

Report to:

**Carlisle City
Council**

**Strategic Housing Market
Assessment – Update**

Final Report

July 2019

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Summary

Introduction

1. This report provides an updated Strategic Housing Market assessment (SHMA) for Carlisle Council. The methodology used in this report responds to the revised National Planning Policy Framework (NPPF) of 2018 and 2019. This continues to set out the Government's objective to significantly boost housing supply. The analysis is also mindful of revised Planning Practice Guidance (PPG) on housing need assessment (February 2019).
2. A key part of the revised NPPF/PPG is the introduction of a Standard Method for the assessment of housing need. Housing need in the context of current and emerging guidance (and as used in this report) therefore refers *"the number of homes identified as being needed through the application of the standard method set out in national planning guidance, or a justified alternative approach."*
3. The analysis is also mindful of Key Policies in the Carlisle Local Plan (adopted in November 2016). Important policies can be summarised as SP2 (Strategic Growth and Distribution) which sets out an overall housing target; HO4 (Affordable Housing) which includes affordable housing policies and the areas to which they should be applied and HO10 (Housing to Meet Specific Needs) which amongst other things includes noting a need for accommodation for older persons.
4. The future impact of St Cuthbert's Garden Village (SCGV) will also be a key consideration for the Council. The Garden Village being expected to deliver around 10,000 new homes up to 2050. Beyond 2030 (the end of the current Local Plan period) the vast majority of housing delivered in Carlisle is expected to be on the SCGV site. Thus, an understanding of the appropriate mix of housing is an important part of this report.
5. The SHMA update focusses mainly on needs in the 2018-30 period (i.e. the remainder of the Local Plan). However, key analysis is also provided looking forward to 2050, and in particular in relation to SCGV. To provide an evidence base, this report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Carlisle – Area Profile;
 - Section 3 – Demographic Trends and Housing Need Projections;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Family Households and Housing Mix;
 - Section 6 – Older People and People with Disabilities; and
 - Section 7 – Private Rented Sector (PRS)
6. Whilst much of the report focusses on the 2018-30 period, it is the case that some analysis (particularly in relation to affordable housing) should be reviewed and updated periodically (probably at least every five years). This would capture any changes in the housing market as well as enabling changes to planning policy and guidance to be reflected in the analysis.

Carlisle District Profile

7. A range of variables have been considered to look at the profile of the population and housing in the District (and for the three sub-areas). Key variables have looked at population, household characteristics, housing profile and the economic profile of residents.
8. The analysis identifies a relatively old population age structure across the District, albeit a younger profile when compared with Cumbria as a whole. The age structure in the urban part of the District is somewhat younger than seen in rural areas. Analysis shows a modest population increase over the 2007-17 period. There has however been a fall in the number of people aged under 65 and a notable growth in the population aged 65 and over – increasing by 22% in the decade to 2017. Due to the population profile, household types are to some extent concentrated in older age groups; as of 2011, 22% of all households in the District were entirely composed of people aged 65 and over. The urban area has a notably higher proportion of lone parent households than more rural parts of the District.
9. The tenure profile of the District sees a relatively large proportion of outright owners (which will to some extent be linked to the age structure) and a small private rented sector when compared with the regional and national position. Again, there are notable differences between urban and rural areas, with Carlisle Urban seeing a low level of owner-occupation and higher numbers in both the social and private rented sector. Between 2001 and 2011, the number of owners with a mortgage declined by 7%, whilst the private rented sector increased by 89%; this may reflect the difficulties faced by younger households in accessing market housing to buy.
10. The dwelling stock in the District is fairly balanced in terms of the proportion of larger and smaller homes although the stock in the urban area is notably smaller than seen in rural areas. Overcrowding in the District (and across sub-areas) is low, and there is a notable level of under-occupation (37% of all households have at least two spare bedrooms). Under-occupancy is notably lower in the urban part of the District.
11. The economic profile of the District looks to be fairly average in terms of the proportion of people in work, although levels of unemployment are lower than seen regionally or nationally. The data also suggests that the population is slightly less well qualified (in academic terms) and are less likely than other areas to be working in more senior positions.
12. The analysis identifies that there are greater differences within the Council area than when comparing the area with other locations. In particular the urban area of Carlisle has very different characteristics to the rural areas – this includes a younger age structure, greater proportions of households in rented housing, smaller dwelling sizes, lower levels of under-occupation and higher unemployment. The urban area also saw a small decline in population from 2007 to 2017, compared with a modest increase across the rural areas.
13. Overall, the analysis identifies Carlisle as having more ‘prosperous’ characteristics in rural areas in terms of the variables studied (when compared with other local, regional and national areas) and less ‘prosperous’ in the urban area. The analysis may therefore imply that there may be reasons to suggest different policy responses in different locations, or at least to recognise that the District as a whole is not homogeneous. Differences across the area should be noted when considering key outputs from the analysis to follow in this report.

Demographic Trends and Housing Need Projections

14. Over the past five or more years, assessing the level of housing need has been for individual local authorities (or groups of local authorities) to prepare by following advice in Planning Practice Guidance (PPG). However, the new National Planning Policy Framework (NPPF) of February 2019 has introduced a Standard Method, based on looking at projected household growth and adjustments based on the level of affordability in an area. Local authorities are encouraged to plan for more housing than the Standard Method suggests, for example where there are growth strategies in place.
15. The Standard Method calculation for Carlisle suggests household growth of about 185 per annum, plus an uplift of around 8% for market signals (affordability). Therefore, the objectively assessed housing need (OAN) for the District as a whole is for 200 dwellings per annum. This is some way below the housing requirement in the current Local Plan (a residual need for around 620 homes per annum in the 2018-30 period).
16. Further analysis looking at economic growth suggested that planning for the Standard Method (200 dwellings per annum) would see a reduction in the local labour supply (the economically active population) and would not support any job growth in the Council area. Therefore, whilst the Standard Method does show population and household growth that is consistent with recent demographic trends, it would not support economic growth and would potentially leave the local authority with a labour supply shortage and therefore an inability for local businesses to be competitive and viable.
17. Analysis was carried out to consider the likely level of housing delivery required to meet economic growth forecasts (in this case taken from a Lambert Smith Hampton report of October 2018). From this it was clear that the Council would need to plan for more homes than prescribed by the Standard Method and that a higher level of delivery would be needed post 2030 (i.e. after the end of the current Local Plan period).
18. Whilst a report such as this should not be entirely prescriptive about housing numbers due to some uncertainties in the assumptions used (particularly if projecting forward to 2050) it does seem clear that the development of St Cuthbert's Garden Village would provide opportunities for households to move to the area (and take up the forecast local jobs).
19. A final analysis carried out has been to project how the population of Carlisle might develop if housing is provided in-line with the current housing trajectory. This shows that without SCGV there would be projected to be an ageing of the population, along with modest increases in the population of children and those of 'working-age'. With the inclusion of SCGV it is projected that there would be a greater increase in people of 'working-age', and thus able to support the forecast economic growth.

Affordable Housing Need

20. Analysis has been undertaken to estimate the need for affordable housing in the 2018-30 period. The analysis is split between a 'traditional' need (which is mainly for social/affordable rented accommodation and is based on households unable to buy or rent in the market) and the 'additional' category of need introduced by the revised NPPF/PPG (which includes housing for those who can afford to rent privately but cannot afford to buy a home).

21. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at traditional needs, consideration is given estimates of the supply of social/affordable rented housing. For the additional definition, consideration is given to the potential supply (from Land Registry data) of cheaper accommodation to buy.
22. Using the traditional method, the analysis suggests a need for 158 affordable homes per annum and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the District.

Figure 1: Estimated Need for Affordable Housing by sub-area (per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Rural West	3	28	5	37	13	24
Rural East	13	85	33	130	72	58
Carlisle Urban	42	293	197	532	455	77
All households	58	406	234	699	540	158

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

23. It is also suggested that the cost of housing to rent within this group is fixed by reference to local incomes (and the Living Rent methodology) although rents above Local Housing Allowance limits should be avoided (to ensure housing affordable to those needing to claim Housing Benefit).
24. When looking at the need for affordable home ownership products (i.e. the expanded definition of affordable housing in the NPPF) it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home. However, there is also a potential supply of homes within the existing stock that can make a contribution to this need. It is therefore difficult to robustly identify an overall need for affordable home ownership products.
25. However, it does seem that there are many households in Carlisle who are being excluded from the owner-occupied sector. The analysis would therefore suggest that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
26. If the Council does seek to provide 10% of housing as affordable home ownership, then a range of tenure types are likely to be appropriate. This would include shared ownership, which would typically see lower deposit requirements and lower overall costs (given that the rent would also be subsidised) as well as low-cost home ownership properties. The Council currently operates a low-cost home ownership scheme where discounted sale properties are sold at 70% of OMV in perpetuity. This has been a successful product in helping households to buy their first home and there are now over 400 properties within the portfolio.
27. The evidence does not show any basis in need terms to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF, although a higher proportion might be appropriate in some circumstances (e.g. to help support viability or to assist in diversifying the housing stock).

28. The Council's current affordable housing policy for higher value areas (Zones A & C) includes a target of 30% affordable housing, of which half (15% of all housing) would typically be sought as intermediate housing. Whilst the 15% is higher than the general conclusions of this report, it is not considered to be an unreasonable policy target, particularly as it would be expected that there would be some cases where a lower level of delivery might be provided (e.g. where there are viability issues).
29. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the District. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Family Households and Housing Mix

30. The proportion of households with dependent children is slightly lower than the regional and national average. There has been some growth in the number of 'family' households and also modest growth in the number of households with non-dependent children (likely in many cases to be grown-up children living with parents) – growth in these household groups has been below the overall increase in households. Projecting forward, there is expected to be an increase in the number of households with dependent children – increasing by 17% over the 2018-30 period when linking to housing delivery of 620 dwellings per annum (i.e. the residual amount of housing to be provided by 2030 under the adopted Local Plan).
31. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (12-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Figure 2: Suggested Mix of Housing by Size and Tenure		
	1-/2-bedrooms	3+-bedrooms
Market	30-40%	60-70%
Affordable home ownership	60-70%	30-40%
Affordable housing (rented)	65-75%	25-35%

32. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the District (by tenure).

33. The mix identified above could inform strategic policies although a flexible approach should be adopted. In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
34. Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.
35. Analysis also considered demographic trends and the current mix of housing at a smaller-area level (including for a broad Urban/Rural split). Generally, the analysis suggested slightly larger homes being required in rural areas although it is considered that the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that drawn from the Housing Register.
36. Finally, the analysis considered the potential mix of housing on the SCGV site. Overall, a slightly larger mix of housing might be appropriate (providing more of a family offer). However, overall differences from District-wide needs were not substantial. That said, the scale of potential development in SCGV does provide the opportunity to deliver a wide range of different housing products for different groups of the population.

Older People and People with Disabilities

37. Planning Practice Guidance (PPG) section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards). The PPG (on housing needs assessment) suggests looking at the specific needs of older people and those with disabilities. A range of data sources are considered, as suggested by CLG and also some more traditionally used in assessments such as this (e.g. from Housing LIN and HOPSR). This is to consider the need for specialist accommodation for older people and also Building Regulations M4(2) (accessible and adaptable dwellings), and M4(3) (wheelchair user dwellings).
38. Planning Practice Guidance (PPG) section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards). The PPG (on housing needs assessment) suggests looking at the specific needs of older people and those with disabilities. A range of data sources are considered, as suggested by CLG and also some more traditionally used in assessments such as this (e.g. from Housing LIN and HOPSR). This is to consider the need for specialist accommodation for older people and also Building Regulations M4(2) (accessible and adaptable dwellings), and M4(3) (wheelchair user dwellings).

39. The data shows that in general, Carlisle has similar levels of disability compared with other areas, however an ageing population means that the number of people with disabilities is likely to increase substantially in the future. Key findings include:
- Up to 30% increase in the population aged 65+ over 2018-2030 (potentially accounting for at least half of total population growth);
 - A current need for sheltered and extra-care housing in both the rented and leasehold sectors;
 - A future need for all types of specialist housing for older people;
 - A need for additional care bedspaces; and
 - a need for up to 390 dwellings to be for wheelchair users (meeting technical standard M4(3))
40. This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and at least 5% meeting M4(3). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
41. The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
42. In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
43. The analysis is not definitive about the quantities of different types of specialist housing (or its tenure) due to a range of views about prevalence rates; the need for housing with care (Extra-care/Enhanced sheltered) is estimated to be for around 380 dwellings in the period to 2030 (32 per annum); over half of these are estimated to be required in the rented (affordable) sector – it is considered that these will be in a C3 use class.

Figure 3: Older Persons' Dwelling Requirements 2018 to 2030 – Carlisle (linked to dwelling provision of 620 per annum)

		Housing demand per 1,000 75+	Current supply	2018 demand	Current shortfall/ (surplus)	Additional demand to 2030	Shortfall/ (surplus) by 2030
Housing with support	Rented	84	241	900	659	377	1,036
	Leasehold	46	150	495	345	207	552
Housing with care	Rented	21	104	222	118	93	211
	Leasehold	11	0	119	119	50	168
Total		162	495	1,736	1,241	727	1,967
Care home bedspaces		99	961	1,062	101	445	546

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

44. The analysis has also considered the potential need for specialist housing on the St Cuthbert's Garden Village site. Given that this is a new site, and previous analysis has suggested that it may attract a higher proportion of families. It is suggested that needs might be lower than within other housing developments. However, it is also the case that a supply of specialist housing (of which there is currently relatively little across the Council area) could stimulate demand. Taking account of a range of factors, it is concluded that SCGV should be providing around 10% of housing as specialist accommodation, in both the market and affordable sectors.

Private Rented Sector

45. The private rented sector (PRS) accounts for around 14% of all households in Carlisle (as of 2011) – a higher proportion to that seen across Cumbria, but below equivalent figures for the North West and England (17%). The number of households in this sector has grown substantially (increasing by 89% in the 2001-11 period) with further increases likely to have occurred since 2011 (at a national level the English Housing Survey reports a further 26% increase in the size of the sector).

Figure 4: Change in tenure (2001-11) – Carlisle				
	2001 households	2011 households	Change	% change
Owns outright	13,369	16,754	3,385	25.3%
Owns with mortgage/loan	17,777	16,577	-1,200	-6.8%
Social rented	8,055	7,394	-661	-8.2%
Private rented	3,666	6,914	3,248	88.6%
Other	1,096	703	-393	-35.9%
TOTAL	43,963	48,342	4,379	10.0%

Source: 2001 and 2011 Census

46. The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 38% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements.
47. Additional analysis suggests that rent levels have increased very slightly over time (when looking at the 2011-18 period) but that increases in rents fall slightly behind the increase in house prices over the same period – the increase in rents is lower than seen regionally and nationally and does not suggest any particular lack of supply of private rented homes.
48. There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).

49. This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.

St Cuthbert's Garden Village (SCGV)

50. St Cuthbert's Garden Village (SCGV) will comprise of up to 10,000 new homes, new employment space, associated community and social infrastructure and a new strategic link road. Throughout the main SHMA update report (and within this summary) a range of analysis has been carried out to consider the overall need for housing and to provide some advice about housing mix. Below are some of the main summary points from the analysis.
51. Analysis was carried out to consider the likely level of housing delivery required to meet economic growth forecasts (in this case taken from a Lambert Smith Hampton report of October 2018). Whilst a report such as this cannot be entirely prescriptive about housing numbers due to some uncertainties in the assumptions used (particularly if projecting forward to 2050) it does seem clear that the development of St Cuthbert's Garden Village would provide opportunities for households to move to the area (and take up the forecast local jobs). Overall, the analysis suggests broad balance between homes and jobs when including the proposed SCGV development.
52. In terms of the demographic impact of SCGV analysis showed that without SCGV there would be projected to be a significant ageing of the population, along with modest increases in the population of children and those of 'working-age'. With the inclusion of SCGV it is projected that there would be a greater increase in people of 'working-age', and thus able to support the forecast economic growth.
53. The report has not specifically looked at the need for affordable housing in relation to SCGV, in part because of the difficulties of projecting this forward to 2050. However, given levels of affordable need in the Council area generally, it is concluded that opportunities to provide affordable housing should be maximised (subject to viability). It is also considered that the opportunity be taken to provide a range of affordable housing to rent and buy, as well as an element of housing specifically for older people (see below).
54. In looking at the overall mix of housing to be provided on SCGV, analysis suggested that this might be generally slightly biased towards a family offer (across all sectors). This is in part due to the modelling suggesting that the development might see a slightly higher proportion of people of working-age relative to the rest of the Borough. That said, the mix suggestions were not substantially different from those suggested across the Council area – provision should be made for a wide range of household groups.

55. Given the scale of development, the Council might also consider if the site should include an element of 'executive' homes (likely to be larger 5+ bedroom detached homes). This could help to provide a wider socio-economic mix, particularly where associated with local employment growth. Additionally, the Council could consider including a reasonable proportion of bungalows (maybe up to 10% of homes across all tenures) – the viability assessment suggests that such development is viable on larger schemes.
56. The analysis of needs for Older Persons' suggests that the Council might seek something in the region of 10% of homes as being suitable for older people (homes being provided in both the market and affordable sectors). Analysis in the report has identified that currently there is a very low level of specialist provision in the Council area, and the scale of development at SCGV would allow for relatively large (and hence viable) schemes to be developed. The Council will also need to consider provision of wheelchair accessible homes, and homes that meet the higher of the Housing Technical Standards (M4(2)).
57. Finally, whilst the report does not highlight any particular need to plan for additional private rented accommodation, or build-to-rent homes, it is again the case given the scale of development that this type of provision might be attractive to particular developers/providers and could be considered as part of the wider mix of types and tenures of housing. This might also include providing opportunities for self- and custom-build housing.
58. Overall, the development of SCGV provides the Council with a significant opportunity to develop the range of homes needed by the future population of the Council area. As a general point it is clear that the development should meet the needs of a wide range of household groups both in the market and affordable sectors and include provision of specialist housing for older people/those with disabilities. Other considerations will include development of bungalows, executive homes, build-to-rent housing and plots for self- and custom-build

Overall Summary

59. Overall, the SHMA identifies that the Government's Standard Method would lead to a housing need for 200 dwellings per annum. Planning at this level would however be likely to see a reduction in the resident labour supply and therefore act as a barrier to economic development in the Council area. To ensure economic growth, the Council should continue to develop in line with the adopted Local Plan (to 2030) and seek to provide strong delivery thereafter – this will include the development of St Cuthbert's Garden Village (SCGV).
60. The affordable needs assessment continues to show a need for affordable housing in the District, and in all sub-areas. The evidence of a need for affordable home ownership products was far from clear-cut, however given the clear steer in the NPPF it is recommended that the Council do consider seeking 10% of housing on larger sites as affordable home ownership; where possible such housing would ideally a mix of tenures such as shared ownership and low-cost home ownership..

61. The analysis also identifies a need for all sizes of housing within all tenure groups. For market housing there is a focus on smaller (2- and 3-bedroom) family units, but also some larger (4+-bedroom) homes. For affordable home ownership the focus should be on 2-bedroom homes (along with 1- and 3-bedroom accommodation) whilst for social/affordable rented housing the need is particularly for 1- and 2-bedroom homes. It is suggested that SCGV could support a slightly larger mix of housing, although differences from the general mix required are not substantial.
62. Finally, the analysis identifies a large and growing older person population. This is likely to drive the need for additional specialist accommodation in both the rented (affordable) and leasehold (market) sectors, as well as a need for additional care home bedspaces. If the Council follows the housing trajectory then potentially around 16% of additional homes should be some sort of specialist housing for older people. On the SCGV site it is suggested at provision of around 10% is investigated.

1. Introduction

Introduction

- 1.1 Justin Gardner Consulting (JGC) have been commissioned by Carlisle Council to provide a Strategic Housing Market Assessment (SHMA) update. The methodology used in this report responds to the revised National Planning Policy Framework (NPPF) of 2018. This continues to set out the Government's objective to significantly boost housing supply. The analysis is also mindful of revised Planning Practice Guidance (PPG) on housing need assessment (September 2018) and a subsequent technical consultation of October 2018.
- 1.2 A key part of the revised NPPF/PPG is the introduction of a Standard Method for the assessment of housing need. Housing need in the context of current and emerging guidance (and as used in this report) therefore refers *"the number of homes identified as being needed through the application of the standard method set out in national planning guidance, or a justified alternative approach."*
- 1.3 At the time of drafting this report, revisions to the Standard Method were still out for consultation and so the analysis should be considered as interim. A further updating of this report may be necessary once a finalised methodology has been agreed and published.

National Planning Policy Framework (NPPF)

- 1.4 In July 2018 the government published a revised National Planning Policy Framework (NPPF) – a further NPPF was published in February 2019. The NPPF identifies that local planning authorities should have a clear understanding of housing needs in their area.
- 1.5 Paragraph 31 of the NPPF states that local planning authorities in preparing and reviewing plans should ensure that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence.
- 1.6 In ensuring that Local Plans deliver a sufficient supply of homes strategic policy-making authorities should establish a housing requirement figure for their whole area, with paragraph 60 stating that *'To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for'*.
- 1.7 Paragraph 61 further states *'Within this context, (determining the minimum number of homes needed) 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'*.

- 1.8 One significant change in the revised NPPF from the earlier version is a revision of the definition of affordable housing (Annex 2 of both NPPF). The revised NPPF now includes a series of affordable home ownership options with the definition of need and paragraph 64 of the NPPF states that *'Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups'*.
- 1.9 The NPPF also states that strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period.

Planning Practice Guidance (PPG)

- 1.10 The PPG explains how key elements of the NPPF should be interpreted. It also assists plan-making authorities in assessing and evidencing development needs for housing (both market and affordable), by introducing a standard approach for assessing local housing need. The National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in the PPG for assessing local housing need. The latest PPG (Housing and economic needs assessment) was published alongside the NPPF in February 2019.
- 1.11 It is clear from the NPPF that the Objectively Assessed Housing Need (OAN) derived from the standard methodology is to act as a minimum and there is scope and indeed it is encouraged for local authorities to provide housing in excess of this. Paragraph 10 of the PPG sets out the circumstances when a higher figure than the standard method can be considered. This includes but is not limited to:
- *"where growth strategies are in place, particularly where those growth strategies identify that additional housing above historic trends is needed to support growth or funding is in place to promote and facilitate growth (e.g. Housing Deals);*
 - *where strategic infrastructure improvements are planned that would support new homes;*
 - *where an authority has agreed to take on unmet need, calculated using the standard method, from neighbouring authorities, as set out in a statement of common ground;*
- In addition, authorities should also consider:*
- *previous delivery levels. Where previous delivery has exceeded the minimum need identified it should be considered whether the level of delivery is indicative of greater housing need; and*
 - *recent assessments of need, such as a Strategic Housing Market Assessment (SHMA). Where these assessments suggest higher levels of need than those proposed by a strategic policy-making authority, an assessment of lower need should be justified."*

- 1.12 In addition to setting out a Standard Method for assessing housing need, the PPG also provides some guidance about how specific elements of analysis should be undertaken (under the heading of *'Identifying the need for different types of housing'*). This includes advice about older people, people with disabilities and the private rented sector. The PPG also sets out a methodology for assessing affordable housing need; this is noteworthy for largely being the same as in the previous PPG (linked to the original NPPF) and for not providing any substantive advice about how to measure need captured under the new Annex 2 (NPPF) definition of affordable housing (affordable home ownership).

Carlisle Local Plan

- 1.13 The Carlisle Local Plan was adopted in November 2016; this sets out how new development will be managed in the period from 2015 to 2030. There are a number of policies in the Plan that are relevant to this report, and in some cases were developed on the basis of the previous SHMA research. Key policies are discussed below:

Policy SP 2 - Strategic Growth and Distribution (selected extracts)

To ensure that objectively assessed development needs are met, and met in the most sustainable manner, strategic growth within the District of Carlisle will be governed by the following principles:

1. Sufficient land will be identified to accommodate 9,606 net new homes between 2013 and 2030 including a minimum annualised average of:
 - 478 net new homes between 2013 and 2020; and
 - 626 net new homes between 2020 and 2030 (adjusted to have regard to delivery in the 2013-2020 period).
- a) approximately 70% of this growth will be focussed on the urban area of Carlisle, with approximately 30% in the rural area;

- 1.14 Policy SP2 sets out a housing requirement for 9,606 dwellings over the 17-year period to 2030 (an annual average of 565 dwellings per annum – albeit with a stepped trajectory). According to data provided by the Council, from 2013 to 2018, a total of 2,157 additional dwellings (net) were completed – an annual rate of 431 per annum. On the basis of a housing requirement for 9,606 dwellings this leaves 7,449 to be provided post-2018 (around 620 per annum).

Policy HO 4 - Affordable Housing (selected extracts)

In order to achieve mixed and inclusive neighbourhoods, affordable housing provision will be sought in the following circumstances:

1. within Zone A, all sites of six units and over will be required to provide 30% of the units as affordable housing;
2. within Zone B, all sites of 11 units or over will be required to provide 20% of the units as affordable housing; and
3. within Zone C, all sites of 11 units or over will be required to provide 30% of the units as affordable housing.

The tenure split of affordable housing to be provided should be 50% for social or affordable rent and 50% for intermediate housing.

For sites of between six and ten units, the affordable housing contribution will be sought in the form of cash payments which will be commuted until after completion of units within the development. For sites of 11 units or over, the affordable housing should be provided on the application site unless off site provision, or a financial contribution of broadly equivalent value in lieu of on-site provision, can be robustly justified by local or site-specific circumstances.

The opportunity to secure affordable extra care housing schemes as part of the wider affordable housing mix on development sites will be sought where it is considered to meet needs and the site is in an appropriate location.

Policy HO 4 will operate within the context of national policy and will be implemented with regard to any relevant future changes including to the national definition of affordable housing.

- 1.15 Policy HO4 sets out policies for Affordable Housing. Of note within this policy are the different targets depending on the location of housing and also the suggested tenure mix (50:50 split between social/affordable rent and intermediate). The policy also encourages provision of affordable extra-care housing (for older people). The affordable housing policies are also supported by an Affordable and Specialist Housing SPD (adopted February 2018). This builds on the Local Plan policies and includes a discussion of a range of topics, including rural housing, viability and design standards.

Policy HO 10 - Housing to Meet Specific Needs

The Council and its partners will work together to enable the delivery of specialist housing for vulnerable people including for the ageing population and those with physical and learning disabilities, such as extra-care accommodation, and which take account of the need to provide for a variety of care needs and flexibility to accommodate differing requirements of care.

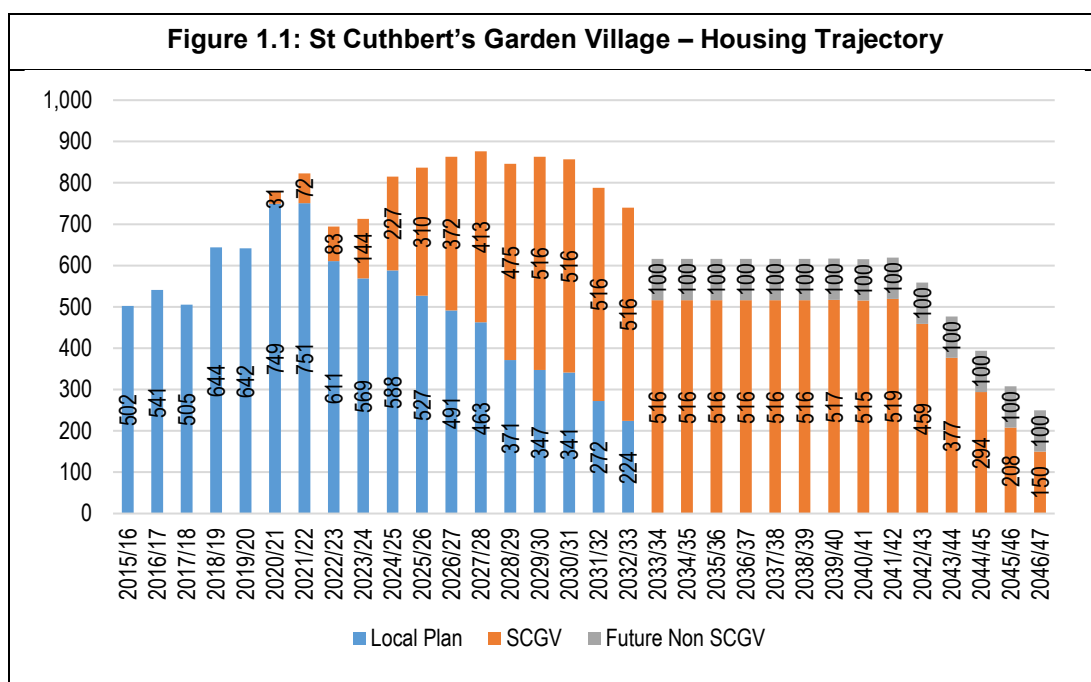
Proposals for new development to meet a particular housing need, e.g. older people, supported or other specialist accommodation will be acceptable where they are in appropriate sustainable locations, for example, close to a range of services and facilities.

- 1.16 Policy HO10 considers housing to meet specific needs. The policy itself does not set any targets for specific types of provision but does highlight the need for accommodating an ageing population, with specific reference made to extra-care housing. It is noted that such housing would need to be in sustainable locations (i.e. close to services and facilities).

- 1.17 The Affordable and Specialist Housing SPD (adopted February 2018) also builds on and provides guidance in relation to Policy HO10. The SPD includes specific sections about Older Persons' Housing, Other Supported Specialist Accommodation and Residential Design Standards for Older Persons and Specialist Accommodation.

St Cuthbert's Garden Village (SCGV)

- 1.18 A further consideration for this report is the longer-term implications of St Cuthbert's Garden Village. The Garden Village will comprise of up to 10,000 new homes, new employment space, associated community and social infrastructure and a new strategic link road. In October 2018, a report was completed by Lambert Smith Hampton (LSH) 'Housing Market Demand and Capacity Assessment'.
- 1.19 The LSH report concluded that demand for housing would support the delivery of the Garden Village. This conclusion was in part arrived at through a series of demographic modelling linking job growth forecasts to housing need. This report takes these forecasts and further set out a series of projections. These projections are then taken forward into analysis of a suitable mix of housing to be provided on the Garden Village.
- 1.20 The figure below shows the housing trajectory for the delivery of the Garden Village and other housing in the District. In summary the trajectory shows the first homes on SCGV being completed in 2020 with around 2,600 being completed by 2030 (i.e. the end of the current Local Plan). Beyond 2020, a further 7,700 homes are in the trajectory for SCGV plus 1,400 in other parts of the District. Therefore, in the longer-term, the majority of additional housing in Carlisle is expected to be in relation to SCGV.
- 1.21 The figures for delivery in other parts of the District (shown as future non-SCGV in the figure below from 2033/34 onwards) should be treated as indicative at this time. In due course these numbers will be developed and refined as the Council moves through a new Local plan process.



Source: Carlisle City Council

Report Structure

- 1.22 The report considers housing need, including the need for affordable housing in the 2018-30 period – i.e. to take account of the remainder of the Local Plan period. Further selected analysis also looks at needs up to 2050, this is particularly in relation to SCGV and to provide advice about the mix of housing likely to be required on this site. It should be remembered that moving forward from 2030, the vast majority of housing to be developed in the City Council area will be in relation to SCGV.
- 1.23 The report sets out a number of either linked or distinct sections; these are summarised below with a brief description:
- Section 2 – Carlisle – Area Profile – Provides background analysis about population and housing in Carlisle to help provide context for the analysis to follow;
 - Section 3 – Demographic Trends and Housing Need Projections – Reviews a range of data about population and household growth; considers Objectively Assessed Housing Need (OAN) when using the Government's emerging Standard Method and looks at the link between housing and job growth;
 - Section 4 - Affordable Housing Need – Updates previous analysis about the need for affordable housing and builds on this by considering the need under the new expanded definition of affordable housing in the NPPF;
 - Section 5 – Family Households and Housing Mix – This section assesses the need for different sizes of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures. As well as looking at affordable housing need, this section also considers market size requirements;
 - Section 6 – Older People and People with Disabilities – Considers the need for specialist accommodation for older people (e.g. sheltered/Extra-care) and also the need for homes to be built to Building Regulations M4(2) any M4(3). The section studies a range of data around older persons and people with disabilities; and
 - Section 7 – Private Rented Sector (PRS) – Analysis of the PRS in terms of characteristics and costs, and how this has changed over time.
- 1.24 Whilst much of the report focusses on the 2018-30 period, it is the case that some analysis (particularly in relation to affordable housing) should be reviewed and updated periodically (probably at least every five years). This would capture any changes in the housing market as well as enabling changes to planning policy and guidance to be reflected in the analysis.
- 1.25 In addition to the groups above, there are a number of groups suggested in the NPPF/PPG that could be considered in the analysis but are not specifically dealt with in this report. This includes:
- Students – There are a small number of student households, largely living in the Carlisle Urban area and linked to the University of Cumbria. As of the 2011 Census there were 246 student-only households living in the Council area (mostly in the St Aidans and Castle wards) – this number represents 0.5% of all households in the Council area. Whilst student households may have some impact on the housing market at a localised level it is not considered that the overall number of students would lead to any specific housing requirements.
 - Travellers who have ceased to travel – it is considered that this topic is best addressed through a Gypsy and Traveller Accommodation Assessment.

- Caravan and Houseboat Dwellers – In March 2016, CLG published draft guidance on the need for caravans and houseboats. This is important as it essentially fills the gap in the overall need from Gypsies and Travellers to cover the full range of households who live in some form of mobile or temporary accommodation. The 2011 Census show there to be just 99 dwellings in Carlisle that comprised ‘caravans or other mobile or temporary structures’ and of these 93 are occupied. Additionally, data from CLG identifies no houseboats on the Council Tax Register in 2016. Again, whilst there may be specific localised issues, it is not considered that the overall scale of this part of the housing market is large enough to lead to any specific requirements;
- Armed Forces – There are no bases in Carlisle and the 2011 Census records just 217 armed forces personnel as living in households. Hence there does not appear to be any specific issue.

