Opinion Research Services

Excellent research for the public, voluntary and private sectors

Darlington Strategic Housing Market Assessment 2020

Report of Findings

December 2020

Contents

1. Introducing the Study

Background to the project

Introduction

1.1 Opinion Research Services (ORS) was commissioned by Darlington Borough Council in 2015 to prepare a Strategic Housing Market Assessment, which was subsequently published as Part 1 Objectively Assessed Needs including affordable housing and Part 2 which considered the housing needs of particular groups.

1.2 An update to Part 1 was published in 2017 to reconsider the overall housing need for Darlington and this found an annual need for 459 dwellings. plus the equivalent of 33 more dwellings to provide for Class C2 needs. However, the need for affordable housing and the needs of particular groups were not reassessed in that study.

1.3 Since 2015, the National Planning Policy Framework and Planning Practice Guidance for housing needs has been updated and the date range for the proposed Darlington Local Plan has been changed from 2011-36 to 2016-36. Therefore, the evidence to be found in both Parts 1 and 2 of the SHMA 2015 is now over 5 years old and references policies and guidance which is now out of date.

1.4 This current study utilises with the 2017 updated overall housing need figure of 459 dwellings annum plus the 33 dwellings to provide for Class C2 needs, but provides up to date information on affordable housing needs and the needs of particular groups in line with current policy requirements. It also includes information from the SHMA 2015, such as the section on Housing Market Areas, to ensure that with the 2017 update it can be read without further need to reference the SHMA 2015.

Government Policy

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

1.6 The Original NPPF had a presumption in favour of sustainable development, and paragraph 47 stated that Local Plans should meet *"the full, objectively assessed needs for market and affordable housing in the housing market area".* The responsibility for establishing housing need rested with the local planning authority and Paragraph 159 of the Original NPPF set out that they *"should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries".*

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

1.8 Under the Revised NPPF, local planning authorities are still responsible for assessing their local housing needs; however, Paragraph 60 identifies that *"strategic policies should be informed by a local housing need*

assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach". This represents a significant change, as the standard method sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is now constrained to a minimum figure that is determined centrally by the Government.

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

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

1.11 Under the Original NPPF, affordable housing need was based on those who could not afford to buy <u>or</u> rent in the market. Households who could afford market rent were not counted as in affordable housing need even if they would have preferred to buy and couldn't afford to do so. However, the latest PPG states that assessments must now include the needs of *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership must now be counted as being in affordable housing need.

Covid 19

1.12 Queries have been raised across the country about the impact of Covid 19 on population projections. However, unless Covid 19 becomes an recurring event the impact on population projections over a plan period is likely to be minimal. Similarly, any movement away from major cities to rural locations cannot yet be taken as a long-term trend. Therefore, we have made no adjustments within this study in light of the impact of Covid 19.

Brexit

1.13 It is important to recognise that at this stage there is still great uncertainty as to the nature of any future trade relationship with the EU and therefore the potential short, medium, and long-term implications of Brexit on the UK economy. As a result, there is little clarity on what that will mean for the economy or housing needs, so it is difficult to specifically account for at this stage and again we have made no specific adjustments to the report.

2. Defining the Housing Market Area
An Evidence Base to Identify Functional Housing Markets

2.1   The Darlington Strategic Housing Market Assessment 2015 Part 1 – Objectively Assessed Needs considered the Housing Market Area covering Darlington. No new data has been published since the time of that analysis which would require an update to the conclusions. Therefore, we have reproduced the analysis below as part of this update of the 2015 SHMA to ensure the reader does not need to refer back to the 2015 SHMA.

Functional Housing Market Areas

2.2   The definition of a functional housing market area is well-established as being "...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay" (Maclennan et al, 1998)[1].

Planning Practice Guidance

2.3   Planning Practice Guidance (PPG)[2] on the Assessment of housing and economic development needs (March 2014) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

> "A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work."

> "The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate."

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

   »   House prices and rates of change in house prices

   »   Household migration and search patterns

   »   Contextual data (e.g. travel to work area boundaries, retail and school catchment areas)

2.5   These sources are consistent with those identified in the CLG advice note 'Identifying sub-regional housing market areas' published in 2007[3].

Geography of Housing Market Areas (NHPAU/CURDS)

2.6   CLG also published a report on the 'Geography of Housing Market Areas' in 2010[4] which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential

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[1] Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes
[2] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/
[3] Identifying sub−regional housing market areas (CLG, March 2007); paragraph 1.6
[4] Geography of Housing Market Areas (CLG, November 2010)

methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. The report also proposed three overlapping tiers of geography for housing markets:

> » Tier 1: framework housing market areas defined by long distance commuting flows and the long-term spatial framework within which housing markets operate;

> » Tier 2: local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage: i.e. households moving without changing jobs;

> » Tier 3: sub-markets defined in terms of neighbourhoods or house type price premiums.

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

2.8 Advice recently published in the PAS OAN technical advice note also suggests that the main indicators will be migration and commuting (paragraph 5.4).

> *"The PPG provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. In practice, the main indicators used are migration and commuting. With regard to migration, the PPG explains that areas that form an HMA will be reasonably self-contained, so that…*

> *A relatively high proportion of household moves (typically 70%) are contained [within the area]. This excludes long-distance moves (e.g. those due to a change of lifestyle or retirement, reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs and schools)."*

2.9 The PAS OAN technical advice note suggests that analysis reported in the CLG report *"Geography of Housing Market Areas"* (CLG, November 2010) should provide a starting point for drawing HMAs. Figure 1 shows the local authority boundary (in BLACK) and compares these with the CURDS study (in RED) to consider their alignment. It is apparent that the CURDS study concluded that Darlington was split between a very large geographical HMA covering Hambleton and Richmondshire to the south and an area including parts of County Durham and Stockton on Tees Borough to the east and north.

Figure 1: NHPAU Study – PAS OAN technical advice note 'Starting Point' (Source: NHPAU/CURDS 2010)
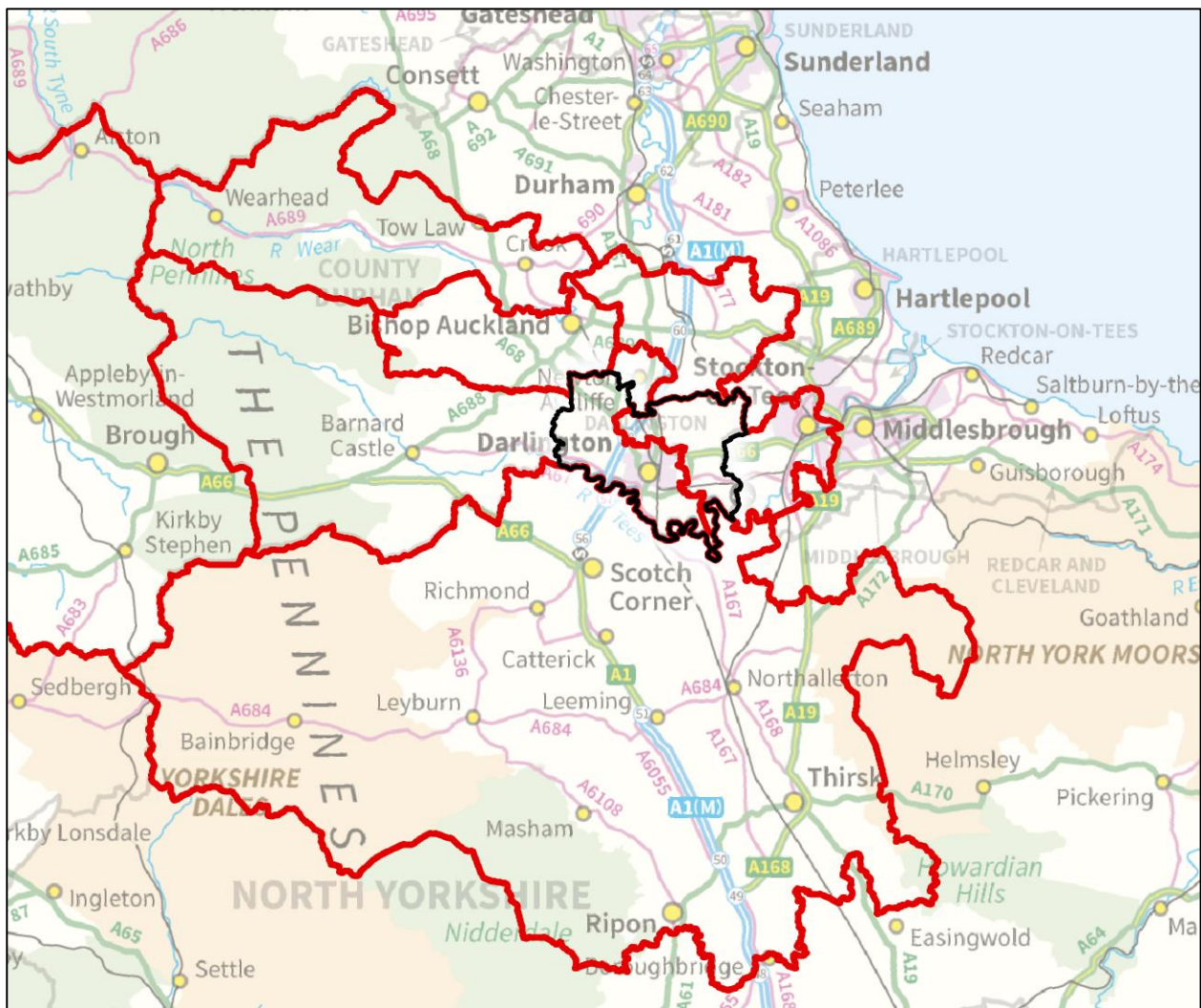
ONS Travel to Work Areas

2.10 Housing market areas reflect "the key functional linkages between places where people live and work" and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns. PPG (Paragraph 11) states:

> "Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use)."

2.11 One of the PPG suggested data sources is the Office for National Statistics travel to work areas (TTWAs). Figure 2 shows the latest ONS TTWAs. These were published in 2015 and are based on the origin-destination data from the 2011 Census.

