality of both management and stock in the existing PRS.
- 4.53 Many households now meet their housing needs in the private sector including those who would, in other times, have met those needs in social and affordable housing. The latter group currently rely on housing benefit to help them meet these costs, and, if this level of support should reduce, then the ability of the PRS to meet their needs may diminish.
- 4.54 Other factors, such as Pension Reform, Welfare reform, the decline in First Time Buyers and the increase in Buy to Let mortgages, indicate that factors for further growth in the sector still exist.
- 4.55 In Darlington, the PRS has grown between the last two Census’, mainly via the conversion of existing stock. However, the relatively stable rent levels for the sector indicate a market where supply and demand are in balance.
- 4.56 New build PRS supply, from various sources, seems possible nationally, although the scale of this is as yet not substantial, and it may not be a feature in balanced Darlington market. There are, however, a range of government investment policies to support sector growth including Build to Rent and this may attract interest.
- 4.57 In terms of how the sector develops in the future this can be considered in terms of both demand and supply for those households who need PRS to meet their need.
- » Demand: Population and household growth from households in housing need, and where delivery of new affordable homes cannot meet that need, would mean continuing demand for PRS homes. However, this demand is likely to be constrained by various elements of Welfare reform. In addition, individual decisions around affordability may mean households will choose to increase the level of income paid toward rent and retain a home.
 - » Supply: PRS landlord response to potential increases in future demand may be muted by Welfare Reform and there are already indications that this is happening. Yield via either rental or property value growth is likely to be muted in coming years, possibly deterring entry into the market or the expansion of existing portfolios.
- 4.58 **One issue to consider is that, given the number of “would be” owner occupiers in Darlington, the Council may wish to consider any local options for extending home ownership to these households.**

¹⁷ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-9-private-rented-sector>

^{4.59} **Overall, and on the basis of the evidence, the Private rented sector in Darlington seems likely to continue to grow, both from existing stock conversion and, possibly, new build.**

5. People Wishing to Build their Own Homes

- ^{5.1} Paragraph 50 of the NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

People wishing to build their own homes

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

Planning Practice Guidance (March 2014), ID 2a-021

- ^{5.2} Over half of the population (53%) say that they would consider building their own home¹⁸ (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.
- ^{5.3} 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.
- ^{5.4} "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)¹⁹ 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.
- ^{5.5} In the Budget 2014, 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 Act²⁰ 2015 has now placed 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;

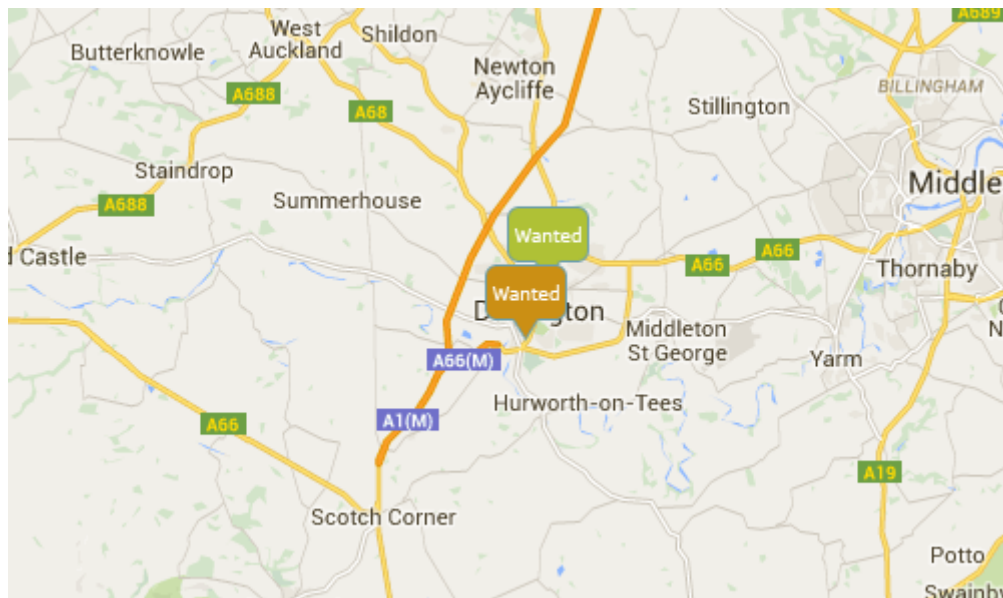
¹⁸ Building Societies Association Survey of 2,051 UK consumers 2011

¹⁹ <https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2>

²⁰ <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

- » 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 at market value; and
 - » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.
- 5.6 The Housing & Planning Bill (October 2015) amends and supplements the duties placed on local authorities under the Self-build and Custom Housebuilding Act 2015, and places a new duty into the 2015 Act. It requires local authorities to grant sufficient suitable development permissions on serviced plots of land to meet the demand for self-build and custom housebuilding in their area.
- 5.7 Government funding²¹ is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 ‘shovel ready’ sites with planning permission.
- 5.8 In May 2012 a Self-Build Portal²² run by the National Custom and Self Build Association (NCaSBA) was launched. Figure 18 shows the current registrations from groups and individuals looking for land in the HMA on the ‘Need-a-Plot’ section of the portal. Whilst there is clearly some interest in self-build across the area, this represents only a very limited number of people and an exceptionally small proportion of the overall housing need identified each year.

Figure 18: Group and Individual Registrations currently looking for land in and around Darlington on the ‘Need-a-Plot’ Portal (Source: NCaSBA, September 2015. Note: Green flags represent solo plots wanted, brown flags represent group plots wanted and blue flags represent group or solo plots wanted)



²¹

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

²² <http://www.selfbuildportal.org.uk/>

- ^{5.9} Given the historic low supply of self-build homes and the challenges in bringing schemes forward it seems unlikely that self-build will make a significant contribution locally to either meeting housing need or delivering new housing supply in its current form. Nevertheless, the Councils should put arrangements in place to comply with the Self-Build and Custom Housebuilding Act (if they have not already done so).
- ^{5.10} A survey to ascertain levels of demand for self-build could be undertaken in future; however it would be important to ensure that appropriate questions are designed that can effectively separate aspiration from effective market demand.
- ^{5.11} Further, custom build can add to housing supply; most custom build is via a development route outside the volume builder route, often using niche bespoke developers. They are homes which otherwise would not be built.

Conclusion

- ^{5.12} **Overall, the evidence supports limited demand for self-build. However, this may underestimate actual demand. Therefore, arrangements should be put in place to comply with the Self-Build and Custom Housebuilding Act and undertake a possible future survey to ascertain levels of demand for self-build in the HMA.**

6. Housing for Older People

6.1 NPPF says that ‘*Local planning authorities should have a clear understanding of housing needs in their area²³*’ and that this need for ‘*all types of housing*’ should include ‘*Older People*’.

6.2 NPPF defines Older People as²⁴:

‘People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs’.

6.3 In addition, local authorities²⁵ are encouraged to make provision for a wide range of housing types across all tenures, including accessible and adaptable general needs retirement housing, and specialised housing options including sheltered and Extra Care Housing.

6.4 NPPG says:

The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households (Department for Communities and Local Government Household Projections 2013).

The age profile of the population can be drawn from Census data. Projection of population and households by age group should also be used.

Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish.

Supporting independent living can help to reduce the costs to health and social services, and providing more options for older people to move could also free up houses that are under occupied.

The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector.

The assessment should set out the level of need for residential institutions (Use Class C2).

²³ National Planning Policy Framework 2012: Paragraph 50

²⁴ National Planning Policy Framework 2012: Glossary

²⁵ ‘Laying the Foundations – A Housing Strategy for England’ (HM Government 2011),

Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs. Local authorities should therefore identify particular types of general housing as part of their assessment.

National Planning and Policy Guidance Paragraph 021 (Revised March 2015)

- 6.5 There are National Policy issues that NPPG highlights; firstly, individual aspirations to stay in their own home,

‘To live independently and safely in their own home for as long as possible’

- 6.6 Secondly, the benefit to other agencies such as Health and Social Services if specialist services are not required.

‘Supporting independent living can help to reduce the costs to health and social services’

- 6.7 Next, how delivering the right housing options for older people to move (when they wish to) can bring additional benefits for younger households

‘...could also free up houses that are under occupied.’

- 6.8 Finally, there is the acknowledgement that housing solutions for older people can also be found from general housing:

‘Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable, such as bungalows, or homes which can be adapted to meet a change in their needs’.

- 6.9 Therefore, in considering the future housing need for Older People, we need to consider any specialist provision in the light of older people’s wants and aspirations, how this might be met in existing or other general housing, the implications for Health and Social Services from any supported independent living provision and how any provision might aid younger households.

The UK’s Age Profile

- 6.10 Britain’s population is ageing, and people can expect to live longer healthier lives than previous generations.