Introduction: Key Messages

- This report provides an updated Strategic Housing Market assessment (SHMA) for Carlisle Council. The methodology used in this report responds to the revised National Planning Policy Framework (NPPF) of 2018 and 2019. This continues to set out the Government’s objective to significantly boost housing supply. The analysis is also mindful of revised Planning Practice Guidance (PPG) on housing need assessment (February 2019).
- A key part of the revised NPPF/PPG is the introduction of a Standard Method for the assessment of housing need. Housing need in the context of current and emerging guidance (and as used in this report) therefore refers “*the number of homes identified as being needed through the application of the standard method set out in national planning guidance, or a justified alternative approach.*”
- The analysis is also mindful of Key Policies in the Carlisle Local Plan (adopted in November 2016). Important policies can be summarised as SP2 (Strategic Growth and Distribution) which sets out an overall housing target; HO4 (Affordable Housing) which includes affordable housing policies and the areas to which they should be applied and HO10 (Housing to Meet Specific Needs) which amongst other things includes noting a need for accommodation for older persons.
- The future impact of St Cuthbert’s Garden Village (SCGV) will also be a key consideration for the Council. The Garden Village being expected to deliver around 10,000 new homes up to 2050. Beyond 2030 (the end of the current Local Plan period) the vast majority of housing delivered in Carlisle is expected to be on the SCGV site. Thus, an understanding of the appropriate mix of housing is an important part of this report.
- The SHMA update focusses mainly on needs in the 2018-30 period (i.e. the remainder of the Local Plan). However, key analysis is also provided looking forward to 2050, and in particular in relation to SCGV. To provide an evidence base, this report sets out a number of either linked or distinct sections to cover a range of core subject areas; the sections are summarised below:
 - Section 2 – Carlisle – Area Profile;
 - Section 3 – Demographic Trends and Housing Need Projections;
 - Section 4 – Affordable Housing Need;
 - Section 5 – Family Households and Housing Mix;
 - Section 6 – Older People and People with Disabilities; and
 - Section 7 – Private Rented Sector (PRS).
- Whilst much of the report focusses on the 2018-30 period, it is the case that some analysis (particularly in relation to affordable housing) should be reviewed and updated periodically (probably at least every five years). This would capture any changes in the housing market as well as enabling changes to planning policy and guidance to be reflected in the analysis.

2. Carlisle District Profile

Introduction

2.1 This section provides some background analysis about population and housing in Carlisle (along with summary information for each of three sub-areas). Data is compared with local, regional and national data as appropriate. The analysis can be summarised as covering four main topic headings:

- Population (age/ethnic group)
- Household characteristics (type/tenure)
- Housing profile (size/accommodation type)
- Economic profile

2.2 The table below shows the sub-areas used in analysis. These are consistent with the areas used in the previous SHMA and are based on ward groupings.

Figure 2.1: Wards in each Housing Market Area	
Area	Wards
Rural West	Burgh, Dalston
Rural East	Brampton, Great Corby and Geltsdale, Hayton, Irthing, Longtown & Rockcliffe, Lyne, Stanwix Rural, Wetheral
Carlisle Urban	Belah, Belle Vue, Botcherby, Castle, Currock, Denton Holme, Harraby, Morton, St. Aidans, Stanwix Urban, Upperby, Yewdale

Source: Carlisle City Council

2.3 It should be noted that new ward boundaries came into effect following local elections in May 2019 (after this report was drafted). However, it is considered that the effect of this would be negligible as there is minimal difference between the geography covered by the new and former Housing Market Areas.

2.4 To provide some initial context to the sub-areas the table below shows the estimated population in location (as of 2017) and the proportion of the Carlisle total this amounts to. This shows the Urban area of the Council area as including two-thirds of the total population, with Rural East having around a quarter. The Rural West area is somewhat smaller (in population terms) with just 9% of the total population living in this location.

Figure 2.2: Estimated population by sub-area (2017)		
	Estimated population	% of population
Rural West	9,269	8.6%
Rural East	26,714	24.7%
Carlisle Urban	72,291	66.8%
Total population	108,274	100.0%

Source: ONS mid-year population estimates

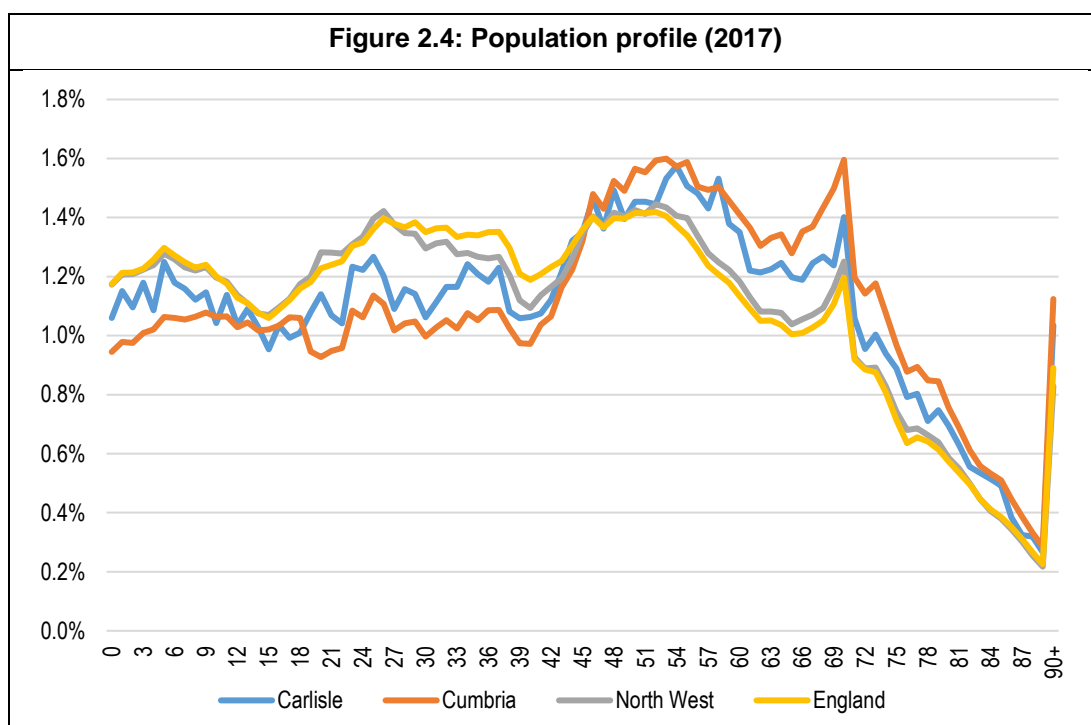
Population

- 2.5 The table below shows the population profile of Carlisle in five-year age bands compared with a range of other areas. The data shows a relatively old age structure with particularly notable differences from ages 45 onwards. When compared with Cumbria however the age profile of the District is relatively young.

Figure 2.3: Population profile (2017)					
	Carlisle		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
0-4	6,033	5.6%	4.9%	6.1%	6.1%
5-9	6,341	5.9%	5.3%	6.2%	6.3%
10-14	5,776	5.3%	5.2%	5.7%	5.7%
15-19	5,492	5.1%	5.1%	5.7%	5.6%
20-24	6,179	5.7%	5.0%	6.5%	6.3%
25-29	6,343	5.9%	5.4%	6.9%	6.9%
30-34	6,224	5.7%	5.2%	6.5%	6.8%
35-39	6,239	5.8%	5.2%	6.1%	6.5%
40-44	6,276	5.8%	5.5%	5.9%	6.2%
45-49	7,648	7.1%	7.2%	6.9%	6.9%
50-54	8,078	7.5%	7.9%	7.1%	7.0%
55-59	7,936	7.3%	7.5%	6.5%	6.3%
60-64	6,773	6.3%	6.8%	5.6%	5.4%
65-69	6,645	6.1%	6.9%	5.4%	5.2%
70-74	5,801	5.4%	6.2%	4.8%	4.7%
75-79	4,268	3.9%	4.4%	3.4%	3.3%
80-84	3,169	2.9%	3.1%	2.5%	2.5%
85+	3,053	2.8%	3.1%	2.3%	2.4%
All Ages	108,274	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

- 2.6 The differences between Carlisle and other areas can more clearly be seen in the figure below. This identifies a relatively low proportion of the population aged up to 45 (in all age bands) and higher proportions for all age bands from about 45 upward.



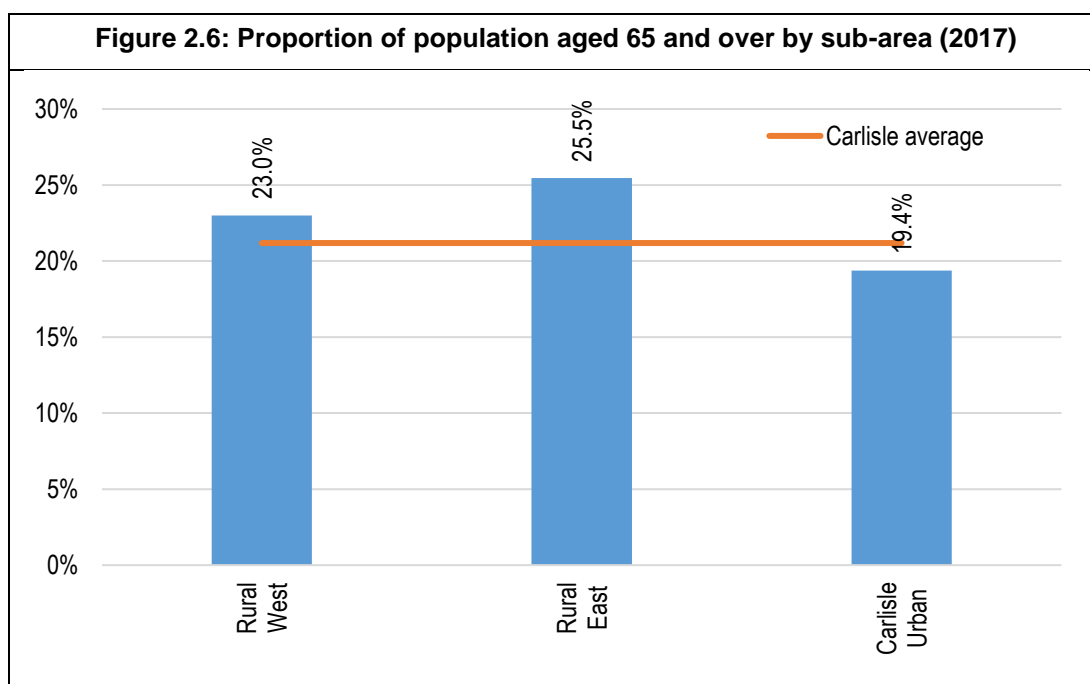
- 2.7 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age). Compared with the region and national position, Carlisle has a relatively high proportion of people aged 65 and over (21%) and consequently lower proportions of children and people of working-age. However, when compared with equivalent data for Cumbria, the analysis shows a relatively low proportion of older persons.

Figure 2.5: Population profile (2017) – summary age bands

	Carlisle		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
Under 16	19,183	17.7%	16.5%	19.0%	19.1%
16-64	66,155	61.1%	59.7%	62.5%	62.8%
65+	22,936	21.2%	23.8%	18.4%	18.0%
All Ages	108,274	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

- 2.8 The figure below takes this data forward to look at some differences by sub-area. This focusses on the population aged 65 and over. The analysis identifies some variation in the proportion of people in this age group in different locations with the urban area of Carlisle District having a notably lower proportion of older people when compared with the Rural East area in particular.



Source: ONS mid-year population estimates

2.9 As well as looking at the population profile, analysis has been carried out (below) to look at overall population change over the 10-year period to 2017 (a 10-year period being chosen as this is a fairly standard period over which to look at population change). The analysis shows over the period that the population of Carlisle increased by 0.9%; this is a relatively low level of population change and compares with increases of 4.8% in the North West and 8.2% in England. However, it is noteworthy that the population has increased, given that across the whole of Cumbria there has been a small reduction in the population.

2.10 The modest increase in population is interesting given that recent years have seen fairly high levels of housing delivery across the Council area. It may be that there is a slight 'lag' between homes being completed and population estimates picking up the additional population this generates. It is therefore recommended that the Council monitors future population changes as recorded by ONS.

Figure 2.7: Population change (2007-17)

	Population (2007)	Population (2017)	Change	% change
Carlisle	107,293	108,274	981	0.9%
Cumbria	500,779	498,375	-2,404	-0.5%
North West	6,929,277	7,258,627	329,350	4.8%
England	51,381,093	55,619,430	4,238,337	8.2%

Source: ONS mid-year population estimates

2.11 The table and figure below show population change by age (again for the 2007-17 period). This generally identifies the greatest increases to be in older age groups (aged 65 and over) along with some notable population declines (particularly in the 15-24 and 35-44 age groups).

Figure 2.8: Population change by age (2007-17) – 5-year age bands (Carlisle)				
	Population (2007)	Population (2017)	Change	% change
0-4	5,663	6,033	370	6.5%
5-9	5,260	6,341	1,081	20.6%
10-14	6,097	5,776	-321	-5.3%
15-19	6,875	5,492	-1,383	-20.1%
20-24	7,993	6,179	-1,814	-22.7%
25-29	6,451	6,343	-108	-1.7%
30-34	6,133	6,224	91	1.5%
35-39	7,561	6,239	-1,322	-17.5%
40-44	7,946	6,276	-1,670	-21.0%
45-49	7,896	7,648	-248	-3.1%
50-54	6,979	8,078	1,099	15.7%
55-59	7,052	7,936	884	12.5%
60-64	6,513	6,773	260	4.0%
65-69	5,202	6,645	1,443	27.7%
70-74	4,586	5,801	1,215	26.5%
75-79	3,849	4,268	419	10.9%
80-84	2,841	3,169	328	11.5%
85+	2,396	3,053	657	27.4%
All Ages	107,293	108,274	981	0.9%

Source: ONS mid-year population estimates

- 2.12 This information has been summarised into three broad age bands to ease comparison. The table below shows a modest increase in the number of children living in the District (increasing by about 4%) along with a decrease in the 'working-age' population. The key driver of population growth has therefore been in the 65 and over age group, which between 2007 and 2017 saw a population increase of about 4,100 people; this age group increasing in size by over 20% in the decade.

Figure 2.9: Change in population by broad age group (2007-17) – Carlisle				
	2007	2017	Change	% change
Under 16	18,430	19,183	753	4.1%
16-64	69,989	66,155	-3,834	-5.5%
65+	18,874	22,936	4,062	21.5%
TOTAL	107,293	108,274	981	0.9%

Source: ONS mid-year population estimates

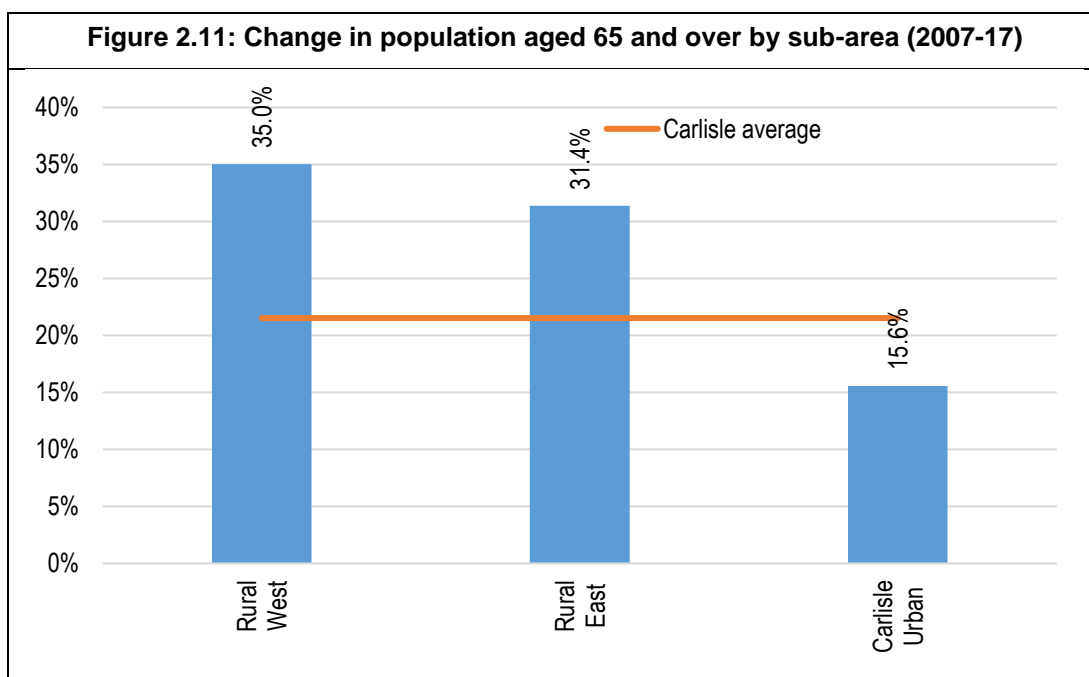
- 2.13 Additional analysis is provided below to look at the sub-areas. The analysis shows a relatively strong increase in the population of Rural West and little change for Rural East and Carlisle Urban. Indeed, the Carlisle Urban area saw a small reduction in population between 2007 and 2017. Levels of population growth may to some degree to be driven by the locations of new housing development over this period.

- 2.14 The apparent decline in population of the Carlisle Urban area is interesting given that recent years have seen high levels of housing completions (which would be expected to drive an increase in population). It seems likely that the reason for the reduction in population (despite high housebuilding) will be because some sites are on the edge of the City but would (in terms of the ward boundaries used) be classified as rural areas. The figures below should therefore be treated with some degree of caution.

Figure 2.10: Change in population (2007-17) by sub-area				
	2007	2017	Change	% change
Rural West	8,312	9,269	957	11.5%
Rural East	26,412	26,714	302	1.1%
Carlisle Urban	72,569	72,291	-278	-0.4%
Total	107,293	108,274	981	0.9%

Source: ONS mid-year population estimates

- 2.15 The figure below shows the change in the proportion of the population aged 65 and over in each sub-area. All areas have seen an increase in the proportion of older people, with the increase in the population in this age group ranging from 16% in Carlisle Urban, up to 35% in Rural West.



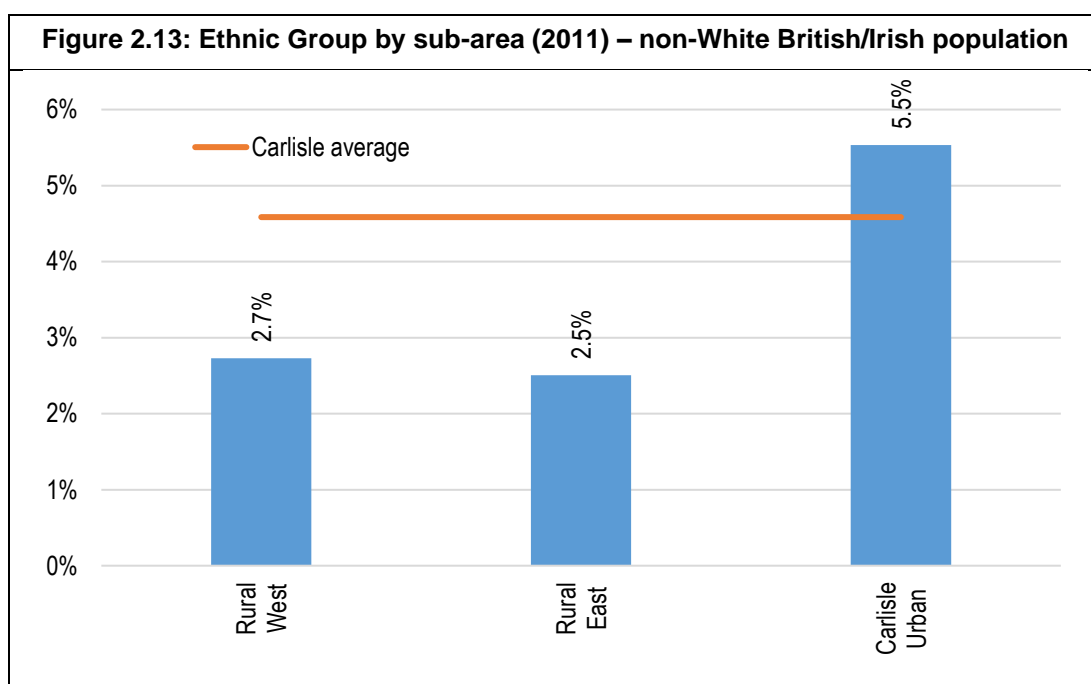
Source: ONS mid-year population estimates

- 2.16 The table below shows the ethnic group of the population (as of 2011) and compares this with a range of other areas. It can be seen that the Black and Minority Ethnic (BME) population of Carlisle is low when compared with other areas; only 4.6% of people are from a BME group, compared with 12% in the North West and 19% nationally. The main BME group in Carlisle is White (Other) which makes up 3% of all people – this group is likely to contain a number of Eastern European migrants.

Figure 2.12: Ethnic Group (2011)					
	Carlisle		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
White British/Irish	102,594	95.4%	96.8%	88.0%	80.7%
White Other	2,886	2.7%	1.7%	2.2%	4.7%
Mixed	535	0.5%	0.5%	1.6%	2.3%
Asian	1,248	1.2%	0.8%	6.2%	7.8%
Black	147	0.1%	0.1%	1.4%	3.5%
Other	114	0.1%	0.1%	0.6%	1.0%
TOTAL	107,524	100.0%	100.0%	100.0%	100.0%
Non-White British/Irish	4,930	4.6%	3.2%	12.0%	19.3%

Source: 2011 Census

- 2.17 The figure below shows the proportion of the population who are from a non-White British/Irish ethnic group by sub-area. This identifies that all areas have relatively low BME populations, with the range of figures being from 3% in the two rural areas, up to around 6% in Carlisle Urban.



Source: 2011 Census

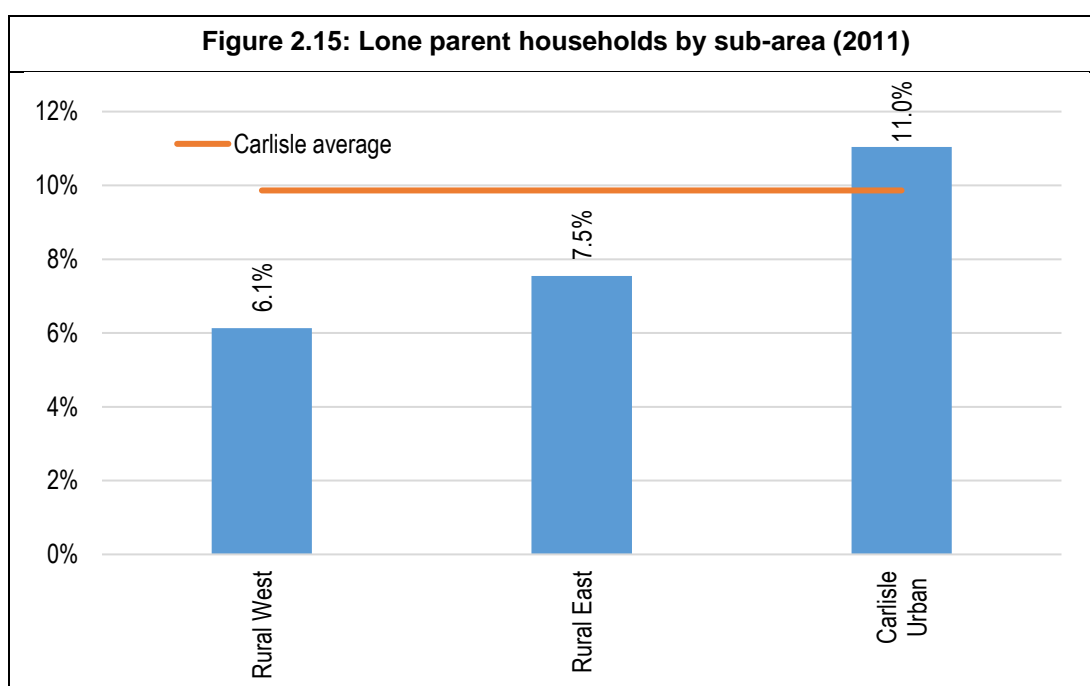
Household Characteristics

- 2.18 The table below shows household types (in 2011) in Carlisle and compared with other areas. Compared with the County, regional and national position, this analysis shows a broadly similar pattern of households – the main differences with regional/national data include a higher proportion of older person households and also a higher proportion of single persons (aged under 65). Overall however, differences from other areas are quite slight.

Figure 2.14: Household Types (2011)					
	Carlisle		Cumbria	North West	England
	Households	% of households	% of households	% of households	% of households
One person 65 and over	6,736	13.9%	14.6%	12.8%	12.4%
Couple 65 and over	4,114	8.5%	10.1%	7.8%	8.1%
One person (under 65)	9,687	20.0%	17.7%	19.4%	17.9%
Couple (no children)	9,070	18.8%	19.8%	16.5%	17.6%
Couple (dependent children)	8,516	17.6%	17.9%	18.4%	19.3%
Couple (non-dependent children only)	3,009	6.2%	6.4%	6.5%	6.1%
Lone parent (dependent children)	3,078	6.4%	5.7%	8.1%	7.1%
Lone parent (non-dependent children only)	1,690	3.5%	3.2%	3.9%	3.5%
Other households	2,442	5.1%	4.6%	6.6%	8.0%
TOTAL	48,342	100.0%	100.0%	100.0%	100.0%

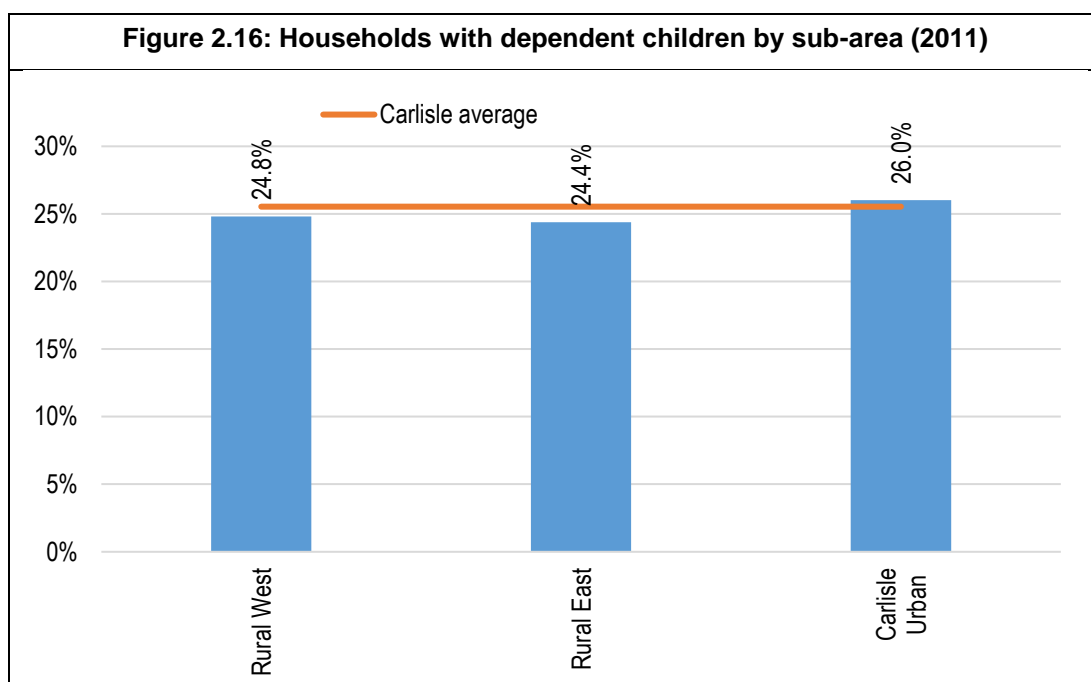
Source: 2011 Census

- 2.19 The figure below focuses on the proportion of lone parent households by sub-area (the figures are for lone parent households with both dependent and non-dependent children combined). This shows a small range with the proportion of lone parent households going from 6% in Rural West, up to 11% in Carlisle Urban.



Source: 2011 Census

- 2.20 A similar analysis has been undertaken below focussing on all households with dependent children. This shows little variation across areas, with the range of proportions of such households going from about 24% in Rural East up to 26% in Carlisle Urban.



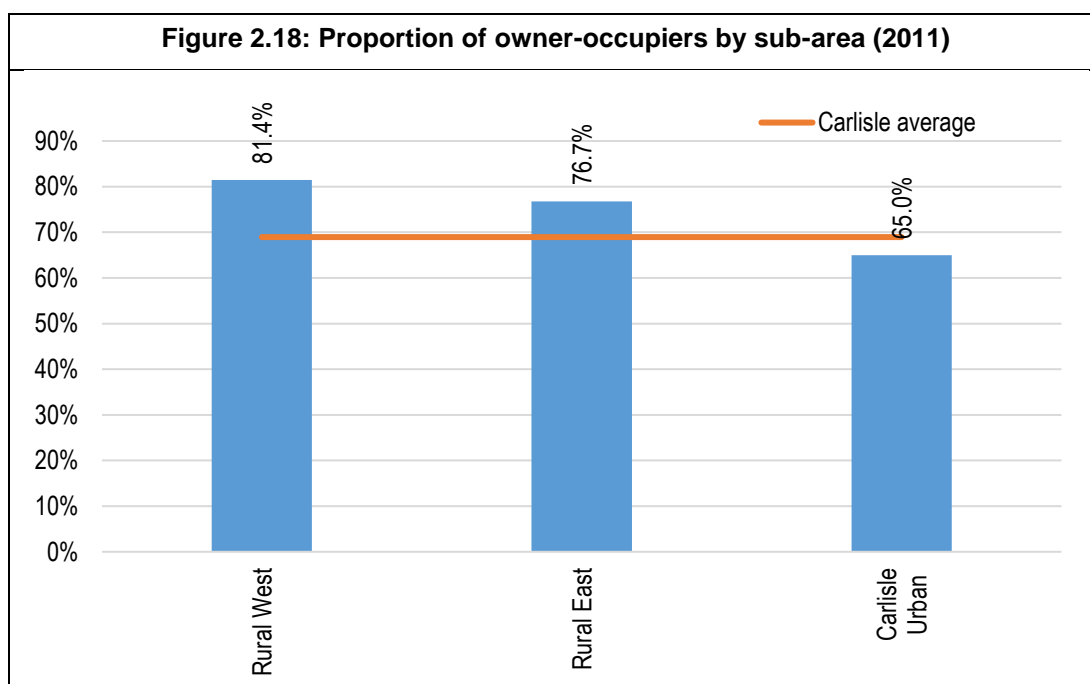
Source: 2011 Census

- 2.21 The table below shows household tenure compared with a number of other locations. The analysis identifies a relatively high proportion of owner-occupiers and particularly outright owners (albeit lower than seen across Cumbria). The proportion of households living in both the social rented sector and private rented accommodation is lower than is observed either regionally or nationally.

Figure 2.17: Tenure (2011)					
	Carlisle		Cumbria	North West	England
	House-holds	% of house-holds	% of house-holds	% of house-holds	% of house-holds
Owns outright	16,754	34.7%	39.2%	31.0%	30.6%
Owns with mortgage/loan	16,577	34.3%	32.0%	34.0%	33.6%
Social rented	7,394	15.3%	14.3%	18.3%	17.7%
Private rented	6,914	14.3%	12.8%	15.4%	16.8%
Living rent free	703	1.5%	1.6%	1.3%	1.3%
TOTAL	48,342	100.0%	100.0%	100.0%	100.0%

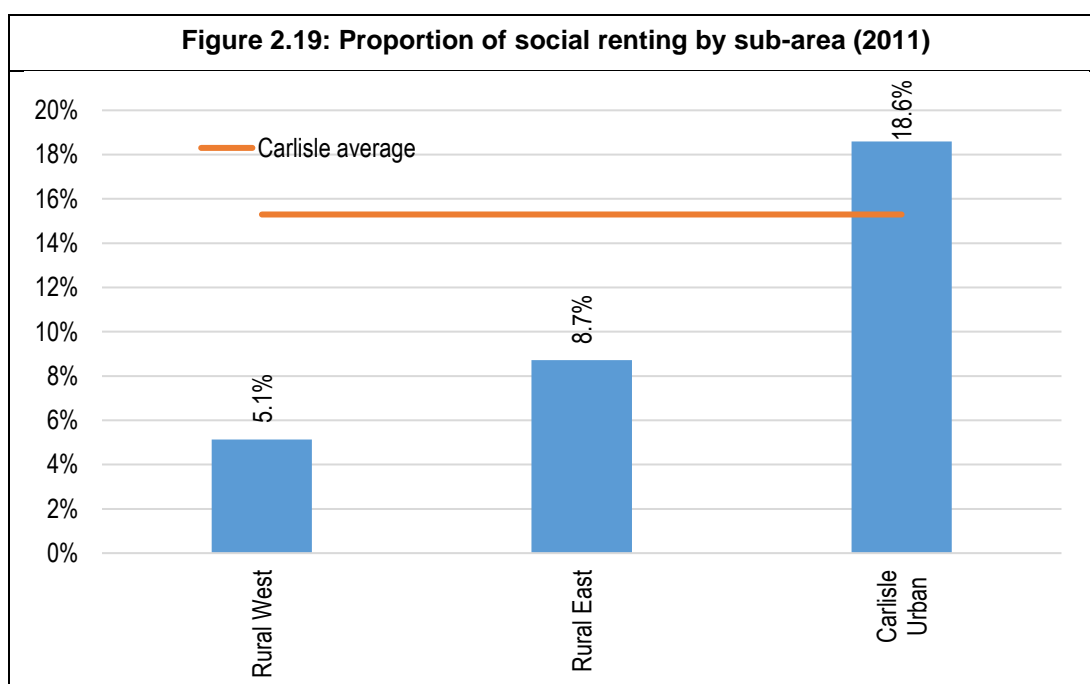
Source: 2011 Census

- 2.22 The three figures below show sub-area level data for three key tenure groups: a) owner-occupied (combining those with and without a mortgage/loan), b) social rent and c) private rent. Data for the 'other' tenure group is not shown below; the proportion of households in the other category is relatively small (1.5% of all households in the District).
- 2.23 When looking at owner-occupation the analysis shows a range from about 65% of households in Carlisle Urban up to 81% in Rural West.