Figure 2:   ONS Travel To Work Areas (Source: ONS Geography and GIS mapping Unit 2015)
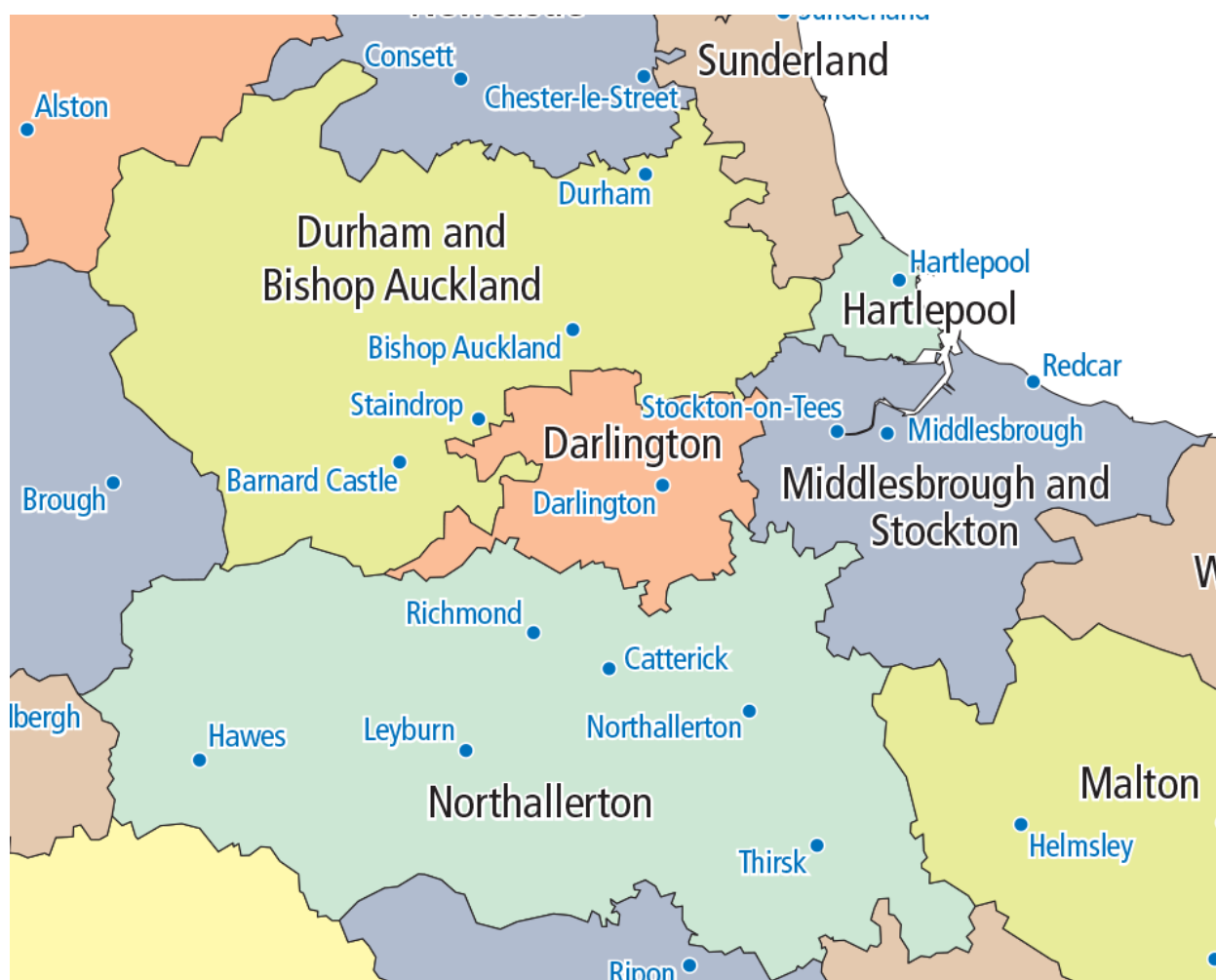
2.12   Once again, the Darlington TTWA extends in to both North Yorkshire and Durham, but it both cases the areas beyond the boundaries of Darlington are lightly populated.

Valuation Office Agency Broad Rental Market Areas

2.13   The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance rate (LHA), the allowance paid to Housing Benefit applicants. The BRMA area is based on an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping.

2.14   When determining BRMAs the Rent Officer takes account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area. Therefore BRMAs are areas within which it would be reasonable to expect a household needing local housing allowance support to move to another settlement within the area in order to find suitable housing.

2.15   The BRMA areas for Darlington and surrounding areas are shown in green lines in Figure 3. It is evident that almost the whole of Darlington falls into one BRMA, which extends across the southern part of County Durham to encompass Barnard Castle and the northern part of Richmondshire to encompass Scotch Corner.

Figure 3:   Comparison of VOA BRMA and ORS HMA analysis
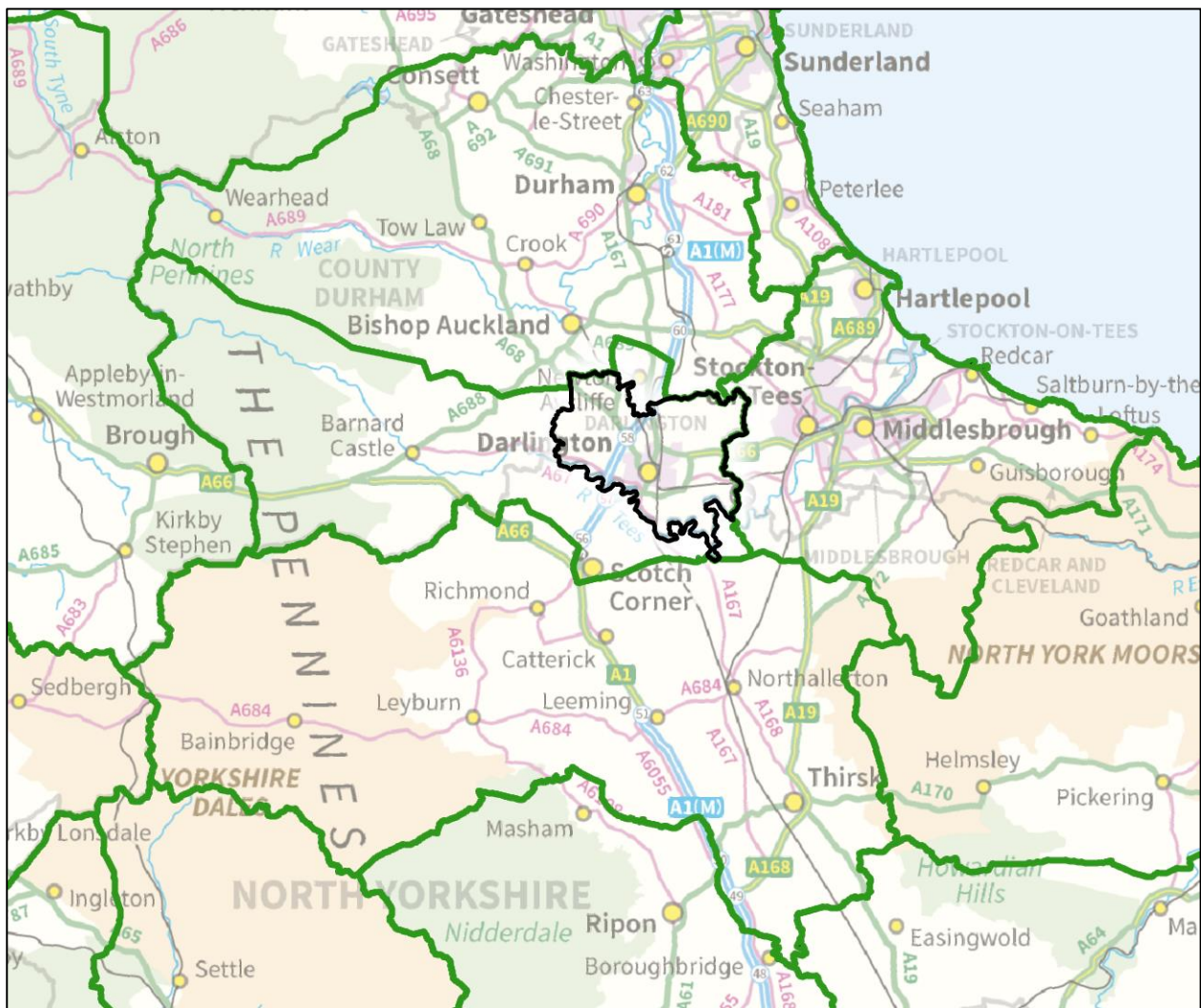
Administrative Boundaries and Housing Market Areas

2.16   The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect <u>functional</u> linkages between places where people live and work. The previous 2007 CLG advice note[5] also established that functional housing market areas should not be constrained by administrative boundaries, nevertheless it suggested the need for a "best fit" approximation to local authority areas for developing evidence and policy (paragraph 9):

> *"The extent of sub-regional functional housing market areas identified will vary and many*
> *will in practice cut across local authority administrative boundaries. For these reasons,*
> *regions and local authorities will want to consider, for the purposes of developing evidence*
> *bases and policy, using a pragmatic approach that <u>groups local authority administrative</u>*
> *<u>areas together as an approximation for functional sub-regional housing market areas</u>."*

2.17   This "best fit" approximation has also been suggested by the recent PAS OAN technical advice note, which suggests (paragraph 5.21):

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[5] Identifying sub-regional housing market areas (CLG, March 2007)

"It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis is becomes impossibly complex. There may also be 'cliff edge' effects at the HMA boundary, for example development allowed on one side of a road but not the other."

2.18　This means there is a need for balance in methodological approach:

　　　》　On the one hand, it is important that the process of analysis and identification for the functional housing market areas should not be constrained by local authority boundaries. This allows the full extent of each functional housing market to be properly understood and ensures that all of the constituent local planning authorities can work together under the duty to cooperate, as set out in Guidance (PPG, paragraph 10).

　　　》　On the other hand, and as suggested by the recent PAS advice note (and the previous CLG advice note), it is also necessary to identify a "best fit" for each functional housing market area that is based on local planning authority boundaries. This "best fit" area provides an appropriate basis for analysing evidence and drafting policy, and would normally represent the group of authorities that would take responsibility for undertaking a Strategic Housing Market Assessment (SHMA).

2.19　In summary, the approach to defining housing market areas needs to balance robust analysis with pragmatic administrative requirements.

2.20　Based on the range of analysis that we have considered, it is evident that the geography of housing market areas around Darlington is complex. There are clearly important functional relationships with Durham to the north and West, the rest of Teesside to the east and Hambleton and Richmondshire to the south, so it is relevant to note that PPG recognises that *"it might be the case that housing market areas overlap"* (paragraph 10).

2.21　Despite these wider relationships, the VOA identifies Darlington Borough as part of one discrete BRMA which extends across the southern area of County Durham and the northern part of Richmondshire – so they do not consider it reasonable or practical for a household that requires housing benefit support to move from Darlington to either the rest of Teesside or to the less populous areas of North Yorkshire or County Durham.

Key Statistics for Darlington HMA

Migration within the UK to and from Darlington

2.22　Figure 4 shows that a total of 7,160 residents currently living in Darlington had moved there from another address within Darlington in the 12 months prior to the Census. This amounts to 65.0% of all moves for people currently living in Darlington.

2.23　Figure 4 also identifies the current residence of those who previously lived in Darlington and moved in the 12 months prior to the Census. This analysis also shows that 67.4% of previous residents of Darlington who moved stayed within the local authority.

2.24　Nevertheless, the definition for a Housing Market Area sets out that it is the area *"where most of those changing house without changing employment choose to stay"*. Unfortunately, no data is available that relates migration with changes in employment circumstances; but given that most working people will live

relatively close to their job, it is reasonable to assume that those migrants moving longer distances will tend to also change their place of work – so the containment rates for this group will inevitably be higher.

Figure 4: **Previous Area of Residence (12 months prior to Census) by Current Area of Residence (Source: 2011 Census of Population)**

Moves	Live in Darlington		Previously lived in Darlington	
	Moved within Darlington	Moved from elsewhere	Moved within Darlington	Moved elsewhere
All Moves				
Number	7,160	3,850	7,160	3,460
% of moves	65.0%	35.0%	67.4%	32.6%

Travel to Work Patterns

2.25 Whilst housing market areas are defined predominantly in terms of the areas *"where most of those changing house without changing employment choose to stay"*, it is also relevant to consider them in the context of *"...the geographical area in which a substantial majority of the employed population both live and work"*. It is therefore important to consider the extent to which the resident population work in the area and the workplace population live in the area.