- 6.11 The Kings Fund (an independent charity working to improve health and health care in England) in its report ‘Making Care fit the Older Population’ has noted that:

‘When the NHS was founded in 1948, 48 per cent of the population died before the age of 65; that figure has now fallen to 14 per cent. By 2030, one in five people in England will be over 65. This significant shift in society has transformed our health and care needs. And while many people are staying healthy and independent well into old age, as people age, they are progressively more likely to live with complex co-morbidities, disability and frailty’.

^{6.12} So, the UK faces a significant challenge as people live longer. The older population is forecast to grow to 21.6m by 2037²⁶ for the over 60s, and from 1.4m (2012) to 3.6m by 2033 for the over 85s.

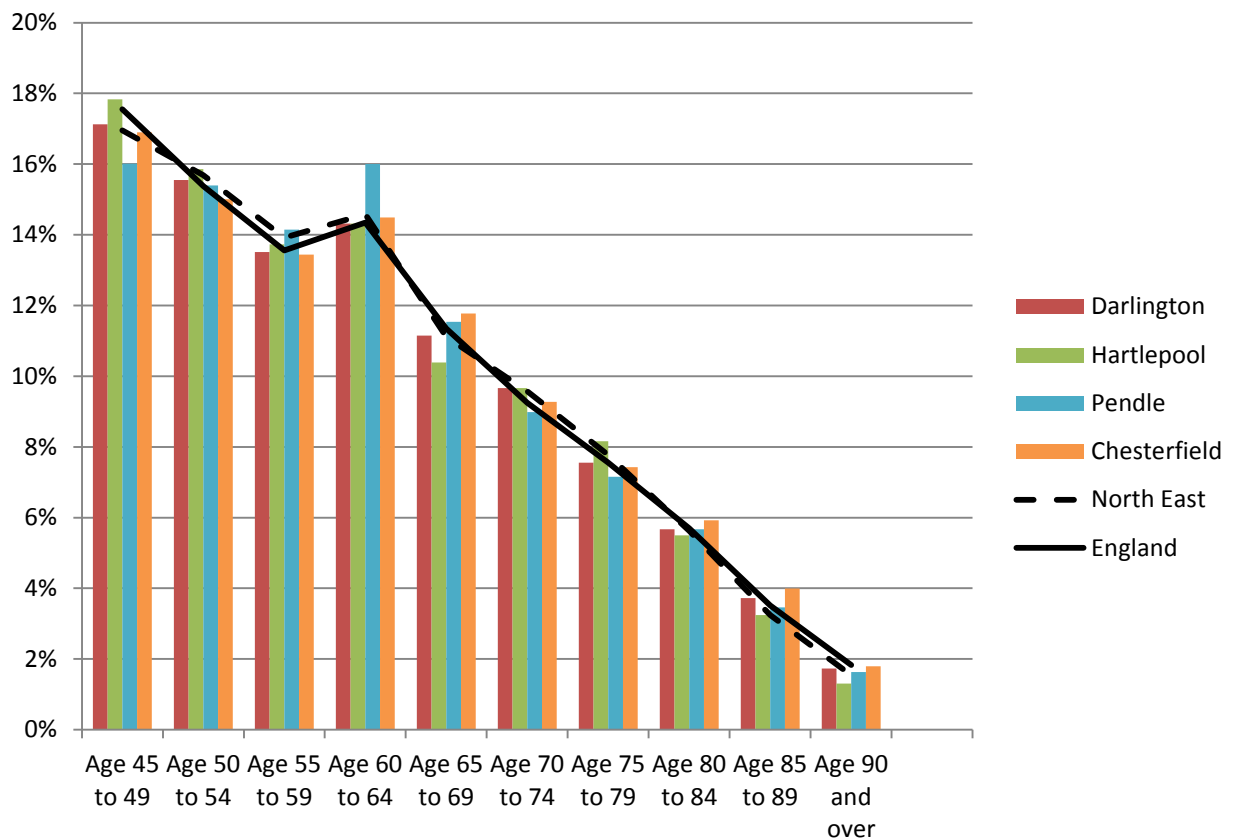
Figure 19: Older Peoples population (Source; ONS)

	2012	2017	2022	2027	2032	2037
60-74	9.4	10.1	10.7	11.6	12.3	12.1
75 and over	5.0	5.5	6.6	7.7	8.5	9.5
75-84	3.6	3.8	4.6	5.3	5.4	5.9
85 & over	1.4	1.7	2.0	2.4	3.1	3.6

Darlington Older People's Age Profile

^{6.13} The older people's age profile for the Darlington HMA shows that while the HMA population is relatively consistent with the North East and England, it also indicates a similar challenge in terms of a locally ageing population.

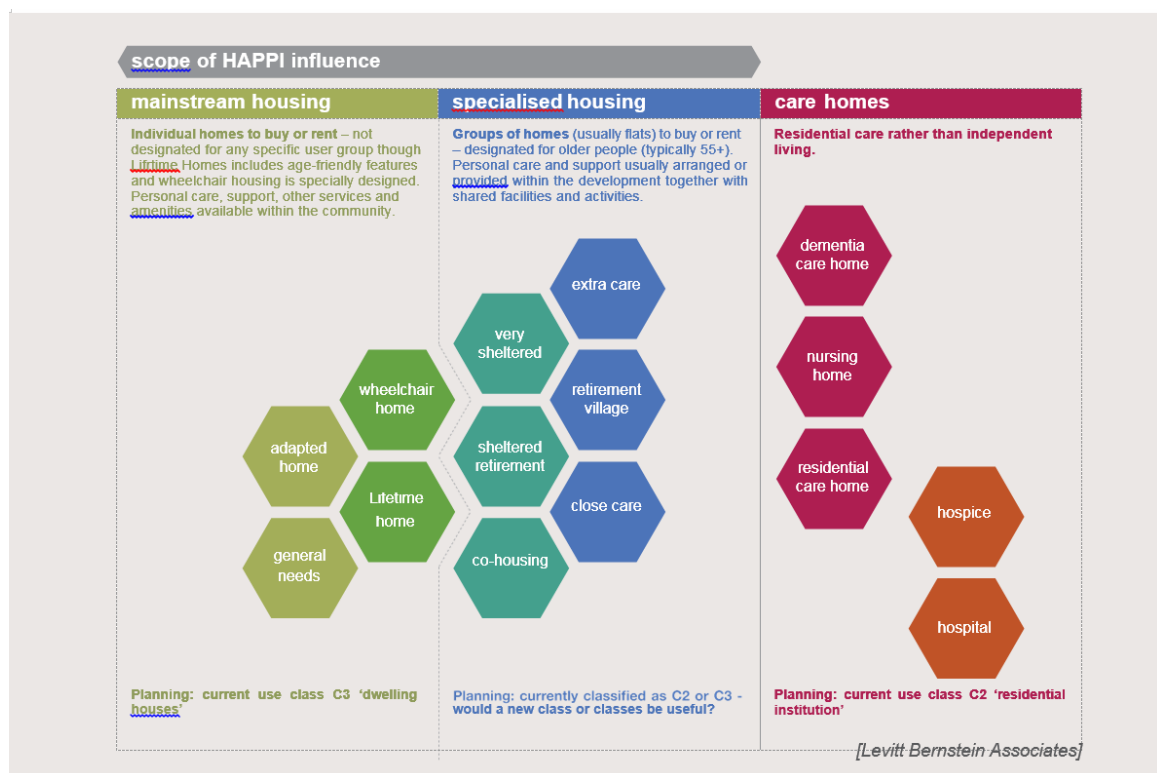
Figure 20: Age Profiles for Darlington Aged 45+ (Source: UK Census of Population 2011)



²⁶ <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2012-based-projections/stb-2012-based-npp-principal-and-key-variants.html#tab-Changing-Age-Structure>

Definitions of Older People Specialist Housing Types

- 6.14 Defining specialist housing for older people is a challenge; many different types of specialist housing have been developed since almshouses were first introduced in earlier times.
- 6.15 The specialist housing options considered in this section follow the definitions in the 2012 *Housing Our Ageing Population* report (HAPPI2)²⁷. This considers the current provision in terms of general housing (including adapted and wheelchair homes), specialised housing (including extra care and sheltered housing) and Care homes (including both Registered Nursing and Registered Care Homes). In planning terms, Care homes are C2 residential institutions.
- 6.16 The table below, from HAPPI2 (2012), presents these types in diagrammatic form. Mainstream housing includes adaptations and wheelchair homes, while specialised housing includes sheltered and extra care housing:



Excerpt: *Housing Our Ageing Population (2012)*

²⁷http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf

Policy

- 6.17 The Policy landscape within which services for older people are delivered, as well as for those services that help older people live independently at home, are currently undergoing significant change. This section considers the principal changes.

Connecting Health, Social Care, Housing and Planning

- 6.18 Currently, both Health and Adult Social Care continue to undergo significant reform²⁸.
- 6.19 The Care Act 2014 specifies that the Social Care needs of the local population should involve housing and planning. The consultation on the Act (*Care Act 2014: How should local authorities deliver the care and support reforms?*) noted that:

“The Act is clear that provision of suitable accommodation can be an integral part of care and support, and provides flexibility for local authorities to arrange different types of accommodation to meet a person’s care and support needs.”