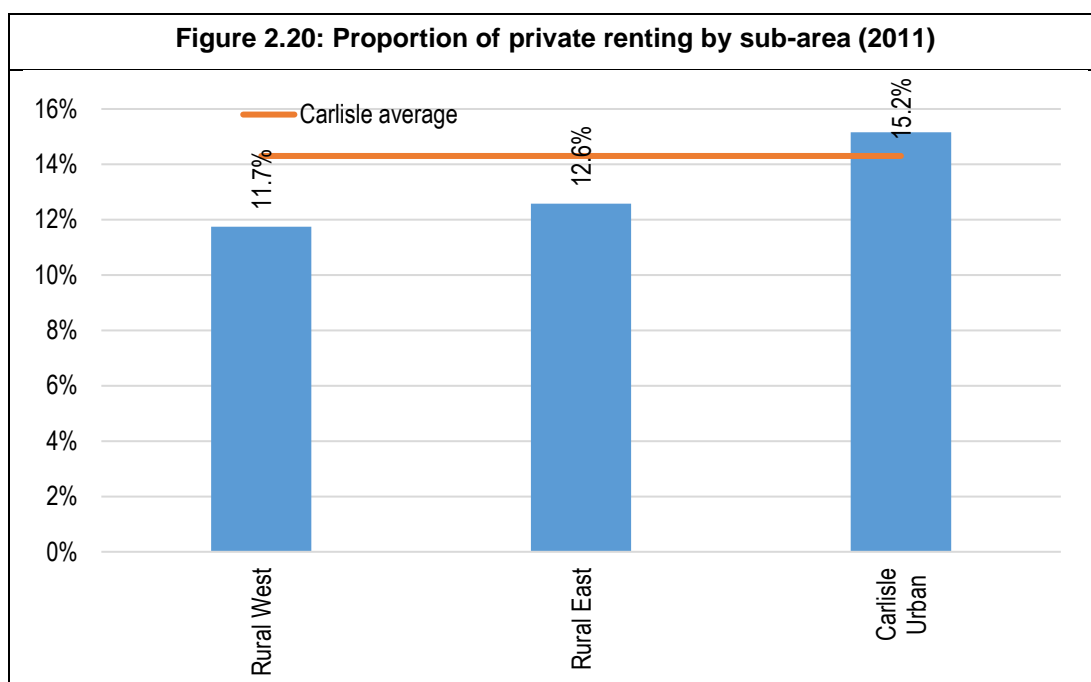
Source: 2011 Census

- 2.24 The proportion of households living in social rented housing (figure below) shows some notable variation by area with proportions varying from around 5% in Rural West up to 19% in Carlisle Urban.



Source: 2011 Census

- 2.25 The final tenure analysis below focusses on the private rented sector; as with other tenures there is some variation between areas with the proportion of households living in this sector varying from 12% in Rural West up to 15% in Carlisle Urban.



Source: 2011 Census

- 2.26 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows (for the whole of Carlisle) data from the 2001 and 2011 Census. From this it is clear that there has been growth in the number of households living in privately rented accommodation as well as a notable increase in outright owners. There has been a substantial decline in the number of owners with a mortgage and also a notable decrease in the numbers in the social rented sector.

Figure 2.21: Change in tenure (2001-11) – Carlisle

	2001 households	2011 households	Change	% change
Owens outright	13,369	16,754	3,385	25.3%
Owens with mortgage/loan	17,777	16,577	-1,200	-6.8%
Social rented	8,055	7,394	-661	-8.2%
Private rented	3,666	6,914	3,248	88.6%
Living rent free	1,096	703	-393	-35.9%
TOTAL	43,963	48,342	4,379	10.0%

Source: 2001 and 2011 Census

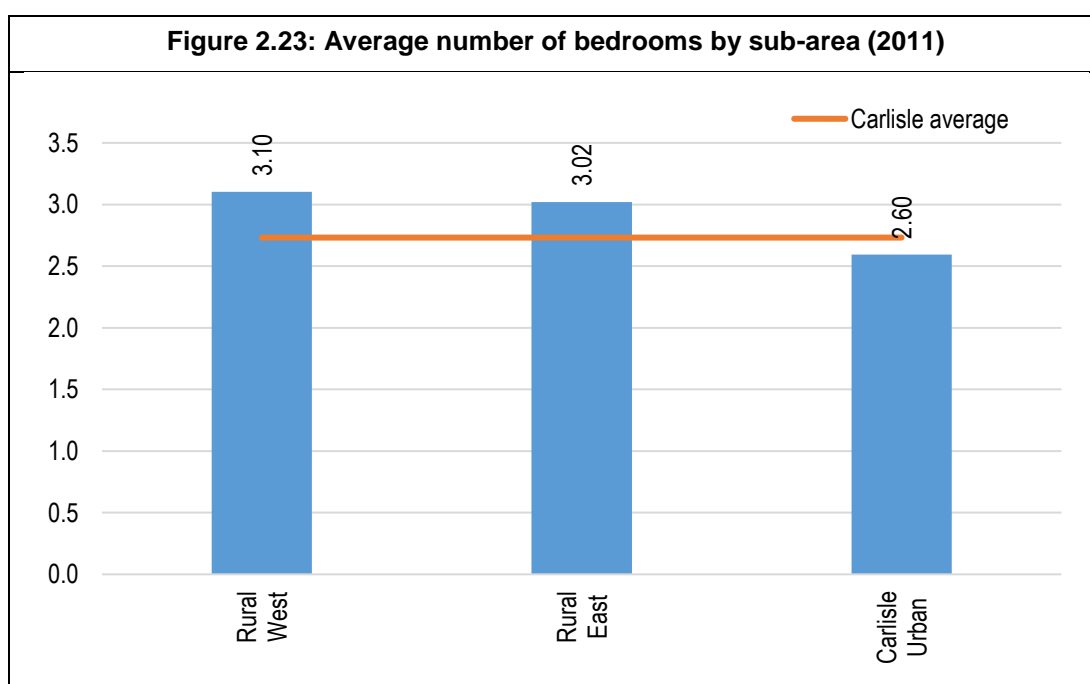
Housing Profile

- 2.27 The analysis below shows the number of bedrooms available to households as of the 2011 Census. Generally, the size profile in Carlisle is one of similar sized homes to the regional and national average. The average home has 2.73 bedrooms compared with 2.81 across Cumbria, 2.72 in the North West and 2.72 nationally. The analysis shows that the dwelling stock of Carlisle is fairly balanced, with a particular focus on 3-bedroom homes, albeit at 43% of the stock, this proportion is similar to that seen in other areas.

Figure 2.22: Number of bedrooms (2011)					
	Carlisle		Cumbria	North West	England
	House-holds	% of house-holds	% of house-holds	% of house-holds	% of house-holds
1-bedroom	3,700	7.7%	6.5%	9.7%	12.0%
2-bedrooms	15,751	32.6%	29.3%	28.5%	27.9%
3-bedrooms	20,575	42.6%	45.4%	45.0%	41.2%
4-bedrooms	6,451	13.3%	14.2%	13.1%	14.4%
5+-bedrooms	1,865	3.9%	4.6%	3.7%	4.6%
TOTAL	48,342	100.0%	100.0%	100.0%	100.0%
Average bedrooms	2.73		2.81	2.72	2.72

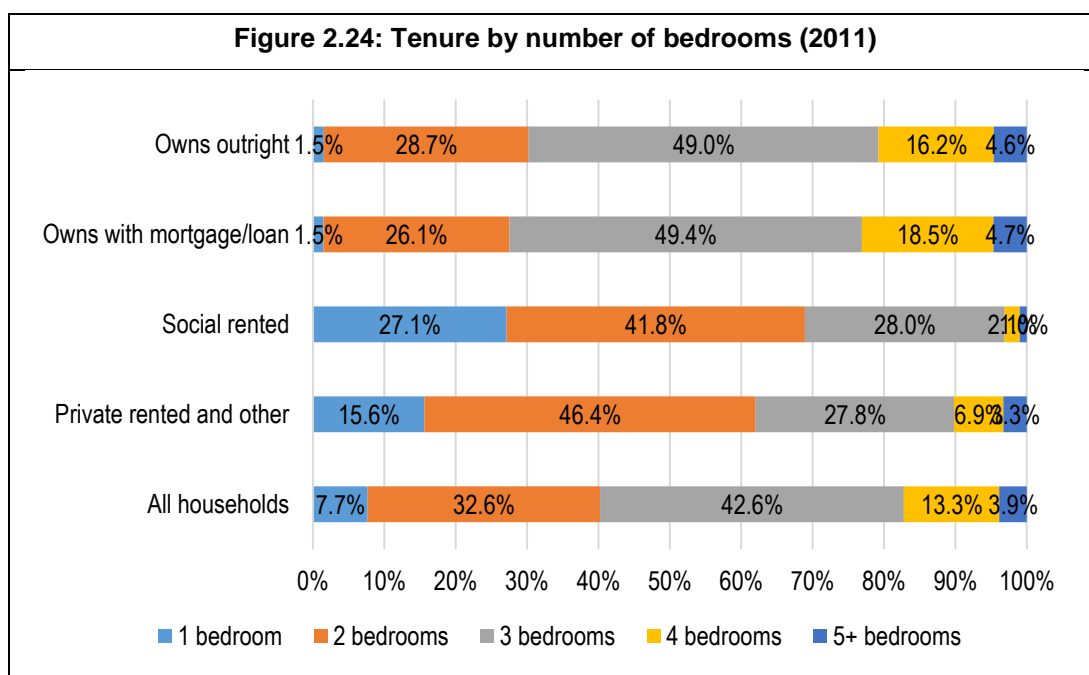
Source: 2011 Census

- 2.28 There is some limited variation in the average number of bedrooms across different locations (as shown in the figure below) – the average number of bedrooms varies from 2.60 in Carlisle Urban, up to 3.10 in Rural West.



Source: 2011 Census

- 2.29 The figure below shows how the size of homes varies by tenure (for the whole of Carlisle). From this it is clear that homes in the owner-occupied sector are significantly larger than either the private or social rented sectors. Over 70% of all owner-occupied homes have at least three bedrooms with around 22% having four or more bedrooms. In the social rented sector, only 3% of homes have four or more bedrooms, along with 10% of private rented accommodation.



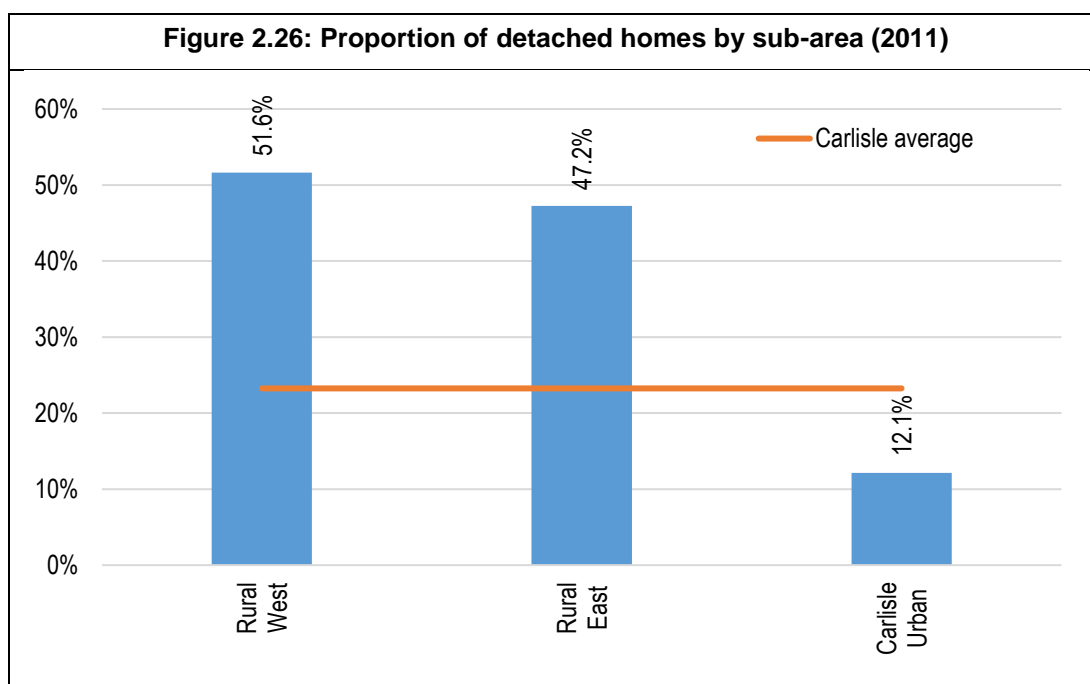
- 2.30 Leading on from the analysis of dwelling sizes, the analysis below looks at accommodation types. This identifies that Carlisle has a fairly balanced stock profile, although when compared with the regional and national position the proportion of flats is relatively low.

Figure 2.25: Accommodation type (2011)

	Carlisle		Cumbria	North West	England
	Dwellings	% of dwellings	% of dwellings	% of dwellings	% of dwellings
Detached	11,238	23.2%	25.7%	18.0%	22.4%
Semi-detached	17,313	35.8%	33.1%	36.4%	31.2%
Terraced	13,785	28.5%	30.2%	29.8%	24.5%
Flat/other	6,006	12.4%	11.0%	15.9%	21.9%
TOTAL	48,342	100.0%	100.0%	100.0%	100.0%

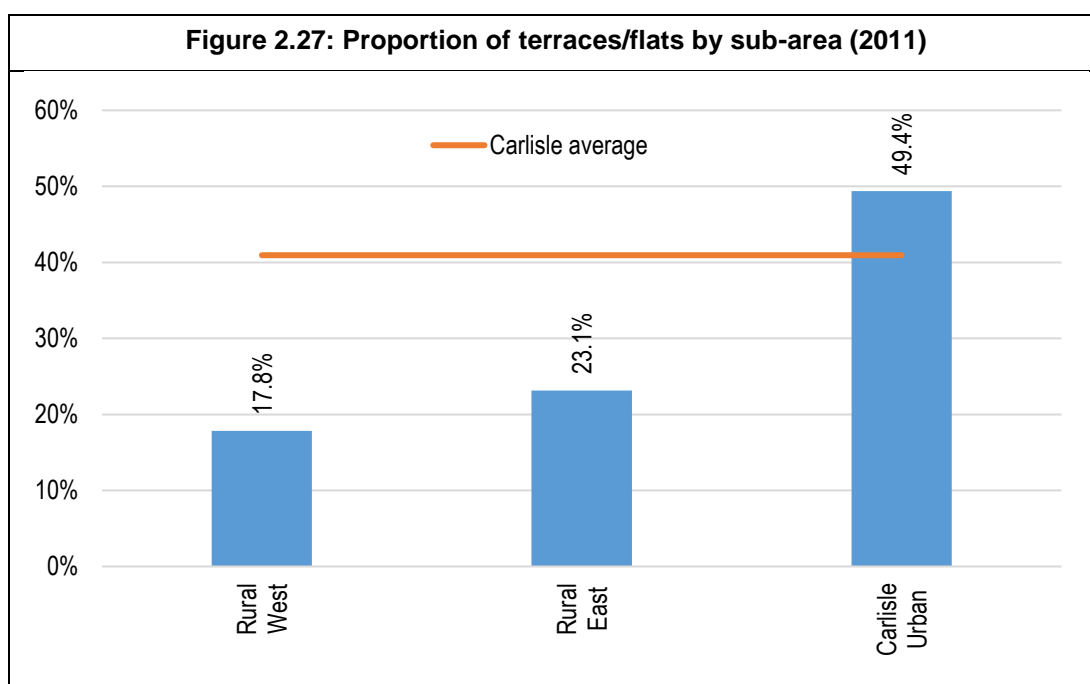
Source: 2011 Census

- 2.31 The figure below shows the proportion of detached homes in each sub-area. There is a notable variation with figures ranging from just 12% in Carlisle Urban, up to 52% in Rural West.



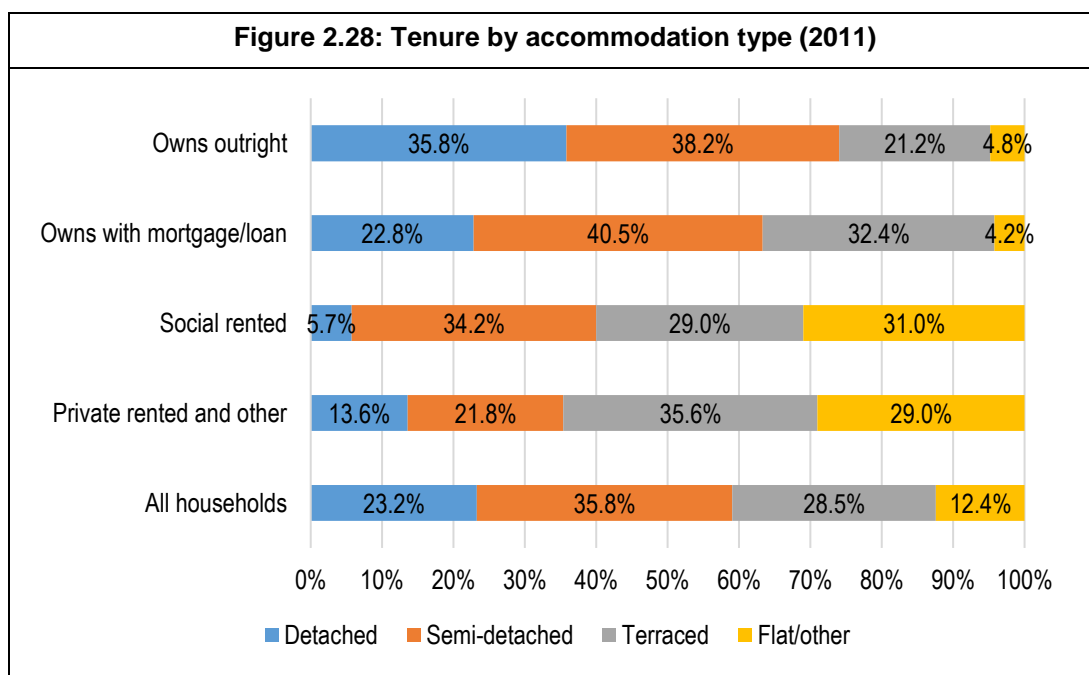
Source: 2011 Census

- 2.32 A similar analysis (below) focuses on the proportion of terraced homes and flats. This typically shows the opposite pattern to that for detached homes with the proportion of households living in terraces/flats ranging from 18% in Rural West, up to 49% in Carlisle Urban.



Source: 2011 Census

- 2.33 The figure below shows how accommodation type varies by tenure (for the whole of Carlisle District). From this it is clear that homes in the owner-occupied sector are more likely to be detached with relatively few terraced homes or flats. The social rented sector has the highest proportion of flats (making up about a third of all households living in this sector). The private rented sector sees a reasonably balanced split between different dwelling types, although the proportion of terraced homes (at 36%) is notable. It should be noted that the data below is for households and not dwellings (i.e. it includes only occupied homes).



- 2.34 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2011 Census. The box below shows how the standard is calculated, this is then compared with the number of bedrooms available to the household (with a negative number representing overcrowding and a positive number being under-occupation). Households with an occupancy rating of +2 or more have at least two spare bedrooms.

For the purposes of the bedroom standard a separate bedroom shall be allocated to the following persons –

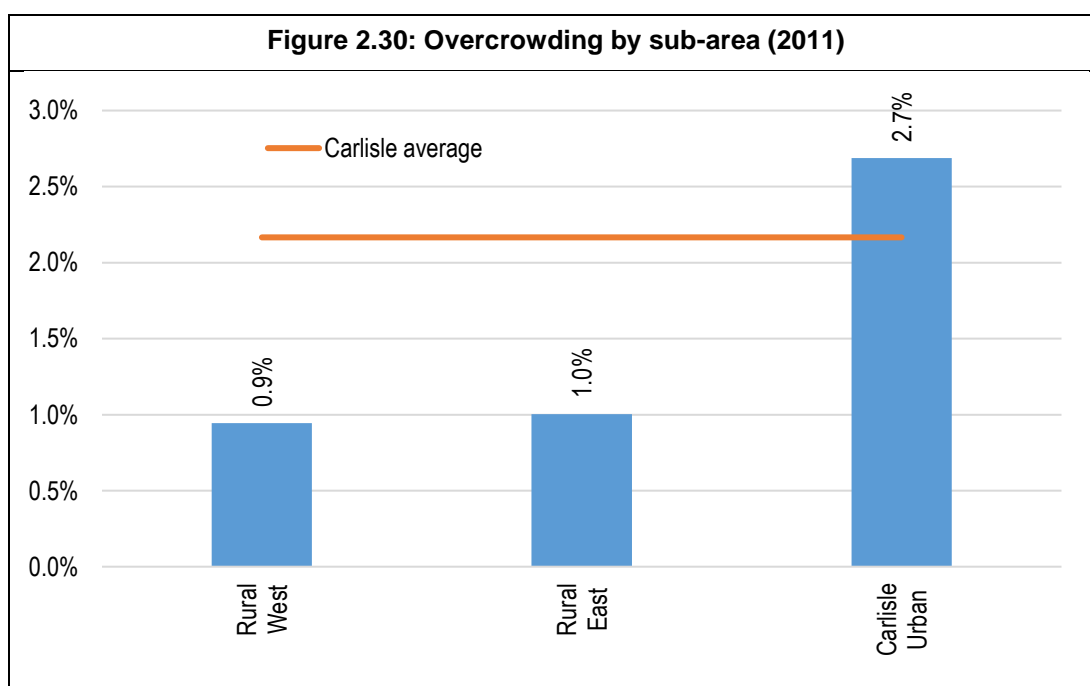
- (a) A person living together with another as husband and wife (whether that other person is of the same sex or the opposite sex)
- (b) A person aged 21 years or more
- (c) Two persons of the same sex aged 10 years to 20 years
- (d) Two persons (whether of the same sex or not) aged less than 10 years
- (e) Two persons of the same sex where one person is aged between 10 years and 20 years and the other is aged less than 10 years
- (f) Any person aged under 21 years in any case where he or she cannot be paired with another occupier of the dwelling so as to fall within (c), (d) or (e) above.

- 2.35 The analysis shows that levels of overcrowding in Carlisle are low with only 2.2% of households being overcrowded in 2011 (compared with 3.6% in the North West and 4.6% nationally). Levels of under-occupation are however about average with around 37% of households having a rating of +2 or more – this is notably higher than seen in any of the comparator areas.

Figure 2.29: Overcrowding and under-occupation (2011) – bedroom standard					
	Carlisle		Cumbria	North West	England
	Number of households	% of households	% of households	% of households	% of households
+2 or more	17,739	36.7%	40.6%	34.5%	34.3%
+1 or more	19,251	39.8%	38.7%	37.1%	34.4%
0	10,305	21.3%	18.9%	24.8%	26.7%
-1 or less	1,047	2.2%	1.8%	3.6%	4.6%
TOTAL	48,342	100.0%	100.0%	100.0%	100.0%

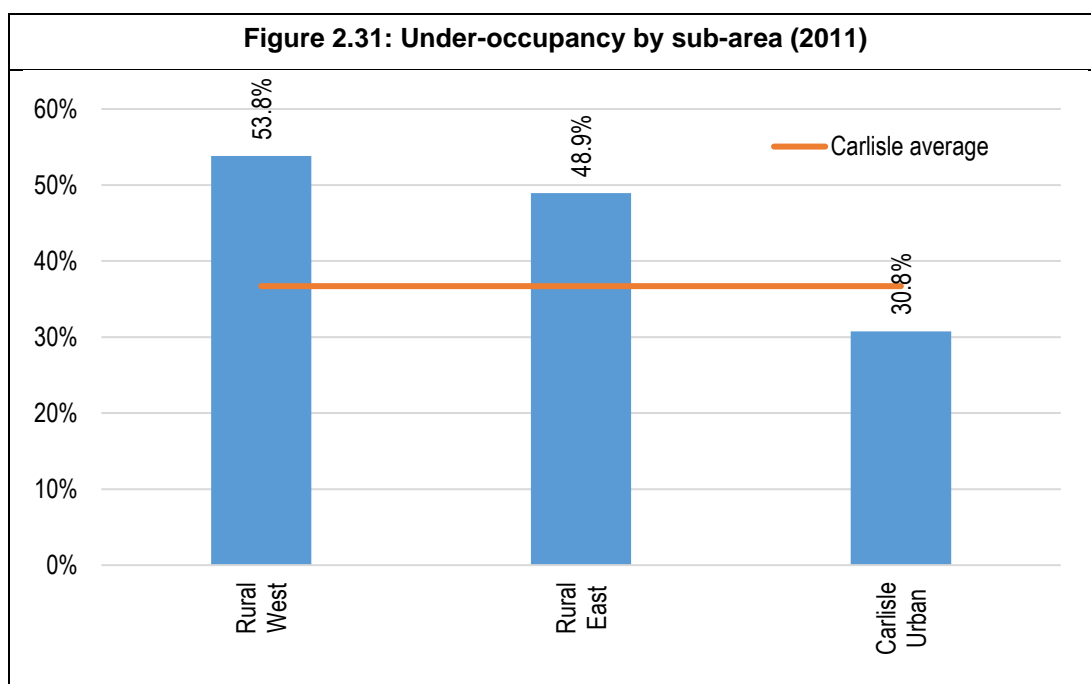
Source: 2011 Census

- 2.36 The figure below shows levels of overcrowding by sub-area. This identifies a range of overcrowding from 1% in the two rural areas, up to 3% in Carlisle Urban.



Source: 2011 Census

- 2.37 A similar analysis (below) focuses on under-occupancy (using figures for the proportion of households with an occupancy rate of +2 or more). This shows the highest level of under-occupancy to be in the Rural West area and the lowest in the Carlisle Urban – in Rural West, some 54% of households have at least two spare bedrooms.



Source: 2011 Census

Economic Profile

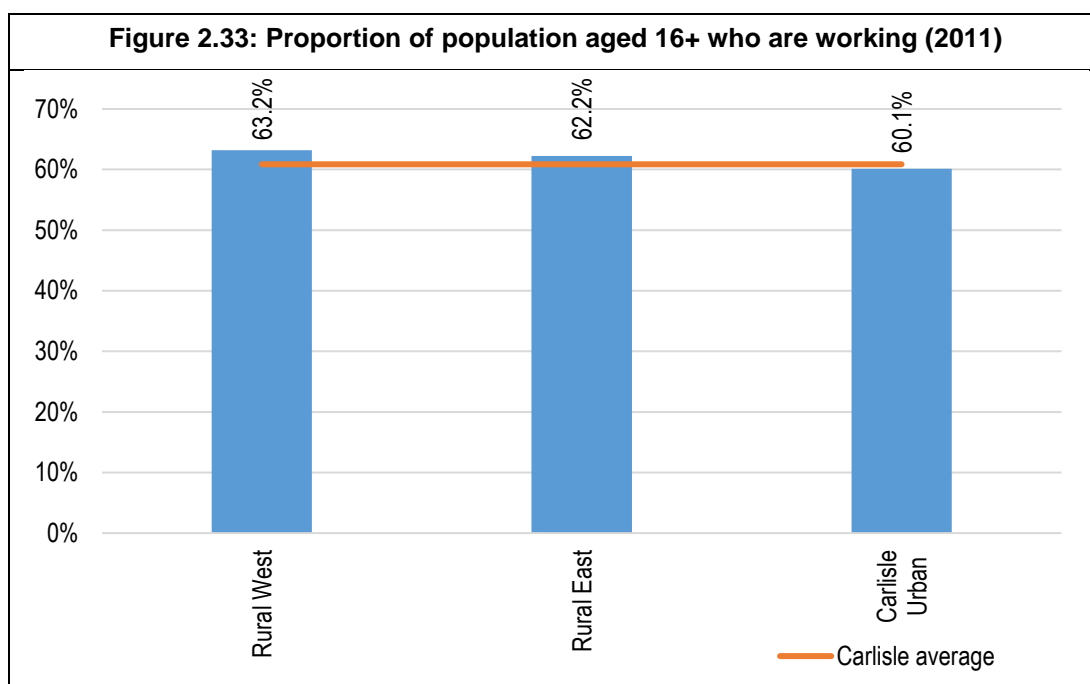
- 2.38 The series of analysis below looks at a range of economic issues (economic activity, qualifications and occupation profiles). The table below shows in comparison with other areas that Carlisle has a similar economic profile. Small differences can be seen, and this includes a lower proportion of people who are unemployed and a higher proportion of people who are retired (when compared with regional and national data).

Figure 2.32: Economic Activity (2011) – population aged 16 and over

	Carlisle		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
In employment (part-time)	15,168	17.0%	15.9%	14.7%	14.4%
In employment (full-time)	31,484	35.4%	33.2%	34.4%	35.4%
Self-employed	7,546	8.5%	9.7%	7.6%	9.1%
Unemployed	3,340	3.8%	3.4%	5.0%	4.7%
Retired	21,211	23.8%	26.6%	22.2%	21.2%
Other	10,293	11.6%	11.2%	16.2%	15.2%
TOTAL	89,042	100.0%	100.0%	100.0%	100.0%

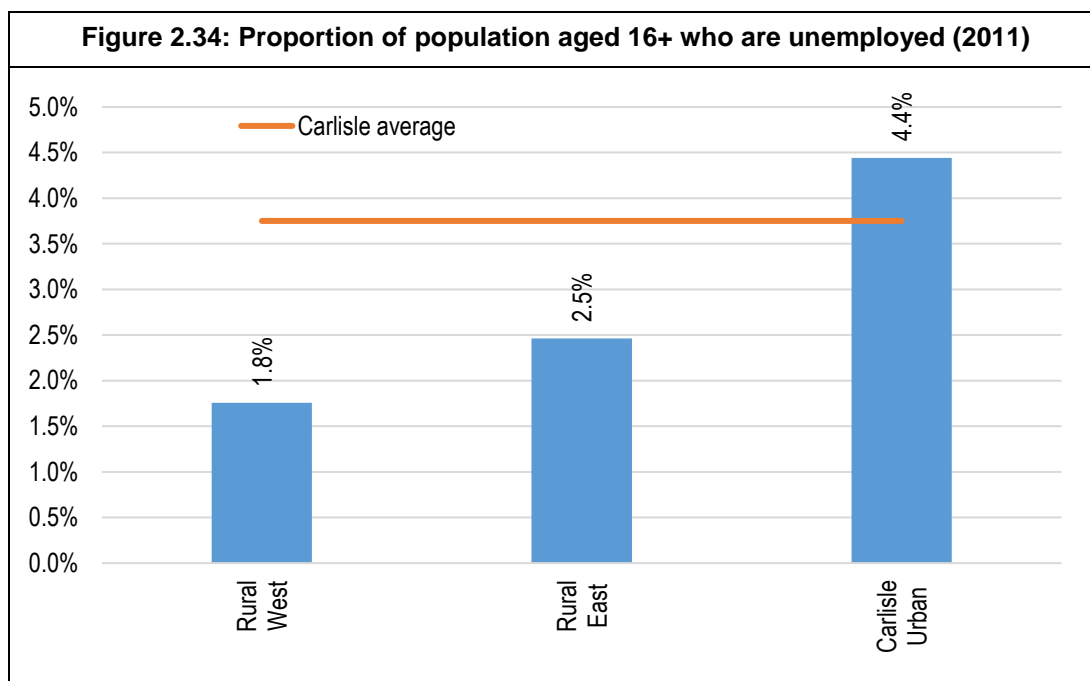
Source: 2011 Census

- 2.39 The figure below shows the proportion of people (aged 16+) who are working by sub-area. Although there are some variations, it is the case that all areas see between 60% (Carlisle Urban) and 63% (Rural West) of people with a job (including self-employed).



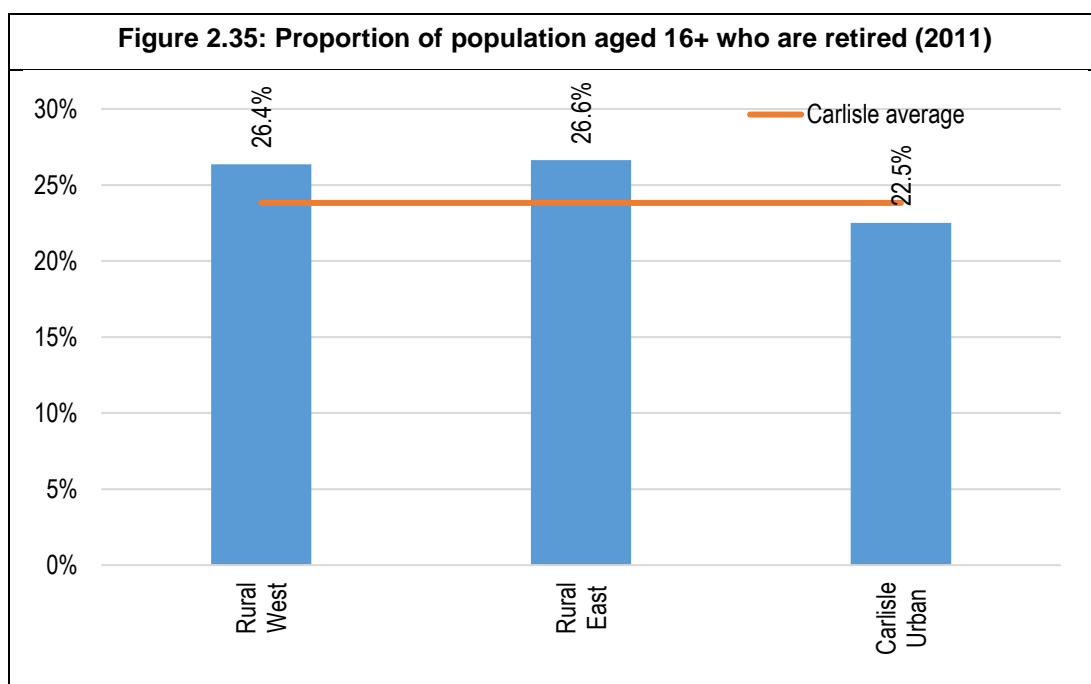
Source: 2011 Census

2.40 A similar analysis (below) focuses on the proportion of the population who are unemployed. In this case, the range of unemployment is from 1.8% in Rural West, up to 4.4% in Carlisle Urban.