2.26 The following tables demonstrate the levels of self-containment in Darlington, i.e. those who live and work in the area. Overall, this shows that 71.2% of people who live in Darlington also work in the area. Looked at from the other perspective, 64.7% of those who work in Darlington also live there.

Figure 5: **Workplace Location by Area of Residence (Source: 2011 Census of Population)**

Workers	Live in Darlington		Work in Darlington	
	Work in Darlington	Work Elsewhere	Live in Darlington	Live Elsewhere
Number of workers				
Number of workers	**33,870**	**13,680**	**33,870**	**18,450**
Proportion of workers	**71.2%**	28.8%	**64.7%**	35.3%

Conclusions

2.27 The CURDS HMA analysis indicates that Darlington Borough is split in two with the south and west part of the authority containing the town of Darlington strongly linked to North Yorkshire, while the northern and eastern part of Darlington Borough is closely linked with areas of Stockton on Tees and County Durham. Meanwhile, the TTWA indicates a close alignment between the Darlington TTWA and the local authority boundary. BRMAs indicate that there is one HMA in Darlington, which also extends in to relatively low populated areas of County Durham and Richmondshire.

2.28 Therefore, following on from PAS advice note (and the previous CLG advice note), and identifying a "best fit" local planning authority boundary, it does seem sensible for Darlington to be considered as a HMA in itself. This view is consistent with the previous SHMA for Darlington and the inspectors at the Examinations in Public for the County Durham Local Plan and Richmondshire Local Plan did not seek to include Darlington in their HMA.

3. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

3.1 This section represents an update of the analysis in the SHMA 2015 to include new data and the impact of policy changes. It represents a technical exercise to comply with the requirements of the NPPF and the PPG. We would note that all figures in this section relate to households, not dwellings, until Figure 21 where the results are converted in to the need for dwellings.

3.2 The definition of affordable housing was changed by the new National Planning Policy Framework (2018), with a specific emphasis now placed on affordable homeownership. Annex 2 of the Framework now defines affordable housing as being:

> *Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers)*
>
> **National Planning Policy Framework 2018, Annex 2**

3.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *"those that cannot afford their own homes, either to rent, or to own, where that is their aspiration"* [PPG ID 2a-020-20190220].

3.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent *and* those households who can afford to rent but would like to buy.

Figure 6:   Establishing the need for market and affordable housing
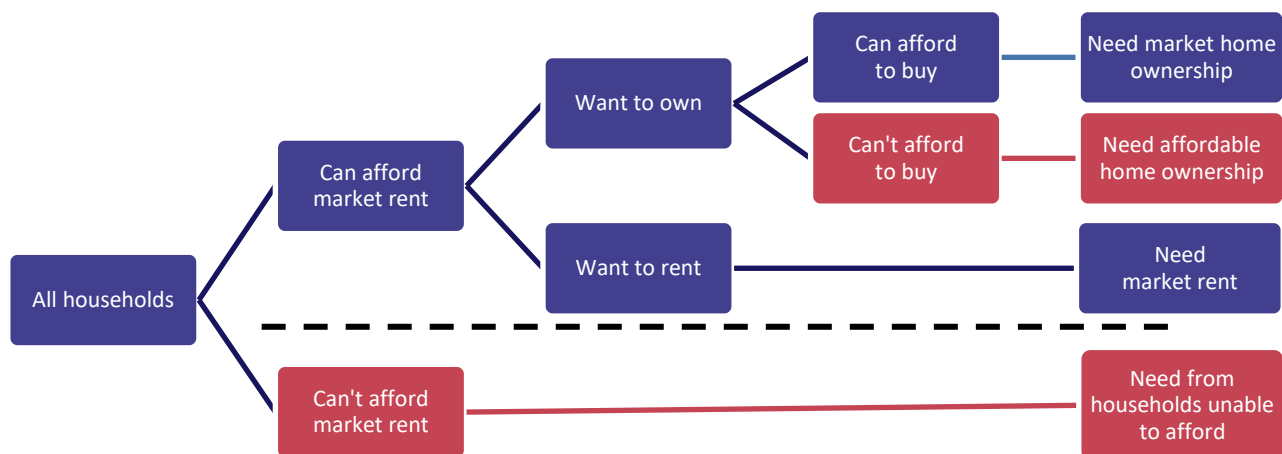
3.5 There is a well-established method for assessing the needs of households who cannot afford to own *or* rent suitable market housing. However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

Assessing Affordable Housing Needs

3.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.

3.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

3.8 The PPG identifies that "projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need" (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.

3.9 The affordability percentages in Figure 7 are calculated using detailed information from the 2011 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 7:   Assessing affordability by household type and age (Source: Census 2011 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
Single person household	24%	13%	35%	37%	40%	34%
Couple family with no dependent children	21%	7%	10%	7%	8%	13%
Couple family with 1 or more dependent children	39%	24%	13%	7%	12%	20%
Lone parent family with 1 or more dependent children	82%	64%	47%	37%	43%	55%
Other household type	53%	59%	39%	22%	20%	13%

Current Unmet Needs of Households Unable to Afford

3.10 Any exploration of housing need in an area must first give consideration to existing unmet needs. The PPG states:

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

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

» *the number of homeless households;*

» *the number of those in priority need who are currently housed in temporary accommodation;*

» *the number of households in overcrowded housing;*

» *the number of concealed households;*

> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
>
> » *the number of households from other tenures in need and those that cannot afford their own homes.*
>
> *Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.*
>
> **Planning Practice Guidance (February 2019), ID 2a-020-20190220**

3.11 Households assumed to be unable to afford housing include:

» All households that are currently **homeless**;

» All those currently housed in **temporary accommodation**; and

» People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

3.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2016.

3.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in Darlington.

3.14 **Concealed families** are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).

3.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

3.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.

3.17 Figure 8 sets out the assessment of current affordable housing need for Darlington:

**Figure 8:   Assessing current unmet gross need for affordable housing (Source: ORS Housing Model)**

	Affordable Housing			Current unmet Housing Need
	Gross Need	Supply	Net Need	
Homeless households in priority need [Source: CLG P1E returns 2016]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	3		3	3
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	0		0	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	1	1	0	
Households accepted as homeless but without temporary accommodation provided	6		6	6
Concealed households [Source: Census 2001 and 2011]				
Growth in concealed families with family representatives aged under 55	63		63	63
Overcrowding based on the bedroom standard [Source: Census 2011 and English Housing Survey]				
Households living in overcrowded private rented housing	247		247	
Households living in overcrowded social rented housing	273	273	0	
Other households living in unsuitable housing that cannot afford their own home [Source: CLG Local Authority Housing Statistics 2016]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	222	11	211	
People who need to move to a particular locality in the authority, where failure to meet that need would cause hardship (to themselves or to others)	27	1	26	
TOTAL	**842**	**286**	**556**	**72**

3.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 842 households are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting, as far as possible.

3.19 Of these households, 286 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.

3.20 There is, therefore, a net affordable housing need of 556 households (842 less 286 = 556). However, depending on property types and size of households in need, a higher number of new homes _may_ be needed to ensure there is no overcrowding.

3.21 Providing the net affordable housing need for 556 households will release back into the market (mainly in the private rented sector) the dwellings currently occupied by a total of 484 households (556 less the 72 households which are homeless or concealed and thus do not release dwellings).

Projected Future Need of Households Unable to Afford

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

3.23 Figure 9 shows the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 9:   **Annual change in household numbers in each age cohort by age of HRP in Darlington (Source: ORS Housing Model)**
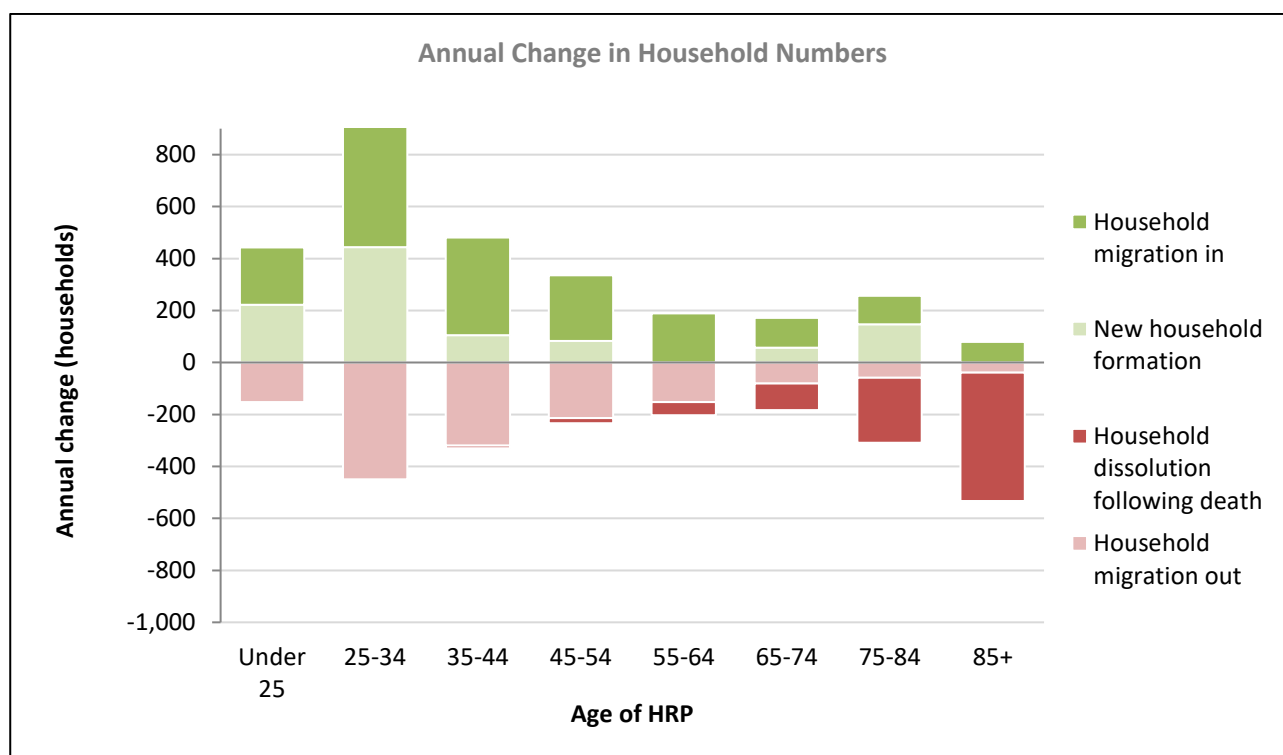
3.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables looks at the impact of different types of household.

Figure 10: **Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	977	657	320	33%
Households migrating into the area	1,858	1,341	517	28%
All new households	**+2,835**	**+1,998**	**+837**	**30%**

3.25 The ORS Model identifies 977 new households projected to form in Darlington each year, of which 33% will be unable to afford their housing costs. This amounts to 320 households each year.

3.26 The model also considers new households migrating to the area. The projection is for 1,858 households per annum of which 28% (517 households) will be unable to afford their housing costs.

3.27 **This results in a total of 837 <u>new</u> households in need of affordable housing** (Figure 10).

Figure 11:   Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	931	691	240	26%
Households migrating <u>out</u> of the area	1,468	1,062	406	28%
All households no longer present	**+2,399**	**+1,754**	**+645**	**27%**

3.28 PPG identifies that "there will be a current supply of housing stock that can be used to accommodate households in affordable housing need" and that it is necessary to establish "the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need" (ID 2a-022).

3.29 The model identifies 931 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright however, 240 of these are likely to have been unable to afford market housing and will mostly be living in social rented housing.