However, it also stresses that there is no change to the relationship between housing and care:

“The Act is not intended to change the current boundary between what the local authority may provide under housing provisions and what is required to provide under care and support provision.”

- 6.20 The consultation document 15 on the Care Act; *“Integration, cooperation and partnerships”* makes multiple references to housing, noting that; *“Housing is an integral part of the health and care system and a local authority’s responsibility for care and support”*, but specifies the separate duties of housing and social care:

“Where housing legislation requires housing services to be provided, then a local authority must provide those services under that housing legislation. Where housing forms part of a person’s need for care and support and is not required to be provided under housing legislation, then a local authority may provide those types of support as part of the care and support package under this Act”

- 6.21 Other aspects of the Care Act 2014 introduce many changes including, for housing:
- » sets up the Better Care Fund (BCF): created from existing monies for joint health and social care commissioning of services (this includes the £220 million investment in Disabled Facilities Grant)
 - » The principle of wellbeing (for shaping assessments and service delivery) including mention about the suitability of accommodation.
 - » Pushes for integration of health and care services, including ‘health related’ services such as housing

²⁸ Health & Social Care Act 2012; Care Act 2012

- » responsibility to provide information/advice for all people requiring care and support, may mean social care will develop a more extensive knowledge of local need (this might aid the service to ‘manage’ the range of current supply)
- » a duty to co-operate, including housing and social care, and with private registered housing providers

6.22 Overall, reduced funding for health and social services, a continued growth in residential use and reform of Health and Social Care services, create a complex and fluid policy environment in which to deliver specialist housing schemes. Change in the housing sector where it interacts with health and social services seems likely.

Current Policy Development in Darlington

6.23 Local policy regarding specialist housing schemes for Older People in Darlington is contained within the Joint Strategic Needs Assessment.

6.24 The Darlington Single Needs Assessment 2011/12 highlights how the ageing population locally presents a future challenge in terms of providing homes that enable people to live fulfilling lives. The Single Needs Assessment Refresh Summary (2013) says:

- » *Darlington’s population is getting older as people live longer due to better health and well-being.*
- » *The population aged over 50, is currently 38,832 (37% of the overall population) with over 65s forming 17.5% of the population (18,570).*
- » *By 2020 the over 50 population is projected to be 44,220 (40% of the total population) and the over 65s projected to rise to 22,306 (20% of the total population).*

6.25 Further, the Refresh goes on to say:

‘The Health and Well Being Board identified a priority around frail elderly people and this will be the first product published identifying amongst other things, areas of unmet need and highlighting elements that may inform commissioning intentions’.

6.26 The fieldwork for this study interviewed local stakeholders on a variety of topics including older people. Respondents said that there is an emerging trend for older people to sell larger properties to downsize to rent for the short and long term. In addition, there is some developer activity in building specialist schemes - some developers are building houses suitable for older people such as flats and bungalows but these are generic and do not include additional facilities or services. It is known that a planning application has been submitted to the Council to redevelop part of the former Darlington Arts Centre on Trinity Road for 35 retirement living apartments.

Modelling Older People’s Housing Requirements

6.27 NPPG says that:

‘The future need for older persons housing broken down by tenure and type eg sheltered, enhanced sheltered, extra care and registered care can be obtained from a number of online tool kits provided by the sector’.

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6.28 The specialist housing requirements for Darlington have been modelled using the Housing LIN approach (2012)²⁹. This secondary data based model was developed from various sources (EAC, POPPI and Census) in 2012 by a partnership which included Suffolk and Essex County Councils, Elderly Accommodation Council (EAC), and the Housing Learning and Information Network (Housing LIN). This builds on the ‘More Choice Greater Voice’ approach 2008 (which is included in the figure here to illustrate how modelling continues to develop).

6.29 The basic approach to modelling older people’s specialist housing needs is based on forecasting population and then applying a need for particular housing types per thousand people aged 75+. There are issues with this approach which are explored later.

6.30 Forecast population is then translated into housing units of various types:

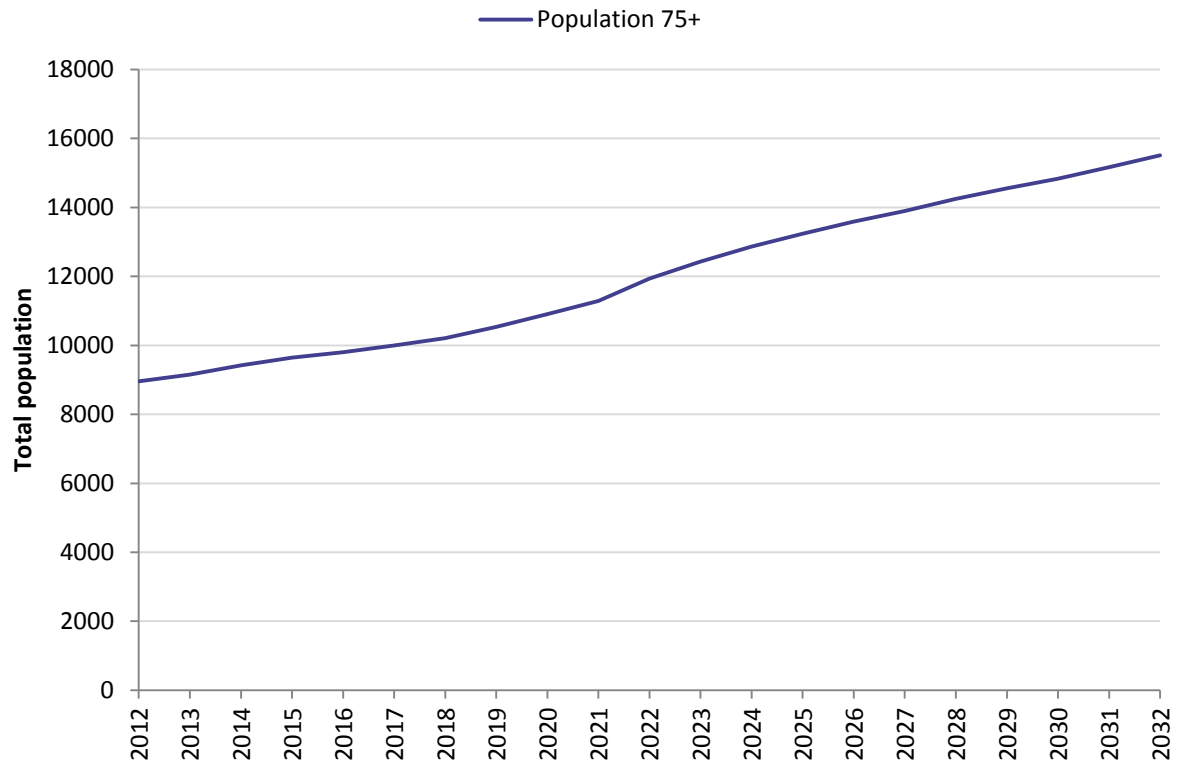
Figure 21: Benchmark Figures for Specialist Accommodation

	‘More Choice, Greater Voice’ 2008		Section A Strategic Housing for Older People Resource Pack (Housing LIN, ADASS, IPC) 2012	
	Places per 1,000 people aged 75+	Tenure split	Demand per 1,000 people aged 75+	Tenure split
Extra care	25	-	45	30 sale 15 rent
Supported housing	125	50 rent 75 sale	-	-
Sheltered ‘plus’ or ‘Enhanced’ Sheltered	20	-	20	10 sale 10 rent
Dementia	10	-	6	-
Leasehold Schemes for the Elderly (LSE)	-	-	120	-

Older People’s Population Forecast

6.31 Population projections show that the older people’s population (aged 75+) in Darlington will increase between 2012 and 2032. The 75+ population is forecast to increase from 8,958 in 2012 to 15,511 by 2032 – a rise of 73%.

²⁹ Planning Ahead for Specialist Housing in Later Life (2012) www.housinglin.org.uk/housinginlaterlife_planningtool

Figure 22: Older people aged 75+ Population Growth Projections 2012-2032 (Source: ONS)

^{6.32} Based on the growth in population aged 75+ identified across the population projection scenarios, the Figure below identifies the potential requirement for 2,960 new specialist housing units using the ratios set out in the Housing LIN Older People Resource Pack 2012. As can be seen, there is a significant need for Extra Care and Leasehold Schemes for the Elderly (LSE) schemes.