Source: 2011 Census

2.41 A similar analysis (below) focuses on the proportion of the population who are retired. The analysis shows that 27% of people aged 16 and over in Rural East are retired, with the lowest proportion being in Carlisle Urban (at 23%).



Source: 2011 Census

- 2.42 The table below shows how economic activity has changed between 2001 and 2011. The analysis is based on slightly different categories to that above (mainly in being restricted to the population aged 16-74 and with a slightly different treatment of students). However, the categories used in each of 2001 and 2011 are the same, and comparison can therefore be made.
- 2.43 The analysis shows a notable increase in the number of people who were economically active, increasing by around 7,500 people over the 10-year period. This increase was driven by increases in full- and part-time employees, as well as an increase in self-employment. The number of people who were economically inactive decreased by around 1,400 over the 10-years, this is despite an increase of 740 people who were retired. The reduction in those economically inactive was driven by notable reductions in people who were *Looking after family or home* or *Long-term sick or disabled*.

Figure 2.36: Economic Activity (2001 and 2011) – population aged 16-74 – Carlisle			
	2001	2011	Change
Employee: Part-time	10,733	13,295	2,562
Employee: Full-time	28,620	31,161	2,541
Self-employed	6,006	7,311	1,305
Unemployed	2,584	2,847	263
Economically active students	1,731	2,596	865
<i>Total economically active</i>	<i>49,674</i>	<i>57,210</i>	<i>7,536</i>
Retired	11,590	12,331	741
Economically inactive students	2,247	2,778	531
Looking after family or home	3,633	2,314	-1,319
Long-term sick or disabled	4,486	3,711	-775
Other	1,783	1,187	-596
<i>Total economically inactive</i>	<i>23,739</i>	<i>22,321</i>	<i>-1,418</i>
Total	73,413	79,531	6,118

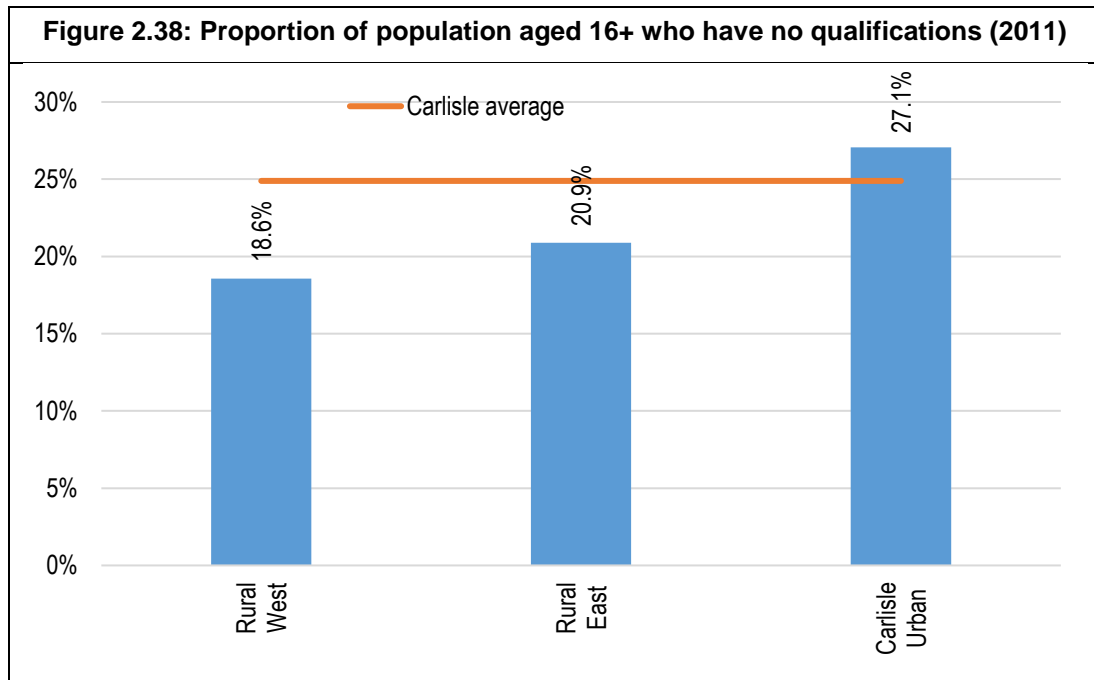
Source: 2001 and 2011 Census

- 2.44 The table below shows the level of qualifications in the population aged 16 and over. Generally, this suggests that Carlisle has a similarly qualified population to other areas. Compared with England as a whole, however, there is a slightly higher proportion with no qualifications and a relatively low proportion at Level 4 and above (degree level).

Figure 2.37: Qualifications (2011) – population aged 16 and over					
	Carlisle		Cumbria	North West	England
	Popul- ation	% of popul- ation	% of popul- ation	% of popul- ation	% of popul- ation
No qualifications	22,164	24.9%	24.2%	24.8%	22.5%
Level 1 qualifications	13,199	14.8%	13.6%	13.6%	13.3%
Level 2 qualifications	14,560	16.4%	15.9%	15.8%	15.2%
Apprenticeship	4,103	4.6%	5.4%	3.9%	3.6%
Level 3 qualifications	11,177	12.6%	12.3%	12.9%	12.4%
Level 4 qualifications and above	19,766	22.2%	24.6%	24.4%	27.4%
Other qualifications	4,073	4.6%	4.0%	4.5%	5.7%
TOTAL	89,042	100.0%	100.0%	100.0%	100.0%

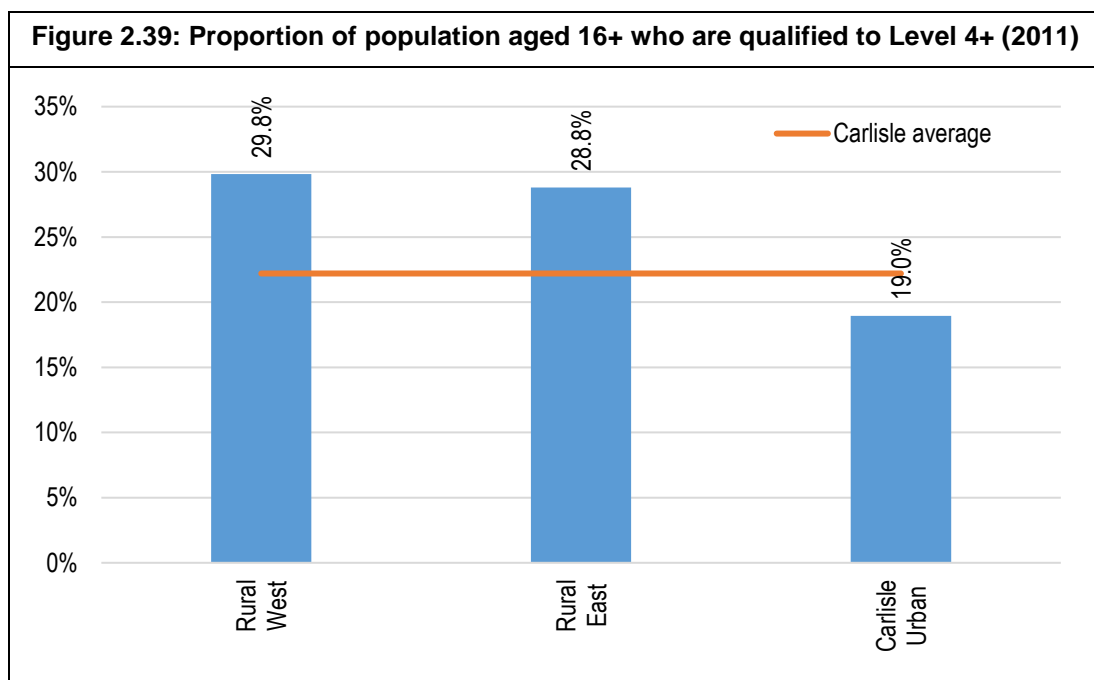
Source: 2011 Census

- 2.45 The figure below shows the proportion of people (aged 16+) who have no qualifications by sub-area. The highest proportions with no qualifications are seen in Carlisle Urban (and the lowest in the Rural West area).



Source: 2011 Census

- 2.46 A similar analysis (below) focuses on the proportion of the population who are qualified to Level 4 and above (degree level). This shows some difference between areas, with a high proportion of people living in the Rural West area being qualified to degree level (30%) compared with the Carlisle Urban area (just 19%).



Source: 2011 Census

- 2.47 The final analysis under the economic activity heading looks at the types of occupations undertaken by people who are working – this analysis uses a slightly different base to those above in that it only uses data from people in employment (including self-employed). This analysis suggests that the occupation profile in the District does not vary notably from other comparator areas – although generally slightly lower proportions are seen in ‘higher grade’ jobs (categories 1 to 3).

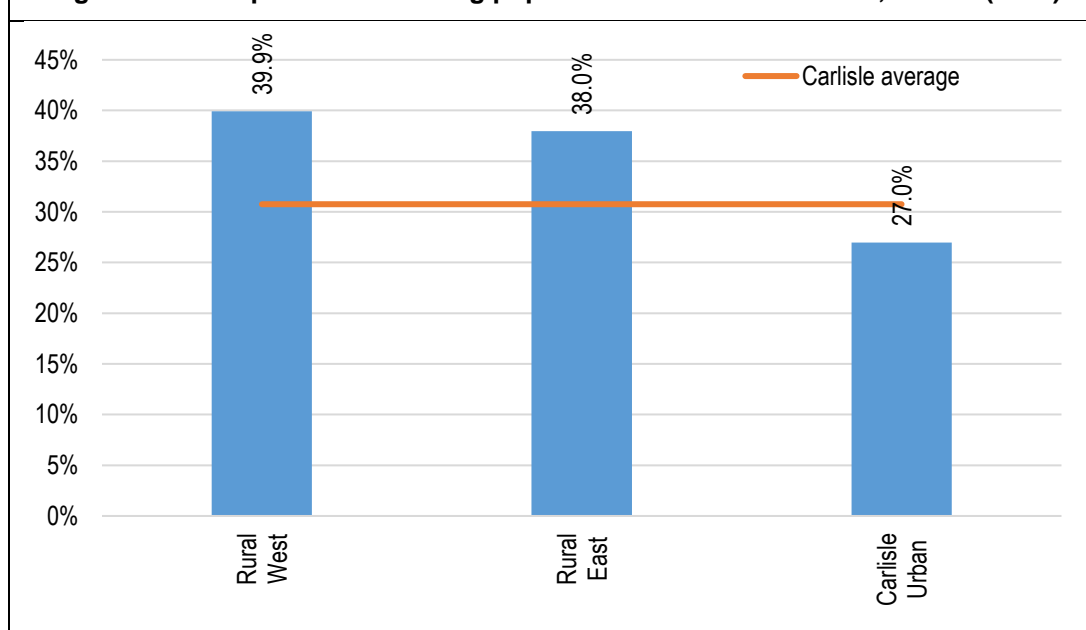
Figure 2.40: Occupation group (2011) – working population aged 16 and over

	Carlisle		Cumbria	North West	England
	Population	% of population	% of population	% of population	% of population
1: Managers, directors and senior officials	4,965	9.2%	10.3%	9.9%	10.9%
2: Professional occupations	6,677	12.3%	14.0%	16.3%	17.5%
3: Associate professional and technical occupations	5,026	9.3%	9.7%	11.5%	12.8%
4: Administrative and secretarial occupations	6,010	11.1%	9.7%	11.7%	11.5%
5: Skilled trades occupations	7,492	13.8%	16.3%	11.3%	11.4%
6: Caring, leisure and other service occupations	5,181	9.6%	9.7%	10.1%	9.3%
7: Sales and customer service occupations	5,288	9.8%	8.6%	9.4%	8.4%
8: Process, plant and machine operatives	6,387	11.8%	9.4%	8.1%	7.2%
9: Elementary occupations	7,172	13.2%	12.4%	11.7%	11.1%
TOTAL	54,198	100.0%	100.0%	100.0%	100.0%

Source: 2011 Census

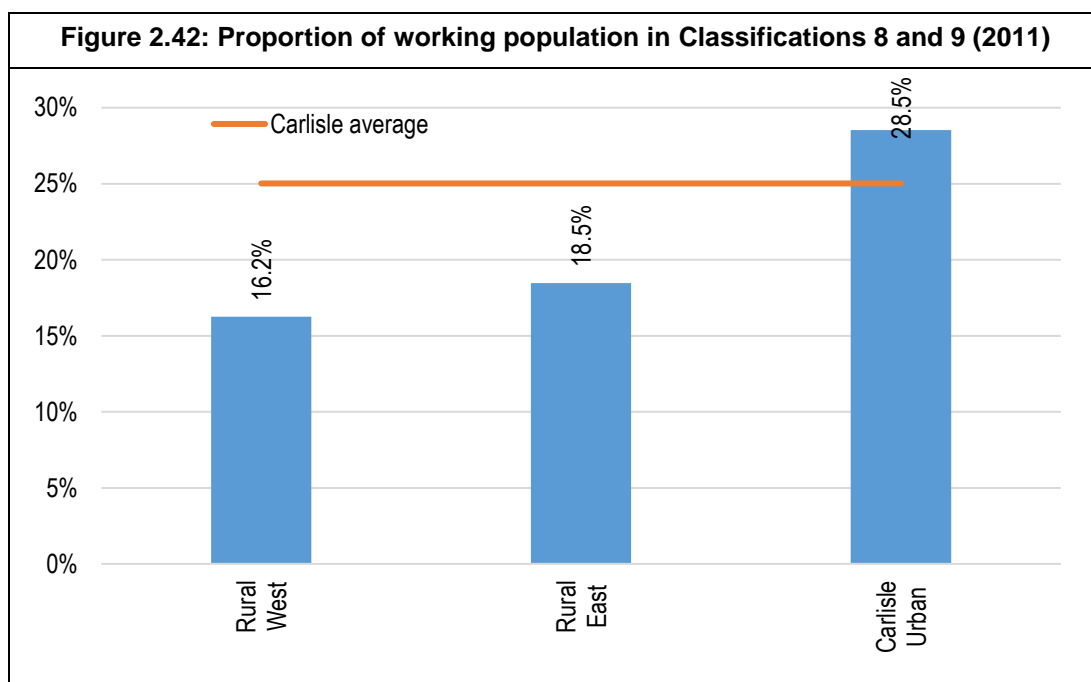
- 2.48 The figure below shows the proportion of workers (aged 16+) who are in the three highest classification bands by sub-area. The analysis shows that 40% of people who live in Rural West are classified as working in bands 1 to 3, compared with 27% in Carlisle Urban.

Figure 2.41: Proportion of working population in Classifications 1,2 and 3 (2011)



Source: 2011 Census

- 2.49 A similar analysis (below) focuses on the proportion of the working population who are in the two lowest classifications (8 and 9). This typically shows the opposite pattern to that found above with higher proportions being seen in the Carlisle Urban area. The proportion of working people in classifications 8 and 9 varies from 16% (Rural West), up to 29% in Carlisle Urban.



Source: 2011 Census

Carlisle District Profile: Key Messages

- A range of variables have been considered to look at the profile of the population and housing in the District (and for the three sub-areas). Key variables have looked at population, household characteristics, housing profile and the economic profile of residents.
- The analysis identifies a relatively old population age structure across the District, albeit a younger profile when compared with Cumbria as a whole. The age structure in the urban part of the District is somewhat younger than seen in rural areas. Analysis shows a modest population increase over the 2007-17 period. There has however been a fall in the number of people aged under 65 and a notable growth in the population aged 65 and over – increasing by 22% in the decade to 2017. Due to the population profile, household types are to some extent concentrated in older age groups; as of 2011, 22% of all households in the District were entirely composed of people aged 65 and over. The urban area has a notably higher proportion of lone parent households than more rural parts of the District.
- The tenure profile of the District sees a relatively large proportion of outright owners (which will to some extent be linked to the age structure) and a small private rented sector when compared with the regional and national position. Again, there are notable differences between urban and rural areas, with Carlisle Urban seeing a low level of owner-occupation and higher numbers in both the social and private rented sector. Between 2001 and 2011, the number of owners with a mortgage declined by 7%, whilst the private rented sector increased by 89%; this may reflect the difficulties faced by younger households in accessing market housing to buy.
- The dwelling stock in the District is fairly balanced in terms of the proportion of larger and smaller homes although the stock in the urban area is notably smaller than seen in rural areas. Overcrowding in the District (and across sub-areas) is low, and there is a notable level of under-occupation (37% of all households have at least two spare bedrooms). Under-occupancy is notably lower in the urban part of the District.
- The economic profile of the District looks to be fairly average in terms of the proportion of people in work, although levels of unemployment are lower than seen regionally or nationally. The data also suggests that the population is slightly less well qualified (in academic terms) and are less likely than other areas to be working in more senior positions.
- Overall, the analysis identifies that there are greater differences within the Council area than when comparing the area with other locations. In particular the urban area of Carlisle has very different characteristics to the rural areas – this includes a younger age structure, greater proportions of households in rented housing, smaller dwelling sizes, lower levels of under-occupation and higher unemployment. The urban area also saw a small decline in population from 2007 to 2017, compared with a modest increase across the rural areas.
- Overall, the analysis identifies Carlisle as having more ‘prosperous’ characteristics in rural areas in terms of the variables studied (when compared with other local, regional and national areas) and less ‘prosperous’ in the urban area. The analysis may therefore imply that there may be reasons to suggest different policy responses in different locations, or at least to recognise that the District as a whole is not homogeneous. Differences across the area should be noted when considering key outputs from the analysis to follow in this report.

3. Demographic Trends and Housing Need Projections

Introduction

- 3.1 This section of the report considers demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2016-based subnational population projections (SNPP) and the 2016-based household projections (SNHP) – both ONS data releases. The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2017.
- 3.2 Consideration is also given to the 2014-based SNHP, as these projections are proposed by the Ministry of Housing, Communities and Local Government (MHCLG) to form part of a revised Standard Method for assessing housing need. This section initially sets out the housing need using the emerging Standard Method and then develops projections that can be used for subsequent analysis in the report. In looking at projections this report initially covers a 12-year period from 2018 to 2030; further analysis, linked in part to St Cuthbert's Garden Village also develops some analysis to 2050.

Housing Need and the Standard Method

- 3.3 Planning Practice Guidance (PPG) on Housing Need Assessment sets out a standard method to be used in calculating a housing need. The PPG then sets out a three-step process.
- 3.4 The first step is to establish a demographic baseline of household growth; this is to be taken directly from published household projections and should be the annual average household growth over a 10-year period. Whilst this 10-year period is not specified, it is the case that the examples provided in the PPG look at a 10-year period from 2018 to 2028.
- 3.5 The second step of the proposed methodology seeks to adjust the demographic baseline on the basis of market signals. The adjustment increases the housing need where house prices are high relative to workplace incomes. This uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available (2017 at the time of writing).
- 3.6 Specifically, the PPG says that *'for each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a per cent'*. The equation to work out the adjustment factor is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25$$

- 3.7 As an example, if the workplace affordability ratio in an area was 8.00; i.e. median house prices were eight times the median earnings of those working in the area, then the adjustment would be 0.25 or 25%. This is calculated as follows: $(8 - 4) / 4 \times 0.25$.

- 3.8 The final step in the proposed standard method is to possibly cap the market signals uplift. There are two situations where a cap is applied. The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan. The second situation is where plans and evidence is more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth or the housing requirement in the most recent plan (where this exists).
- 3.9 In October 2018, MHCLG published a technical consultation on updates to national planning policy and guidance – the main part of this document was around the Standard Method for assessing housing need. Essentially, whilst Planning Practice Guidance had previously recommended using the latest evidence where possible, the consultation document suggested setting aside the latest (2016-based) household projections in preference for the previous (2014-based) set.
- 3.10 The reason for this is that (at least at a national level) the 2016-based SNHP show a much lower level of household growth (and hence housing need). The Government has decided *'it is not right to change its aspirations'* for housing supply to take account of the lower figures and has therefore proposed to continue using data from the older projections to inform housing need. In February 2019, MHCLG confirmed its intention to use the 2014-based projections as a baseline, although over the next couple of years it may be the case that the Government seeks to completely overhaul this methodology.
- 3.11 The table below therefore sets out a calculation of the need under the Standard Method and also for context an indication of the figure if the 2016-based SNHP were used. The analysis shows a need for 200 dwellings per annum using the 2014-based SNHP (i.e. the proposed revised method). The latest projections would have halved this need (100 dpa). The table also shows what the figures would be if capped at 40%, however, this capping is not relevant to Carlisle given that the 'uplift' is below this level.

Figure 3.1: MHCLG Standard Method Housing Need Calculations		
	2014-based SNHP	2016-based SNHP
Households 2018	49,834	49,181
Households 2028	51,683	50,110
Change in households	1,849	929
Per annum change	185	93
Affordability ratio (2017)	5.27	5.27
Uplift to household growth	8%	8%
Total need (per annum)	200	100
Capped	200	100

Source: Derived from ONS data

Exceeding the Standard Methodology

- 3.12 Although the consultation Standard Method shows a need for 200 dwellings per annum, it is the case that local authorities need to consider this as a minimum figure. The PPG states that *‘the standard method uses a formula to identify the **minimum number** of homes expected to be planned for’* adding that *‘it does not produce a housing requirement’*. Paragraph 10 of the PPG sets out that:

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

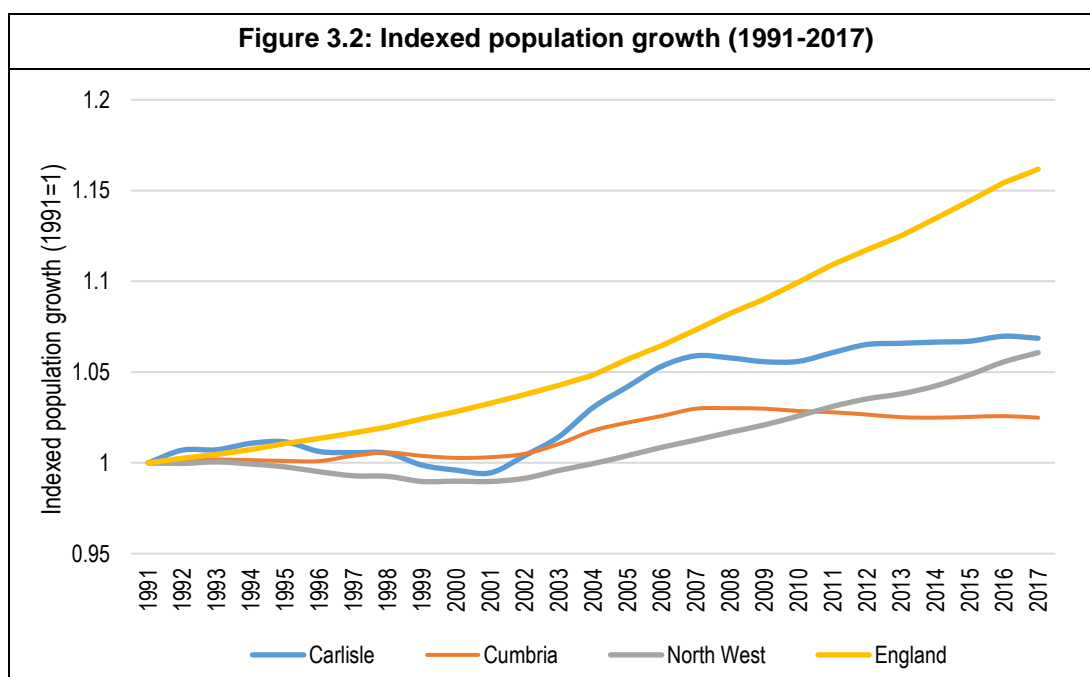
Where additional growth above historic trends is likely to or is planned to occur over the plan period, an appropriate uplift may be considered. This will be an uplift to identify housing need specifically and should be undertaken prior to and separate from considering how much of this need can be accommodated in a housing requirement figure. Circumstances where this may be appropriate include, but are not limited to:

- *where growth strategies are in place, particularly where those growth strategies identify that additional housing above historic trends is needed to support growth or funding is in place to promote and facilitate growth (e.g. Housing Deals)”*

- 3.13 In the case of Carlisle, it is clear that the adopted Local Plan is based on ensuring enough homes are provided to meet economic growth and therefore there is a good case to consider higher housing numbers than those derived by the Standard Method. Given that the plan has only recently been adopted (within the last 3-years), it is considered for the time being that the housing requirement remains sound – given levels of housing delivery in the period to 2018, the residual Local Plan housing requirement is for around 620 dwellings per annum.
- 3.14 Additionally (as will be discussed later), planning for an OAN of 200 dwellings per annum is unlikely to support any economic growth. Under such a scenario, the size of the economically active population is projected to fall slightly, and hence it would be difficult to support any increase in jobs without a substantial increase in the number of people in-commuting to the Council area for work (and potentially creating an unsustainable commuting pattern).
- 3.15 The sections to follow look in more detail at linking a projection to the 200 Standard Method figure, and also 620 dwellings per annum (the Local Plan residual requirement). The analysis also provides a general discussion of demographic trends, including trends in household formation (which was one of the criticisms made by MHCLG of the 2016-based projections).

Past Population Growth

- 3.16 The figure below considers population growth in the period from 1991 to 2017. The analysis shows that generally over this period the population of Carlisle has been rising, with particularly strong growth between about 2001 and 2007, followed by a period of relatively stable total population. In 2017, it is estimated that the population of the District had risen by 7% from 1991 levels, this is in contrast with a 2% increase across the County, a 6% rise across the region and a 16% increase nationally.



Source: ONS (mid-year population estimates)

Components of Population Change

- 3.17 The table below considers the drivers of population change 2001 to 2017. The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated.
- 3.18 The data shows a small level of natural change throughout the period (although a number of years saw an excess of deaths compared with births). Internal migration has been quite variable – but positive in most years; the last five years for which data is available does show relatively weak net movement from other parts of the Country. International migration is also variable, although the data does suggest a positive net level for most years, although the most recent data shows a net out-migration to other countries. The data also shows a positive level of UPC, suggesting that between 2001 and 2011, ONS may have underestimated population growth within population estimates (and this was corrected once Census data had been published).

Figure 3.3: Components of population change, mid-2001 to mid-2017 – Carlisle

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	-221	1,155	-68	-6	97	957
2002/3	-88	827	240	-11	88	1,056
2003/4	-5	1,193	337	3	107	1,635
2004/5	-55	647	458	-2	102	1,150
2005/6	37	704	299	-5	110	1,145
2006/7	22	195	262	-8	115	586
2007/8	119	-397	55	-16	124	-115
2008/9	72	-520	109	-2	129	-212
2009/10	153	-365	114	-10	127	19
2010/11	190	54	82	23	141	490
2011/12	235	258	-48	5	0	450
2012/13	41	-2	24	4	0	67
2013/14	220	-101	-77	25	0	67
2014/15	41	55	-54	8	0	50
2015/16	136	102	6	35	0	279
2016/17	-79	142	-154	-23	0	-114

Source: ONS

2016-based Subnational Population Projections (SNPP)

- 3.19 The latest (2016-based) set of subnational population projections (SNPP) were published by ONS in May 2018 (replacing a 2014-based release). The projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2016-based national population projections.
- 3.20 The 2016-based SNPP contain a number of assumptions that have been changed from the 2014-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:
- ONS' long-term international migration assumptions have been revised downwards to 165,000 per annum (beyond mid-2022) compared to 185,000 in the 2014-based projections. This is based on a 25-year average;
 - The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.84 compared to 1.89 in the 2014-based projections; and
 - ONS is no longer assuming a faster rate of increase in life expectancy of those born between 1923 and 1938, based essentially on more recent evidence. Life expectancy still increases, just not as fast as previously projected.

- 3.21 The table below shows projected population growth from 2018 to 2030 in Carlisle and a range of comparator areas. The data shows that the population of the District is projected to increase by around 1%, higher than across Cumbria (a 1% decline) but some way below equivalent figures regionally (4%) and nationally (6%).

Figure 3.4: Projected population growth (2018-2030) – 2016-based SNPP				
	Population 2018	Population 2030	Change in population	% change
Carlisle	108,663	109,596	933	0.9%
Cumbria	497,468	490,496	-6,972	-1.4%
North West	7,279,007	7,539,974	260,967	3.6%
England	55,997,687	59,548,763	3,551,076	6.3%

Source: ONS

- 3.22 The table below compares the 2016-based SNPP with the previous release (2014-based). This shows that the latest projections have a lower level of population growth in the 2018-30 period, the previous projections showing a figure of 1,600, compared with 900 in the more recent release. Both projections do show very low levels of future growth when set in a national context.

Figure 3.5: Projected population growth (2018-2030) – Carlisle				
	Population 2018	Population 2030	Change in population	% change
2014-based	108,669	110,288	1,619	1.5%
2016-based	108,663	109,596	933	0.9%

Source: ONS

- 3.23 With the overall change in the population will also come changes to the age profile. The table below summarises findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In 2030 it is projected that there will be 29,200 people aged 65 and over. This is an increase of 5,800 from 2018, representing growth of 25%. The population aged 80 and over is projected to increase by an even greater proportion, 44%. Looking at the other end of the age spectrum the data shows that there is projected to be a decrease of 5% in the number of children (those aged Under 15), with increases or (mainly) decreases shown for other age groups.

Figure 3.6: Population change 2018 to 2030 by five-year age bands – Carlisle (2016-based SNPP)

	Population 2018	Population 2030	Change in population	% change from 2018
Under 5	6,026	5,581	-445	-7.4%
5-9	6,292	5,759	-533	-8.5%
10-14	5,963	6,021	58	1.0%
15-19	5,513	6,445	932	16.9%
20-24	6,167	6,534	367	6.0%
25-29	6,450	5,364	-1,086	-16.8%
30-34	6,137	5,517	-620	-10.1%
35-39	6,446	6,237	-209	-3.2%
40-44	5,999	6,106	107	1.8%
45-49	7,527	6,414	-1,113	-14.8%
50-54	7,855	5,934	-1,921	-24.5%
55-59	8,082	6,890	-1,192	-14.7%
60-64	6,861	7,610	749	10.9%
65-69	6,620	7,755	1,135	17.1%
70-74	6,009	6,733	724	12.0%
75-79	4,332	5,487	1,155	26.7%
80-84	3,242	4,869	1,627	50.2%
85+	3,142	4,340	1,198	38.1%
Total	108,663	109,596	933	0.9%

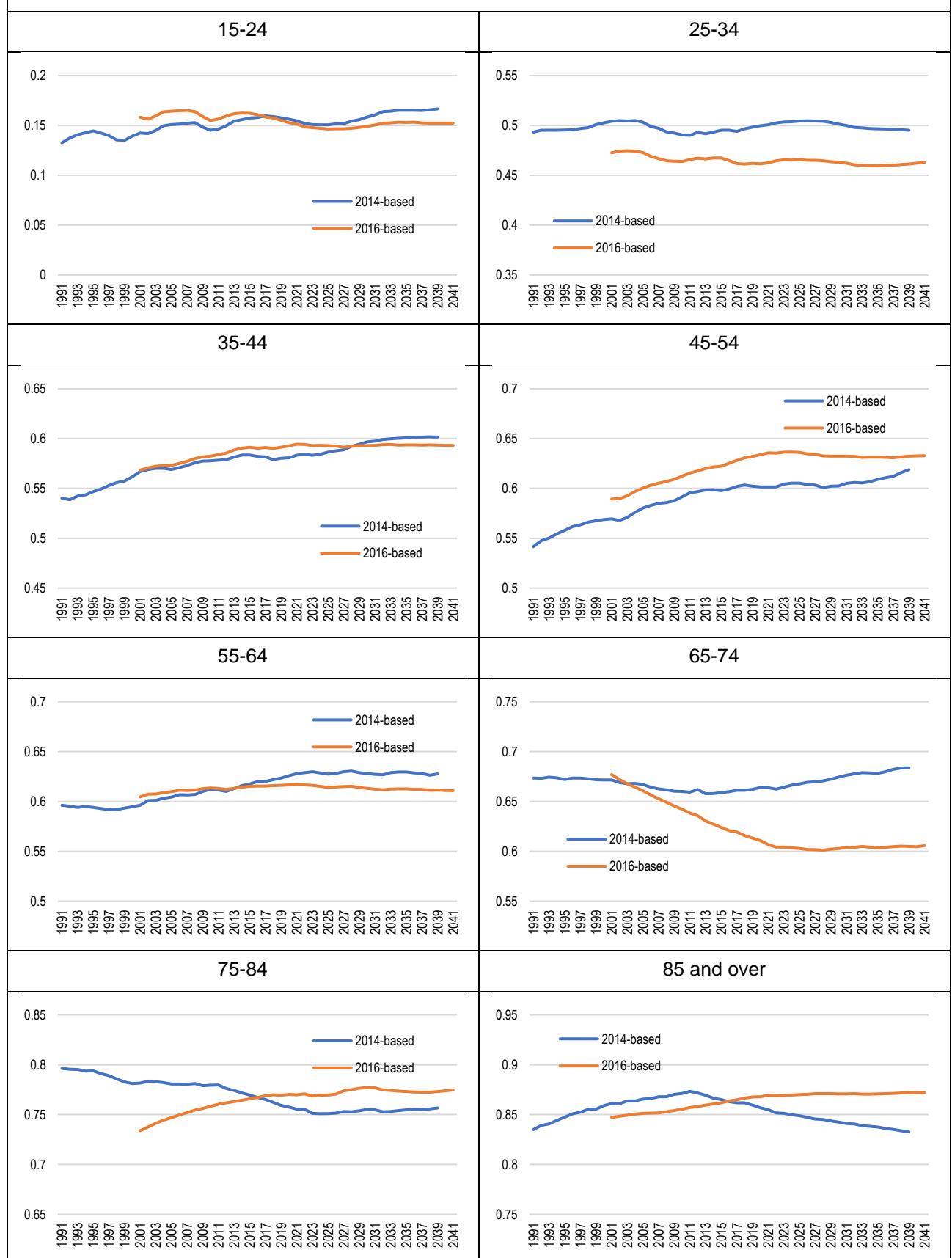
Source: ONS

- 3.24 As noted previously, the Government is proposing to amend the Standard Method so that the 2016-based SNHP are disregarded in favour of using the 2014-based version as a start point. There is some good logic for this as the 2016-based projections do seem to potentially be building in additional suppression of household formation (discussed below), however, it is considered that the 2016-based SNPP (i.e. the population data) should not be so readily disregarded – this is particularly because of the changes made to fertility and mortality rates which reflect observed recent trends.
- 3.25 Therefore, in moving the analysis forward, it is suggested that the most suitable approach is to maintain the 2016-based SNPP as a baseline projection and amend migration estimates so that the level of need matches that shown in the Standard Method (for 200 dwellings per annum across the District area) or the Local Plan (620 dwellings per annum). Further adjustments are made to household formation to ensure a consistent projection with the OAN.