3.30 In addition, some households that are unable to afford housing are will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies that 1,468 households will migrate <u>out</u> of the area each year, including 406 households who are unable to afford their housing costs. A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).

3.31 **Altogether, there are 645 households who will vacate affordable dwellings or will no longer be waiting for a home (**Figure 11**).**

Figure 12:   Annual components of Household Growth 2016-36 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-203	+203	100%
Existing households climbing out of need	-	+264	-264	0%
Change in existing households	**-**	**+61**	**-61**	**-**

3.32 PPG also identifies that it is important to estimate *"the number of existing households falling into need"* (ID 2a-021). Whilst established households that continue to live in Darlington will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and it is estimated that 203 established households will fall into need in Darlington each year.

3.33 However, established households' circumstances can also improve. For example:

» When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).

» Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.

3.34 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies that the circumstances of 264 households will improve such that they become able to afford their housing costs having previously being unable to afford.

3.35 Therefore, considering the changing needs of existing households overall, **there is a net <u>decrease</u> of 61 existing households needing affordable housing each year** (Figure 12).

3.36 The following table (Figure 13) summarises the overall impact of

» new households adding to housing need,

» the households no longer present reducing housing need and

» the changes in circumstances impacting existing households.

Figure 13:   Annual components of Household Growth 2016-36 (Source: ORS Housing Model)

		All households	Households able to afford housing costs	Households unable to afford housing costs
All new households		2,835	1,998	837
All households no longer present		2,399	1,754	645
Change in existing households		-	+61	-61
Future affordable housing need 2016-36	**Annual average**	**+436**	**+305**	**+131**
	20-year Total	**+8,716**	**+6,103**	**+2,612**

3.37 Overall reviewing the contribution of each element amounts **to an additional 2,612 households needing affordable housing over the 20-year period 2016-36.**

Needs of Households Aspiring to Homeownership

Home Ownership Trends

3.38 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.

3.39 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 14).

Figure 14: Percentage of Owner Occupiers by Age Group 2001-2016 (Source: English Housing Survey)
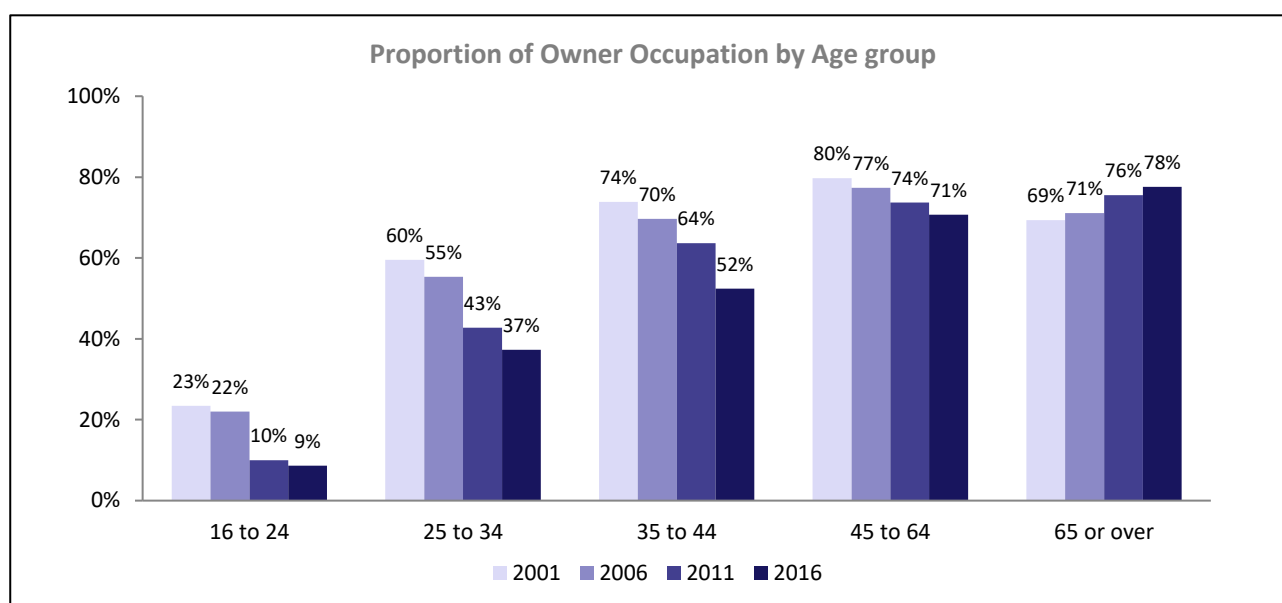
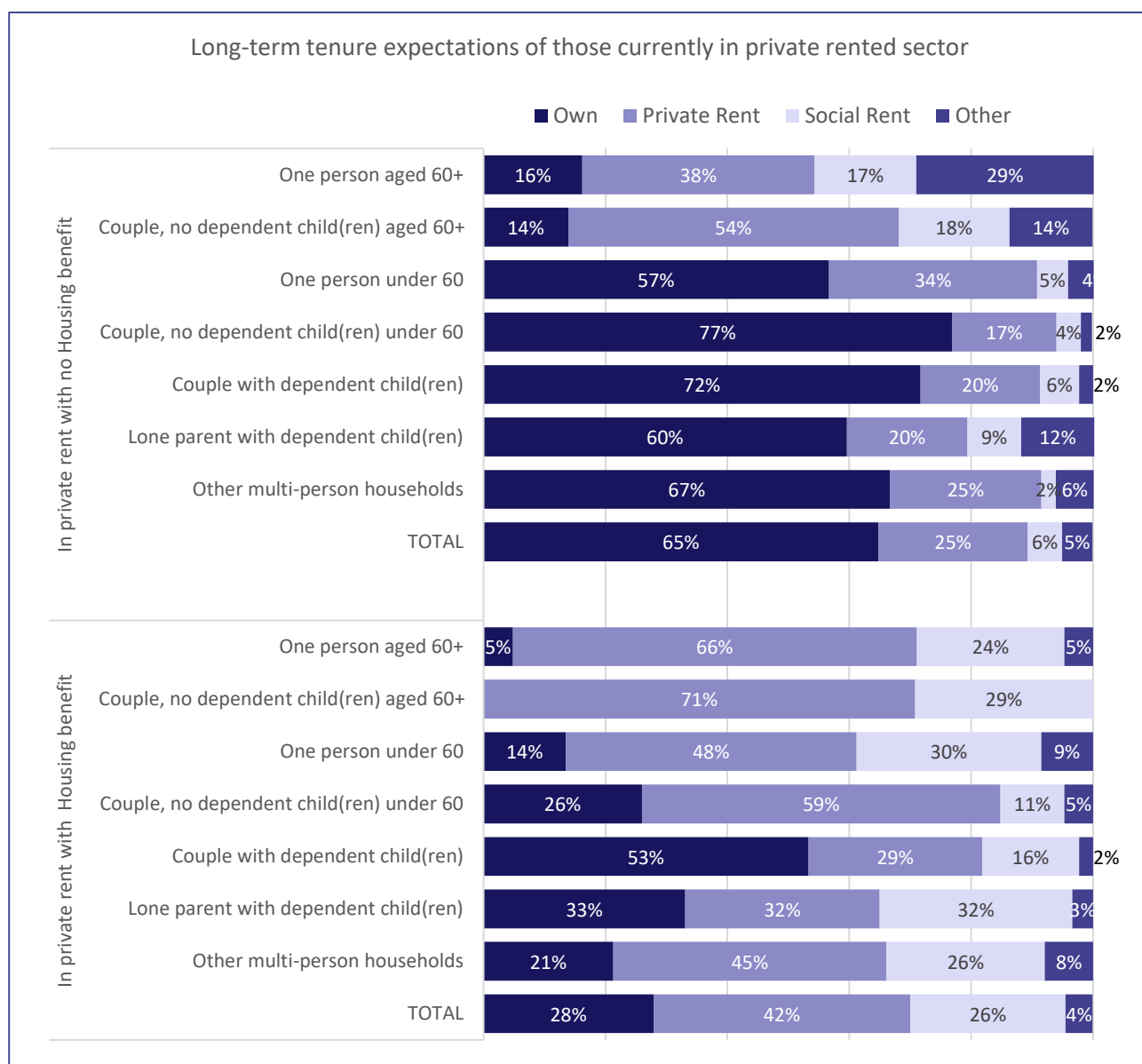## Establishing the number of households aspiring to home ownership

3.40 English Housing Survey data shows that, unsurprisingly, 96% of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (54%) of households who rent privately and almost a fifth (18%) of those in social rented housing aspire to homeownership.

Figure 15: Long-term aspirations (Source: English Housing Survey 2013/4)

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

3.41 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy.

3.42 The following chart (Figure 16) shows long-term tenure aspirations of those in private rent by household type as well as whether they are currently in receipt of housing benefit.

3.43 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with an HRP over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).

3.44 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

Figure 16: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support
(Source: English Housing Survey 2013-14. Note: Own includes shared ownership)

Long-term tenure expectations of those currently in private rented sector

Legend: ■ Own ■ Private Rent ■ Social Rent ■ Other

In private rent with no Housing benefit

Household type	Own	Private Rent	Social Rent	Other
One person aged 60+	16%	38%	17%	29%
Couple, no dependent child(ren) aged 60+	14%	54%	18%	14%
One person under 60	57%	34%	5%	4
Couple, no dependent child(ren) under 60	77%	17%	4%	2%
Couple with dependent child(ren)	72%	20%	6%	2%
Lone parent with dependent child(ren)	60%	20%	9%	12%
Other multi-person households	67%	25%	2%	6%
TOTAL	65%	25%	6%	5%

In private rent with Housing benefit

Household type	Own	Private Rent	Social Rent	Other
One person aged 60+	5%	66%	24%	5%
Couple, no dependent child(ren) aged 60+		71%	29%	
One person under 60	14%	48%	30%	9%
Couple, no dependent child(ren) under 60	26%	59%	11%	5%
Couple with dependent child(ren)	53%	29%	16%	2%
Lone parent with dependent child(ren)	33%	32%	32%	3%
Other multi-person households	21%	45%	26%	8%
TOTAL	28%	42%	26%	4%

Additional Need for Affordable Homeownership

3.45 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS 2013-14, Figure 17 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need.

Figure 17: Households currently living in the Private Rented Sector and paying their own rent that aspire to home ownership (Note: Figures may not sum due to rounding)

| Household Type | Age of Household Representative | | | | | | TOTAL |
	15-24	25-34	35-44	45-54	55-64	65+	
Single person	200	541	234	106	16	24	1,122
Couple without children	71	347	80	109	78	23	708
Families with child(ren)	99	466	320	92	0	0	977
Other households	34	0	9	17	27	0	87
Total	404	1,354	643	325	121	47	2,894
Percentage of households	14%	47%	22%	11%	4%	2%	*100%*

3.46 Based on this analysis, we can estimate that there is a total of around 2,894 households currently resident in Darlington who cannot afford to own their own home but would aspire to do so. 61% of these households are aged 15-34 with the substantial majority (83%) aged under 45.

3.47 In addition to the current need, it is also important to consider new households that are projected to form over the period 2016-2036. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 2,116 households that form over the 20-year period who will be able to afford to pay market rent but unable to afford to own, despite that being their aspiration. **Overall, there are likely to be 5,010 households who aspire to homeownership but who cannot afford to buy their own home over the period 2016-36, a net annual need of 251 per year.**

3.48 When identifying the need for Affordable Home Ownership (AHO) including First Homes, it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.