Figure 23: Implications of Older People Resource Pack Ratios based on Population Projection Scenarios (Note: figures may not sum due to rounding)

Area	Extra care	Enhanced Sheltered	Dementia	LSE	All Types
GROSS REQUIREMENT					
Darlington (2032)	700	310	90	1,860	2,960

Current Supply

Darlington (Source: EAC 2013³⁰)

	Housing Units					Care home beds									Provision per 1000 population aged 75+						
	Rent			Sale	All	Nursing Care				Residential Care				ALL	Housing Units			Care Home Beds			
	LA	RSL	Both			LA	Pri	Vol	All	LA	Pri	Vol	All		Popn (1000s)	Rent	Sale	All	RC	N	All
Darlington	805	606	1411	121	1532	0	672	24	696	0	505	61	566	1262	8	177.2	15.2	192.4	71.1	87.4	158.5

Pri = Private accommodation

Vol = Voluntary sector

RC = Registered care

N = Nursing Home

³⁰ 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**.

Specialised Housing Need for Older People

- ^{6.33} Darlington has a current supply 1,532 specialist housing schemes of varying types. (This data is from the most recently available Elderly Accommodation Council data which was a recommended data source in previous iteration of NPPF (pre 2015 revision).
- ^{6.34} **However, the modelling indicates a further need of 2,960 units (of varying types) to meet the needs of the increase in older people population to 2032.**

Constraints Acting on Modelled Specialised Housing Need for Older People

- ^{6.35} There are other factors to consider when using outputs from the Housing LIN model in this way. While a population projection/housing ratio approach can give an indicative net need, there are complex issues at play which could reduce (or possibly inflate) the level of need further.

Government Policy

- ^{6.36} Government policy in PPG is focused on supporting older people to live independently at home. Further, other Government policy toward older people focus on employment opportunities and how older people can contribute to society more widely:

'We see retirement as an increasingly active phase of life where people:

- have opportunities to continue contributing to society by working longer or volunteering in their communities*
- take personal responsibility for their own wellbeing by working, saving and looking after their health³¹*

- ^{6.37} Supporting people in their own homes for as long as possible, and while they enjoy healthier longer lives, suggests demand for specialist accommodation for older people may actually fall in coming years.

- ^{6.38} It is also useful to consider how Government policy is underpinned by the drivers of growth in the older population. As noted earlier, people are living longer healthier lives and this trend seems likely to continue. Longer lives are driven by a combination of health (e.g. better medical care) and environmental factors (e.g. better diet, smoking cessation etc.) all of which are projected to continue to extend life expectancy³².

³¹ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-older-people/2010-to-2015-government-policy-older-people>

³² <https://www.gov.uk/government/policies/older-people>

- 6.39 The Government policy response to this change is seen in its focus on the issue of longer lives – for example, state retirement ages are rising and forecasts of older people working beyond 65 years are increasing in number (see Labour market participation projections in Chapter 3).
- 6.40 While specialist accommodation may be needed, current models may become less relevant as new types of provision are needed to cope with presenting issues. For example, very old people who live independently face significant risk of fall; the National Institute for Health and Care Clinical Excellence (NICE) states that:
- People aged 65 and older have the highest risk of falling, with 30% of people older than 65 and 50% of people older than 80 falling at least once a year. The human cost of falling includes distress, pain, injury, loss of confidence, loss of independence and mortality³³*
- 6.41 Falls, and rehabilitation following them, may necessitate a new type of need for specialist accommodation. There may be others.
- 6.42 Overall, therefore, the relative health of older people in 2001 or 2011 is unlikely to be representative of people of the same age by 2031. While people are living healthier and longer, there are ‘new’ presenting conditions from very old age, not yet fully understood, which may change the type and need for specialist accommodation; these drivers need to be balanced.

Suitability of Current Provision

- 6.43 The next issue concerns the appropriateness of current provision and whether this has a viable life for the SHMA period.
- 6.44 Specialist housing for older people has developed over time and earlier models may no longer be appropriate or aspirational. The options for existing rented schemes (as considered in the Housing LIN model) may not be what older people want or aspire to in the future. A Housing LIN study in 2012 highlighted:

‘Historically, sheltered housing has been popular; however, many older and poorer quality schemes are now becoming hard to let or sell. There are a number of reasons for this, for example:

- » *Flats are often small, or are bedsits, and do not meet contemporary aspirations for space.*
- » *Small flats will not cater adequately for a lifetime of belongings and furniture, or accommodate guests.*
- » *Internal design standards may be outdated.*
- » *Full access has not always been designed into older schemes, so that they are often not suitable for residents with mobility difficulties.*

³³ <https://www.nice.org.uk/guidance/cg161/resources/guidance-falls-assessment-and-prevention-of-falls-in-older-people-pdf>

- » *Some schemes are simply in poor condition, reflecting their age, or built to lower standards of thermal efficiency which makes them uncomfortable and expensive, and also potentially unhealthy if they are damp or cold.*

Better housing options for older people (CIH/Housing LIN 2014)

6.45 One particular issue concerns housing for sale to older people.

'The proportion of older people who are home owners - 76 per cent - represents a large potential pool of customers with significant resources that should make them a key market for developers; currently older householders have an estimated £250 billion of equity. As consumers of goods and services, they spend approximately £121 million a year. There is a significant potential for the development of bespoke homes and support services that can be tailored to the needs of individuals. However, only about five per cent of older people live in bespoke accommodation, and only just over 100,000 of those homes are private developments'

Better housing options for older people (CIH/Housing LIN 2014)

6.46 Further, current provision may be approaching the end of its useful life and, as an asset, may not have a viable future. Registered providers of social and affordable housing have a new regulatory responsibility to protect social assets³⁴. Many now actively manage their asset base, reviewing long term viability, resulting in disposals and consolidations. It may be that existing specialised housing may change and/or reduce over time as providers respond to changed stock, as well as changed market, conditions.

6.47 Overall, current provision may not be appropriate for the future older people population who need it and existing supply stock may reduce over time.

Aspirations of Older People

6.48 The aspirations of people who are living longer healthier lives are likely to be different from previous generations. Their propensity to move to specialist accommodation as well as what they want from it, may change and will need to be tested.

6.49 The implication is that, before building new schemes, commissioners should explore the type and tenure of what those who will live in the new schemes will want. While the Housing LIN types may still be relevant, there may be new models that could (and possibly should) be provided.

6.50 While those older people may need to move, or express a desire to move, to specialist accommodation, many will actually refuse to do so when opportunities are presented to them.

'There is a large gap between the numbers that research indicates would be interested in moving to smaller/bespoke housing as they get older, and the numbers who do'³⁵.

³⁴ <https://www.gov.uk/government/publications/regulatory-standards>).

³⁵

<http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/New%20approaches%20to%20delivering%20better%20housing%20options%20for%20older%20people.pdf>

- 6.51 For those with no need or dependency, they are less likely to want to move into specialist schemes that do not meet the requirements of the ‘longer healthier’ lifestyle. These requirements may be different to current provision – i.e. focussed more on work and leisure than care and support.
- 6.52 Any move to develop new supply needs to consider these aspirations carefully.

Households with two persons or more

- 6.53 A further issue with the population forecasts based methodological approach used in the Housing LIN model is that it may overstate the actual number of households requiring specialist accommodation. As people live longer, more households are likely to contain more than one older person. As a result, the specialised accommodation derived using population rather than household forecasts need may be overstated if. The number of homes needed, therefore, may need to be reduced.
- 6.54 Nevertheless, the Housing LIN Model ratios offer a useful starting point to begin the modelling of housing requirements for older people.

Revenue Funding

- 6.55 NPPG says that ‘*Supporting independent living can help to reduce the costs to health and social services*’.
- 6.56 Many specialist housing schemes require support services for tenants and occupiers in excess of what rent or service charges will cover. For example, support to do shopping, cleaning or cooking etc. individual needs are assessed, and funding allocated, by Social Services and/or Health. The overall level of funding is assessed via Joint Strategic Needs Assessments (JSNA) undertaken by Social Services and Health.
- 6.57 The level of investment in funding for this kind of social care for older people has fallen in recent years. Age Concern estimate that Government spending reductions have meant:

‘Between 2005/6 and 2010/11 public funding for older people’s social care stagnated

From 2010/11 to 2013/14 public funding for older people’s social care (including transfers from the NHS to councils) decreased by 10 per cent in real terms.

Councils have cut back on their funding for social care: From 2010/11 to 2013/14 government funding to councils reduced by 19.6 per cent despite increasing the proportion of budget spent on average by councils on adult social care to over 40 per cent in 2013/14, the actual amount spent decreased on average by 20 per cent (£2.8 billion) between 2011/12 and 2013/14³⁶

³⁶ http://www.ageuk.org.uk/Documents/EN-GB/Campaigns/CIC/Care_in_Crisis_report_2014.pdf?epslanguage=en-GB?dtrk%3Dtrue

- 6.58 The downward pressure on revenue funding may impact on future demand by Older People for specialist support schemes where such services may not be available.

Conclusion

- 6.59 Darlington has a supply of 1,532 specialist housing units and a projected net need for a further 1,428 homes.