Household Representative Rates (Household Formation)

- 3.26 Having studied the population size, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

- 3.27 The latest HRRs are as contained in the ONS 2016-based subnational household projections (SNHP) – these were published in September 2018. It would be fair to say that the 2016-based SNHP have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period and arguably build in the suppression of household formation experienced in that time. The previous (2014-based) projections used a longer time-series (all Census points back to 1971) and therefore do cover a wider housing market cycle.
- 3.28 Because of the criticisms of the 2016-based SNHP, and the fact that these have driven the Government to consult on reviewing the Standard Method (which is directly linked to official household projections) it is considered prudent in this report to look at both the 2016- and 2014-based figures.
- 3.29 The figure below compares HRRs in the 2014- and 2016-based SNHP – the figures are essentially the proportion of a particular age group that is considered to be the 'head of household' (HRP as described above). Overall, the analysis would suggest that the 2016-based figures are not really building in any more suppression than the 2014-based figures – this being a different observation to that typically seen nationally. There is some limited evidence of suppression in the 25-34 age group in both projections.
- 3.30 Looking at some of the older age groups, it can be seen that the 2016-based SNHP are projecting for there to be some increases in HRRs (particularly the 85 and over group). Whilst an increase is possible (and does appear to be the trend) it is thought that overall HRRs for older groups are actually more likely to fall over time. This is due to improving mortality rates and therefore the likelihood that households will remain as couples for longer. The 2014-based figures do show a decrease in the HRRs for older age groups and are arguably therefore more realistic.
- 3.31 Overall, whilst the 2016-based figures do not appear to be building in any more suppression than the 2014-based data, it is considered when looking more widely across all age groups that the 2014-based data may be more realistic. The 2014-based data has therefore been taken forward into the modelling, using this data does also have the advantage of being able to be used to develop alternative scenarios – these are discussed later.

Figure 3.7: Projected Household Representative Rates by age of head of household – Carlisle


Source: Derived from ONS and CLG data

3.32 As well as looking at the 2014-based SNHP, a sensitivity test has been developed to look at an alternative approach to HRRs. In this sensitivity, a ‘part-return-to-trend’ analysis has been developed, where the rate of household formation sits somewhere between figures in the 2014-based projections and those in an older 2008-based version. This approach was widely used prior to the 2016-based SNHP being published and was an approach previously suggested by the Local Plans Expert Group (LPEG). Therefore, three HRR scenarios have been used as described below:

- Linking directly to 2016-based SNHP – 2016-SNHP HRRs;
- Linking directly to 2014-based SNHP – 2014-SNHP HRRs; and
- Linking to the 2014-based SNHP but with a part-return to previous trends for the 25-34 and 35-44 age groups – 2014-PRT

Household Growth and Housing Need

3.33 The table below shows estimates of household growth with each of the three HRR scenarios, the table also shows an estimate of the number of additional dwellings expected to be needed. All of the figures link to population growth in the 2016-based SNPP – as previously discussed this looks to be a reasonable projection, taking account of reasonable alternatives.

3.34 To convert households into dwellings the analysis includes an uplift to take account of vacant homes. For the purposes of analysis, it has been assumed that the number of vacant homes in new stock would be 3% higher than the number of occupied homes (which is taken as a proxy for households) and hence household growth figures are uplifted by 3% to provide an estimate of housing need. This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.

3.35 The analysis below shows the housing need outputs when linked to the 2016-based SNPP (for illustrative purposes). This shows an overall housing need for 94 dwellings per annum (dpa) across the District when using the 2016-based SNHP as the underlying household projection. This figure increases to 126 dpa with the previous HRR figures, using a part-return to trend methodology, the need is higher again (147 dwellings per annum).

Figure 3.8: Projected housing need – range of household representative rate assumptions – Carlisle (linked to 2016-based SNPP)					
	Households 2018	Households 2030	Change in households	Per annum	Dwellings (per annum)
2016-SNHP HRRs	49,181	50,271	1,090	91	94
2014-SNHP HRRs	49,688	51,154	1,466	122	126
Part-return to trend	49,688	51,397	1,709	142	147

Source: Demographic projections

- 3.36 Given the criticisms that have been made of the 2016-based SNHP it is considered that drawing conclusions about the level of housing need linked to official population projections are more robustly based on looking at the previous set of SNHP. These earlier projections looked at longer term trends in household formation and are therefore less likely to build in any of the suppression/constraints faced by households since the early 1990s. However, including a further adjustment to take a more positive view about household formation is considered prudent and therefore it is concluded that the most robust approach to household representative rates is a scenario using 2014-based figures with a part-return to 2008-based figures.

Developing a Standard Method and Local Plan Projection

- 3.37 Earlier in this section it has been calculated that the Standard Method would lead to a housing need of 200 dwellings per annum, and that the residual delivery in the Local Plan would be for 620 dwellings per annum. It can be seen from the analysis above, that using the latest SNPP and even by taking a fairly positive approach to HRRs there would not be the level of household growth required to fill this number of homes. Therefore, two final scenarios have been developed which increases migration to the Council area such that there is sufficient population for 620 additional homes each year – a similar projection has also been developed linked to 200 dwellings per annum.
- 3.38 Within the modelling, migration assumptions have been changed so that across the area the increase in households matches the Standard Method/Local Plan residual housing need (including the 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2016-based SNPP with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%). In summary the method includes the following assumptions:
- Base population in 2017 from the latest mid-year population estimates, rolled forward to 2018 using assumptions underpinning the 2016-based SNPP;
 - Household representative rates from the 2014-based SNHP with an adjustment for a part-return to 2008-based trends; and
 - The migration profile (by age and sex) in the same proportions as the 2016-based SNPP
- 3.39 In developing these projections, a notably higher level of population growth is derived (14,600 additional people when linked to 620 dpa, compared with 900 in the SNPP as published). The age structure of the projections is also somewhat different, with the projection linked to the Local Plan requirement showing much stronger growth in what might be considered as 'working-age' groups. This arises due to the fact that ONS data shows that migrants are heavily concentrated in those age groups (along with their associated children). The first table below shows the age structure of the population projected to be consistent with delivery of 200 dwellings per annum over the 12-years to 2030; this shows population growth slightly above that in the 2016-based SNPP. When linking to 620 dwellings per annum (second table below) it can be seen that population growth is projected to be substantially higher.

Figure 3.9: Population change 2018 to 2030 by five-year age bands – Carlisle (linked to delivery of 200 dwellings per annum)

	Population 2018	Population 2030	Change in population	% change from 2018
Under 5	6,022	5,677	-346	-5.7%
5-9	6,285	5,787	-498	-7.9%
10-14	5,917	6,048	131	2.2%
15-19	5,528	6,534	1,006	18.2%
20-24	6,003	6,671	668	11.1%
25-29	6,344	5,605	-739	-11.6%
30-34	6,107	5,632	-475	-7.8%
35-39	6,424	6,247	-177	-2.8%
40-44	5,992	6,193	201	3.4%
45-49	7,556	6,435	-1,121	-14.8%
50-54	7,880	5,988	-1,892	-24.0%
55-59	8,126	6,961	-1,164	-14.3%
60-64	6,892	7,696	804	11.7%
65-69	6,592	7,832	1,240	18.8%
70-74	6,021	6,795	774	12.8%
75-79	4,358	5,507	1,149	26.4%
80-84	3,245	4,892	1,647	50.8%
85+	3,128	4,378	1,250	40.0%
Total	108,419	110,878	2,459	2.3%

Source: ONS

Figure 3.10: Population change 2018 to 2030 by five-year age bands – Carlisle (linked to delivery of 620 dwellings per annum)				
	Population 2018	Population 2030	Change in population	% change from 2018
Under 5	6,022	6,940	918	15.2%
5-9	6,285	6,601	316	5.0%
10-14	5,917	6,521	604	10.2%
15-19	5,528	7,022	1,494	27.0%
20-24	6,003	7,941	1,938	32.3%
25-29	6,344	7,300	956	15.1%
30-34	6,107	7,201	1,094	17.9%
35-39	6,424	7,328	904	14.1%
40-44	5,992	6,920	928	15.5%
45-49	7,556	6,976	-581	-7.7%
50-54	7,880	6,391	-1,489	-18.9%
55-59	8,126	7,353	-772	-9.5%
60-64	6,892	8,090	1,198	17.4%
65-69	6,592	8,185	1,593	24.2%
70-74	6,021	7,051	1,030	17.1%
75-79	4,358	5,679	1,321	30.3%
80-84	3,245	5,027	1,782	54.9%
85+	3,128	4,523	1,396	44.6%
Total	108,419	123,049	14,630	13.5%

Source: ONS

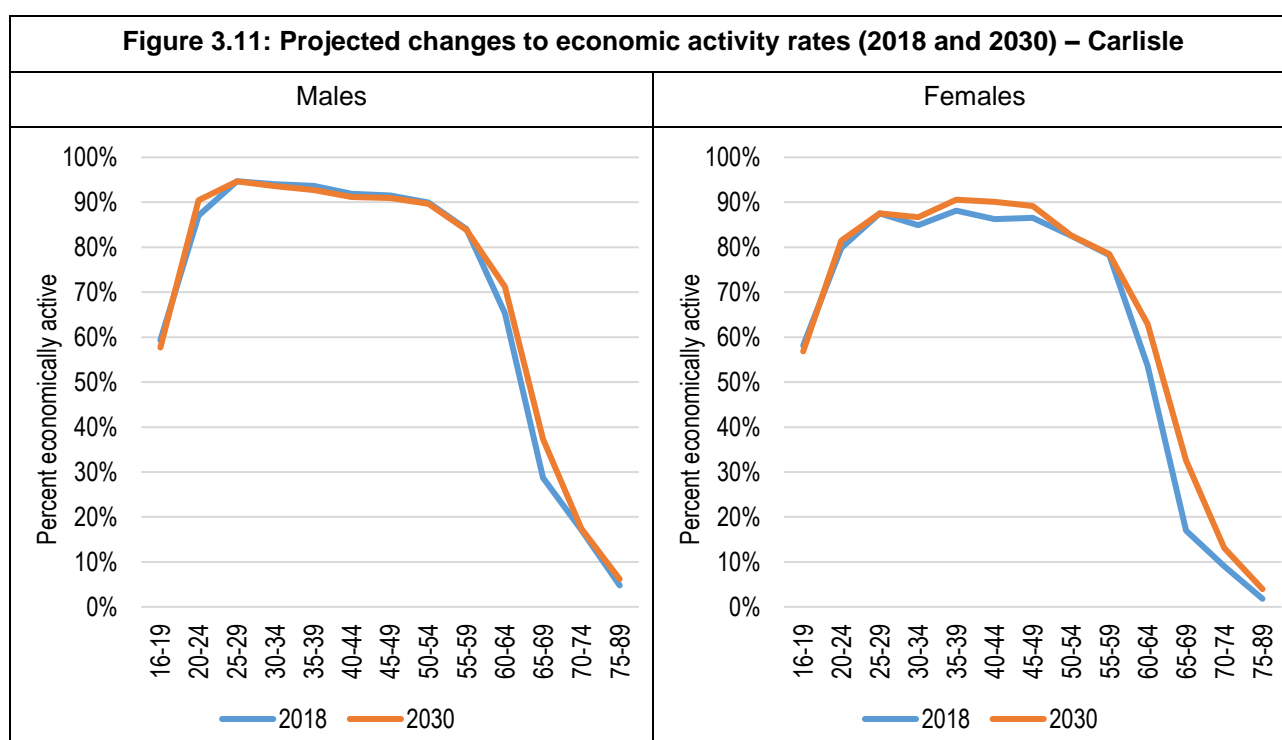
- 3.40 In much of the analysis to follow in this report, reference is made to the 2016-based SNPP (i.e. the latest official population projection) and also the projections linking to 200 and 620 dwellings per annum.

The Link Between Housing and Economic Growth

- 3.41 Under the previous PPG, it was conventional for assessments such as this to consider the link between housing and economic growth. This generally took the form of establishing likely future job growth and then testing what level of population growth (and hence household growth/housing need) would be required for the two to be aligned. Whilst this step is not necessary for the purposes of OAN with the Standard Method, it is of interest to estimate what level of job growth the projections might support.
- 3.42 To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:
- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply)
 - Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment.
 - Bringing together this information will provide an estimate of the potential job growth supported by the population projections

Growth in Resident Labour-Supply

- 3.43 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report).
- 3.44 The figure and table below show the assumptions made. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).



Source: Based on OBR and Census (2011) data

Figure 3.12: Projected changes to economic activity rates (2018 and 2030) – Carlisle

	Males			Females		
	2018	2030	Change	2018	2030	Change
16-19	59.3%	57.7%	-1.6%	58.1%	56.8%	-1.3%
20-24	87.1%	90.4%	3.4%	79.9%	81.5%	1.6%
25-29	94.7%	94.6%	0.0%	87.5%	87.5%	0.0%
30-34	94.0%	93.6%	-0.4%	84.9%	86.7%	1.8%
35-39	93.7%	92.7%	-1.0%	88.1%	90.6%	2.4%
40-44	91.9%	91.2%	-0.7%	86.2%	90.1%	3.9%
45-49	91.6%	90.9%	-0.6%	86.6%	89.2%	2.6%
50-54	90.0%	89.7%	-0.3%	82.5%	82.6%	0.1%
55-59	84.0%	83.9%	-0.2%	78.3%	78.5%	0.2%
60-64	65.3%	71.2%	5.9%	53.6%	62.9%	9.3%
65-69	28.7%	37.3%	8.6%	16.9%	32.6%	15.6%
70-74	17.1%	17.4%	0.2%	9.0%	13.1%	4.1%
75-89	4.8%	6.2%	1.4%	1.8%	4.0%	2.2%

Source: Based on OBR and Census (2011) data

- 3.45 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the Council area – this is set out in the table below. The analysis shows that there would be a decrease in the economically active population under the 2016-based SNPP and with the Standard Method (200 dpa). However, linking to the residual Local Plan housing requirement shows a strong positive change (increasing by 7,160 people – 13%).

Figure 3.13: Estimated change to the economically active population (2018-30) – Carlisle

	Economically active (2018)	Economically active (2030)	Total change in economically active
2016-based SNPP	56,952	55,635	-1,317
Linked to 200 dpa	56,771	56,423	-348
Linked to 620 dpa	56,771	63,931	7,160

Source: Derived from demographic projections

Linking Changes to Resident Labour Supply and Job Growth

- 3.46 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:
- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);

- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

- 3.47 The table below shows summary data about commuting to and from Carlisle from the 2011 Census. Overall the data shows that the Council area sees a notable level of in-commuting for work with the number of people resident in the area who are working being about 9% lower than the total number who work in the area. This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

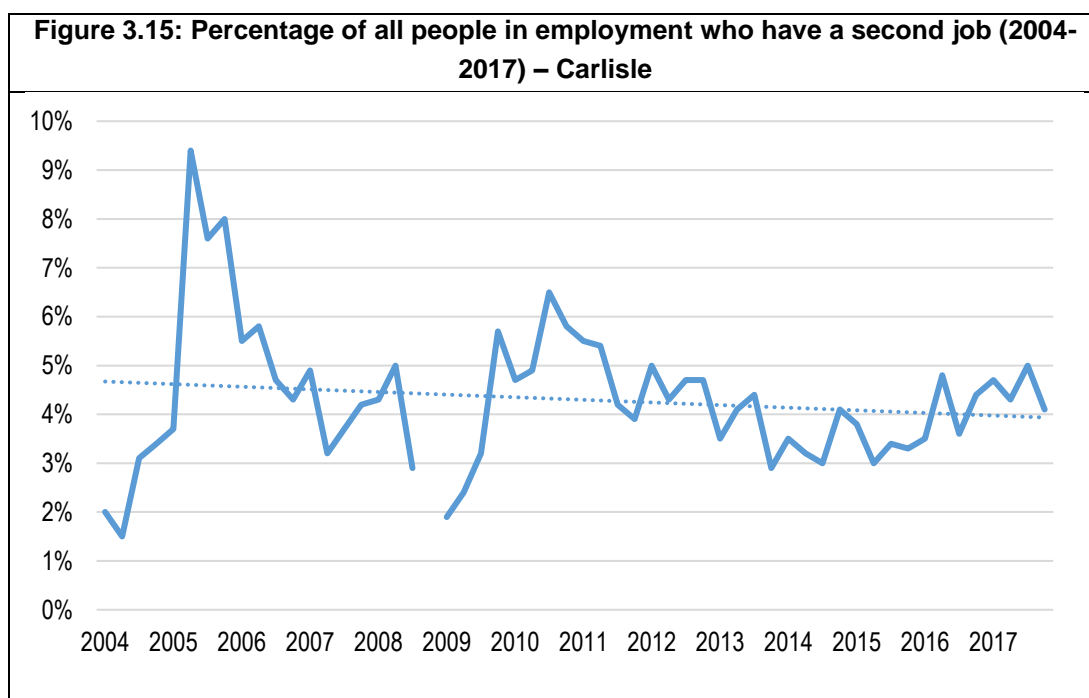
Figure 3.14: Commuting patterns in Carlisle	
	Number of people
Live and work in District	38,368
Home workers	5,605
No fixed workplace	3,112
Out-commute	6,964
In-commute	12,348
Work offshore or abroad	149
Total working in LA	59,433
Total living in LA (and working)	54,198
Commuting ratio	0.912

Source: 2011 Census

- 3.48 In translating the commuting pattern data into growth in the labour-force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census. It is arguable that some changes to the commuting ratio could be modelled. However, keeping the ratio constant is considered to be a reasonably balanced approach to use, but it does mean that estimates of potential job growth should be treated with some degree of caution.

Double Jobbing

- 3.49 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests across the Council area that typically between about 4.3% of workers have a second job – levels of double jobbing have been variable over time (mainly due to the accuracy of data at a local level).

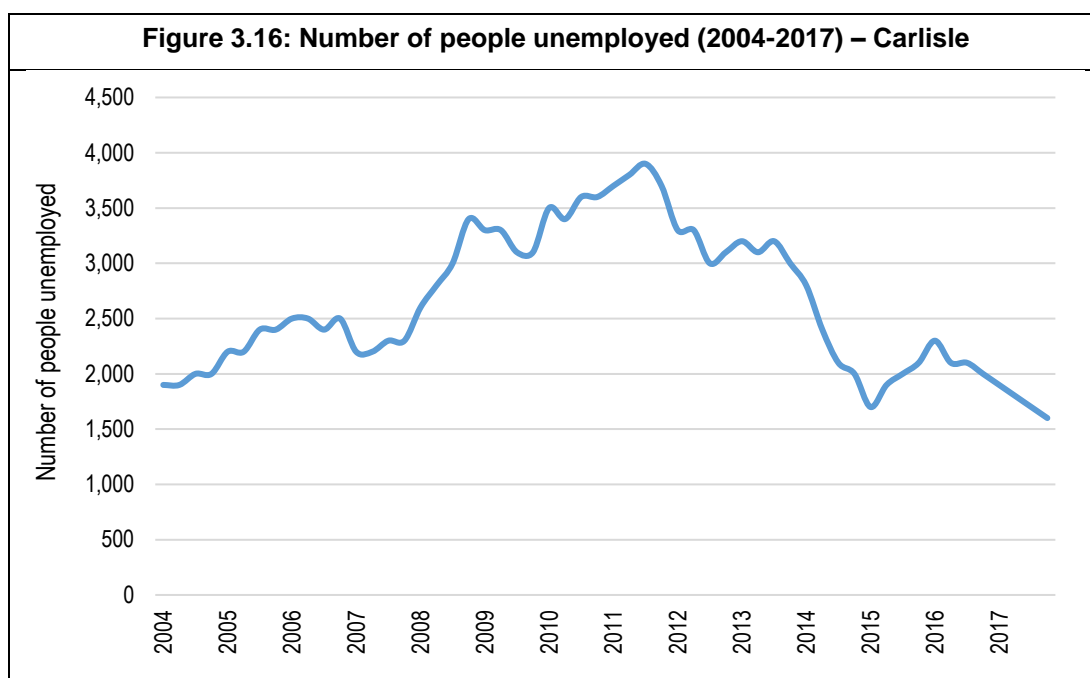


Source: Annual Population Survey (from NOMIS)

- 3.50 For the purposes of this assessment it has been assumed that around 4.3% of people will have more than one job moving forward. A double jobbing figure of 4.3% gives rise to a ratio of 0.957 (i.e. the number of jobs supported by the workforce will be around 4.3% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time, although the apparent upward trend should be noted.

Unemployment

- 3.51 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. The figure below shows the number of people who are unemployed and how this has changed back to 2004. The analysis shows a clear increase in unemployment from 2004 to 2011/12 and that since 2012, the number of people unemployed has dropped notably – by 2017, the number of unemployed people was slightly below the level observed in 2004. This would indicate that there may be limited scope for further improvements and for the purposes of analysis in this report it has been assumed that there are no changes to the number of people who are unemployed moving forward from 2018 to 2030.



Source: Annual Population Survey (modelled unemployment data)

Jobs Supported by Growth in the Resident Labour Force

- 3.52 The table below shows how many additional jobs might be supported by population growth under each of the demographic scenarios. For the 2016-based SNPP and the Standard Method (200 dpa) the number of jobs supported would be negative. Looking at linking to an OAN of 620 dwellings per annum, it is concluded that over 8,200 additional jobs could be supported.

Figure 3.17: Jobs supported by demographic projections (2018-30) – Carlisle			
	Total change in economically active	Allowance for net out-commuting	Allowance for double jobbing (= jobs supported)
2016-based SNPP	-1,317	-1,444	-1,509
Linked to 200 dpa	-348	-382	-399
Linked to 620 dpa	7,160	7,852	8,205

Source: Derived from a range of sources as described

- 3.53 The overall conclusion from this analysis should be that the projected levels of population growth associated with delivering the Local Plan housing numbers would support a significant increase in jobs. However, caution should be exercised when looking at the precise figures due to the number of assumptions being made. In the case of Carlisle, potential changes to commuting dynamics will be an important consideration – this is considered in more detail below.

Longer-term projections (to 2050)

- 3.54 The analysis above has focussed on population and household growth (including housing need) in the period from 2018 to 2030. As previously noted, a significant housing development is proposed (St Cuthbert's Garden Village (SCGV)) and this has a time frame for delivery of up to around 2050. It is therefore of interest to test the link between future economic (job) growth and housing need over this longer period.
- 3.55 Initially, it is worthwhile considering a report produced by Lambert Smith Hampton (LSH) in October 2018 (Housing Market Demand and Capacity Assessment). This report draws on job growth forecasts and tests the likely level of housing delivery that would be needed for the resident labour supply to grow in line with the forecasts.
- 3.56 The overall conclusion of the LSH report (with regard to housing demand) is that recent strong levels of new housing development and strong levels of employment growth are not reflected in current official demographic projections or 'off the peg' employment forecasts and that demographic projections do not take account supply side interventions to boost local employment and attract new businesses to the area. The report also recognises (as does the initial analysis above) that underlying projected demographic trends could lead to labour supply shortages. It is therefore concluded that SCGV can (and is intended to) provide sufficient new housing capable of accommodating a future workforce for the area.
- 3.57 The analysis below takes the economic forecasts used by LSH and runs a model to 2050 to independently form a view about the level of housing provision that might be needed to ensure a balance between jobs and workers. The table below sets out forecast changes in jobs from 2016 to 2050. This is taken from Appendix 1 of the LSH report and is based on their Scenario C. This scenario is described in the report as:

Scenario C: "Higher Growth/Local Plan consistent". This scenario builds on Scenario B, but it assumes accelerated growth in the short-to-medium term (2016-2030) at rates that are consistent with the assumptions that underpin the adopted Local Plan. This scenario essentially assumes additional stimulus is provided for sectors that are expected to grow stronger at a national level, especially 'Knowledge-economy' sectors such as Digital and ICT industries, and Professional services. This scenario could come about if the Council/LEP continue to give greater emphasis to links with the University, including encouragement for graduate enterprise and spin-outs.

Figure 3.18: Forecast job growth (2016-2050) – Carlisle – LSH Scenario C		
	Change in number of jobs	Average jobs per annum
2016-2020	2,397	599
2021-2030	5,313	531
2031-2050	9,829	491
2016-2050	17,539	516
2020-2050	15,142	505

Source: Lambert Smith Hampton

- 3.58 Overall, the forecast is suggesting job growth of around 500 per annum, with some variation depending on the period studied. The analysis in this report looks at modelling job growth in two periods, firstly 2018-30 to be consistent with other analysis in this report (and to go to the end of the Local Plan period) and 2030 to 2050 to be consistent with the LSH report and broadly the build out time for SCGV.
- 3.59 Between 2018 and 2030 (based on the table above) modelling has assumed 6,511 additional jobs, with a further 9,829 assumed for the remainder of the period to 2050. The modelling is consistent with that already carried out (i.e. in terms of changes to economic activity, double jobbing) but does make a change in terms of commuting patterns. To be consistent with the LSH report, a 1:1 commuting ratio is used; this essentially means that it is intended that net in-commuting will gradually reduce and homes and jobs will be located reasonably close to each other (to reduce commuting). This seeks to be a sensible approach and needs to be borne in mind when comparing with analysis previously carried out in this report.
- 3.60 Following the analysis through it is estimated that to meet the jobs forecast in the 2018-30 period would require provision of 6,816 additional homes (568 per annum) and a further 8,938 (447 per annum) in the 2030-50 period. Therefore, a total of 15,754 additional dwellings for the whole 2018-50 period. This figure is lower than the number of homes in the Council's housing trajectory for the same period (19,316) but significantly higher than the trajectory excluding SCGV (8,990 dwellings).
- 3.61 The analysis would therefore support the need for the Garden Village and also suggests that there may be some flexibility in terms of providing a sufficient labour-supply (noting that projecting how economic activity might change up to 2050 is highly uncertain) and/or some flexibility in the supply of housing. This conclusion is similar to that drawn in the LSH report where it is noted that continuing to provide housing at the rate in the Local Plan (averaging 565 dwellings per annum) could potentially see the number of employed residents exceeding the high growth employment scenario.

Developing a Housing Trajectory Projection

- 3.62 Earlier in this section demographic projections were developed to consider how the population might develop with provision of 200 dwellings per annum (i.e. the Standard Method) and 620 dwellings per annum (the residual housing requirement from the Local Plan). Below a similar analysis has been undertaken linking to the Council's housing trajectory, with analysis extended through to 2050. The table below shows the housing trajectory from 2018 to 2050 – key figures are provided for the 2018-30 and 2030-50 periods.
- 3.63 The modelling has been set up in two parts; firstly, modelling household growth without SCGV (which is a total of 8,990 additional homes and secondly to additionally add in SCGV (a further 10,326 homes). The analysis has been carried out separately so that further analysis in this report can consider issues such as the mix of housing on the Garden Village site separately from the rest of the Council area.

Figure 3.19: Carlisle City Council Housing Trajectory (2018-2030)				
	Local Plan	SCGV	Future Non SCGV	Total
2018/19	644			644
2019/20	642			642
2020/21	749	31		780
2021/22	751	72		823
2022/23	611	83		694
2023/24	569	144		713
2024/25	588	227		815
2025/26	527	310		837
2026/27	491	372		863
2027/28	463	413		876
2028/29	371	475		846
2029/30	347	516		863
2018-30	6,753	2,643	0	9,396
2030/31	341	516		857
2031/32	272	516		788
2032/33	224	516		740
2033/34		516	100	616
2034/35		516	100	616
2035/36		516	100	616
2036/37		516	100	616
2037/38		516	100	616
2038/39		516	100	616
2039/40		517	100	617
2040/41		515	100	615
2041/42		519	100	619
2042/43		459	100	559
2043/44		377	100	477
2044/45		294	100	394
2045/46		208	100	308
2046/47		150	100	250
2047/48				0
2048/49				0
2049/50				0
2030-50	837	7,683	1,400	9,920
2018-50	7,590	10,326	1,400	19,316

Source: Carlisle City Council

- 3.64 The table below shows a summary estimate of the change in population and broad age structure if providing homes in the Council area in line with the trajectory but without the Garden Village. This shows that the population would be projected to increase by around 17,400 (16%) over the 32-year period with a notable increase in the population aged 65 and over, and more modest increases in the number of children and those of 'working-age'.

Figure 3.20: Projected population change (2018-50) linking to the housing trajectory excluding SCGV

	Population 2018	Population 2050	Change in population	% change
0-15	19,344	22,102	2,758	14.3%
16-64	65,732	69,944	4,212	6.4%
65+	23,344	33,728	10,384	44.5%
Total	108,419	125,773	17,354	16.0%

Source: Demographic projections

- 3.65 If additional supply from SCGV is added in, then the population might be projected to develop as shown in the table below. The analysis shows that there would still be a significant ageing of the population, but that there would be greater increases in those age groups under 65. The reason for this profile is that additional housing would be projected to lead to additional in-migration; the profile of migrants being biased towards younger age groups.

Figure 3.21: Projected population change (2018-50) linking to the housing trajectory including SCGV

	Population 2018	Population 2050	Change in population	% change
0-15	19,344	28,142	8,799	45.5%
16-64	65,732	86,472	20,740	31.6%
65+	23,344	36,286	12,942	55.4%
Total	108,419	150,900	42,481	39.2%

Source: Demographic projections

Demographic Trends and Housing Need Projections: Key Messages

- Over the past five or more years, assessing the level of housing need has been for individual local authorities (or groups of local authorities) to prepare by following advice in Planning Practice Guidance (PPG). However, the new National Planning Policy Framework (NPPF) of February 2019 has introduced a Standard Method, based on looking at projected household growth and adjustments based on the level of affordability in an area. Local authorities are encouraged to plan for more housing than the Standard Method suggests, for example where there are growth strategies in place.
- The Standard Method calculation for Carlisle suggests household growth of about 185 per annum, plus an uplift of around 8% for market signals (affordability). Therefore, the objectively assessed housing need (OAN) for the District as a whole is for 200 dwellings per annum. This is some way below the housing requirement in the current Local Plan (a residual need for around 620 homes per annum in the 2018-30 period).
- Further analysis looking at economic growth suggested that planning for the Standard Method (200 dwellings per annum) would see a reduction in the local labour supply (the economically active population) and would not support any job growth in the Council area. Therefore, whilst the Standard Method does show population and household growth that is consistent with recent demographic trends, it would not support economic growth and would potentially leave the local authority with a labour supply shortage and therefore an inability for local businesses to be competitive and viable.
- Analysis was carried out to consider the likely level of housing delivery required to meet economic growth forecasts (in this case taken from a Lambert Smith Hampton report of October 2018). From this it was clear that the Council would need to plan for more homes than prescribed by the Standard Method and that a higher level of delivery would be needed post 2030 (i.e. after the end of the current Local Plan period).
- Whilst a report such as this should not be entirely prescriptive about housing numbers due to some uncertainties in the assumptions used (particularly if projecting forward to 2050) it does seem clear that the development of St Cuthbert's Garden Village would provide opportunities for households to move to the area (and take up the forecast local jobs).
- A final analysis carried out has been to project how the population of Carlisle might develop if housing is provided in-line with the current housing trajectory. This shows that without SCGV there would be projected to be an ageing of the population, along with modest increases in the population of children and those of 'working-age'. With the inclusion of SCGV it is projected that there would be a greater increase in people of 'working-age', and thus able to support the forecast economic growth.

4. Affordable Housing Need

Introduction

- 4.1 Affordable housing is defined in Annex 2 of the National Planning Policy Framework (NPPF2). The NPPF2 definition is slightly wider than the previous NPPF definition; in particular a series of 'affordable home ownership' options are considered to be affordable housing.
- 4.2 A methodology is set out in Planning Practice Guidance (PPG) to look at affordable need (within the Housing need assessment guide), this is largely the same as the previous PPG method and does not really address the additional (affordable home ownership) definition. The analysis below splits between the current definition of affordable need and the additional definition, providing distinct analysis for each.
- 4.3 The analysis in this section estimates affordable housing need over the 2018-30 period and no attempt has been made to project this further forward to 2050 – it is considered that there are too many uncertainties in looking over such a long period. However, in the absence of other evidence, it is suggested that any conclusions drawn from this analysis can be applied post-2030, including in relation to SCGV – subject to any viability or other considerations.

Affordable Housing Need (established definition)

- 4.4 The method for studying the need for affordable housing has been enshrined in Strategic Housing Market Assessment (SHMA) guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). The analysis below follows the methodology and key data sources in guidance and can be summarised as:
- Current need (an estimate of the number of households who have a need now and based on a range of data modelled from local information);
 - Projected newly forming households in need (based on projections developed for this project along with an affordability test to estimate numbers unable to afford the market);
 - Existing households falling into need (based on studying the types of households who have needed to access social/affordable rented housing and based on study past lettings data);
 - These three bullet points added together provide an indication of the gross need (the current need is divided by 12 so as to meet the need over the 2018-30 period);
 - Supply of affordable housing (an estimate of the likely number of letting that will become available from the existing social housing stock – drawing on data from CoRe¹); and
 - Subtracting the supply from the gross need provides an estimate of the overall (annual) need for affordable housing

¹ The continuous recording of lettings and sales in social housing in England (referred to as CoRe) is a national information source that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent

- 4.5 Each of these stages is described below. In addition, much of the analysis requires a view about affordability to be developed. This includes looking at house prices and private rents along with estimates of local household incomes. The following sections therefore look at different aspects of the analysis.