Identifying the Overall Affordable Housing Need

3.49 Figure 18 brings together the information on assessing the unmet need for affordable housing in 2020 together with the future need for affordable housing and those aspiring to home ownership arising over the 20-year period 2016-36. It can be noted that this assessment has no regard for whether those aspiring can access affordable home ownership options.

Figure 18: Assessing total need for affordable housing 2016-2036 (Source: ORS Housing Model)

| | Affordable Housing Need | | Overall Affordable Housing Need |
	Households unable to afford	Households aspiring to home ownership	
Current housing need in 2016	556	2,894	3,450
Future housing need 2016-36	2,612	2,116	4,728
TOTAL HOUSING NEED	3,168	5,010	8,178

3.50 On this basis, we can conclude that the overall need for affordable housing would comprise a total of 8,176 households over the 20-year period 2016-2036, equivalent to an average of 409 per annum.

3.51 This represents a substantial proportion of the annual need of 459 dwellings. This is due to a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

> ***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***
>
> *The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.*
>
> *This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?*
>
> *Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:*
>
> » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
>
> » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
>
> » *the anticipated deliverability of different forms of provision, having regard to viability.*
>
> **Planning Practice Guidance, ID 67-001-20190722**

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

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

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

3.54 It will be important for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. This represents a need from 3,168 households.

3.55 It is important to recognise that the figures for those who aspire to home ownership are based upon those households who currently can afford market rent. But these households would not necessarily choose new

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

3.56 Neither the NPPF or PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided. Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, it is unlikely that housing would be delivered at values below 60% of newbuild prices.[6] While 70% of market house prices is the maximum price suggested for a First Home in the consultation, a larger discount can be applied. However, if too large a discount is applied then this will significantly affect the viability of many schemes and lead to a reduction in the level of affordable housing which can be provided. Therefore, we have assumed a maximum discount of 40% on open market prices for properties which are compatible with the First Homes scheme.

3.57 Given this context, Figure 19 identifies those households with income that would be insufficient to afford 60% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

3.58 Of the 5,010 households who can afford to rent but who aspire to homeownership and cannot afford to buy, there would be 1,130 where the household had insufficient income to have a realistic prospect of being able to afford at 60% of open market values (Figure 19). Of the remaining dwellings for households with incomes above the minimum threshold, there would be 2,523 where the household had savings of less than £5,000 and were therefore unable to afford the assumed deposit in the local area.

Figure 19: **Affordable homeownership housing mix by household affordability to 2016-2036 (Source: ORS Housing Model)**

	All households aspiring to home ownership	MINUS households unable to afford 60% of newbuild LQ	Households able to afford 60% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford and have savings of £5,000 or more
1 bedroom	**516**	104	**412**	252	**160**
2 bedrooms	**2,678**	603	**2,075**	1,316	**758**
3 bedrooms	**1,592**	336	**1,256**	881	**375**
4+ bedrooms	**223**	86	**137**	73	**65**
TOTAL	**5,010**	**1,130**	**3,880**	**2,523**	**1,358**

3.59 On this basis, only 1,358 dwellings are needed for households that aspire to homeownership who have at least £5,000 in savings and incomes above the relevant threshold.

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[6] Developers will typically receive 50-60% of open market value when delivering Affordable Rented units

3.60 Whilst it will be a policy decision as to how much of the additional need for affordable homeownership from households able to afford market rent should be provided, it would seem appropriate to only plan for the needs of those 1,358 households likely to form an effective demand (i.e. those able to afford the various products that will be available) in addition to the 3,168 households unable to afford. Figure 20 provides a breakdown of the planned affordable housing on this basis.

Figure 20: **Overall need for Affordable Housing, including aspiring households able to access affordable home ownership, by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Affordable Housing Need		Planned Affordable Housing
	Households unable to afford	Households aspiring to home ownership	
1 bedroom	437	160	596
2 bedrooms	1,218	758	1,976
3 bedrooms	1,267	375	1,642
4+ bedrooms	246	65	311
TOTAL HOUSING NEED	**3,168**	**1,358**	**4,526**

3.61 The LHNA identifies an overall affordable housing need from 4,526 households over the 20-year period 2016-36 (226 per annum). This includes the needs from all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product.

3.62 However, it is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the Council may want to consider these households alongside those households living in private rented housing who aspire to home ownership.

Size and Tenure Mix based Upon LHN

3.63 All data from this point onwards of the report now reference dwellings, not households. Therefore, we have taken the results from Figure 20 and applied a vacancy and second rate to them which allows us to calculate the number of dwellings required in Darlington. The totals therefore now match the annual need figure 459 dwellings per annum plus the equivalent of 33 dwellings for Class C2 per annum.

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

3.65 It would therefore seem appropriate for the local authority to plan to provide 1,394 dwellings for households aspiring to homeownership in addition to the 3,252 dwellings for households unable to afford. Figure 21 provides a breakdown of the Local Housing Need of 9,840 dwellings between market and affordable housing on this basis. In summary, there is a need for:

Social rented housing = 2,175 dwellings (22.1%) for households unable to afford affordable rent;

Affordable Rent = 1,077 dwellings (10.9%) for households that can afford affordable rent but unable to afford market rent;

Affordable home ownership = 1,394 dwellings (14.2%), for households that can afford market rent but aspire to homeownership and have reasonable prospect of being able to afford this;

Market housing = 5,194 dwellings (52.8%); and

Market housing includes an allowance for C2 provision within the total housing need of 9,840= equivalent to 660 dwellings that would be counted against the minimum LHN target.

Figure 21 Planned overall need for Affordable Housing (including households aspiring to home ownership) and Market Housing by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Affordable Housing			Total Affordable Housing	Total Market Housing	Total
	Dwellings Unable to afford		Aspiring to Home Ownership			
	Social rent	Affordable Rent				
1 bedroom	384	64	164	612	-6	**606**
2 bedrooms	828	423	779	2,029	884	**2,913**
3 bedrooms	806	495	385	1,686	2,901	**4,587**
4+ bedrooms	157	95	67	319	754	**1,073**
DWELLINGS	**2,175**	**1,077**	**1,394**	**4,646**	**4,534**	**9,180**
C2 Dwellings	-	-	-	-	660	**660**
LHN	**2,175**	**1,077**	**1,394**	**4,646**	**5,194**	**9,840**
Percentage Split	**22.1%**	**10.9%**	**14.2%**	**47.2%**	**52.8%**	**100.0%**

3.66   The data indicates a split between affordable to rent and affordable to own of almost exactly 70:30. However, this must be placed in the context of local viability and policy considerations. In particular, the overall level of affordable housing need of 4,646 units is unlikely to be met, so Darlington will need to assess the relative priority given to different housing needs when setting policy targets.

Delivery 2016-2020

3.67   Figure 22 shows the that in the past 4 years, Darlington has achieved an average dwelling delivery of 452 per annum, which sits within the draft Local Plan dwelling requirement of 422-492 per annum. Affordable housing completions have been around 110 per annum, below the need figures set out in Figure 21. However, the delivery of affordable housing has been around 24% of the total dwelling delivery and is as high as could be expected given the levels of viability in Darlington.

Figure 22: Housing Delivery in Darlington 2016-2020 (Source: Darlington Borough Council. Note: Includes 49 Park Homes in the market total have been counted as 25 two bed and 24 three bed properties)

	Market Housing	Affordable Housing	TOTAL
1 bedroom	85	15	100
2 bedrooms	289	279	568
3 bedrooms	480	128	608
4+ bedrooms	515	19	534
TOTAL	**1,369**	**441**	**1,810**

Comparison with the 2015 SHMA Update

3.68 It is possible to compare Darlington Strategic Housing Market Assessment 2015 Part 1 – Objectively Assessed Needs with the figures set out above. Figure 53 of the SHMA 2015 (reproduced here as Figure 23) set out the size and tenure mix for the period 2011-36 for Darlington.

Figure 23: Housing mix of OAN for market and affordable housing 2011-36 (Source: Darlington Strategic Housing Market Assessment 2015 Part 1 – Objectively Assessed, Figure 53. Note: Figures may not sum exactly due to arithmetic rounding)

		Dwellings
MARKET HOUSING		
Flat	1 bedroom	28
	2+ bedrooms	265
House	2 bedrooms	1,915
	3 bedrooms	3,960
	4 bedrooms	870
	5+ bedrooms	89
Total Market Housing		**7,127**
AFFORDABLE HOUSING		
Flat	1 bedroom	796
	2+ bedrooms	301
House	2 bedrooms	1,355
	3 bedrooms	1,368
	4+ bedrooms	214
Total Affordable Housing		**4,033**
TOTAL		**11,160**

3.69 The SHMA 2015 assumed an overall annual housing growth rate of 446 dwellings per annum, with annual affordable housing need of 161 dwellings per annum which covered the need for affordable to rent and shared ownership properties. This represents 36% of the overall need. This current study has an affordable housing need to rent figure of 163 dwellings per annum which is 33% of the overall need.

3.70 These figures are comparable because they are both based upon households unable to afford the cost of market housing. However, this current study also includes the additional need from those who aspire to own, but who can afford to meet their own private rents. This amounts to a further 70 dwellings per annum which result from the need to consider private renters who aspire to own. Therefore, the additional affordable housing need contained in this study comes directly from the change in definition for affordable housing set out in Annex 2 of the NPPF 2018.