- 6.60 However, there are a number of reasons and variables which mean that this modelled number of homes and units should be treated with caution. These include:

- » on demographics: the changing health, longevity and aspirations of older people
- » on new supply: development viability and the availability of revenue funding for services
- » on existing supply: the condition and likely life of existing provision
- » the strategic plans of other agencies, especially Commissioners and funders (e.g. Adult Social Care and Health).
- » National strategy and its implications for older people

- 6.61 Any need identified for specialist older people housing does not exist in isolation but is part of a wider approach to health and care services delivered by other agencies in the NHS and Darlington Council. Although our desktop review of strategies did not find examples of specific need being identified by them, the JSNA process is aware of the issue. Ideally, the outcomes from any JSNA study should be considered, alongside the SHMA, in order to better understand net future need for specific Older Peoples housing schemes.

- 6.62 In the light of the constraints acting to potentially suppress supply and demand for specialised housing schemes for Older People, it seems sensible to consider any net need for such schemes after having taken these factors into account.

- 6.63 Various forward options are therefore suggested here:

- » Develop a new model for establishing the need for specialist housing for Older People which take these other factors into account.
- » Joint working with Social Services and Health in the development of JSNA's could be undertaken to establish revenue funding constraints on need
- » Research into the housing aspirations of Older People who live longer, healthier lives could be undertaken to ensure any new products match demand
- » Joint working with providers of specialist housing could be undertaken to establish the likelihood of existing supply reducing as assets are more pro-actively managed

7. Households with Specific Needs

7.1 This section considers housing for households with specific needs.

7.2 NPPG says:

Households with specific needs

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

The Census provides information on the number of people with long-term limiting illness and plan makers can access information from the Department of Work and Pensions on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants.

Whilst these data can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.

Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need.

If necessary, plan makers can engage with partners to better understand their housing requirements.

National Planning and Policy Guidance Paragraph 021 (Revised March 2015)

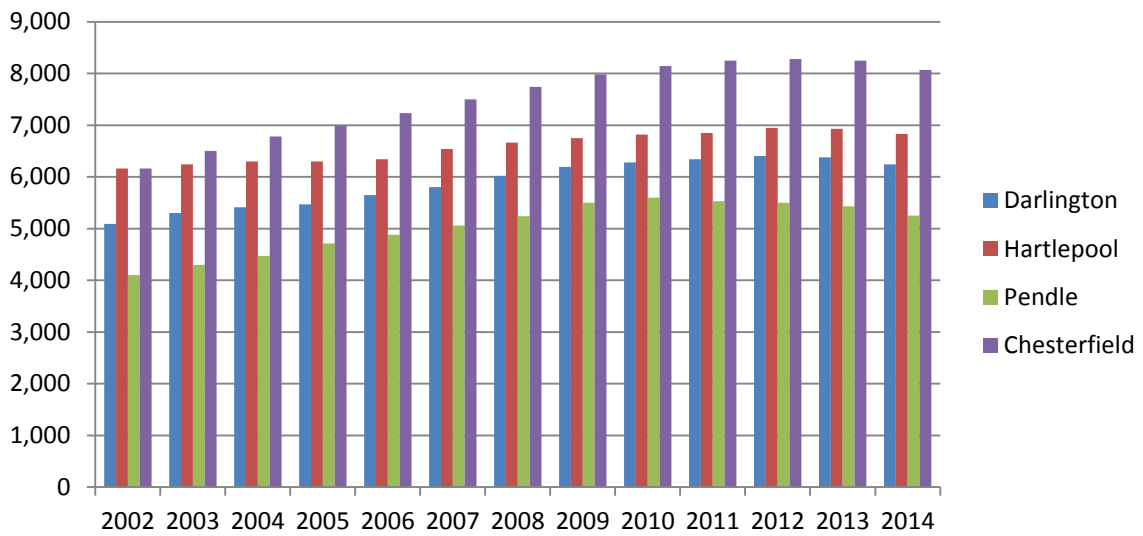
Disability Living Allowance (DLA) / Personal Independence Payments (PIP)

7.3 PPG says DLA/PIP and Attendance Allowance these can provide a ‘good indication of the number of disabled people’ although noting that not all will require adaptations.

7.4 Personal Independence Payments (PIP) is gradually replacing Disability Living Allowance (DLA) from April 2013. PIP/DLA is awarded to people under 65 years old who incur extra costs due to disability.

7.5 PIP/DLA awards have increased in Darlington from c.5,000 to over 6,000 between 2002 and 2014, although claimant rates have reduced in recent years, indicating recent downward numbers of disabled people. Darlington’s claimant levels are lower than Chesterfield and Hartlepool.

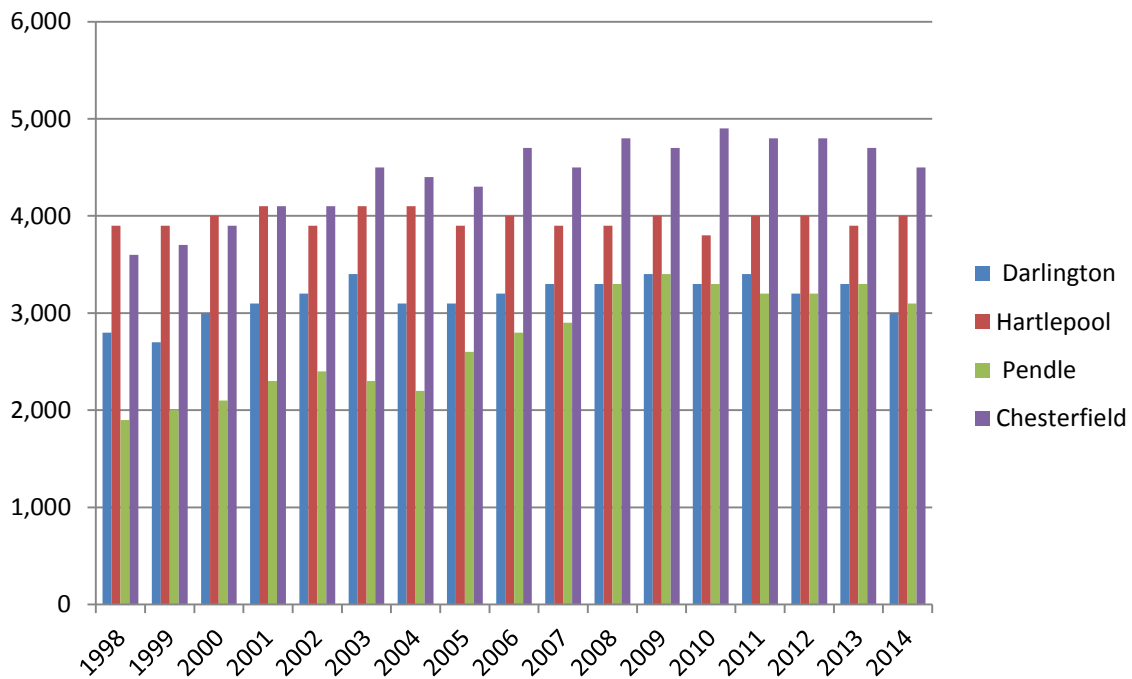
Figure 24: Disabled Living Allowance/Personal Independence Payment (Source: DWP)



7.6 By considering Higher Mobility Component we can see a profile of those claimants with lower levels of mobility. DLA Higher Mobility Component (HMC) is awarded when applicants have ‘other, more severe, walking difficulty’ above the Lower Mobility Component (which is for supervision outdoors).

7.7 The profile for PIP/DLA HMC awards shows that, within the HMA, Darlington’s claimant levels have been relatively consistent between 1998 and 2014 compared to comparators, and claimant levels in Darlington are currently the lowest of the peer group.