Local Prices and Rents

- 4.6 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need’.
- 4.7 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes). The following section expands on this information in more detail to present a consideration of the types of affordable housing that might meet local needs. This section focuses on establishing, in numerical terms, the overall need for affordable housing.
- 4.8 Analysis below considers the entry-level costs of housing to both buy and rent across the Council area. The approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents – using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market.
- 4.9 Data from the Land Registry for the year to September 2018 (i.e. Q4 of 2017 and Q1-Q3 of 2018) shows estimated lower quartile property prices in the District by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £67,000 for a flat and rising to £188,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile ‘average’ price of £95,200.

Figure 4.1: Lower quartile cost of housing to buy – year to September 2018 – Carlisle	
	Lower quartile purchase
Flat/maisonette	£66,900
Terraced	£79,300
Semi-detached	£100,700
Detached	£187,600
All dwellings	£95,200

Source: Land Registry

- 4.10 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this covers a 12-month period to September 2018. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £395 per month.

Figure 4.2: Lower Quartile Market Rents, year to September 2018 – Carlisle	
	Lower Quartile rent, pcm
Room only	£316
Studio	£275
1-bedroom	£350
2-bedrooms	£410
3-bedrooms	£486
4-bedrooms	£625
All properties	£395

Source: Valuation Office Agency

- 4.11 The rental figures above have been taken from VOA data; it is however of interest for this study to see how these vary by location. The table below shows an estimate of the overall lower quartile private rent in each of the sub-areas; this is based on analysis of Rightmove data on available lettings which has then been adjusted to be consistent with the data from VOA. The overall lower quartile purchase price has also been shown (drawn directly from the Land Registry source).

Figure 4.3: Lower Quartile Market Rents, by sub-area		
	Lower quartile purchase	Lower quartile rent, pcm
Rural West	£131,300	£475
Rural East	£139,900	£495
Carlisle Urban	£83,700	£370
All properties	£95,200	£395

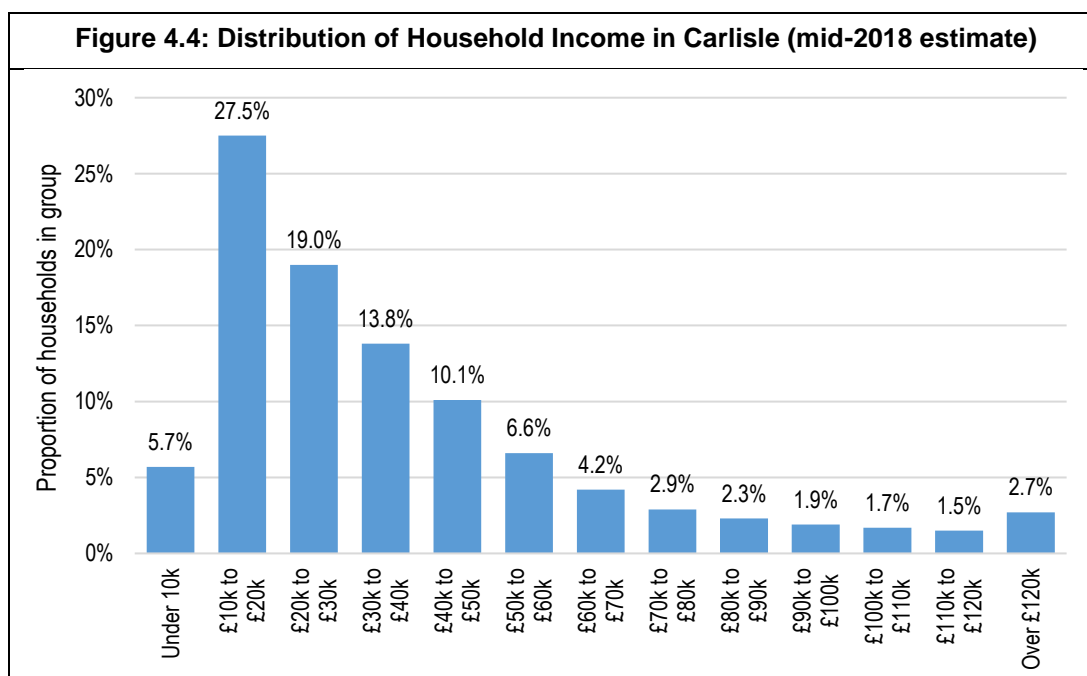
Source: Internet private rental cost search and Land Registry

- 4.12 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 4.13 The threshold of income to be spent on housing should be set by asking the question ‘what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?’ The choice of an appropriate threshold will to some degree be arbitrary and will be linked to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold but are simply being used to assess how many can or can’t afford market housing.

- 4.14 Rent levels in Carlisle are low in comparison to those seen nationally (a lower quartile rent of £525 per month across England). This would suggest that the proportion of income to be spent on housing would be at the bottom end of any range. It is therefore suggested that a threshold of 25% would be appropriate.
- 4.15 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis to follow is based solely on the ability to afford to access private rented housing. However, the local house prices are important when looking at the extended definition of affordable housing in NPPF2 and are returned to when looking at this new definition.

Income Levels and Affordability

- 4.16 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 4.17 Drawing all of this data together an income distribution for the whole Council area has been constructed for 2018. The figure below shows that around a third (33%) of households have incomes below £20,000 with a further third in the range of £20,000 to £40,000. Overall the average (mean) income is estimated to be around £38,100, with a median income of £28,600; the lower quartile income of all households is estimated to be £16,600.



Source: Derived from EHS and ONS data

- 4.18 Analysis has also been undertaken to estimate how incomes vary by sub-area, with the table below showing the estimated median household income in each area.

Figure 4.5: Estimated average (median) household income by sub-area (mid-2018 estimate)	
	Median income
Rural West	£36,200
Rural East	£33,300
Carlisle Urban	£26,500
All households	£28,600

Source: Derived from EHS and ONS data

- 4.19 To assess affordability, a household's ability to afford private rented housing without financial support has been studied. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.
- 4.20 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households (this has consistently been shown to be the case in the English Housing Survey and the Survey of English Housing)). Assumptions about income levels for specific elements of the modelling are the same as in previous assessments of affordable need.

Current Affordable Housing Need

- 4.21 In line with PPG paragraph 2a-023), the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers. The PPG also includes a category where households cannot afford to own despite it being their aspiration – this category is considered separately in this report (under the title of the additional definition of affordable housing need).

Figure 4.6: Main sources for assessing the current unmet need for affordable housing		
	Source	Notes
Homeless households (and those in temporary accommodation)	CLG Live Table 784	Total where a duty is owed but no accommodation has been secured PLUS the total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families (with dependent or non-dependent children)
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-023]

- 4.22 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting. Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need.
- 4.23 The table below shows the initial estimate of the number of households within the District with a current housing need. These figures are before any consideration of affordability has been made and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that there are currently around 2,750 households living in unsuitable housing (or without housing) – just over three-quarters of the need is estimated to arise in the Carlisle Urban sub-area.

Figure 4.7: Estimated number of households living in unsuitable housing	
Category of 'need'	Households
Concealed and homeless households	368
Households in overcrowded housing	1,090
Existing affordable housing tenants in need	166
Households from other tenures in need	1,130
Total	2,754

Source: CLG Live Tables, Census (2011) and data modelling

Figure 4.8: Estimated number of households living in unsuitable housing (by sub-area)					
	Concealed/ homeless	Over- crowded	AH tenants	Other tenures	Total
Rural West	27	34	4	79	144
Rural East	89	119	22	262	493
Carlisle Urban	251	937	140	789	2,117
All households	368	1,090	166	1,130	2,754

Source: CLG Live Tables, Census (2011) and data modelling

- 4.24 In taking this estimate forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be considered as being in affordable housing need (student households rarely qualify for affordable housing). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.
- 4.25 The table below shows it is estimated that there were 1,506 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers).

Figure 4.9: Unsuitable housing by tenure and numbers to take forward into affordability modelling		
	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	832	83
Affordable housing	462	0
Private rented	1,092	1,055
No housing (homeless/concealed)	368	368
Total	2,754	1,506

Source: CLG Live Tables, Census (2011) and data modelling

- 4.26 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the level of income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing. These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation). These figures are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem.
- 4.27 Overall, around half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to 697 households in the District. The table below shows how current need is estimated to vary across sub-areas.

Figure 4.10: Estimated Current Affordable Housing Need			
	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Rural West	88	45.4%	40
Rural East	311	50.2%	156
Carlisle Urban	1,107	45.3%	501
All households	1,506	46.3%	697

Source: CLG Live Tables, Census (2011), data modelling and affordability analysis

Newly-Forming Households

- 4.28 The number of newly-forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 4.29 The numbers of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 4.30 In looking at the likely affordability of newly-forming households, data has been drawn from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

- 4.31 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). The assessment suggests that overall around two-fifths of newly-forming households will be unable to afford market housing (to rent) and that a total of 292 new households will have a need on average in each year to 2030.

Figure 4.11: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum) – Carlisle			
	No. of new households	% unable to afford	Total in need
Rural West	59	36.5%	22
Rural East	154	42.0%	65
Carlisle Urban	525	39.3%	206
All households	738	39.6%	292

Source: Projection Modelling/affordability analysis

Existing Households Falling into Affordable Housing Need

- 4.32 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. This looked at households who have been housed over the past three years – this group will represent the flow of households onto the Housing Register over this period.
- 4.33 From this newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.
- 4.34 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)’*.
- 4.35 Following the analysis through suggests a need arising from 234 existing households each year from 2018 to 2030.

Figure 4.12: Estimated Level of Affordable Housing Need from Existing Households falling into need (per annum) – Carlisle		
	Total additional need	% of total
Rural West	5	2.3%
Rural East	33	13.9%
Carlisle Urban	197	83.8%
All households	234	100.0%

Source: CoRe/affordability analysis

Supply of Affordable Housing

- 4.36 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.
- 4.37 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from the CoRe system has been used to establish past patterns of social housing turnover, along with data about the location of current stock (to provide sub-area estimates). The figures include general needs and supported lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 4.38 On the basis of past trend data it has been estimated that 540 units of social/affordable rented housing are likely to become available each year moving forward.

Figure 4.13: Analysis of past social/affordable rented housing supply (per annum – based on data for 2015-18 period) – Carlisle

	General needs	Supported housing	Total
Total lettings	708	147	855
% as non-new build	94.2%	93.9%	94.2%
Lettings in existing stock	667	138	805
% non-transfers	67.2%	66.4%	67.1%
Total lettings to new tenants	449	92	540

Source: CoRe

- 4.39 The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on the size of the stock in each sub-area as of 2011 (Census data).

Figure 4.14: Estimated supply of affordable housing from relets of existing stock by sub-area (per annum)

	Annual supply	% of supply
Rural West	13	2.4%
Rural East	72	13.4%
Carlisle Urban	455	84.2%
All households	540	100.0%

Source: CoRe/Census (2011)

- 4.40 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock) – as of 2017, CLG data shows 128 vacant social rented homes in the District (less than 2% of the total stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Affordable Housing Need

- 4.41 The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis shows that there is a need for 158 dwellings per annum to be provided – a total of 1,900 over the 12-year period (2018-30). The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Figure 4.15: Estimated Need for Affordable Housing – Carlisle		
	Per annum	2018-30
Current need	58	697
Newly forming households	406	4,876
Existing households falling into need	234	2,813
Total Gross Need	699	8,387
Re-let Supply	540	6,485
Net Need	158	1,902

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

- 4.42 The table below shows the annualised information for individual sub-areas. The analysis shows a need for additional affordable housing in all parts of the District, with the highest figure being seen in Carlisle Urban. However, the need in this area is relatively low; just under half (49%) of the need is estimated to arise in Carlisle Urban, and yet around two-thirds of households live in this area.

Figure 4.16: Estimated Need for Affordable Housing by sub-area (per annum)						
	Current need	Newly forming households	Existing households falling into need	Total Gross Need	Relet Supply	Net Need
Rural West	3	28	5	37	13	24
Rural East	13	85	33	130	72	58
Carlisle Urban	42	293	197	532	455	77
All households	58	406	234	699	540	158

Source: Census (2011)/CoRe/Projection Modelling and affordability analysis

Comparison with Previous Assessment

- 4.43 The last full assessment of affordable need was undertaken as part of the 2014 SHMA update. This followed broadly the same methodology as this report and below is a comparison of the findings. The analysis would suggest that affordable needs have dropped over time although looking at the individual components of the model it can be seen that gross need has remained at roughly the same level, but the estimated potential supply is notably higher.
- 4.44 It is difficult to be entirely clear as to why the supply estimates (from existing stock) have increased so markedly over the past 4/5 years. It is however likely to at least in part be due to an increase in Registered Provider stock over this period which has enabled more relets to be available. Additionally, it looks like turnover in general has increased, which may in part be due to some social tenants having been able to move out of the stock and into forms of low-cost home ownership. Alternatively, the demographic profile of the stock may have changed (more older people) which in turn can lead to a greater number of relets. It is recommended that the Council monitors relet activity moving forward.
- 4.45 Regardless of the difference in the overall numbers, both studies clearly demonstrate a need to provide additional affordable housing in Carlisle where opportunities arise.

Figure 4.17: Estimated Need for Affordable Housing – Carlisle – comparing this study with 2014 SHMA		
	This study	2014 SHMA
Current need	58	32
Newly forming households	406	443
Existing households falling into need	234	216
Total Gross Need	699	691
Re-let Supply	540	396
Net Need	158	295

Source: This study and 2017 HEDNA (Table 39)

How Much Should Affordable (rented) Housing Cost?

- 4.46 The analysis above has studied the overall need for affordable housing using a well-established model. This model focusses on households who cannot afford to rent in the market. These households are therefore most likely to have a need for rented housing and below is an analysis that sets out what might be an affordable rent for different sizes of accommodation (in different locations) based on local incomes and housing costs.

- 4.47 The analysis essentially considers what might be a 'Living Rent'. These calculations are based on research by JRF/Savills² and use the following methodology:
- Annual Survey of Hours and Earnings (ASHE) lower quartile earnings;
 - Adjustment for property size by recognised equivalence model; and
 - Starting rent set at 28% of net earnings
 - Rent set at Local Housing Allowance (LHA) limits where calculations show a higher figure
- 4.48 Across the whole of the District, the analysis shows rents starting at about £300 for a 1-bedroom home in and rising to £480 for homes with 3-bedrooms. The analysis also provides indicative figures for the sub-areas. These figures have been based on using the overall estimated income in each area adjusted to the ASHE data, a further adjustment is then made on the assumption that there is less variance in the range of incomes of lower paid jobs than the range of overall household income.
- 4.49 Generally, the suggested Living Rents are lower than the relevant LHA (second table below) – albeit slightly higher for some sizes of homes in some locations. As a general principle it is not considered sensible to charge a rent in excess of LHA limits, as this would mean households having to top up their rent from other income sources. Therefore, the suggested Living Rents should be treated as indicative, with lower rent being appropriate where the LHA level is lower than the calculated figure.

Figure 4.18: Living rents (per month) – 2017/18

	1-bedroom	2-bedroom	3-bedrooms
Rural West	£340	£442	£544
Rural East	£325	£423	£520
Carlisle Urban	£290	£376	£463
All households	£302	£393	£484

Source: ASHE and Living Rents methodology

- 4.50 The table below shows LHA limits in the two Broad Rental Market Areas (BRMAs) covering Carlisle (most of the Council area is in the North Cumbria BRMA). As noted, there is a case for ensuring that rents are capped at the maximum amount of benefit able to be claimed. The issue of LHA limits should be a key consideration when setting rent levels for any new developments.

Figure 4.19: Maximum Local Housing Allowance (Housing Benefit) by location and property size (February 2019)

	1-bedroom	2-bedroom	3-bedrooms
North Cumbria	£349	£409	£489
Tyneside	£415	£449	£499

Source: Valuation Office Agency

²

<http://pdf.savills.com/documents/Living%20Rents%20Final%20Report%20June%202015%20-%20with%20links%20-%2019%2006%202015.pdf>

Affordable Housing – Expanded NPPF Definition

- 4.51 Using the previously established method to look at affordable need, it was estimated that there is a need for around 158 units per annum – this is for subsidised housing at a cost below that to access the private rented sector (i.e. for households unable to access any form of market housing without some form of subsidy). It would be expected that this housing would be delivered primarily as social/affordable rented housing.
- 4.52 The new NPPF introduces a new category of household in affordable housing need and widens the definition of affordable housing (as found in the NPPF – Annex 2). It is considered that households falling into the definition would be suitable for Starter Homes or Discounted market sales housing, although other forms of affordable home ownership (such as shared ownership) might also be appropriate.
- 4.53 This section considers the level of need for these types of dwellings in Carlisle. The NPPF states *“Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.”* (NPPF2, para 64).

Establishing a Need for Affordable Home Ownership

- 4.54 The Planning Policy Guidance of July 2018 confirms a widening definition of those to be considered as in affordable need; now including *‘households which can afford to rent in the private rental market, but cannot afford to buy despite a preference for owning their own home’*. However, at the time of writing, there is no guidance about how the number of such households should be measured.
- 4.55 The methodology used in this report therefore draws on the current method, and includes an assessment of current needs, projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the ‘gap’ between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.
- 4.56 The first part of the analysis seeks to understand what the gap between renting and buying actually means in Carlisle – in particular establishing the typical incomes that might be required.
- 4.57 Just by looking at the relative costs of housing to buy and to rent it is clear that there will be households in Carlisle who can currently rent but who may be unable to buy on the basis of their income. In the year to September 2018, the ‘average’ lower quartile private rent is shown by VOA to cost £395 a month, assuming a household spends no more than 25% of income on housing, this would equate to an income requirement of about £18,960. For the same period, Land Registry data records a lower quartile price in the District of about £95,200, which (assuming a 10% deposit and 4 times mortgage multiple) would equate to an income requirement of around £21,420.

- 4.58 Therefore, on the basis of these costings, it is reasonable to suggest that affordable home ownership products would be pitched at households with an income between £18,960 (i.e. able to afford to privately rent) and £21,420 (the figure above which a household might reasonably be able to buy). This is actually quite a narrow gap, and whilst there will be households in this band, it would not be expected that the numbers are substantial.
- 4.59 Additionally, it should be noted that there will be differences across sub-areas, as the pricing of homes does differ across areas. The table below shows an estimate of the typical income likely to be needed to buy and rent privately in each of the sub-areas. In all areas the income required to buy is higher than to rent although the gap between the income requirements does vary, being particularly small in the Carlisle Urban area.

Figure 4.20: Estimated income required for different market tenures by sub-area		
	Lower quartile purchase	Lower quartile rent
Rural West	£29,500	£22,800
Rural East	£31,500	£23,800
Carlisle Urban	£18,800	£17,800
All areas	£21,420	£18,960

Source: Internet private rental cost search and Land Registry

- 4.60 Using the income distributions developed for use in the previous analysis of affordable housing need it has been estimated that of all households living in the private rented sector, around 56% already have sufficient income to buy a lower quartile home, with 6% falling in the rent/buy gap. The final 38% are estimated to have an income below which they cannot afford to rent privately. These figures have been built up from sub-areas, with data suggesting a range of between 3% (Carlisle Urban) and 14% (Rural East) of households in the private rented sector as sitting in the rent/buy gap.
- 4.61 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).
- 4.62 The finding that a significant proportion of households (56%) in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)).
- 4.63 To study current need, an estimate of the number of household living in the private rented sector (PRS) has been established, along with the same (rent/buy gap) affordability test described above. the start point is the number of households living in private rented accommodation; as of the 2011 Census there were some 6,914 households living in the sector. Data from the Survey of English Housing (EHS) suggests that since 2011, the number of households in the PRS has risen by about 26% - if the same proportion is relevant to Carlisle then the number of households in the sector would now be around 8,700.

- 4.64 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point (5,200 households if applied to Carlisle) and of these some 25% (1,300 households) would expect this to happen in the next 2-years. The figure of 1,300 is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 4.65 As noted above, on the basis of income it is estimated that around 6% of the private rented sector sit in the gap between renting and buying; applying this proportion to the 1,300 figure would suggest a current need for around 71 affordable home ownership products (6 per annum if annualised over a 12-year period).
- 4.66 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 81 dwellings (57 from newly forming households and 24 from existing households in the private rented sector).
- 4.67 Bringing together all of this analysis suggests that there is a need for around 87 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum in the 2018-30 period. The table below shows the sub-areas where these 'needs' are expected to arise – this suggests the highest need in rural parts of the Council area – this will be due to there being a greater gap between the incomes needed to rent and to buy.

Figure 4.21: Estimated Gross Need for Affordable Home Ownership by sub-area					
	Current need		Newly forming households	Existing households falling into need	Total Gross Need (per annum)
	Total	Per annum			
Rural West	9	1	9	3	13
Rural East	37	3	28	12	44
Carlisle Urban	25	2	19	8	30
All areas	71	6	57	24	87

Source: Census (2011)/Projection Modelling and affordability analysis

Potential Supply of Housing to Meet the Affordable Home Ownership Need

- 4.68 As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated. The analysis below therefore provides a general discussion.
- 4.69 As noted previously, the lower quartile cost of a home to buy in Carlisle is around £95,200. By definition, a quarter of all homes sold (noting that the data is for the year to September 2018) will be priced at or below this level. According to the Land Registry source, there were a total of 2,269 sales in this period and therefore around 567 would be priced below the lower quartile. This is 567 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is clearly in excess of the level of need calculated.

- 4.70 An alternative way to look at the supply is to estimate how much housing is available at an equivalent price (in income terms) to accessing the private rented sector. If the rental figure is worked backwards into an equivalent purchase price, then this gives an affordable price to buy of about £84,300 (calculated as $(18,960 \times 4) \div 0.9$). Any home sold at a price at or below £84,300 would (in income terms) be available to all households currently in the rent/buy gap. In the year to September 2018 there were 398 sales in Carlisle at or below £84,300, a figure which is somewhat lower than the estimated level of need.
- 4.71 These figures will however vary by sub-area, as pricing is very different across locations. The table below shows an estimate of the number of homes sold at below lower quartile in each area and also the numbers sold at a price equivalent to accessing the private rented sector. It should be noted that the figures do not add up to the totals shown above, as the former figures were calculated on the basis of District-wide data. For information, the table below also shows the estimated gross need previously calculated, although given the uncertainties about how to look at supply, no net need figure is offered.
- 4.72 The analysis shows in all areas that the potential supply is higher than the estimated need (regardless of the definition used). This would suggest that the need for affordable home ownership products is not clear-cut; there is clearly a potential need, but there is also potentially a notable supply of homes in the relevant price bracket.
- 4.73 These figures should be used to demonstrate the scale of potential supply for households in the rent/buy gap and it should be noted that this stock is not necessarily available to those households in need (i.e. market housing is not allocated and so theoretically all of the sales could go to households who could afford a more expensive home or potentially to investment buyers). There may also be issues with the quality of the stock at the very bottom end of the market. That said there is clearly a reasonable level of stock that is potentially affordable to those households falling into the Government's revised definition of affordable housing need.

Figure 4.22: Estimated potential supply of homes to meet the need for affordable home ownership			
	Annual supply of homes priced below lower quartile	Annual supply of homes priced at an equivalent level to private renting	Estimated gross (annual) need for affordable home ownership
Rural West	95	42	13
Rural East	125	51	44
Carlisle Urban	348	276	30
All areas	567	369	87

Source: Land Registry

Implications of the Analysis

- 4.74 Given the analysis above, it would be reasonable to conclude that there is a limited need to provide housing under the NPPF definition of ‘affordable home ownership’ – which is taken to include ‘*Starter Homes, Discounted market sales housing and Other affordable routes to home ownership*’ – whilst there are clearly some household in the gap between renting and buying, there is also a potential supply of homes within the existing stock that can make a contribution to this need.
- 4.75 However, it does seem that there are many households in Carlisle who are being excluded from the owner-occupied sector (including in those areas where the cost of housing is lowest). This can be seen by analysis of tenure change, which saw the number of households living in private rented accommodation increasing by 89% from 2001 to 2011 (with the likelihood that there have been further increases since). Over the same period, the number of owners with a mortgage dropped by 7%.
- 4.76 On this basis, and as previously noted, it seems likely in Carlisle that access to owner-occupation is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially some mortgage restrictions (e.g. where employment is temporary) rather than simply being due to the cost of housing to buy.
- 4.77 Hence, whilst the NPPF gives a clear steer that 10% of all new housing (on larger sites) should be for affordable home ownership, it is not clear that this is the best solution in the District. If possible, it would be more appropriate for the Council to seek for 10% of housing to be made available with some initial upfront capital payment (such as a deposit contribution), as well as a discount to OMV. Such a payment could cover the deposit and other initial costs and would potentially need to be protected in some way so that the money is not lost if a household chooses to sell their property (i.e. to ensure that any subsidy is held in perpetuity). Schemes such as Help-to-Buy could form part of such a package. This would still be targeted at the same group of households (likely to mainly be those currently privately renting but who would like to buy). If this could be achieved, then it may be reasonable for up to 10% of homes to fall into the affordable home ownership category.
- 4.78 If the Council does seek to provide 10% of housing as affordable home ownership, then a range of tenure types are likely to be appropriate. This would include shared ownership, which would typically see lower deposit requirements and lower overall costs (given that the rent would also be subsidised) as well as low-cost home ownership properties.
- 4.79 In promoting shared ownership, the Council should consider the equity share and also the overall cost once the rent and any service charges are included – this will be necessary to ensure that such homes are meeting the target group of households (i.e. those with an income in the gap between renting and buying). It may be that equity shares as low as 25% would be needed to make shared ownership affordable (although this does have the additional advantage of a lower deposit), given that such homes would need to use Open Market Value as a start point. This is something that should be monitored on a case by case basis and could vary by location and property type/size.

- 4.80 Regarding low-cost home ownership, the Council currently operates a low-cost home ownership scheme where discounted sale properties are sold at 70% of OMV in perpetuity. This has been a successful product in helping households to buy their first home and there are now over 400 properties within the portfolio. The largest group of purchasers are first-time buyers, but the properties are also popular with people looking to get back onto the ladder following a divorce or relationship breakdown.
- 4.81 Overall, the evidence suggests there is no basis to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF, and that in addition to 10% of affordable home ownership (or some alternative measure such as capital payments), the Council should be seeking to provide additional social/affordable rented housing. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 4.82 Overall therefore, it seems reasonable to suggest that the Council could consider seeking 10% of all housing (on larger sites) to be affordable home ownership (as set out in the NPPF), although consideration will need to be given to the tenure of such housing, levels of discounts and other options (such as relating to deposits). However, given that the main analysis of affordable need also showed a notable level of need, and one involving households who cannot afford anything in the market without subsidy, it is not considered that there is any basis in need terms to increase the provision of affordable home ownership above the 10% figure, although a higher proportion might be appropriate in some circumstances (e.g. to help support viability or to assist in diversifying the housing stock).
- 4.83 The Council's current affordable housing policy for higher value areas (Zones A & C) includes a target of 30% affordable housing, of which half (15% of all housing) would typically be sought as intermediate housing. Whilst the 15% is higher than the general conclusions of this report, it is not considered to be an unreasonable policy target, particularly as it would be expected that there would be some cases where a lower level of delivery might be provided (e.g. where there are viability issues).
- 4.84 It should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. As is clear from both the NPPF and draft PPG, the additional group of households in need is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes required.

How Much Should Affordable Home Ownership Homes Cost?

- 4.85 The analysis and discussion above suggests that there are a number of households likely to fall under the new PPG definition of affordable housing need (i.e. in the gap between renting and buying) but that the potential supply of housing to buy makes it difficult to fully quantify this need. However, given the NPPF, it seems likely that the Council will need to seek 10% of additional homes on larger sites as some form of home ownership.

- 4.86 This report recommends shared ownership as the most appropriate form of affordable home ownership and also encourages consideration of other packages such as providing support for deposits. However, it is possible that some housing would come forward as other forms of housing such as Starter Homes or discounted market sale. If this is the case, it will be important for the Council to ensure that such homes are sold at a price that is genuinely affordable for the intended target group.
- 4.87 On this basis, it is worth discussing what sort of costs affordable home ownership properties should be sold for. The Annex 2 (NPPF) definitions suggest that such housing should be made available at a discount of at least 20% from Open Market Value (OMV). The problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that housing is more expensive than that typically available in the open market.
- 4.88 The preferred approach in this report is to set out a series of affordable purchase costs for different sizes of accommodation. These are based on equivalising the private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. Setting higher prices would mean that such housing would not be available to many households for whom the Government is seeking to provide an 'affordable' option.
- 4.89 The table below therefore sets out a suggested purchase price for affordable home ownership in the District. As noted, the figures are based on trying to roughly equate a sale price with an equivalent access point to the private rental market. This shows a one-bedroom home 'affordable' price of about £75,000 rising to £133,000 for homes with 4 or more bedrooms. These figures can be monitored and updated every six months by reference to VOA data. The table also shows figures for sub-areas.
- 4.90 On the basis of the pricing suggested in this report it seems likely that discounts of greater than 20% discounts from OMV for some types/sizes of homes in some locations would be needed. It is understood that discounts of around 30% (which is the Council's usual policy) typically achieves this aim and broadly aligns with the affordable home ownership prices shown below.

Figure 4.23: Affordable home ownership prices (aligned with cost of accessing private rented sector) – data for year to September 2018				
	1-bedroom	2-bedroom	3-bedroom	4+-bedroom
Rural West	£90,000	£105,400	£125,000	£160,700
Rural East	£93,700	£109,700	£130,100	£167,300
Carlisle Urban	£69,800	£81,700	£96,900	£124,600
All areas	£74,700	£87,500	£103,700	£133,300

Source: derived from VOA data

- 4.91 It is understood that the Council currently maintain a register of people interested in these products (in a similar way to the current Housing Register). This enables any properties to be 'allocated' to households whose circumstances best meet the property on offer.

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the need for affordable housing in the 2018-30 period. The analysis is split between a 'traditional' need (which is mainly for social/affordable rented accommodation and is based on households unable to buy or rent in the market) and the 'additional' category of need introduced by the revised NPPF/PPG (which includes housing for those who can afford to rent privately but cannot afford to buy a home).
- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at traditional needs, consideration is given estimates of the supply of social/affordable rented housing. For the additional definition, consideration is given to the potential supply (from Land Registry data) of cheaper accommodation to buy.
- Using the traditional method, the analysis suggests a need for 158 affordable homes per annum and therefore the Council is justified in seeking to secure additional affordable housing. There is also a need shown in all parts of the District.
- It is also suggested that the cost of housing to rent within this group is fixed by reference to local incomes (and the Living Rent methodology) although rents above Local Housing Allowance limits should be avoided (to ensure housing affordable to those needing to claim Housing Benefit).
- When looking at the need for affordable home ownership products (i.e. the expanded definition of affordable housing in the NPPF) it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home. However, there is also a potential supply of homes within the existing stock that can make a contribution to this need. It is therefore difficult to robustly identify an overall need for affordable home ownership products.
- However, it does seem that there are many households in Carlisle who are being excluded from the owner-occupied sector. The analysis would therefore suggest that a key issue in the District is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.
- If the Council does seek to provide 10% of housing as affordable home ownership, then a range of tenure types are likely to be appropriate. This would include shared ownership, which would typically see lower deposit requirements and lower overall costs (given that the rent would also be subsidised) as well as low-cost home ownership properties. The Council currently operates a low-cost home ownership scheme where discounted sale properties are sold at 70% of OMV in perpetuity. This has been a successful product in helping households to buy their first home and there are now over 400 properties within the portfolio.
- The evidence does not show any basis in need terms to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF, although a higher proportion might be appropriate in some circumstances (e.g. to help support viability or to assist in diversifying the housing stock).
- The Council's current affordable housing policy for higher value areas (Zones A & C) includes a target of 30% affordable housing, of which half (15% of all housing) would typically be sought as intermediate housing. Whilst the 15% is higher than the general conclusions of this report, it is not considered to be an unreasonable policy target, particularly as it would be expected that there would be some cases where a lower level of delivery might be provided (e.g. where there are viability issues).
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the District. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

5. Family Households and Housing Mix

Introduction

- 5.1 A further area of analysis is around the mix of housing required in different tenures. The revised NPPF says *'the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies'*; this includes families with children. The revised PPG does not provide any guidance about this topic although the previous PPG did say (paragraph 2a-021) that *'plan makers can identify current numbers of families, including those with children, by using the local household projections'*.
- 5.2 This section therefore looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the numbers are projected to change moving forward. The analysis finishes by looking at the mix of housing required (covering all household groups and tenures); this analysis takes account of the way different groups occupy housing and links to projections of change to household types and ages.

Background data

- 5.3 The number of families in the District (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 12,300 as of the 2011 Census, accounting for 26% of households. This proportion is similar to that seen across the County, and slightly below regional and national averages. Households in Carlisle Urban area are slightly more likely to contain dependent children, although slightly less likely to be married couple households (with dependent children) and more likely to be lone parents.

Figure 5.1: Households with dependent children (2011)								
		Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Rural West	No.	598	95	126	47	2,626	3,492	866
	%	17.1%	2.7%	3.6%	1.3%	75.2%	100.0%	24.8%
Rural East	No.	1,820	325	462	162	8,592	11,361	2,769
	%	16.0%	2.9%	4.1%	1.4%	75.6%	100.0%	24.4%
Carlisle Urban	No.	4,115	1,563	2,490	542	24,779	33,489	8,710
	%	12.3%	4.7%	7.4%	1.6%	74.0%	100.0%	26.0%
Carlisle	No.	6,533	1,983	3,078	751	35,997	48,342	12,345
	%	13.5%	4.1%	6.4%	1.6%	74.5%	100.0%	25.5%
Cumbria	%	13.9%	4.0%	5.7%	1.5%	74.9%	100.0%	25.1%
North West	%	14.1%	4.3%	8.1%	2.3%	71.2%	100.0%	28.8%
England	%	15.3%	4.0%	7.1%	2.6%	70.9%	100.0%	29.1%

Source: Census (2011)

- 5.4 The table below shows how the number of households with dependent children changed from 2001 to 2011. Overall there was a small increase in the number of households with dependent children, rising by around 350 (an increase of 3%). Within this, there was an increase in the number of cohabiting couples, lone parents and other households, along with a notable reduction in the number of married couples. The increase in the proportion of households with dependent children was lower than the increase for other households.