4. Needs of Different Groups

An exploration of need for target groups

Introduction

4.1 Paragraph 61 of the Revised NPPF requires that local planning authorities consider the needs of a range of groups within the population and this chapter considers the specific groups in turn. However, the needs of families with children and those who rent their homes have already been considered within earlier chapters and are therefore not repeated.
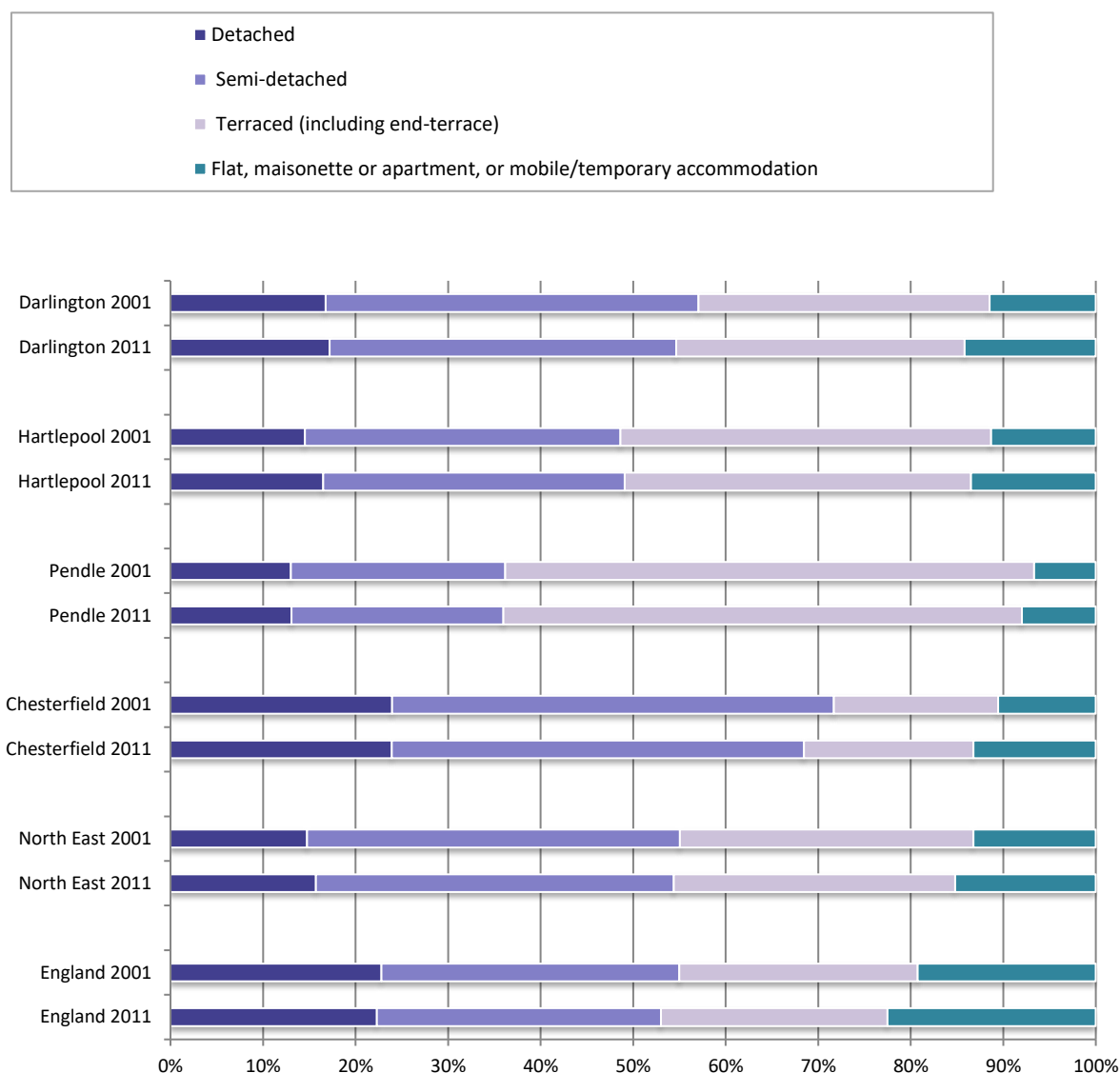
> *61. Within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes.*
>
> **Revised NPPF, paragraph 61**

Current Housing Stock Size of Dwellings

4.2 To prevent the need to refer back to the Darlington SHMA 2015, we have replicated some of its key tables on the dwelling stock and how it changed between 2001 and 2011 below. These include comparisons with areas with similar characteristics to Darlington.

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

Figure 24: Property Type (Source: Census 2001 and 2011)

■ Detached

■ Semi-detached

■ Terraced (including end-terrace)

■ Flat, maisonette or apartment, or mobile/temporary accommodation

Size of Property by Tenure

4.4 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.

Figure 25: Size of property by Tenure (Source: Census 2011)(NB PRS includes tied housing and rent free)
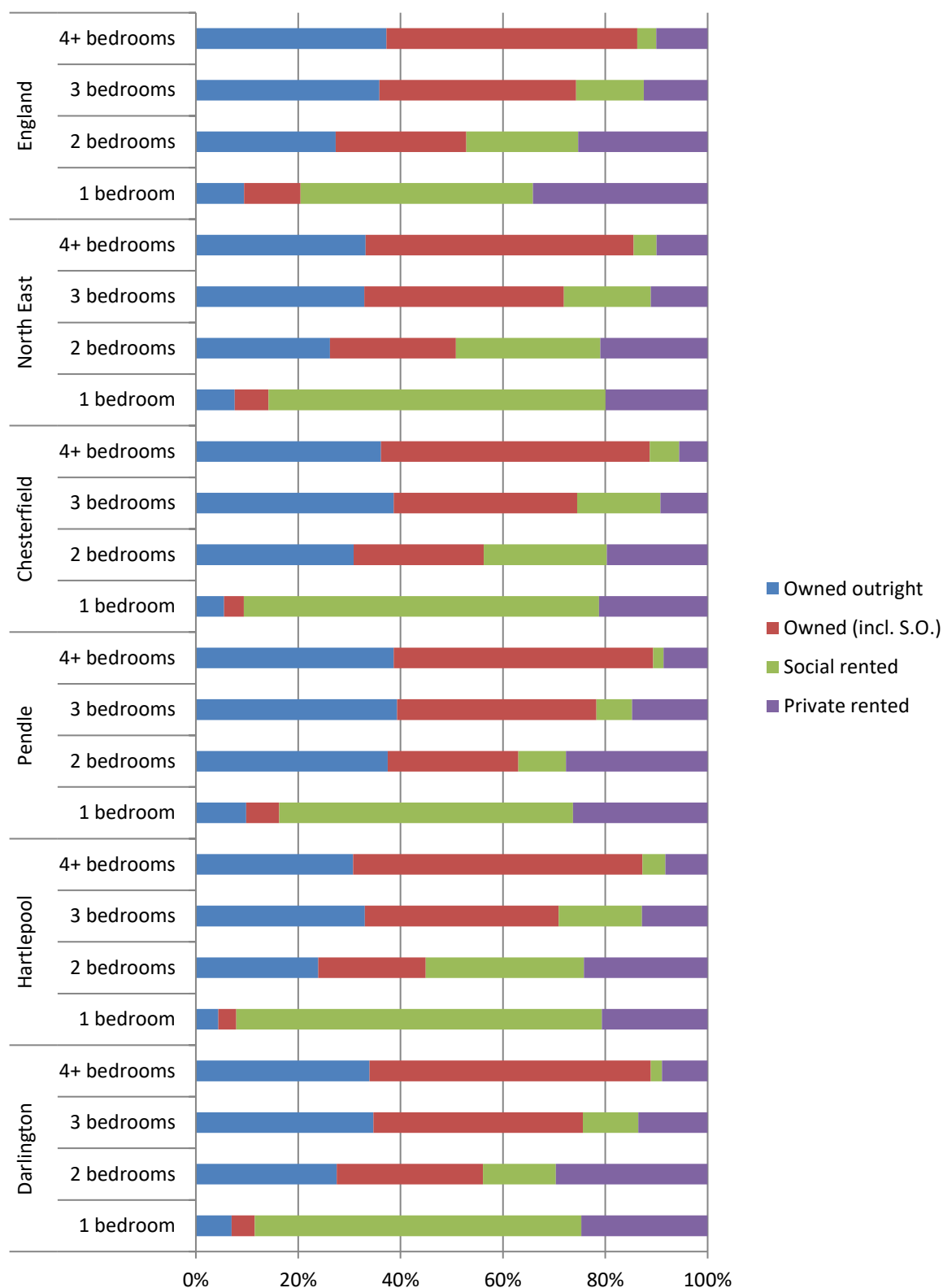
Tenure Composition of Housing and the Private Rented Sector

4.5   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.

Figure 26: Household Tenure by Area (Source: UK Census of Population 2001 and 2011. Note: Private Rent includes tied housing and living rent free)
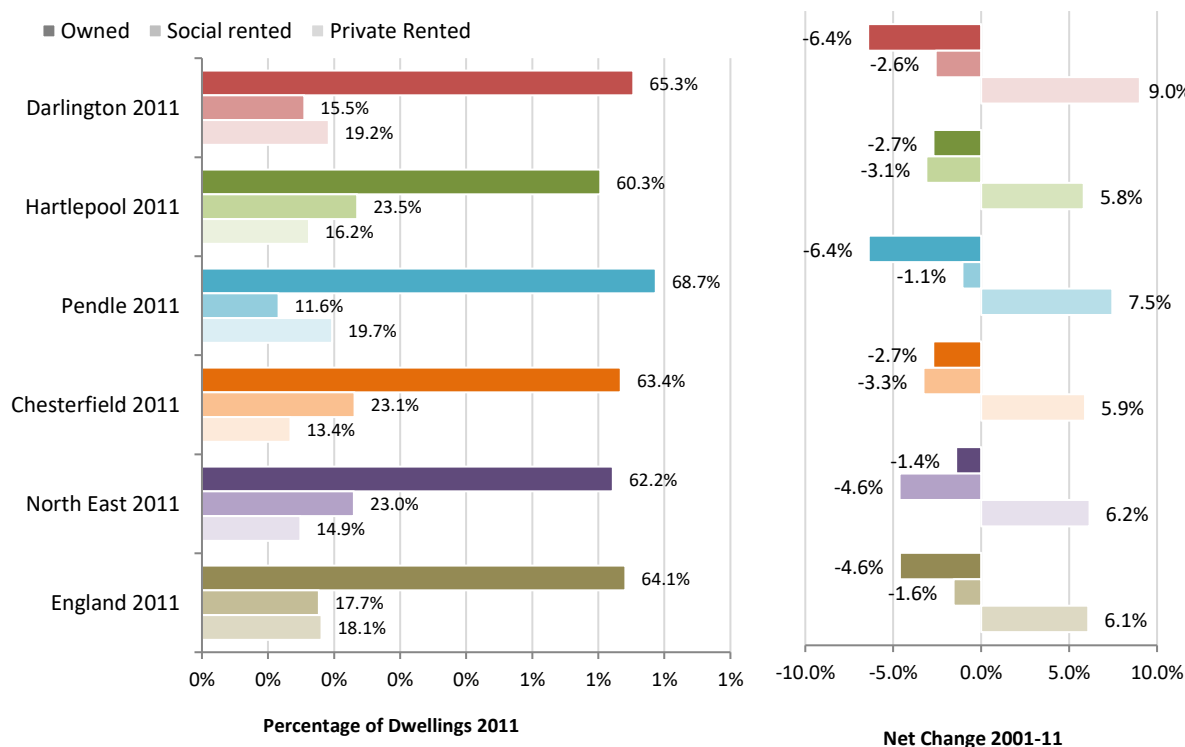
4.6   The growth in the private rented sector (PRS) in Darlington is consistent with national trends, with the English Housing Survey (EHS) 2016-17 identifying 20% (4.7 million) households renting from a private landlord, much higher than the 13% recorded 10 years ago in 2006-07. Outside of London, private rented is the third largest tenure and is now larger than social rented; 36% outright ownership, 29% buying with a mortgage, 19% private renting, and 16% social renting.

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

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

Planning Practice Guidance, ID 67-002-20190722

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

» Increasing demand from more households;

» Recent reductions in incomes (in real terms);

» Affordability of owner occupation reducing;

» Changing Bank lending practices;

» Pensions reform: pension drawdowns invested in BTL property.

4.9 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.[7] On this basis, the number of households renting privately could double again over the next twenty years.

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

4.11 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)[8]:

> *"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)*

4.12 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.

4.13 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply[9] (including the Build to Rent investment scheme[10]). The Government published *"Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities"* in March 2019[11], and the Foreword by the Minister stated:

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

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

4.14 It is important for local authorities to recognise the role of the private rented sector at a local level. Recent changes to letting polices and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property. The private rented sector makes an important contribution towards providing affordable housing options.

4.15 It is essential for local authorities to understand the full extent of the need for affordable housing in their areas.

4.16 The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes. However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes[12].

4.17 The consultation for First Homes ran from February to May 2020 and indicates that they will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher. First Homes will be prioritised for first-time buyers, serving members and veterans of the Armed Forces, and key workers, such as nurses, police and teachers. The reduction of at least 30% will be in perpetuity, so the buyer will not own more than 70% of the property. When they wish to sell their property, the home will be independently valued and sold to someone from a waiting list held by the local authority with the discount being applied, so the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.