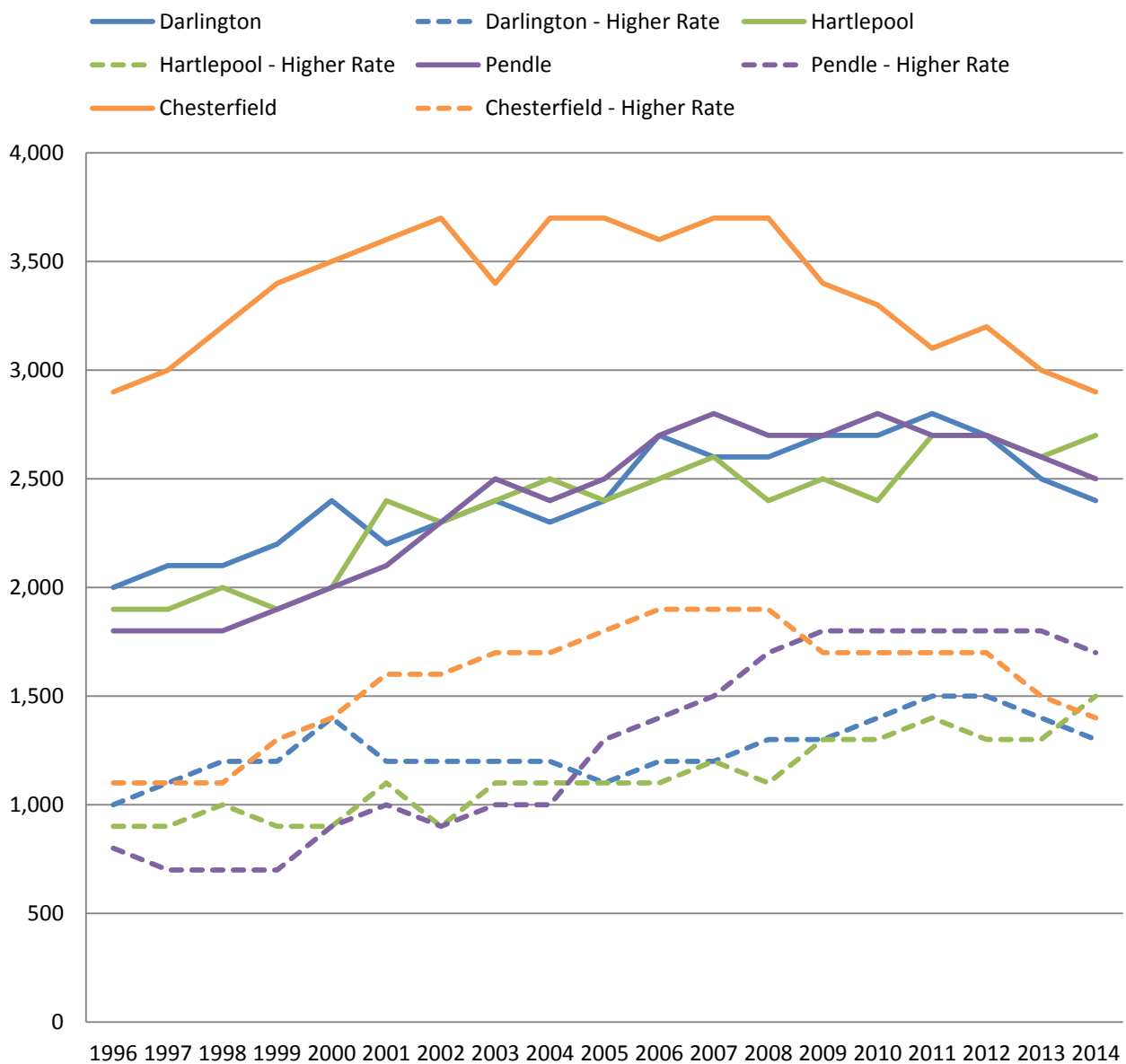
Figure 25: DLA/PIP Higher mobility component (Source: DWP)



Attendance Allowance

- 7.8 Attendance allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over and can provide a ‘good indication of the numbers of disabled people’.
- 7.9 Attendance Allowance is paid at 2 different rates. A lower rate for those who need help during the day/night, and a higher rate where supervision is needed day and night.
- 7.10 In Darlington, the numbers claiming Attendance Allowance increased from 1996 although there has been a downward trend since 2010. This indicates the long term number of disabled people has increased although more recently numbers have declined.

Figure 26: Attendance Allowance Claimants (DWP February 1996 – February 2014. Note: Based on 5% Sample Data)



Applications for Disabled Facilities Grants

7.11 Disabled Facilities Grants (DFG's) are grants paid by a variety of sources (mainly Councils and housing associations) to adapt properties for individuals with health and/or mobility needs. Grants cover a range of works:

- » widen doors and install ramps
- » improve access to rooms and facilities - e.g. stair lifts or a downstairs bathroom
- » provide a heating system suitable for needs
- » adapt heating or lighting controls to make them easier to use

7.12 Patterns of applications can '*provide an indication of expressed need*' (PPG Paragraph 021). However, this could '*underestimate need*'.

7.13 Applications for Disabled Facilities Grants (DFGs) have been on a relatively upward trend in Darlington since 2004/05, indicating a continuing need for grants.

Figure 27: Trends in number of applications for Disabled Facilities Grants (Source: HSSA to 2010/11 and Local Authority records onwards)

[Note: DFG data from CLG's HSSA is unavailable for 2008-09 and 2009-10. Data from 2010-11 is taken from Local authority own records]



Conclusion

7.14 PPG recognises that none of the sources above provides information about the need for adapted homes as "not all of the people included within these counts will require adaptations in the home".

- 7.15 Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs. Grants cover a range of works, such as:
- » Widening doors and installing ramps;
 - » Improving access to rooms and facilities, for example stair lifts or a downstairs bathroom;
 - » Providing a heating system suitable for needs; and
 - » Adapting heating or lighting controls to make them easier to use.
- 7.16 Local data indicates downward trends in PIP/DLA and Attendance Allowance in recent years. However, c.130 DFGs were funded in the study area in 2010/11 and c.140 in 2013/14. PPG notes that whilst patterns of DFG applications “provide an indication of expressed need” it cautions that this could “underestimate need”. Of course, it is also important to recognise that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.
- 7.17 As previously noted, the Government’s reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the 2015 edition of Approved Document M: Volume 1 (Access to and use of dwellings)³⁷. This introduces three categories of dwellings:
- » Category 1: VISIBLE dwellings – Mandatory, broadly about accessibility to ALL properties
 - » Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
 - » Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.
- 7.18 Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for Category 2 and Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability. Planning Practice Guidance for Housing optional technical standards states:

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

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

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

³⁷ <http://www.planningportal.gov.uk/buildingregulations/approveddocuments/partm/adm/admvol1>

- 7.19 The population projections based on long-term migration trends identified that the population was likely to increase by between 16,000 persons and 23,000 persons 2011-26. The population in older age groups is also projected to increase during the Plan period, including among those aged 75 or over. Most of these older people will already live in the area and many will not move from their current homes; but those that do move home are likely to need accessible housing. Given this context, the evidence supports the need for all dwellings to meet Category 2 requirements, providing that this does not compromise viability. This approach has been adopted in Local Plans elsewhere.
- 7.20 The CLG guide to available disability data³⁸ (referenced by PPG) shows that currently around 1-in-30 households in England (3.3%) have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). It is also important to recognise that these proportions are likely to increase over the period to 2037 in the context of the larger numbers of older people projected to be living in the area. The evidence therefore supports the need for 10% of market housing and 10% of affordable housing to meet Category 3 requirements. This recognises the changing demographics of the area and also provides an element of choice for households that need wheelchair user dwellings now as well as those households considering how their needs may change in future.
- 7.21 **Overall, in terms of the need for adapted or wheelchair adapted or accessible dwellings for households with specific needs, the evidence supports:**
- » **the need for 90% of dwellings to meet Category 2 requirements, providing that this does not compromise viability.**
 - » **the need for 10% of market housing and 10% of affordable housing to meet Category 3 requirements.**

³⁸ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

8. Student Housing

8.1 On students, NPPG says that:

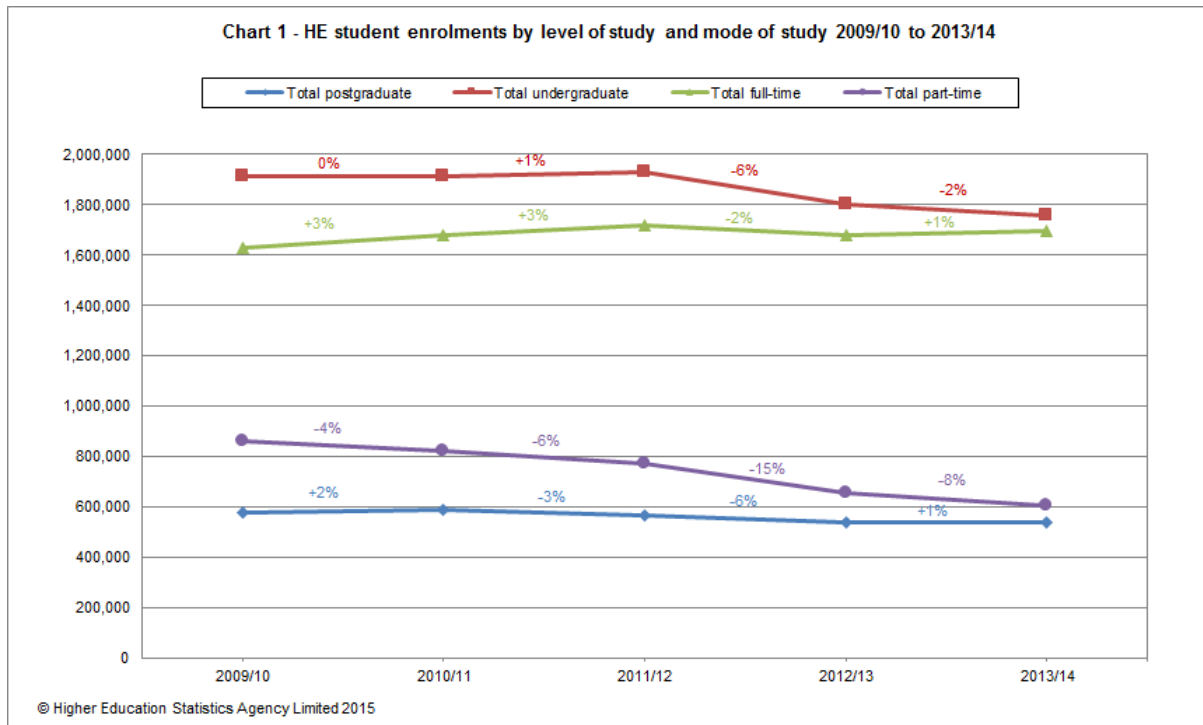
Local planning authorities should plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated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