Figure 5.2: Change in households with dependent children (2001-11) – Carlisle				
	2001	2011	Change	% change
Married couple	7,350	6,533	-817	-11.1%
Cohabiting couple	1,323	1,983	660	49.9%
Lone parent	2,644	3,078	434	16.4%
Other households	675	751	76	11.3%
All other households	31,971	35,997	4,026	12.6%
Total	43,963	48,342	4,379	10.0%
Total with dependent children	11,992	12,345	353	2.9%

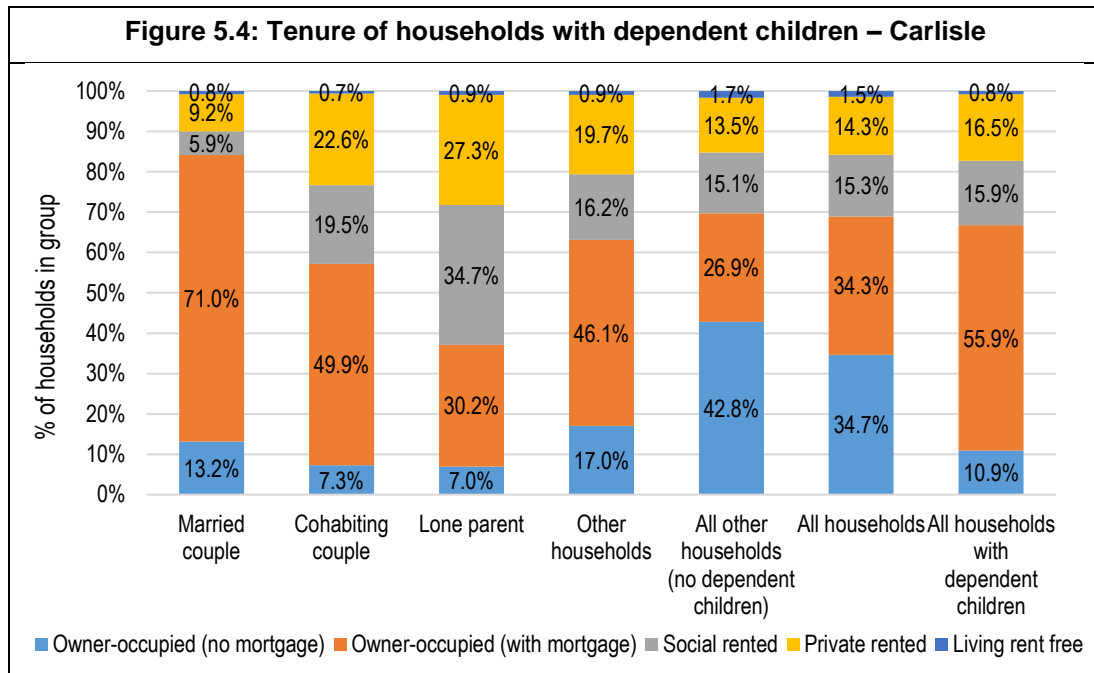
Source: Census (2001 and 2011)

- 5.5 The table below shows the projected change to the number of children (aged Under 15) from 2018 to 2030. This shows that linking projections to dwelling provision of 200 per annum sees a modest decrease in the number of children (down 4%), but that with higher dwelling provision (620 dwellings per annum) a substantial increase can be expected (of 10%).

Figure 5.3: Estimated change in population aged 15 and under (2018-30) – Carlisle				
	Population aged 15 and under		Change (2018-30)	% change from 2018
	2018	2030		
Linked to 200 dpa	18,225	17,512	-712	-3.9%
Linked to 620 dpa	18,225	20,062	1,837	10.1%

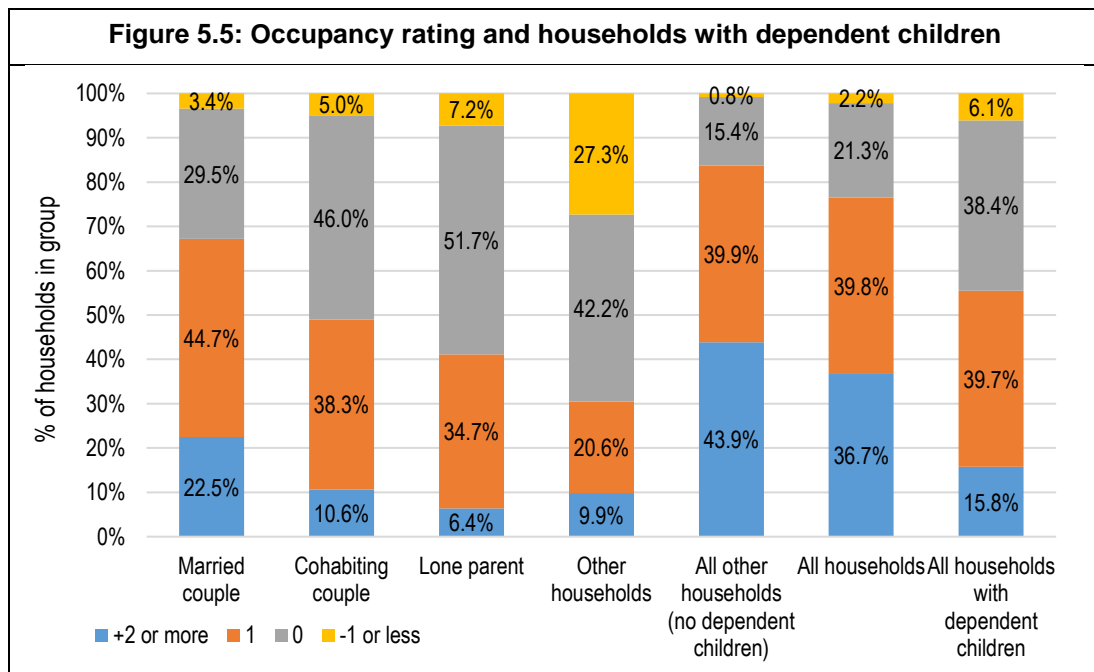
Source: Derived from demographic modelling

- 5.6 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only 37% of lone parent households are owner-occupiers compared with 84% of married couples with children.



Source: Census (2011)

- 5.7 Overcrowding is often a key theme when looking at the housing needs of households with children and the figure below shows that households with children are about seven times more likely than other households to be overcrowded. In total, some 6% of all households with dependent children are overcrowded and included within this the data shows 7% of lone parent households are overcrowded along with 27% of 'other' households with dependent children. Levels of under-occupancy amongst households with dependent children are low when compared with other households.



Source: Census (2011)

- 5.8 As well as households containing dependent children there will be other (non-dependent) children living as part of another household (typically with parents/grandparents). The table below shows the number of households in the District with non-dependent children. In total, some 10% of households (4,700) contained non-dependent children as of 2011. This may to some degree highlight the difficulties faced by young people in accessing housing. Ineligibility for social housing, lower household incomes and the unaffordability of owner occupation for such age groups all contribute to the current trend for young people moving in with or continuing to live with parents. The proportion of households with non-dependent children in the District is similar to that seen in other areas with little difference between Urban and Rural locations.

Figure 5.6: Households with non-dependent children (2011)

		Married couple	Cohabiting couple	Lone parent	All other households	Total	Total with non-dependent children
Rural West	No.	245	15	88	3,144	3,492	348
	%	7.0%	0.4%	2.5%	90.0%	100.0%	10.0%
Rural East	No.	799	45	395	10,122	11,361	1,239
	%	7.0%	0.4%	3.5%	89.1%	100.0%	10.9%
Carlisle Urban	No.	1,734	171	1,207	30,377	33,489	3,112
	%	5.2%	0.5%	3.6%	90.7%	100.0%	9.3%
Carlisle	No.	2,778	231	1,690	43,643	48,342	4,699
	%	5.7%	0.5%	3.5%	90.3%	100.0%	9.7%
Cumbria	%	6.0%	0.4%	3.2%	90.4%	100.0%	9.6%
North West	%	6.0%	0.5%	3.9%	89.6%	100.0%	10.4%
England	%	5.6%	0.5%	3.5%	90.4%	100.0%	9.6%

Source: Census (2011)

- 5.9 The table below shows that the number of households with non-dependent children has increased slightly from 2001 to 2011. In total, the number of households with non-dependent children increased by around 270 (a 6% increase); there was a particularly notable increase in lone parent households (with non-dependent children). The proportional change in the number of households with non-dependent children was lower than the overall increase in households over the period studied.

Figure 5.7: Change in households with non-dependent children (2001-11) – Carlisle

	2001	2011	Change	% change
Married couple	2,866	2,778	-88	-3.1%
Cohabiting couple	143	231	88	61.5%
Lone parent	1,422	1,690	268	18.8%
All other households	39,532	43,643	4,111	10.4%
Total	43,963	48,342	4,379	10.0%
Total with non-dependent children	4,431	4,699	268	6.0%

Source: Census (2001 and 2011)

Projected changes to family households

- 5.10 As well as looking at the number of households with dependent children, the characteristics of these households and how numbers have changed over time, it is possible to use household projections to see how the number of households is likely to change moving forward. The official household projections use a range of household typologies with three categories for dependent children depending on the number of children. Unfortunately, the projections no longer look at projecting lone parent households separately from other households with children. Additionally, it should be noted that the categories used differ between the 2016-based projections (ONS) and the 2014-based version (CLG). This is important as in deriving projections linked to the consultation Standard Method and the Local Plan, use has been made of the older projections.
- 5.11 The first table below looks at change to the number of households based on the ONS (2016-based) household projections. This shows that the number of households with dependent children is projected to decrease notably, by about 1,000 (a 9% decrease) – this can be set against a backdrop of a 2% increase in all households and a 24% increase in the number of single person households aged 65 and over.

Figure 5.8: Change in household types 2018-30 (2016-based ONS household projections) – Carlisle				
	2018	2030	Change	% change
One-person household (aged 65 and over)	7,478	9,284	1,806	24.2%
One-person household (aged under 65)	10,217	9,638	-579	-5.7%
Households with 1 dependent child	5,765	5,359	-405	-7.0%
Households with 2 dependent children	4,228	3,801	-427	-10.1%
Households with 3 or more dependent children	1,447	1,280	-167	-11.5%
Other households with 2 or more adults	20,047	20,909	863	4.3%
TOTAL	49,181	50,271	1,090	2.2%
Total households with dependent children	11,440	10,440	-1,000	-8.7%

Source: 2016-based ONS household projections

- 5.12 As well as looking at the latest official projections, analysis has been undertaken to consider what the profile of households might be with dwelling delivery of 200 and 620 homes each year – this is shown in the tables below. Both of these projections show a more positive change in the number of households with dependent children, increasing by 350 (3%) in the case 200 dwellings per annum and 2,200 (17%) with the higher provision assumptions. The most notable increases are in households with one dependent child.

Figure 5.9: Change in household types 2018-30 (linked to provision of 200 dwellings per annum) – Carlisle				
	2018	2030	Change	% change
One-person household (aged 65 and over)	7,375	8,353	978	13.3%
One-person household (aged under 65)	9,717	9,964	247	2.5%
Couple (aged 65 and over)	6,327	8,271	1,944	30.7%
Couple (aged under 65)	7,231	6,107	-1,124	-15.5%
A couple and one or more other adults: No dependent children	3,260	2,833	-427	-13.1%
Households with one dependent child	6,425	7,041	615	9.6%
Households with two dependent children	4,640	4,495	-145	-3.1%
Households with three dependent children	1,572	1,453	-119	-7.6%
Other households	3,109	3,470	361	11.6%
TOTAL	49,656	51,986	2,330	4.7%
Total households with dependent children	12,637	12,988	351	2.8%

Source: Demographic projections

Figure 5.10: Change in household types 2018-30 (linked to provision of 620 dwellings per annum) – Carlisle				
	2018	2030	Change	% change
One-person household (aged 65 and over)	7,375	8,658	1,283	17.4%
One-person household (aged under 65)	9,717	11,236	1,519	15.6%
Couple (aged 65 and over)	6,327	8,563	2,236	35.3%
Couple (aged under 65)	7,231	6,792	-439	-6.1%
A couple and one or more other adults: No dependent children	3,260	3,005	-255	-7.8%
Households with one dependent child	6,425	8,025	1,600	24.9%
Households with two dependent children	4,640	5,131	491	10.6%
Households with three dependent children	1,572	1,688	115	7.3%
Other households	3,109	3,781	672	21.6%
TOTAL	49,656	56,879	7,223	14.5%
Total households with dependent children	12,637	14,844	2,207	17.5%

Source: Demographic projections

The Mix of Housing – Introduction

5.13 The analysis above has looked at households with children and also projected changes to the number of households in different categories. The analysis now moves on to consider what mix of housing (by size) would be most appropriate for the changing demographic in Carlisle. Two different methods are used to provide an overall view about needs, the first uses the data presented above about household types and links this to current occupancy patterns, whilst the second uses similar information, but is more closely linked to the age of the head of household; the second methodology also separates out different tenures of housing.

- 5.14 Essentially, both models start with the current profile of housing (as of 2018) in terms of size (bedrooms) and tenure (for the second method). Within the data, information is available about the household type or age of households and the typical sizes of homes they occupy. By using demographic projections, it is possible to see which age groups are expected to change in number, and by how much. On the assumption that occupancy patterns for each age group (within each tenure where relevant) remain the same, it is therefore possible to work out what the profile of housing should be at a point in time in the future (2030 in terms of this assessment).
- 5.15 By subtracting the current profile of housing from the projected profile, it is possible to calculate the net change in housing needed (by size). Many of the tables to follow therefore have a '2018' heading and a '2030' one; the difference between the figures in these two columns is the net change in households over the 12-year period (if the assumptions used play out). Conventionally, the main outputs are presented as a percentage need for each size of home within each tenure category.

Current Stock of Housing by Size and Tenure

- 5.16 It should be noted that the current stock of housing (by size) can have a notable impact on the outputs of the modelling and the table below shows a comparison of the size profile of accommodation in a range of areas in three broad tenure groups. This shows that Carlisle has a fairly typical stock profile when compared with other locations.

Figure 5.11: Number of bedrooms by tenure and a range of areas (2011)					
		Carlisle	Cumbria	North West	England
Owner-occupied	1-bedroom	2%	2%	2%	4%
	2-bedrooms	27%	25%	24%	23%
	3-bedrooms	49%	50%	52%	48%
	4+-bedrooms	22%	23%	22%	25%
	TOTAL	100%	100%	100%	100%
Social rented	1-bedroom	27%	22%	29%	31%
	2-bedrooms	42%	38%	32%	34%
	3-bedrooms	28%	36%	34%	31%
	4+-bedrooms	3%	3%	4%	4%
	TOTAL	100%	100%	100%	100%
Private rented	1-bedroom	16%	14%	18%	23%
	2-bedrooms	46%	43%	43%	39%
	3-bedrooms	28%	31%	30%	28%
	4+-bedrooms	10%	11%	9%	10%
	TOTAL	100%	100%	100%	100%

Source: Census 2011

Method 1 – household types

- 5.17 In Method 1, a combination of the District's households and current occupancy patterns is used. By estimating future household growth by type and applying local occupancy patterns it is possible to determine what mix of new housing might be appropriate. By using current occupancy patterns, account can be taken of the relationship between different groups and the housing they occupy (for example, older households who live in accommodation larger than they technically need). The method has been used as it has been observed as the preferred method of the development industry when providing their own evidence about future mix.
- 5.18 The table below shows the relationship between different household groups and the size of homes they occupy. The data is for all tenures due to availability of data on this topic and is therefore used just to provide an initial overview (further tenure specific analysis is considered under Method 2). The choice of household typologies also differs from other analysis and has been chosen to represent the largest set of groups that can be consistently assessed from both Census data and household projections.

Figure 5.12: Occupancy Patterns by Household Type (2011) – Carlisle						
		1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
One person 65+	No.	1,027	2,888	2,358	463	6,736
	%	15.2%	42.9%	35.0%	6.9%	100.0%
One person <65	No.	1,966	4,521	2,612	588	9,687
	%	20.3%	46.7%	27.0%	6.1%	100.0%
Couple 65+	No.	111	1,330	2,021	652	4,114
	%	2.7%	32.3%	49.1%	15.8%	100.0%
Couple <65	No.	364	2,791	4,205	1,710	9,070
	%	4.0%	30.8%	46.4%	18.9%	100.0%
Households with dependent children	No.	145	2,801	6,154	3,245	12,345
	%	1.2%	22.7%	49.9%	26.3%	100.0%
Other	No.	87	1,420	3,225	1,658	6,390
	%	1.4%	22.2%	50.5%	25.9%	100.0%
Total	No.	3,700	15,751	20,575	8,316	48,342
	%	7.7%	32.6%	42.6%	17.2%	100.0%

Source: Census (2011)

- 5.19 The three tables below show the size mix needed from applying the occupancy patterns shown above with projected changes to the number of households in each household type group (the figures are for all tenures). When linked to official projections, the main need is shown to be for 2-bedroom homes (48% of the total) followed by 3-bedroom accommodation (36%).

Figure 5.13: Estimated Housing Mix Requirements – Carlisle (based on ONS household projections)					
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
One person 65+	275	774	632	124	1,806
One person <65	-118	-270	-156	-35	-579
Households with dependent children	-12	-227	-499	-263	-1,000
Other households	25	244	417	177	863
Total	171	521	394	3	1,090
	16%	48%	36%	0%	100%

Source: Derived from Census (2011) and demographic projections

- 5.20 With alternative levels of household growth and different assumptions about household representation (linked to an OAN of 200 and 620 dwellings per annum respectively) there are notable shifts when compared with using the official projections. In particular, when linking to a housing need of 620 dwellings per annum, the 1-bedroom need is much reduced and there is also a need shown for larger (4+-bedroom) units. The main needs do however remain to be for 2- and 3-bedroom homes.

Figure 5.14: Estimated Housing Mix Requirements – Carlisle (linked to an OAN of 200 dwellings per annum)					
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
One person 65+	149	419	342	67	978
One person <65	50	115	67	15	247
Couple 65+	52	628	955	308	1,944
Couple <65	-45	-346	-521	-212	-1,124
Households with dependent children	4	80	175	92	351
Other	-1	-15	-33	-17	-66
Total	210	882	985	254	2,330
	9%	38%	42%	11%	100%

Source: Derived from Census (2011) and demographic projections

Figure 5.15: Estimated Housing Mix Requirements – Carlisle (linked to an OAN of 620 dwellings per annum)					
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms	Total
One person 65+	196	550	449	88	1,283
One person <65	308	709	410	92	1,519
Couple 65+	60	723	1,098	354	2,236
Couple <65	-18	-135	-204	-83	-439
Households with dependent children	26	501	1,100	580	2,206
Other	6	93	210	108	417
Total	578	2,440	3,064	1,140	7,222
	8%	34%	42%	16%	100%

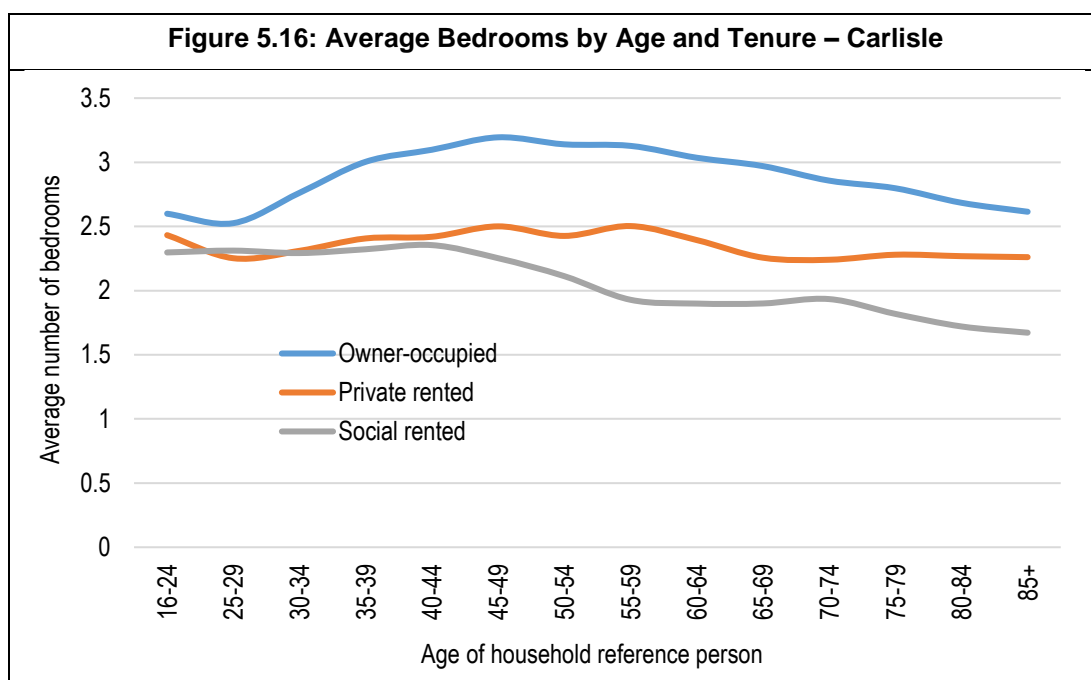
Source: Derived from Census (2011) and demographic projections

Method 2 – Age of Households Reference Person

- 5.21 The second method looks at the ages of the Household Reference Person (HRP – often more normally called the head of household) and how these are projected to change over time. One difference in this method is that the analysis can be segmented by tenure. The sub-sections to follow describe some of the key analysis.

Understanding how Households Occupy Homes

- 5.22 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 5.23 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units. That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation. The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the 'bedroom tax').
- 5.24 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
- 5.25 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45; a similar pattern (but with smaller dwelling sizes) is seen in the social and (to a lesser extent) private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.



Source: Derived from ONS Commissioned Table CT0621

- 5.26 In terms of the analysis to follow, the outputs have been segmented into three broad categories. These are market housing, which is taken to follow the occupancy profiles in the owner-occupied sector; affordable home ownership, which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting) and affordable (rented) housing, which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include affordable rented housing.

Tenure Assumptions

- 5.27 The housing market model has been used to estimate the future need for different sizes of property over the 12-year period from 2018 to 2030. The model works by looking at the types and sizes of accommodation occupied by different ages of residents and attaching projected changes in the population to this to project need and demand for different sizes of homes. However, the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier).
- 5.28 It is therefore necessary on this basis to make some judgement for modelling purposes on what proportion of net completions might be of market and affordable housing. For modelling purposes, the analysis assumes that 25% of net completions are either affordable housing (rented) or affordable home ownership and therefore that 75% are market housing (designed to be sold for owner-occupation). There is no assumption about private rented housing, although it is possible that some of the market (owner-occupied) housing will end up in this sector.

- 5.29 Within the 25% affordable/affordable home ownership a split of 60:40 has been used; this means an estimated total of 15% of completions as affordable housing (rented) and 10% as affordable home ownership. **It should be stressed that these figures are not policy targets and have been applied simply for the purposes of providing outputs from the modelling process.** Policy targets for affordable housing on new development schemes may be different to this; but not all sites deliver policy-compliant affordable housing provision, whilst some delivery is on sites below affordable housing policy thresholds. Equally some housing development is brought forward by Registered Providers and local authorities and may deliver higher proportions of affordable housing than in current policy.
- 5.30 It should also be noted that these figures have initially been used to provide District-wide outputs. Any geographical differences are considered in more detail following this initial analysis and the conclusions of the analysis. To confirm, it has been assumed that the following proportions of different tenures will be provided moving forward:
- Market housing – 75%
 - Affordable home ownership – 10%
 - Social/affordable rent – 15%

Projected changes by age of HRP

- 5.31 The table below shows projected changes by age of HRP for the two main projections used in this report (linked to 200 and 620 dwellings per annum respectively). In both cases it can be seen that the vast majority of changes are projected to occur in older age groups; it is also notable that some age groups are projected to see a decline in numbers (the 50-54 age group being most notable in this). These findings are important as this will influence the sizes of homes needed in the future; notably the losses in HRPs are typically in groups who occupy larger homes and vice versa.

Figure 5.17: Projected change in households by age of household reference person – Carlisle

	Linked to OAN of 200 dpa				Linked to OAN of 620 dpa			
	Hhs 2018	Hhs 2030	Change in hhs	% change	Hhs 2018	Hhs 2030	Change in hhs	% change
16-24	1,708	1,994	286	16.7%	1,708	2,348	640	37.5%
25-29	2,807	2,584	-223	-7.9%	2,807	3,327	520	18.5%
30-34	3,285	3,084	-201	-6.1%	3,285	3,919	634	19.3%
35-39	3,680	3,691	11	0.3%	3,680	4,337	656	17.8%
40-44	3,477	3,628	152	4.4%	3,477	4,078	601	17.3%
45-49	4,530	3,801	-729	-16.1%	4,530	4,142	-388	-8.6%
50-54	4,742	3,623	-1,120	-23.6%	4,742	3,883	-860	-18.1%
55-59	5,024	4,394	-630	-12.5%	5,024	4,652	-372	-7.4%
60-64	4,240	4,736	497	11.7%	4,240	4,992	752	17.7%
65-69	4,293	5,177	884	20.6%	4,293	5,421	1,128	26.3%
70-74	3,974	4,540	567	14.3%	3,974	4,719	746	18.8%
75-79	3,149	3,938	789	25.0%	3,149	4,063	914	29.0%
80-84	2,448	3,610	1,162	47.5%	2,448	3,709	1,261	51.5%
85 & over	2,299	3,185	886	38.6%	2,299	3,289	990	43.1%
Total	49,656	51,986	2,330	4.7%	49,656	56,879	7,223	14.5%

Source: Demographic projections

Key Findings: Market Housing

- 5.32 There are a range of factors which can influence demand for market housing in different locations. The focus of this analysis is on considering long-term needs, where changing demographics are expected to be a key influence. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 12-year period from 2018 to 2030.
- 5.33 Looking first at projecting on the basis of 200 dwellings per annum, an increase of 1,750 additional households is modelled over the period. The majority of these need to be 2- and 3-bedroom homes. The data suggests that housing need can be expected to reinforce the existing profile, but with a shift towards a requirement for smaller dwellings relative to the distribution of existing housing (particularly towards a need for 2-bedroom homes). This is understandable given the fact that household sizes are expected to fall slightly in the future – particularly as a result of an ageing population living in smaller households.

Figure 5.18: Estimated Size of Dwellings Needed 2018 to 2030 – Market Housing – 200 dwellings per annum – Carlisle

	2018	2030	Additional households 2018-2030	% of additional households
1-bedroom	531	564	33	2%
2-bedrooms	9,621	10,293	672	38%
3-bedrooms	17,024	17,875	851	49%
4+-bedrooms	7,459	7,652	192	11%
Total	34,635	36,383	1,748	100%

Source: Housing Market Model

- 5.34 When looking at a demographic projection based on housing delivery of 620 dwellings per annum, it can be seen that the number of households in the market sector would be projected to increase by 5,400. The estimated size profile required is still focused on 2- and 3-bedroom homes but there is a higher need shown for larger (4+ bedroom) accommodation. This difference will be due to this projection having a higher level of in-migration; migrants tending to be younger people and more likely to be part of family households (who tend to live in larger homes).

Figure 5.19: Estimated Size of Dwellings Needed 2018 to 2030 – Market Housing – 620 dwellings per annum – Carlisle

	2018	2030	Additional households 2018-2030	% of additional households
1-bedroom	531	623	91	2%
2-bedrooms	9,621	11,341	1,720	32%
3-bedrooms	17,024	19,668	2,644	49%
4+-bedrooms	7,459	8,421	962	18%
Total	34,635	40,053	5,417	100%

Source: Housing Market Model

- 5.35 The statistics are based upon the modelling of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant – this might for example include a desire to increase the supply of larger (higher value) homes to attract higher earning households to live in the area.
- 5.36 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Key Findings: Affordable home ownership

- 5.37 The tables below show estimates of the need for different sizes of affordable home ownership based on the analysis of demographic trends. The data suggests in the period between 2018 and 2030 that the main need is again for homes with 2- or 3-bedrooms, although the proportions in the 1-bedroom category are higher than for market housing. As with the market analysis, the outputs linked to the 620 dwellings per annum projection show a greater need for larger homes, although the percentage difference is fairly negligible.

Figure 5.20: Estimated Size of Dwellings Needed 2018 to 2030 – affordable home ownership – 200 dwellings per annum – Carlisle				
	2018	2030	Additional households 2018-2030	% of additional households
1-bedroom	1,161	1,198	37	16%
2-bedrooms	3,459	3,582	122	52%
3-bedrooms	2,056	2,111	55	24%
4+-bedrooms	749	768	19	8%
Total	7,426	7,659	233	100%

Source: Housing Market Model

Figure 5.21: Estimated Size of Dwellings Needed 2018 to 2030 – affordable home ownership – 620 dwellings per annum – Carlisle				
	2018	2030	Additional households 2018-2030	% of additional households
1-bedroom	1,161	1,274	113	16%
2-bedrooms	3,459	3,817	358	50%
3-bedrooms	2,056	2,242	185	26%
4+-bedrooms	749	816	66	9%
Total	7,426	8,149	722	100%

Source: Housing Market Model

Key Findings: Affordable Housing (rented)

- 5.38 The tables below show estimates of the need for different sizes of affordable homes to rent (social/affordable rented) based on the analysis of demographic trends. The data suggests in the period between 2018 and 2030 that the main need is for homes with 1- or 2-bedrooms. The outputs linked to 620 dwellings per annum projection show a greater need for larger homes (although both sets of data very much focus on smaller dwellings).
- 5.39 This analysis provides a longer-term view of the need for different sizes of affordable housing and does not reflect any specific local priorities such as for family households in need rather than single people. In addition, it should be noted that smaller properties (i.e. 1-bedroom homes) typically offer limited flexibility in accommodating the changing needs of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties.

- 5.40 As with market housing, the data again shows that relative to the current profile there is a slight move towards a greater proportion of smaller homes being needed (again related to the ageing population and the observation that older person households are more likely to occupy smaller dwellings).

Figure 5.22: Estimated Size of Dwellings Needed 2018 to 2030 – affordable housing (rented) – 200 dwellings per annum – Carlisle				
	2018	2030	Additional households 2018-2030	% of additional households
1-bedroom	2,143	2,290	148	42%
2-bedrooms	3,180	3,334	154	44%
3-bedrooms	2,049	2,091	42	12%
4+-bedrooms	223	228	5	1%
Total	7,594	7,943	350	100%

Source: Housing Market Model

Figure 5.23: Estimated Size of Dwellings Needed 2018 to 2030 – affordable housing (rented) – 620 dwellings per annum – Carlisle				
	2018	2030	Additional households 2018-2030	% of additional households
1-bedroom	2,143	2,470	328	30%
2-bedrooms	3,180	3,649	470	43%
3-bedrooms	2,049	2,306	257	24%
4+-bedrooms	223	252	29	3%
Total	7,594	8,677	1,083	100%

Source: Housing Market Model

Comparing Outputs – Method 1 and 2

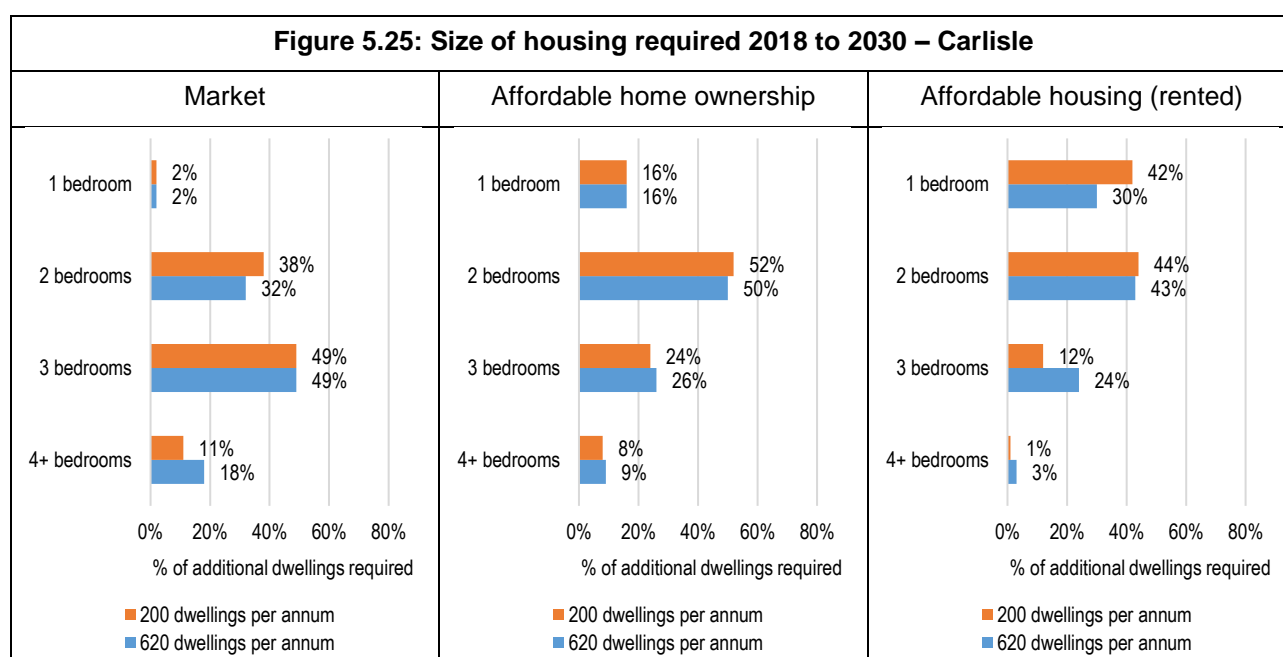
- 5.41 Before moving on to draw conclusions from the analysis above, it is worth quickly comparing the headline outputs from the two Methods developed. This can be done for the overall need only (i.e. adding the three tenures together in the case of Method 2) and for all projection scenarios. The table below shows that both methods show a similar profile of dwellings as being needed.
- 5.42 However, Method 1 would be considered as slightly less sophisticated, particularly as it relies on grouping together many household groups who may have different characteristics (in terms of occupancy). Therefore, it is considered that Method 2 (which has a tenure distinction) can reasonably be taken forward into conclusions; although consideration is also given to overall outputs from Method 1 and also the initial analysis looking at the general profile of housing in the District when compared with other locations.