4.18 There are many households residing in the private rented sector in Darlington who aspire to home ownership and if affordable First Homes be provided for this group it would, potentially, reduce the size of the private rented sector. However, the funding for First Homes is likely to be drawn from the same Section 106 funds which help to provide affordable rented homes. Developers would be expected to provide a proportion all properties on larger new developments and sell these at a discount of at least 30%, with the remaining 30% or more to be held by the local authority. The local authority would then arrange to allocate the sale of these properties through a waiting list of first-time buyers and key workers. By taking part of the funding for affordable rented across in to the First Homes scheme, this could reduce the supply of social rented or affordable rented homes. If this happens, then young households, for whom First Homes remain out of reach, will have few other options than to enter the private rented sector.

Housing for Older People

4.19 The UK population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 17.6m by 2035 for the over 60s, and from 1.3m (2016) to 3.6m by 2035 for the over 85s.[13]

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

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[12] https://www.gov.uk/government/consultations/first-homes
[13] ONS 2016-based sub-national population projections

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

4.21 It is important to plan housing which is suitable for this increase in older people within the population with a key requirement being to predict the <u>type</u> of housing which will best meet their needs. Whilst most will remain living in the same area and many will not move from their current homes; those that do move in their later years are likely to be looking for housing suitable for older people.

4.22 This housing comes in a number of different forms and the distribution between these different types needs to be explored. The Older People housing options considered in this section follow the definitions in the 2012 "Housing Our Ageing Population" report (HAPPI2).[14] This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes).

4.23 The Housing Learning and Improvement Network (LIN) published "More Choice, Greater Voice: a toolkit for producing a strategy for accommodation with care for older people"[15] (see Appendix B) in February 2008; and subsequently published the "Strategic Housing for Older People (SHOP)" [16] resource pack in December 2011. Both the toolkit and the resource pack provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. These toolkits these have informed the evidence base for many adopted Local Plans.

4.24 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but neither publication provides any detail about the derivation of the figures. There is no single correct answer when estimating the need for older person housing, however the rates provide a basis for identifying the potential levels of demand.

4.25 In this report we have chosen to use the Housing Learning and Improvement Network (Housing LIN) SHOP resource pack methodology (2012).[17] This forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+).

Figure 27: Benchmark Figures for Specialist Older Person Housing

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

[14] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/ Housing_our_Ageing_Population_Plan_for_Implementation.pdf
[15] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf
[16] http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf
[17] www.housinglin.org.uk/housinginlaterlife_planningtool

4.26 The population projections underlying the Local Housing Need figure for Darlington show a substantial increase in the older population during the period 2016-2036. The population aged 75+ is likely to increase by around 6,046 persons based on providing the number of homes needed to meet the local housing need.

Figure 28: Projected population aged 75+ (Source: LHN dwelling-led population projections)

	75-84	85+	TOTAL
2016	6,791	2,719	9,509
2036	10,399	5,156	15,555
CHANGE	3,608	2,437	6,046

4.27 The data published by the Elderly Accommodation Counsel (EAC)[18] identifies that there is currently a total of 1,608 specialist Older Person homes across Darlington.

Figure 29: Existing Stock of Specialist Older Person Housing for Darlington (Source: EAC 2015)

Property Type	Owned	Rented	TOTAL
Housing with support	121	1,323	1,444
Housing with care	0	164	164
TOTAL	**121**	**1,487**	**1,608**

4.28 The SHOP model can be used to assess that there is already a shortfall in the provision of housing for elderly people. The current population of 9,500 people aged 75+ requires 2,387 specialist homes whilst data shows that just 1,608 exist, resulting in an unmet need of nearly 800 homes already in the area.

4.29 If we then consider the increase in need by 2036 by applying the SHOP formula (per 1,000) to the 6,046 additional people aged 75+ that are projected to exist in Darlington by 2036 we can calculate the additional need for elderly housing by 2036.

Figure 30: Modelled Demand for Additional Specialist Older Person Housing 2016-36 (Source: Housing LIN Toolkit)

		SHOP FORMULA rate per 1,000 persons			DARLINGTON ADDITIONAL NEED (x 6,045)		
		Owned	Rented	Total	Owned	Rented	Total
SHELTERED	Leasehold schemes for the Elderly (LSE)	120	0	120	725	-	725
	Conventional Sheltered housing	0	60	60	-	363	363
EXTRA CARE	Sheltered 'Plus' or 'Enhanced'	10	10	20	60	60	121
	Extra care	30	15	45	181	91	272
	Dementia	0	6	6	-	36	36
Total		**160**	**91**	**251**	**967**	**550**	**1,517**

4.30 The toolkit identifies future need for just under 2,300 specialist older person additional housing units over the period 2016-2036.

4.31 The table below summarises the potential requirement for new specialist housing, taking account of the current stock, unmet demand and population growth for the period. The surplus for sheltered housing to

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[18] http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf

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

rent is a common output from a model such as this given that most existing provision is in this form, but preferences tend to be for alternative types of accommodation.   The modelled surplus may not reflect the current situation and would only arise if a higher level of sheltered to own and extra care were to be provided.

Figure 31:   Modelled Demand for Older Person Housing in Darlington based on Housing LIN Toolkit

		Rate per 1,000 persons aged 75+	Gross need 2016	Existing supply	Unmet need in 2016	Additional need 2016-36	Overall need
Sheltered Housing	Owned	120	1,141	121	+1,020	+725	**+1,746**
	Rented	60	571	1,323	-752	+363	**-390**
Extra Care	Owned	40	380	0	+380	+242	**+622**
	Rented	31	295	164	+131	+187	**+318**
TOTAL		**251**	**2,387**	**1,608**	**779**	**1,517**	**+2,296**

4.32   The model assumes a continuation of current types of housing, although It is unclear if Older People will aspire to these types of specialist housing in the future. Demand for some types of housing are already experiencing low demand, and other, newer types of provision may appear to meet changing aspirations. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.

4.33   In practice, the level of delivery identified as being required is likely to be unachievable given that it represents over a quarter of the overall local housing need. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.

4.34   The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:

» **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;

» **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;

» **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs;

» **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service; and

» **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Housing for People with Disabilities

4.35   The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England).[19]

4.36   Three standards are covered:

»   M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties

»   M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes

»   M4(3) Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

4.37   We would note that at the time of writing there is an on-going consultation on the future of these standards and how they will be applied. However, given that the outcome of this consultation is unknown, we have proceeded to seek to apply the current policy and guidance.

4.38   In terms of new developments, Part M states that: *"Where no condition is imposed, dwellings only need to meet requirements M4(1)"* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.

4.39   Planning Practice Guidance for Housing explains that local authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. It provides a summary of the data sources which should be used to inform any calculations, and this forms the basis of the approach used in this report:

> *Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.*
>
> *To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.*
>
> **Planning Practice Guidance, ID 56-007-20150327**

4.40   Local planning authorities are expected to plan for households with specific needs and therefore need to be able to quantify the volume of demand. However, the PPG recognises that there is no single source of information by which to assess demand and some limitations to the available data. Not all of those in receipt of PIPs or Attendance Allowance necessarily require home adaptations whilst DFG applications may underestimate need.

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

4.41 The PPG states:

> *Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment[20] (replacing Disability Living Allowance) / Attendance Allowance[21] benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant[22] (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.*
>
> *Engagement at all levels can help plan-makers identify the housing needs of people with disabilities. This could include with occupational therapists and specialist access or inclusive design officers. Discussions with disabled people and disabled people's groups can also provide insights into the types of impairments and number of people likely to require accessible homes in the future.*
>
> **Planning Practice Guidance, ID 63-005-20190626**

Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

4.42 In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.

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

> *"The provision made must be sufficient to-*
>
> *(a) meet the needs of occupants with differing needs, including some older or disabled people, and;*
>
> *(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time."*
>
> **Access to and use of buildings: Approved Document M v1, Page 10**

4.44 The English Housing Survey explores the number of households which contain someone with a limiting long-term illness (LLTI) or disability which impacts their housing need. This identifies that most (71%) of households have no limiting long-term illness (LLTI) or disability and a further fifth (20%) where illness or disability does not affect their housing need.

4.45 Overall 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 32).

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[20] Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

[21] Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

[22] Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

Figure 32: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

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

4.46 Within this group, the substantial majority of households live in a home that is suitable for their needs (either having already moved or adapted their existing home). This leaves 1.5% of households either requiring adaptations or needing to move to a more suitable home.

4.47 The ORS model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in Darlington to estimate the number of households likely to require adaptations or needing to move to a more suitable home in the housing market area.

Figure 33: Households with a long-term illness or disability in Darlington in 2016 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Households with one or more persons with a limiting long-term illness or disability	19,796
Does not affect their housing need	13,766
Current home suitable for needs	4,983
Current home requires adaptation	533
Need to move to a more suitable home	514
Total households where a limiting long-term illness or disability affects their housing need:	**6,030**

4.48 The model (Figure 33) identifies that there were around 19,800 households living in Darlington in 2016 with one or more persons with a limiting long-term illness or disability. In 13,800 of these households, this does not affect their housing need, but in 6,000 households an illness or disability does impact on housing need.

4.49 Amongst those households where it does affect housing needs 5,000 households are already living in a suitable home (having moved or made adaptations). This leaves 533 households needing adaptations to their current home and 514 households needing to move to a more suitable home. The 514 households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.

4.50 The identified need for 514 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires *"the changing needs of occupants over time"* to be considered. Therefore, even without any change to the number of households in Darlington, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older.

4.51 Whilst around 6,000 households living in Darlington in 2016 have a health problem that already affected their housing requirement, it is likely that a further 2,930 households would develop health problems within the next 10 years until 2026. These households would also require adaptations to their current home or would need to move to a more suitable home.

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

4.53 Further modelling of health needs suggests that by 2036 there will be an additional 7,380 households either already experiencing health problems or likely to develop health problems within the 10 years until 2046. Some of these will be new households, but many will be existing households resident in 2016 whose health has deteriorated over the Plan period.

4.54 Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a total of 10,300 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 514 households needing to move and the 533 households needing adaptations based on their current health at the start of the Plan period.

Figure 34: **Households with a long-term illness or disability in Darlington in 2016 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	TOTAL
Households where an existing illness or disability affects their housing need in 2016	
Current home suitable for needs	4,983
Current home requires adaptation	533
Need to move to a more suitable home	514
Total households where a limiting long-term illness or disability affects their housing need in 2016	**6,030**
Existing households in 2016 likely to develop health problems that affect their housing need within 10 years	2,930
Additional households in 2036 projected to experience problems or likely to develop problems within 10 years	7,380
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	**10,310**

4.55 To provide M4(2) housing for all of the identified need would require housing for up to 10,824 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.

4.56 Although some households would prefer not to move, many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in Darlington, it is likely that around 69% will live in dwellings that could be converted to meet the M4(1) standard.

4.57 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 31% of the need for adapted housing; a

total of 4,948 households including the 514 households identified as needing to move at the start of the Plan period.

Figure 35: Households with a long-term illness or disability in Darlington in 2020 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	TOTAL
Existing need in 2016	
Households where an existing illness or disability affects their housing need and need to move in 2016	514
Projected future need 2016-36	
Additional households in 2036 where illness or disability affects their housing need or will develop within 10 years	10,310
Maximum need for adapted housing 2016-36 (households)	**10,824**
Less households living in dwellings adaptable to M4(1) standard	5,877
Minimum need for adapted housing 2016-36 (households)	**4,948**

4.58   There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, at least 4,948 households will require adapted homes by 2036.