NPPG Paragraph 21

Students Numbers & Location

- 8.2 The presence of Higher Education Providers (HEPs) can mean that students have a need for housing in the housing market area. It also means students can have an influence in the wider market beyond housing provided direct by HEP's as halls of residence or other forms of direct provision. Students often rent in the PRS (either in self-contained or shared accommodation or in purpose built provision by private sector providers) and, where numbers are concentrated; this can act as a driver in localised markets.
- 8.3 Many English universities and further education establishments often have significant plans for expansion. It should be noted, however, that current national Education policy is based on full time student numbers remaining close to present levels.
- 8.4 Recent trends show a relatively consistent pattern. One feature to note is how part-time numbers have fallen since 2009/10. The total number of student enrolments at UK HEPs

'stood at 2,299,355 in 2013/14, a decrease of 2%, 40,920 in overall numbers, from 2012/13. This overall decrease is mainly due to a decline in undergraduate enrolments which fell by 2% and part-time enrolments which decreased by 8% between 2012/13 and 2013/14' (Source: Higher Education Statistics Agency).

Figure 28: Higher education enrolments 2009-2014 (Source: Higher Education Statistics Agency)

Darlington

8.5 The key HEP's in Darlington are

- » Teesside University has a satellite building for business type courses in Darlington. Most courses are part-time business type attended on day release. There is no student accommodation owned or managed in Darlington and all students attending the satellite college are mature and live in their existing home.
- » Darlington Further Education College (DFE): has over 8,000 learners/2,000 full-time students although most are under 18 years of age and so would be classed as dependent children³⁹. There are XX Higher education students at DFE.

Students and Objectively Assessed Need

8.6 In establishing OAN for the HMA, our approach on students has been to establish those full-time students who are "normal" residents as distinct from those who move to the HEP's location to study. By "normal", we mean students who live in the parental home while studying, or those who already lived locally before commencing study and now have a different, but still local, address (e.g. possibly mature students, possibly students in years 2/3 that lived at home in year 1 and then later moved in with friends). These needs are then included within overall modelled OAN outputs, but are not shown separately.

³⁹ http://www.ons.gov.uk/ons/dcp171778_251357.pdf

- ^{8.7} Students in non-self-contained Class C2 dwellings would be considered as part of the communal establishment population and therefore would not be included in the household projections. On this basis, if the HMA intended to count the supply of *additional* non-self-contained C2 bedspaces towards their overall housing delivery, it is also necessary to count this increase in communal establishment population as an additional component within the assessed OAN.

Students in Darlington

- ^{8.8} There are few numbers of Students in Darlington from the SHMA perspective. Most students are either under 18 or are mature students on part time courses who live in their own home and did so before undertaking their courses. Neither local college provides any specialist accommodation for its students.
- ^{8.9} As such, there is limited student impact on the working of the local housing market.

Conclusion

- ^{8.10} Overall, therefore, there is only a very limited impact on the local housing market from students.
- ^{8.11} Looking forward, both demand and supply for specialist accommodation is likely to be relatively modest and the market unlikely to change significantly as a result.

9. Service Families

^{9.1} The housing need of Service Families feature in NPPF Para 50 & 159; but do not feature in PPG. We have, however, considered their needs for completeness even though they are outside NPPG.

Housing Members of the Armed Forces

^{9.2} The Government has made a commitment towards housing members of the armed forces via a number of policy approaches:

- » The Armed Forces Covenant (2011)
- » 'Laying the Foundations: A Housing Strategy for England 2011' (HM Government).
- » Revised Guidance (2012) regarding priority for access to social housing for former members of the armed forces above that offered to other people in housing need.
- » Housing allocations: The Allocation of Housing (Qualification Criteria for Armed Forces Personnel) (England) Regulations 2012 and the Housing Act 1996 (Additional Preference for Former Armed Forces Personnel) (England) Regulations 2012 which have strengthened the position of some armed forces personnel in seeking to access social housing.
- » Adapted social housing for Injured Services Personnel: *The Nation's Commitment: Cross Government Support to our Armed Forces, their Families and Veterans* (July 2008) made it clear that injured service personnel who bought a home through what was then the Key Worker Living Scheme might be eligible for a DFG to carry out necessary adaptation work.
- » Affordable housing schemes for Services Personnel: There are a number of housing schemes available to the Service and ex-Service community (e.g. Homebuy, Help to Buy, NewBuy)
- » MOD Referral Scheme with Housing Associations in about 180 locations aims to provide low-cost, rented accommodation for people coming out of the Services.

Darlington

^{9.3} The numbers of service personnel living in Darlington is relatively low compared to the overall HMA population. There are 462 people living in a household and none in barracks. However, Catterick is 15 miles away and there are a considerable number of service personnel stationed there; this could have an impact on Darlington if the borough were ever expected to meet some of the bases housing need or if the base were to expand significantly.

Figure 29: Armed Forces living in Darlington (Source: Census 2011)

Residence Type	Darlington	Richmondshire
Lives in a household	462	1,744
Lives in a communal establishment	0	3,291

- ^{9.4} However, the armed forces are currently being reduced in size. The Army has reduced from 102,000 regulars in 2010 to 82,000 by 2017 (although increasing the number of reservists). The Royal Navy will reduce from 35,500 regulars in 2010 to 30,000 in 2020 and the RAF from 40,130 regulars in 2010 to 35,000 in 2020. It seems unlikely that the number of service personnel either in Darlington or in other areas will increase sufficient to create a potential demand in the HMA in coming years.
- ^{1.2} Of course, there may be ex-service personnel who return to Darlington as a result of service reductions, and this could increase demand for housing. There may also be an increase in obligation towards housing armed forces personnel as a result of the changes to allocation of affordable and social housing. However, overall this potential demand increase seems relatively modest.

Conclusion

- ^{9.5} We do not expect increased demand for housing in the HMA as a result of overall service personnel reductions, nor from adjacent areas where any increase may need to be accommodated in the borough. However, there may be an increase in obligation towards housing armed forces personnel as a result of the changes to allocations and purchase options, although we expect this to be relatively modest.

10. Stakeholder Engagement

10.1 Stakeholder Engagement Fieldwork was separated into the following methodological strands:

- Fieldwork telephone interviews with stakeholders (21 completed interviews);
- Stakeholder focus group (one with public sector stakeholders and one with private sector stakeholders) held on 20th May 2015;

Guidance

10.2 PPG: Housing and economic development needs assessments revision says that local planning authorities need to work with:

Local communities, partner organisations, Local Enterprise Partnerships, businesses and business representative organisations, universities and higher education establishments, house builders (including those specialising in older people's housing), parish and town councils, designated neighbourhood forums preparing neighbourhood plans and housing associations should be involved from the earliest stages of plan preparation, which includes the preparation of the evidence base in relation to development needs.

PPG Paragraph 007 Revision date: 20 03 2015

Stakeholder engagement

10.3 The SHMA study included engagement with stakeholders using telephone interviews to a structured Topic Guide. This sought their views on various aspects of the current market, and these views informed the quantitative outputs from the SHMA study.

10.4 The SHMA was presented to a wider stakeholder group at an event held on 20th May 2015. The aim of the event was to introduce the study in terms of its aim and methods employed, provide an opportunity to feedback on the emerging outputs and to enable engagement in the process to ensure local views and experiences are taken into account.