Housing for Wheelchair Users

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

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

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

4.61   The CLG guide to available disability data[23] (referenced by PPG ID 56-007) shows that around 1-in-30 households in England (3.3%) currently have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 36 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

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

Figure 36: Percentage of households in England with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)

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

4.62   Figure 37 compares the proportion of disability benefit claimants in receipt of mobility award (the majority of whom will be wheelchair users) for Darlington against the figures for England.

Figure 37: Disability benefit claimants in receipt of mobility award by age (Source: DWP, May 2016)
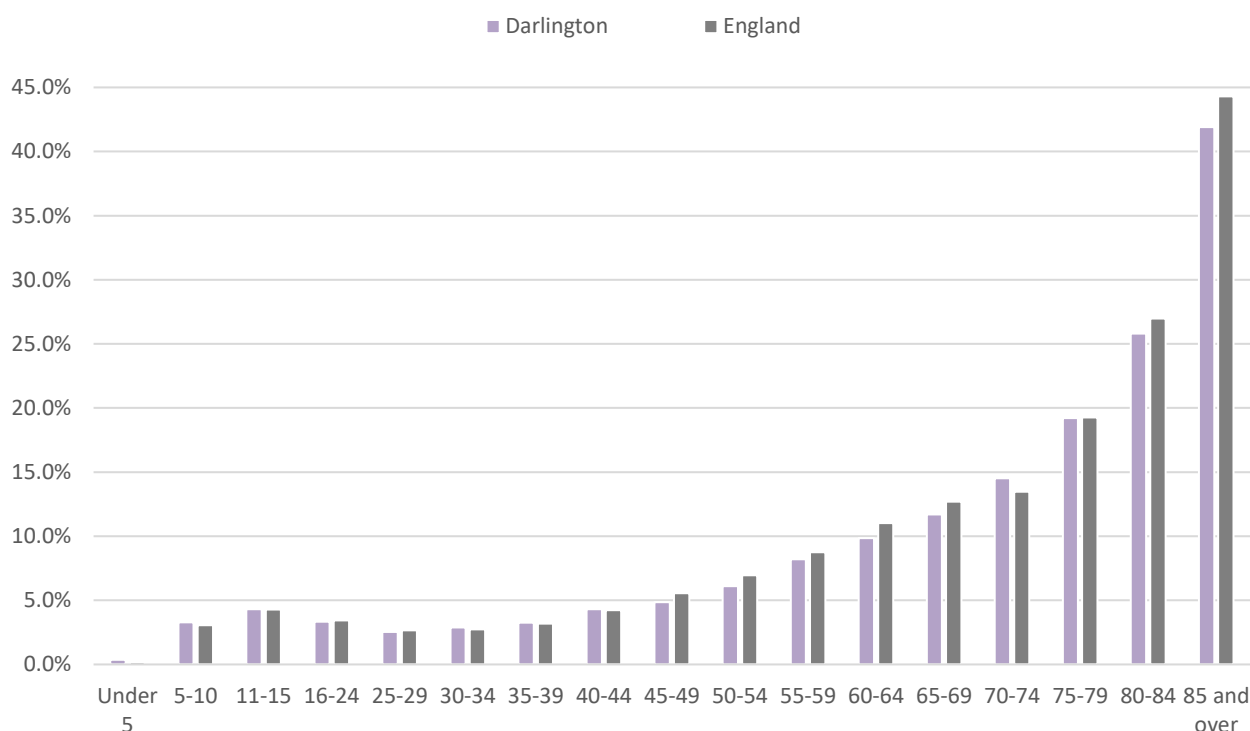
4.63   Through combining the information on local rates with the national data, we can establish the proportion of households in Darlington likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 38).

Figure 38: Percentage of households in Darlington with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Darlington								
Market housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.1%	6.1%	9.0%
Affordable housing	0.3%	2.0%	3.0%	6.0%	6.1%	10.5%	21.7%	19.1%

4.64   Figure 39 identifies the net change in the number of households with a wheelchair user over the period 2016 to 2036. It is evident that the number of households likely to need wheelchair adapted housing in Darlington is likely to increase by nearly 800 over the 20-year period.

Figure 39: Households needing Wheelchair Adapted Housing in Darlington (Source: ORS Housing Model. Note: Figures may not sum due to arithmetic rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+			Overall change 2016-36
	2016	2036	Net change 2016-36	2016	2036	Net change 2016-36	
Market housing	900	950	50	540	1,000	450	500
Affordable housing	520	610	90	270	470	200	290
Total	**1420**	**1560**	**140**	**810**	**1,470**	**650**	**790**

4.65   However, it is important to recognise that over 80% of the identified growth in households with wheelchair users(650 households, equivalent to 82%) are aged 75 or over, and it is likely that many of these households would also be identified as needing specialist housing for older persons. On this basis, it may be appropriate to adopt higher targets for specialist housing for older persons that is wheelchair accessible, and this could reduce the proportion of general needs housing that would need to meet the Category 3 requirements.

Policy Implications

4.66   Local authorities must provide evidence of their needs for adapted homes to the M4(2) and M4(3) build standards. For this section we have considered existing propensity rates for people who have their housing needs affected by health problems to consider the need for adapted homes.

4.67   An on-going policy consultation from MHCLG may see this issue because less contested in the future by recommending that all homes are built to M4(2) standard and a fixed proportion to M4(3) standard, but for now we have analysed the localised evidence for each local authority in Darlington.

4.68   The data indicates that at least an additional 4,950 adaptable homes will be required across Darlington between 2016 and 2036. This represents at least 56% of the overall housing need for Darlington between 2016 and 2036.

4.69   This would represent the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.

4.70   More detailed analysis of the data indicates that at least 790 wheelchair adapted homes will be required between 2016 and 2036, which is around 9% of the overall housing need for Darlington needing to be M4(3) standard.   This implies a need for 47% of all new homes to be M4(2) standard (56%-9%).

4.71   It is also important to recognise that not all new homes built between 2016 and 2036 will be able to be adapted homes. For example, many homes have already been complete or granted planning permission without a requirement for M4(2) standards, so the required adapted homes will have to be provided from sites without current planning permission.

Student Housing

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

> *Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus … They will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements.*
>
> **Planning Practice Guidance, ID 2a-017-20190220**

4.73   The key Higher Education Provider's in Darlington are

» Teesside University has a satellite building for business type courses in Darlington. They have 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): although most students are under 18 years of age and so would be classed as dependent children[24].

4.74   There are few students in Darlington. 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. As such, there is limited student impact on the working of the local housing market.

Service Families

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

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

4.76   While there are no military bases in Darlington, Catterick Garrison is approximately 15 miles away in a neighbouring district. At the time of the SHMA 2015, Catterick Garrison had a direct impact on the Darlington HMA through the direct leasing of properties for service personnel at West Park. In total 462 armed forces personnel lived in households in Darlington.

4.77   The MOD are planning a further expansion at Catterick Garrison which they anticipate will result in an additional 5,092 military service personnel and dependents being based there by 2035. This will take the military population at Catterick Garrison to around 20,000. One consequence of this expansion is that it

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[24] http://www.ons.gov.uk/ons/dcp171778_251357.pdf

results in the ending of bulk leases for Service Families Accommodation in locations like Darlington in the longer term as more provision will be made at Catterick Garrison.

4.78   Therefore, in the period until 2036 it is likely that there will be more armed forces personnel at Catterick Garrison, but that fewer will be based in Darlington. Therefore it is likely some homes may be returned back to private use, but this is likely to be less than 100 units over the 15 years.

People Wishing to Build their Own Homes

4.79   People wishing to build their own homes are required to be considered and PPG states:

> ### How can self-build and custom housebuilding needs be assessed?
>
> *Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.*
>
> *To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.*
>
> **Planning Practice Guidance, ID: 67-003-20190722**

4.80   Over half of the population (53%) say that they would consider building their own home[25] (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 with rates of around 40% in France and 70 to 80% elsewhere in Europe.

4.81   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.

4.82   "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)[26] 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.

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[25] Building Societies Association Survey of 2,051 UK consumers 2011
[26] https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2

4.83 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 Act[27] 2015 places a duty on local planning authorities to:

   » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;

   » Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register 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.

4.84 The 2015 Act was amended by the Housing and Planning Act 2016[28] which placed a duty on local planning authorities to authorities to provide serviced sites which have planning permission that allows for self or custom build:

> *An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.*
>
> **Housing and Planning Act 2016 Section 2(a)(2)**

4.85 Limited Government funding[29] 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. Given this context, it is important to recognise that self-build could either be market housing or low-cost home ownership affordable housing products. Nevertheless, it is likely that the majority will be market homes.

4.86 The Council launched its Self & Custom Build Register in April 2016 and there were 46 registrations over the period to the end of December 2020, but only 3 of these are on Part 1.

4.87 A figure of 46 applications is not a particularly high figure for a local authority. It should also be remembered that many small housing schemes contribute to self and custom build provision and that these will continue to arise as windfall schemes in the future.

4.88 Overall, the self-build register indicates some interest in schemes in Darlington, but the Council's main duty in this area is not to find plots for applicants, but it is instead to ensure that there is a supply of sites suitable for self and custom builders to use. Given the scale of interest, this will not require a significant amount of land, but the Council should seek to work with developers, particularly of small sites, to ensure that some plots come forward.

Essential Local Workers

4.89 Annex 2 of the Revised NPPF also includes the needs of essential local workers:

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[27] http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html
[28] http://services.parliament.uk/bills/2015-16/housingandplanning.html
[29] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf

> *Essential local workers: Public sector employees who provide frontline services in areas including health, education and community safety and can include NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers.*
>
> **NPPF – Annex 2**

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

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

Appendix A
Glossary of Terms

Definitions

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

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

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

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

Concealed families are defined as; "family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"[30].

A Dwelling as a single self-contained household space (an unshared dwelling) or two or more household spaces at the same address that are not self-contained, but combine to form a shared dwelling that is self-contained. In most cases, a single household space will be an unshared dwelling.

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

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household*"[31]

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or **Registered Provider** is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

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[30] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf
[31] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

Household Representative (HRP) is a person chosen for statistical reasons by virtue of economic activity, age and/or sex as the representative of a household

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

» an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;

» a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;

» a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and

» a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving to a new house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home but cannot afford to buy outright (with a mortgage). Through this type of scheme, you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

AHC	Affordable Housing Commission
AHO	Affordable Homeownership
BRMA	Broad Rental Market Area
CLG	Department for Communities and Local Government (now MHCLG)
CPI	Consumer Prices Index
DFG	Disable Facilities Grant
DWP	Department of Work and Pensions
EHS	English Housing Survey
HB	Housing Benefit
HMA	Housing Market Area
HPSSA	House Price Statistics for Small Areas
LA	Local Authority
LHA	Local Housing Allowance
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LLTI	Limiting Long-Term Illness
LPA	Local Planning Authority
LQ	Lower Quartile
LRR	Local Reference Rent
LSE	Leashold Schemes for the Elderly
MHCLG	Ministry for Housing, Communities and Local Government
MSOA	Middle-layer Super Output Area
NPPF	National Planning Policy Framework
OAN	Objectively Assessed [Housing] Need
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
ORS	Opinion Research Services
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
PRS	Private Rental Sector
RSL	Registered Social Landlord
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

Appendix B: Table of Figures