10.5 The fieldwork and stakeholder event included the following:

Stakeholder	Who
Housing providers and enablers	Local RPs, Private Landlords, landlords representative bodies, estate agents and Council
Developers/landowners	Key local and national housebuilders, planning agents and Representative bodies
Specialist Groups	PCs/residents associations/neighbourhood forums
Businesses & business reps	North East Chamber of commerce & employers in the area
Partner organisations	Universities/Local Strategic Partnerships

Stakeholder views

- ^{10.6} The field interviews highlighted how Darlington town and Borough are perceived by the majority of stakeholders as being a pleasant place to live and work. It is said to have excellent road and rail links to London, Durham and Leeds which makes it ideal for commuting to work. Recent regeneration has brought innovation to the area including the new Biologics centre in Darlington.
- ^{10.7} The people living in the area are said to be a mix of older, working and younger people. There are professionals and higher wage earners living in the borough who commute out of the area. There are said to be aspirational areas such as the West End, Middleton St George, Hurworth and Haughton. More deprived areas are said to need regeneration e.g. Skerne Park and Red Hall. It is said that the old Feetham Stadium will be regenerated but some developers believe this area will not be attractive to house buyers.
- ^{10.8} The following challenges were highlighted:
- » Lack of independent shops, increase in charity, empty shops and expense of parking in Darlington makes it less attractive as a shopping destination;
 - » Lack of employment, employment opportunities & levels of worklessness especially for the young;
 - » Increase in traffic congestion and road layout splits the town in two resulting in a loss of community;
 - » An aging population with insufficient and suitable accommodation to meet future demand;
 - » Darlington being small may have lost its sense of identity and how it relates to the wider area or specific areas such as Teesside or Tees Valley.
- ^{10.9} With regard to retail and residential areas of Darlington town it was reported that the Council is working with local employers, retailers, local community groups and the North East Chamber of Commerce; this work has produced a strategic plan for the area.
- ^{10.10} There are up to 3 major employers in the area and a reliance on the public sector. It was said that larger employers are not being attracted to the area and this is a concern. It was suggested there is a need to improve the area's image and promote benefits such as the airport and transport links which could attract both investment and new employment opportunities.
- ^{10.11} It appears that employers are not looking to grow significantly and, from this aspect, it appears unlikely to be an impact on housing. It was said there is a shortage of local skilled workforce for specific industries e.g. chemical engineering and employers' are advertising vacancies in the South of England and abroad.
- ^{10.12} Teesside University have a campus in the area but this does not provide accommodation. Although the aim is to expand the range of courses students attending the campus are likely to live at home or be mature students with their accommodation needs met.

- ^{10.13} The housing market is said to be buoyant and some agents reported a slight improvement on sales compared to last year. Most popular house types to buy are bungalows and detached houses but there is a lack of supply of these.
- ^{10.14} The private rental market is strong. Many people are reportedly moving back to the area for work reasons, but not necessarily to work actually in Darlington. Buy to let appears to have fallen since the recession and does not appear to have picked up. Most popular house types to rent are said to be 2-4 bed houses, but small 2 bed cottages are harder to let. There is said to be an emerging trend for older people to sell larger properties to downsize to rent for the short and long term. Landlords are less likely to let to those on benefits.
- ^{10.15} In terms of new development, stakeholders reported that land prices are diverse in the area. Barriers to supply included the lack of skilled labour, lack of deliverable and viable sites and the planning framework; this included the need for the Council to have an up-to-date Local Plan. Some stakeholders reported that the planning department can at times be inflexible, negative and their policies and decision making appeared to be inconsistent. It was suggested this was a good time for the Council to take control and have strong leadership.
- ^{10.16} Some stakeholders said there is land in the area that cannot be developed due to gypsum levels, the need to protect the existing environment (green field land) and land designated as flood risk. There are areas in Darlington where land is cheaper, but these are where people do not want to live. House prices would have to be much lower to make properties attractive; this makes sites unviable.
- ^{10.17} It was suggested that at this time the Council should take the opportunity to build affordable housing whilst the market is buoyant as when the market is flat developers are less able to meet their Section 106 contributions.
- ^{10.18} Some developers are more risk adverse following the recession although development in Darlington is more viable than in other areas albeit it takes longer to sell the properties and get a return on investment.
- ^{10.19} There is some concern about the lack of infrastructure to cope with further development. Land banking (and/or national builders buying land or having an option on land) may delay development in the hope of land value rises. Another concern (for purchasers) highlighted related to developers only meeting the minimum standards for energy efficiency rather than exceeding them.
- ^{10.20} In terms of new development sales, the cost of houses for first time buyers is said to be an issue and particularly the ability to raise a mortgage because of low local incomes. It was reported that young people aspire to new build as opposed to older style terraced housing which makes up a lot of the housing stock in the area. One developer reported that 40% of all new build sales (across their operational area) had been assisted through the Help to Buy scheme. There are a number of flats already developed or are waiting to be developed in the area when this is not what the demand is for or what may attract new people into the area such as executive homes. Some unsold flats are being used for PRS.

^{10.21} Most successful house types are said to be 2 bedroom starter homes and 3-4 semi-detached and detached houses. Some developers are building houses suitable for older people such as flats and bungalows but these are generic and do not include additional facilities or services. It is known that a planning application has been submitted to the Council to redevelop part of the former Darlington Arts Centre on Trinity Road for 35 retirement living apartments.

^{10.22} In relation to affordable housing, stakeholders reported the following:

» Some affordable housing stock in the area is said to be in poor condition and needs to be improved or knocked down to regenerate the areas;

» Council departments may be working in silos e.g. land owned by the Council is perceived as an asset and should be sold at maximum value. It appears that selling land at the same value to a developer as to an RP where housing being built will be for affordable housing for local people, a strategic housing priority, rather than profit is not taken into account by the Council;

» The oversupply of furnished flats at lower rents in the private rental sector means RPs are finding it hard to let their flats;

» There is said to be several sheltered housing schemes for older people, some bungalows for those with special needs and a hostel for younger people. New schemes, including Extra Care and specialist bungalows are unlikely to be developed because future support and revenue costs are unlikely to make development viable. Bungalows are more likely to be developed, but these will be generic.

» In relation to Section 106 Agreements there is a mismatch between the Council's Housing Strategy stating the need 3 bedroom properties (which are hard to let) and developers who want to provide 1 bedroom flats for which there is over supply; what is believed is need are 2 bedroom bungalows or houses;

» There is also a concern that what developers are building as part of their contribution of affordable housing does not meet the standards required by RPs in terms of size and/or quality.

^{10.23} The majority of stakeholders had a positive view of the Council and said their relationship with officers was excellent.

Stakeholder Workshops May 2015

^{10.24} Two separate workshops with public and private stakeholders were held at Darlington Borough Council. A presentation was made regarding the SHMA methodology and comments and queries invited from participants. These are summarised below.

Private sector

^{10.25} Stakeholders were keen to understand how economic growth assumptions would be used in the study. It was explained that these have become an increasingly important part of SHMA's and particular attention would be made to them in the final report. There was a need for any job growth assumptions to be aligned to Darlington's Economic strategy. Further, there was

discussion of the need to have a realistic figure for jobs growth and observations were made that many projections elsewhere were overly aspirational.

- ^{10.26} Attendees were keen to understand how the HMA might be defined and how any future changes or amendments might be shared. It was explained that the defined HMA was based on the available evidence and this would be unlikely to change in the short to medium term.
- ^{10.27} The SHMAs initial conclusions were generally accepted and one registered provider highlighted how the housing numbers aligned with relative demand for affordable homes locally.
- ^{10.28} The situation with Durham's Examination was touched on and it was explained how the learning points from the Durham experience were being included in the Darlington study.
- ^{10.29} In terms of specific needs, it was also explained how there would be a differentiation between general and specialist supported housing in the outputs.
- ^{10.30} There was considerable interest in the population data and the seeming issues around the 1991 Census, the reduction in Darlington population in the late 1990's and the growth in population between 2001 and 2011. Attendees reflected on particular events such as the factory closures in late 1990's (e.g. Rothmans) and how key employers locally had contracted (e.g. Rail engineering businesses). There was also interest in how strong house building delivery was between 2001-2011, but this had not happened after that year.
- ^{10.31} In terms of the comparators for Market Signals, several comments and observations were made. Redcar & Cleveland did not seem a convincing comparator given its difference in terms of local economy, housing stock and unemployment levels. However, Redcar was similar in terms of population loss. There was some concern that the use of comparators may be a statistics based exercise which tends to objectivity, while identification of comparators using subjective measures may also be useful.

Public Sector

- ^{10.32} In terms of the defined HMA, comments were made that Darlington has always been 'unique' in its residential offer and that it was relatively self-contained ('if you live in Darlington you work in Darlington')
- ^{10.33} There was comment made that the defined HMA containment should effectively reflect other surrounding areas clearly e.g. there are acknowledged links to North Yorkshire but the evidence needs to be clear on other areas to the north, west and east. Attendees were also keen that HMA findings should be shared with Durham given recent Examination experience there (it was confirmed that this had already taken place).
- ^{10.34} One commentator advised that the recent Hartlepool SHMA had also concluded that Hartlepool was self-contained
- ^{10.35} On the Population issues, several observations were made:
- » Between 1991-2001 Darlington had seen significant growth in nursing homes

- » The same period had also seen property investment by investors (and this had ‘over-supplied’ rental market in parts of the borough.
- » Darlington’s consideration of demographics needed to learn the lessons from Inspectors findings.

^{10.36} On Comparator areas, it was noted that Hartlepool and Darlington have relatively similar characteristics although Darlington is perceived as economically stronger. The comparators were generally accepted in view of similar property and rental values. However, it was noted that the cultural life of Darlington was more akin to that of North Yorkshire. Overall, in terms of objective measures Darlington was similar to comparators, although personal and other subjective measures suggested it may be not.

^{10.37} One commentator was interested in the treatment of Affordability and whether the study would consider median or lower quartile rent. It was explained that Guidance now considered local affordability assumptions

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