Figure 5.24: Comparing overall need outputs from Methods 1 and 2					
		1- bedroom	2- bedrooms	3- bedroom	4+ bedrooms
Method 1	ONS projections	16%	48%	36%	0%
	Linked to OAN of 200 dpa	9%	38%	42%	11%
	Linked to OAN of 620 dpa	8%	34%	42%	16%
Method 2	ONS projections	13%	50%	37%	0%
	Linked to OAN of 200 dpa	9%	41%	41%	9%
	Linked to OAN of 620 dpa	7%	35%	43%	15%

Source: Derived from Census (2011) and demographic projections

Indicative Targets by Tenure

5.43 The figure below summarises the above data in both the market and affordable sectors under the modelling exercise. The analysis clearly shows the different profiles in the three broad tenures with affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and affordable housing.



Source: Housing Market Model

5.44 Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of 1-bedroom homes (as well as allocations to older person households) – e.g. 1-bedroom homes provide limited flexibility for households (e.g. a couple household expecting to start a family) and as a result can see relatively high levels of turnover – therefore, it may not be appropriate to provide as much 1-bedroom stock as is suggested by the modelling exercise.

- 5.45 Additionally, there will be a number of households who would technically 'need' a 1-bedroom home (e.g. childless couples) but would prefer and are able to afford 2-bedrooms; provision of 1-bedroom homes to meet this need would run the risk of low demand and high turnover. In providing recommendations it is therefore suggested that the 1- and 2-bedroom categories are merged, noting that much of the housing in this group is likely to be for 2- rather than 1-bedroom homes.
- 5.46 At the other end of the scale, conclusions also need to consider that the stock of 4-bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for 4+-bedroom homes is typically quite small, the ability for these needs to be met is even more limited. In drawing conclusions, the modelling merges the findings for 3- and 4+-bedroom homes into a 3+-bedroom category and for this group it is noted that there may be a greater need for 4+-bedroom homes than shown through the modelling process.
- 5.47 For these reasons, it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of 1-bedroom homes required is reduced slightly from these outputs with a commensurate increase in 4+-bedroom homes also being appropriate. There are thus a range of factors which are relevant in considering policies for the mix of affordable housing (rented) sought through development schemes. At a District-wide level, the analysis would support policies for the mix of affordable housing (rented) of:
- 1-/2-bedrooms: 65-75%
 - 3+-bedrooms: 25-35%
- 5.48 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households; together with the limited flexibility which 1-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.
- 5.49 The need for affordable housing of different sizes may vary by area (at a more localised level) and over time. In considering the mix of homes to be provided within specific development schemes, this information should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.
- 5.50 In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. On the basis of these factors it is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of affordable home ownership is suggested:
- 1-/2-bedrooms: 60-70%
 - 3+-bedrooms: 30-40%

- 5.51 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile, this sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:
- 1-/2-bedrooms: 30-40%
 - 3+-bedrooms: 60-70%
- 5.52 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process. The 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time, and demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.
- 5.53 Whilst this report does not suggest that prescriptive figures necessarily need to be included within the Local Plan, it is the case that the figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

Smaller-area Housing Mix

- 5.54 The analysis above has focussed on overall District-wide needs; given clear spatial differences between locations it is however worth considering the potential mix at a smaller-area level. The table below shows the profile of housing by tenure for the three sub-areas. This shows that dwelling sizes are generally larger in the two rural areas than Urban Carlisle. The exception to this is in the social rented sector, where there is relatively little difference across areas.

Figure 5.26: Number of bedrooms by tenure and sub-areas (2011) – Carlisle					
		Rural West	Rural East	Carlisle Urban	Carlisle
Owner-occupied	1-bedroom	1%	1%	2%	2%
	2-bedrooms	17%	19%	32%	27%
	3-bedrooms	46%	45%	51%	49%
	4+-bedrooms	36%	35%	15%	22%
	TOTAL	100%	100%	100%	100%
Social rented	1-bedroom	29%	31%	26%	27%
	2-bedrooms	41%	38%	42%	42%
	3-bedrooms	28%	28%	28%	28%
	4+-bedrooms	2%	3%	3%	3%
	TOTAL	100%	100%	100%	100%
Private rented	1-bedroom	7%	10%	18%	16%
	2-bedrooms	38%	40%	49%	46%
	3-bedrooms	41%	36%	24%	28%
	4+-bedrooms	14%	15%	8%	10%
	TOTAL	100%	100%	100%	100%

Source: Census 2011

- 5.55 The information about the current stock profile of different locations can be fed into a smaller-area model that also takes account of different household structures across locations. The tables below show the estimated size requirement in each area and broad tenure group. The first table sets the data against housing growth of 200 dwellings per annum and the second linked to 620 dwellings per annum.
- 5.56 As with the stock of housing, the modelling does suggest some differences between locations, with the urban area of Carlisle potentially needing a slightly smaller housing offer in both the market and affordable home ownership sectors. However, it is not clear from this information that any different policy should be set for urban versus rural areas. To some extent, more urban areas might be expected to see a smaller profile of new housing moving forward due to the type of sites available and in any case, given the relative lack of smaller market units, there may be a case to seek to increase provision where opportunities arise.
- 5.57 Therefore, whilst there are clearly differences between urban and rural locations in terms of current stock and potential future needs, it is not recommended that there is any mix policy developed for smaller areas.

Figure 5.27: Size of housing required 2018 to 2030 by sub-area and broad tenure (linked to 200 dwellings per annum)					
		1-bedroom	2-bedrooms	3-bedrooms	4+- bedrooms
Market	Rural West	2%	33%	47%	18%
	Rural East	2%	33%	47%	19%
	Carlisle Urban	2%	41%	50%	7%
	TOTAL	2%	38%	49%	11%
Affordable Home Ownership	Rural West	11%	47%	34%	8%
	Rural East	12%	48%	31%	9%
	Carlisle Urban	17%	54%	20%	8%
	TOTAL	16%	52%	24%	8%
Affordable housing (rented)	Rural West	44%	42%	13%	1%
	Rural East	42%	41%	15%	2%
	Carlisle Urban	42%	45%	11%	2%
	TOTAL	42%	44%	12%	1%

Source: Housing Market Model

Figure 5.28: Size of housing required 2018 to 2030 by sub-area and broad tenure (linked to 620 dwellings per annum)					
		1-bedroom	2-bedrooms	3-bedrooms	4+- bedrooms
Market	Rural West	2%	26%	47%	25%
	Rural East	2%	28%	47%	24%
	Carlisle Urban	2%	34%	50%	15%
	TOTAL	2%	32%	49%	18%
Affordable Home Ownership	Rural West	11%	44%	34%	10%
	Rural East	12%	45%	31%	11%
	Carlisle Urban	17%	51%	23%	9%
	TOTAL	16%	50%	26%	9%
Affordable housing (rented)	Rural West	33%	42%	24%	2%
	Rural East	34%	40%	23%	3%
	Carlisle Urban	28%	44%	25%	3%
	TOTAL	30%	43%	24%	3%

Source: Housing Market Model

Housing Mix Associated with St Cuthbert's Garden Village

- 5.58 The analysis above has looked at the housing mix potentially required in the 2018-30 period linked to different levels of housing delivery. In addition, it is useful to look at the mix potentially required on the SCGV site; whilst some delivery will be before 2030, it is the case that the majority would come after the core period studied above. Below the same analysis has been undertaken but looking at the period to 2050. This analysis links to the housing trajectory-based projections previously developed in this report.
- 5.59 The table below shows a summary of the analysis. This is split between the trajectory with SCGV and without. Overall, the analysis suggests a slightly larger profile of homes for the Garden Village than on other sites, although the differences are not substantial. It is also notable that despite rolling projections forward to 2050, the overall mix is not much different from that calculated for the 2018-30 period.

Figure 5.29: Size of housing required 2018 to 2050 by broad tenure (linked to housing trajectory)					
		1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	Non-SCGV	2%	33%	48%	17%
	SCGV	2%	28%	49%	22%
	TOTAL	2%	30%	48%	20%
Affordable Home Ownership	Non-SCGV	16%	48%	26%	10%
	SCGV	16%	47%	27%	10%
	TOTAL	16%	48%	27%	10%
Affordable housing (rented)	Non-SCGV	34%	42%	21%	2%
	SCGV	26%	42%	29%	3%
	TOTAL	30%	42%	25%	3%

Source: Housing Market Model

Need/demand for Bungalows

- 5.60 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. However, it is typical (where discussions are undertaken with local estate agents) to find that there is a demand for this type of accommodation.
- 5.61 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available. As a new build option, it is, however, the case that bungalow accommodation is often not supported by either house builders or planners (due to potential plot sizes and their generally low densities). There may, however, be instances where bungalows are the most suitable house type for a particular site; for example, to overcome objections about dwellings overlooking existing dwellings or preserving sight lines.
- 5.62 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.
- 5.63 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive for the amount of floorspace created.

- 5.64 The Council's Affordable and Specialist Housing SPD provides a number of comments about the provision of bungalows. Drawing on a viability assessment, the document recognises that bungalows can be 'land hungry' but continues by noting that such developments also achieve greater values when compared with other developments of a similar size (floorspace). The SPD also recognises that there may be ways to make bungalows more viable (e.g. by reducing garden sizes). It concludes that providing 5% of units as bungalows on a 50 units size and 10% of units as bungalows on 100 unit sites 'is not particularly challenging in viability terms'.

Family Households and Housing Mix: Key Messages

- The proportion of households with dependent children is slightly lower than the regional and national average. There has been some growth in the number of 'family' households and also modest growth in the number of households with non-dependent children (likely in many cases to be grown-up children living with parents) – growth in these household groups has been below the overall increase in households. Projecting forward, there is expected to be an increase in the number of households with dependent children – increasing by 17% over the 2018-30 period when linking to housing delivery of 620 dwellings per annum.
- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (12-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Suggested Mix of Housing by Size and Tenure		
	1-/2-bedrooms	3+-bedrooms
Market	30-40%	60-70%
Affordable home ownership	60-70%	30-40%
Affordable housing (rented)	65-75%	25-35%

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the District (by tenure).
- The mix identified above could inform strategic policies although a flexible approach should be adopted. In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.
- Based on the evidence, it is expected that the focus of new market housing provision will be on 2- and 3-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retaining flexibility for friends and family to come and stay.
- Analysis also considered demographic trends and the current mix of housing at a smaller-area level (including for a broad Urban/Rural split). Generally, the analysis suggested slightly larger homes being required in rural areas although it is considered that the mix on any specific site could be influenced by site characteristics, and also any localised evidence of need, such as that drawn from the Housing Register.
- Finally, the analysis considered the potential mix of housing on the SCGV site. Overall, a slightly larger mix of housing might be appropriate (providing more of a family offer). However, overall differences from District-wide needs were not substantial.

6. Older People and People with Disabilities

Introduction

- 6.1 Planning Practice Guidance (PPG) paragraph 2a-020 sets out that local authorities should consider the needs of older people and those with disabilities – this in turn is linked to paragraph 61 of the NPPF. These two groups are considered together as there is a strong link between people's ages and levels of disability. This section therefore considers these needs, and in addition looks at potential requirements for housing built to M4(2) and M4(3) technical standards (accessibility and wheelchair standards); in looking at the technical standards the analysis is also mindful of the associated PPG (Section 56).
- 6.2 Regarding housing specifically for older people, the PPG (2a-020) states the following (which is reflected in this section):

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

Current Population of Older People

- 6.3 The table below provides baseline population data about older persons and compares this with other areas. The data has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards; the data is for 2017 to reflect the latest published data for local authority areas and above. The data shows, when compared with data for other areas (other than the County) that the District has a slightly higher proportion of older persons. In 2017, it was estimated that 21% of the population of the District was aged 65 or over, this compares with a figure of 18% nationally.

Figure 6.1: Older Person Population (2017)					
	Carlisle		Cumbria	North West	England
	Popn	% of popn	% of popn	% of popn	% of popn
Under 65	85,338	78.8%	76.2%	81.6%	82.0%
65-74	12,446	11.5%	13.1%	10.2%	9.9%
75-84	7,437	6.9%	7.6%	5.9%	5.7%
85+	3,053	2.8%	3.1%	2.3%	2.4%
Total	108,274	100.0%	100.0%	100.0%	100.0%
Total 65+	22,936	21.2%	23.8%	18.4%	18.0%

Source: ONS 2017 mid-year population estimates

- 6.4 The table below shows how the proportion of older people varies across the sub-areas of the District. This analysis shows some difference between locations with the highest proportion of older people being seen in Rural East (25%) and the lowest in Carlisle Urban (19%).

Figure 6.2: Older Person Population (2017) – Carlisle sub-areas						
	% under 65	% 65-74	% 75-84	% 85+	Total (all ages)	% 65+
Rural West	77.0%	12.9%	7.2%	2.9%	9,269	23.0%
Rural East	74.5%	14.1%	8.2%	3.1%	26,714	25.5%
Carlisle Urban	80.6%	10.3%	6.3%	2.7%	72,291	19.4%
Total	78.8%	11.5%	6.9%	2.8%	108,274	21.2%

Source: ONS 2017 mid-year population estimates

Future Change in the Population of Older People

- 6.5 As well as providing a baseline position for the proportion of older persons in the District, population projections can be used to provide an indication of how the numbers might change in the future compared with other areas. The data presented below uses the 2016-based SNPP for consistency across areas and runs from 2018 to 2030 to be consistent with other analysis developed in this report.
- 6.6 The data shows that the District is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 25% over the 12-years from 2018; this compares with overall population growth of 1% and a notable decrease in the Under 65 population of 6%. The proportionate increase in the number of older people in the District is similar to that projected for other areas.

Figure 6.3: Projected Change in Population of Older Persons (2018 to 2030) – 2016-based SNPP				
	Carlisle	Cumbria	North West	England
Under 65	-5.8%	-8.3%	-0.8%	1.9%
65-74	14.7%	7.9%	13.6%	16.3%
75-84	36.7%	32.8%	32.6%	37.6%
85+	38.1%	41.9%	38.9%	41.1%
Total	0.9%	-1.4%	3.6%	6.3%
Total 65+	25.0%	20.4%	22.9%	26.5%

Source: ONS subnational population projections (2016-based)

- 6.7 In total population terms, the projections show an increase in the population aged 65 and over of 5,800 people, this is against a backdrop of an overall increase of 900 – population growth of people aged 65 and over therefore accounts for over six times the overall projected population change.

Figure 6.4: Projected Change in Population of Older Persons (2018 to 2030) – Carlisle (2016-based SNPP)				
	2018	2030	Change in population	% change
Under 65	85,318	80,412	-4,906	-5.8%
65-74	12,629	14,488	1,859	14.7%
75-84	7,574	10,356	2,782	36.7%
85+	3,142	4,340	1,198	38.1%
Total	108,663	109,596	933	0.9%
Total 65+	23,345	29,184	5,839	25.0%

Source: ONS subnational population projections (2016-based)

- 6.8 The figures above are all based on the latest (2016-based) SNPP. It is possible to also show how the outputs would be expected to change under different scenarios. The tables below show a similar analysis when linked to the delivery of 200 and 620 homes per annum in the 2018-30 period.
- 6.9 Linked to 200 dwellings per annum, the projection still shows a significant ageing of the population, it is however notable that this projection sees a lower projected decrease in the number of people aged Under 65. With dwelling provision of 620 per annum, there is again a significant ageing of the population but there is also a notable increase in the population aged under 65, moving from a population loss of 4%, up to population growth of 9%. The change in the under 65 age group relative to older groups reflects the migration assumptions, migration being largely concentrated in typical working-age groups (and their associated children).

Figure 6.5: Projected Change in Population of Older Persons (2018 to 2030) – Carlisle (linked to delivery of 200 dwellings per annum)				
	2018	2030	Change in population	% change
Under 65	85,075	81,474	-3,601	-4.2%
65-74	12,613	14,627	2,014	16.0%
75-84	7,603	10,399	2,796	36.8%
85+	3,128	4,378	1,250	40.0%
Total	108,419	110,878	2,459	2.3%
Total 65+	23,344	29,404	6,060	26.0%

Source: Demographic Projections

Figure 6.6: Projected Change in Population of Older Persons (2018 to 2030) – Carlisle (linked to delivery of 620 dwellings per annum)				
	2018	2030	Change in population	% change
Under 65	85,075	92,583	7,508	8.8%
65-74	12,613	15,236	2,623	20.8%
75-84	7,603	10,706	3,103	40.8%
85+	3,128	4,523	1,396	44.6%
Total	108,419	123,049	14,630	13.5%
Total 65+	23,344	30,466	7,122	30.5%

Source: Demographic Projections

Health-related Population Projections

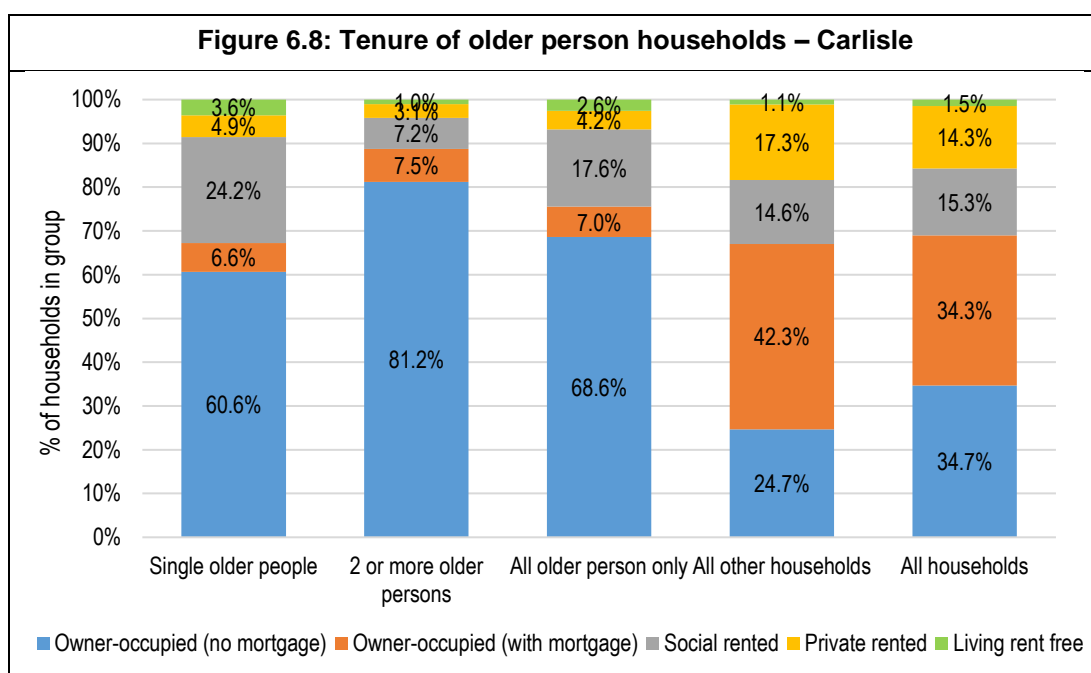
- 6.10 In addition to providing projections about how the number and proportion of older people is expected to change in the future the analysis can look at the likely impact on the number of people with specific illnesses or disabilities. For this, data from the Projecting Older People Information System (POPPI) website has been used. The website provides prevalence rates for different disabilities by age and sex. For the purposes of this study, analysis has focussed on estimates of the number of people with dementia and mobility problems.
- 6.11 For both of the health issues analysed the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.
- 6.12 The table below shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population. In particular, there is projected to be a large rise in the number of people with dementia (up 36-40%) along with a 31-35% increase in the number with mobility problems.
- 6.13 When related back to the total projected change to the population, the increase of 1,300 people with a mobility problem represents 53% of the total population growth projected by linking to 200 dpa, although a lower proportion would be expected if planning for a higher need/requirement (and hence a higher level of population growth). Linked to the 620 dwellings per annum, the increase is estimated to represent about 10% of population growth. The difference in these percentages is that higher population growth means more younger people in the District. At lower levels of growth, the existing ageing population forms a larger percentage of the future population.
- 6.14 It should be noted that there will be an overlap between dementia and mobility problems (i.e. some people will have both types of illness/disability). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Figure 6.7: Estimated Population Change for range of Health Issues (2018 to 2030) – Carlisle					
	Type of illness/disability	2018	2030	Change	% increase
Linked to 200 dpa	Dementia	1,628	2,214	586	36.0%
	Mobility problems	4,263	5,563	1,300	30.5%
Linked to 620 dpa	Dementia	1,628	2,287	659	40.5%
	Mobility problems	4,263	5,751	1,489	34.9%

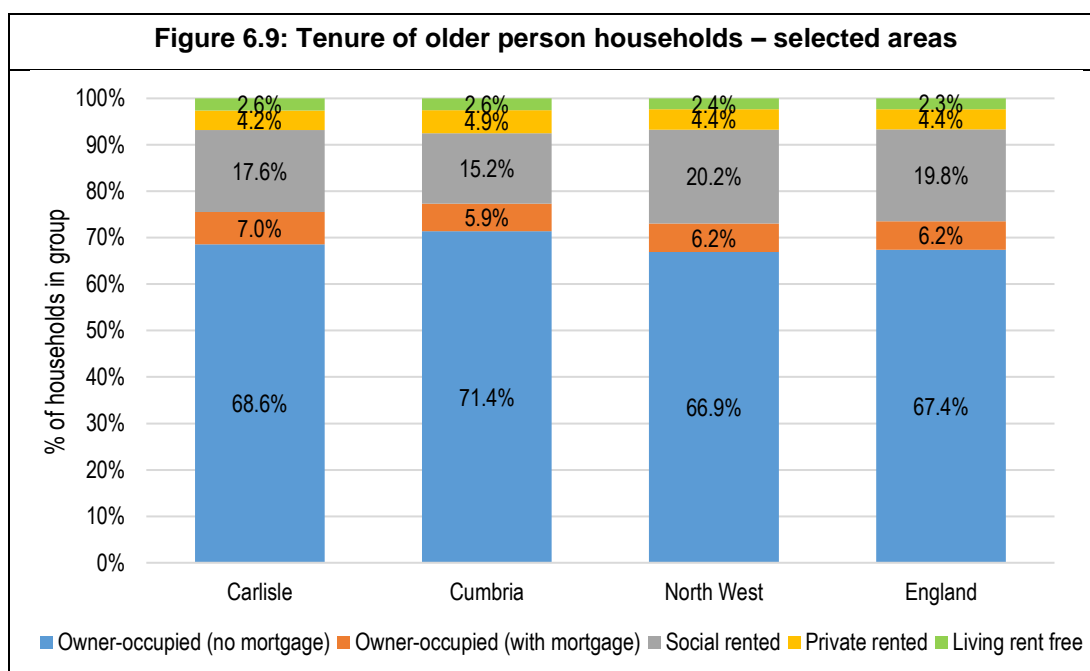
Source: Data from POPPI and demographic projections

Characteristics of Older Person Households

- 6.15 The figure below shows the tenure of older person households – the data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that older person households are relatively likely to live in outright owned accommodation (69%) and are also more likely than other households to be in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (4% compared with 14% of all households in the District).
- 6.16 There are also notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.
- 6.17 Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs.



- 6.18 When compared with other areas, the analysis shows that the tenure mix of older person households in Carlisle is similar to that seen in other locations.



- 6.19 The table below shows how the tenure of older person households varies across areas. This shows some variation, with higher levels of owner-occupation in rural locations, these areas also have a notably lower proportion of older person households living in the social rented sector.

Figure 6.10: Older Person Population and tenure (all persons aged 65+)

	Owner-occupied	Social rented	Private rented	Total	House-holds
Rural West	84.1%	7.2%	8.7%	100.0%	918
Rural East	79.5%	11.1%	9.5%	100.0%	2,877
Carlisle Urban	72.9%	21.6%	5.5%	100.0%	7,191
Total	75.6%	17.6%	6.8%	100.0%	10,986

Source: 2011 Census

People with Disabilities

- 6.20 The CLG Disability data guide provides data about households with a long-term illness or disability from the English Housing Survey. This is given at a national level and does not provide more localised data. Hence the analysis below has drawn on the 2011 Census (which has a definition of long-term health problem or disability (LTHPD)).
- 6.21 The table below shows the proportion of people with LTHPD, and the proportion of households where at least one person has a LTHPD. The data suggests that across the District, some 34% of households contain someone with a LTHPD. This figure is similar to that seen in other areas. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 19% of the population of the District have a LTHPD).

Figure 6.11: Households and people with a Long-Term Health Problem or Disability (2011)				
	Households containing someone with a health problem		Population with a health problem	
	Number	%	Number	%
Carlisle	16,257	33.6%	20,623	19.2%
Cumbria	78,919	35.5%	101,721	20.3%
North West	1,100,812	36.6%	1,426,805	20.2%
England	7,217,905	32.7%	9,352,586	17.6%

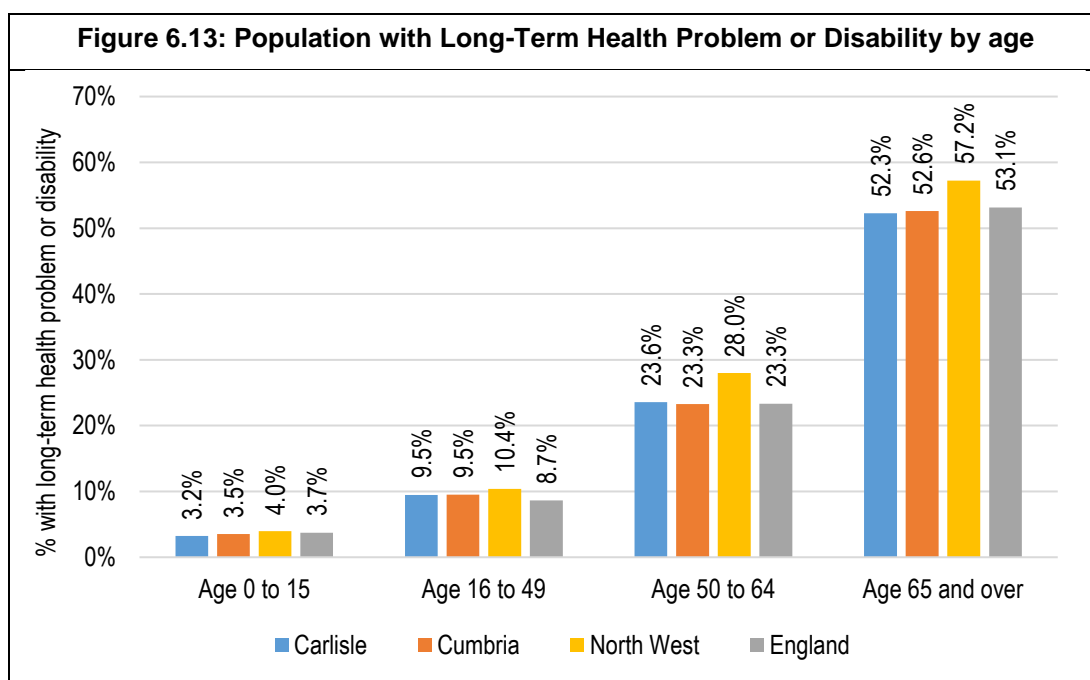
Source: 2011 Census

- 6.22 When looking at smaller sub-areas, the analysis shows the highest proportion of households with a LTHPD to be living in the Carlisle Urban area; this area also has the highest proportion of the population with a LTHPD. This finding is interesting given that Carlisle Urban has the lowest proportion of older people in any sub-area (and with disability being strongly linked with age – discussed in more detail below).

Figure 6.12: Households and people with a Long-Term Health Problem or Disability (2011) – Carlisle sub-areas				
	Households containing someone with a health problem		Population with a health problem	
	Number	%	Number	%
Rural West	1,112	31.8%	1,415	17.3%
Rural East	3,711	32.7%	4,780	18.3%
Carlisle Urban	11,434	34.1%	14,428	19.7%
Total	16,257	33.6%	20,623	19.2%

Source: 2011 Census

- 6.23 The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also shows similar levels of LTHPD in each age band within Carlisle when compared with other locations apart from the North West region which has comparatively poor health compared with Carlisle.



Source: 2011 Census

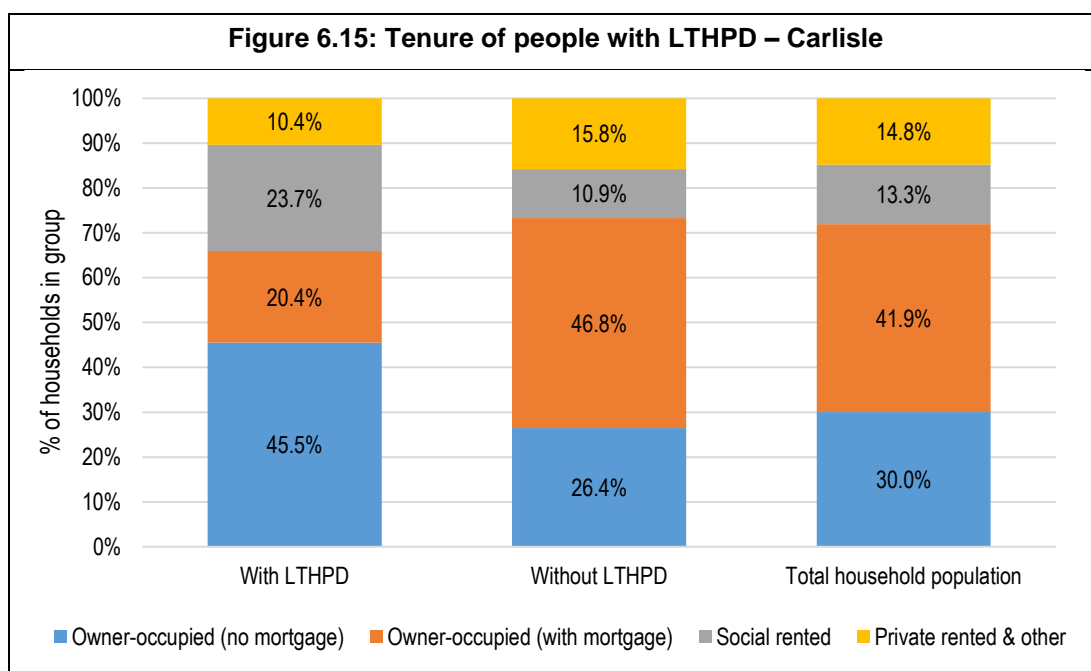
- 6.24 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to the demographic projections, it is estimated that the number of people with a LTHPD will increase by around 2,500-4,200 (an 11-19% increase) between 2018 and 2030.
- 6.25 Across the District, most of this increase is expected to be in age groups aged 65 and over. The population increase of people with a LTHPD represents at least 28% of the total increase in the population estimated by the projections.

Figure 6.14: Estimated change in population with LTHPD (2018-2030) – Carlisle

	Population with LTHPD		Change (2018-30)	% change from 2018
	2018	2030		
Linked to 200 dpa	22,279	24,825	2,546	11.4%
Linked to 620 dpa	22,279	26,436	4,157	18.7%

Source: Derived from demographic modelling and Census (2011)

- 6.26 The figure below shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners, the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population.



Source: Census (2011)

- 6.27 The table below shows further information about the tenure split of the household population with a LTHPD. This shows that people living in the social rented sector are nearly twice as likely to have a LTHPD than those in other tenures.

Figure 6.16: Tenure of people with a LTHPD		
	% of social rent with LTHPD	% of other tenures with LTHPD
Carlisle	33.2%	16.4%

Source: Census (2011)

Older Persons' Housing Needs within a C3 use class

- 6.28 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) Shop@ online toolkit and HOPSR (Housing for Older People Supply Recommendations) – a database developed by Sheffield Hallam University. This data is considered alongside demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.
- 6.29 The analysis initially focusses on needs within a C3 use class (dwelling houses) before separately looking at the C2 use class (residential care bedspaces). This distinction is important as the C3 figures are included within the housing need (e.g. the 200/620 dwellings per annum) whereas C2 figures would be in addition to that. There is sometimes a lack of clarity about which use class dwellings fall into and a brief discussion is provided later in this section; the uncertainty mainly surrounds Extra-care housing with this report considering that such housing would normally fall into a C3 class.

- 6.30 The data for need is calculated by applying prevalence rates to the population aged 75+ and as projected forward. The prevalence rates have been taken from a toolkit developed by Housing LIN, in association with the Elderly Accommodation Council and endorsed by the Department of Health. This includes the following categories (discussed in more detail below): retirement/sheltered housing, enhanced sheltered housing and extra care. This source also provides prevalence rates for residential care and nursing care bedspaces which are discussed separately below.
- 6.31 Additionally, the analysis draws on prevalence rates in the HOPSR – this source also providing some supply estimates which have been used alongside information from the Elderly Accommodation Council (EAC) which provides an indication of the current tenure mix of such accommodation.

Definitions of Different Types of Older Persons' Accommodation

Retirement/sheltered housing:

A group of self-contained flats or bungalows typically reserved for people over the age of 55 or 60; some shared facilities such as residents' lounge, garden, guest suite, laundry; plus on-site supportive management. A regularly visiting scheme manager service may qualify as long as s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to be classified as retirement/sheltered housing. Developments usually built for either owner occupation or renting on secure tenancies.

Enhanced sheltered housing:

Sheltered housing with additional services to enable older people to retain their independence in their own home for as long as possible. Typically there may be 24/7 (non-registered) staffing cover, at least one daily meal will be provided and there may be additional shared facilities. Also called assisted living and very sheltered housing.

Extra care housing:

Schemes where a service registered to provide personal or nursing care is available on site 24/7. Typically at least one daily meal will be provided and there will be additional shared facilities. Some schemes specialise in dementia care, or may contain a dedicated dementia unit.

Source: HOPSR

- 6.32 As well as setting out overall prevalence rates for different types of housing, the Housing LIN and HOPSR provide some suggestions for the tenure split between rented and leasehold accommodation, this varies depending on an area's level of deprivation. In Carlisle, data from the 2015 Index of Multiple Deprivation suggests that the District is the 112th most deprived of 326 local authorities (i.e. a relatively high level of deprivation) – this points to a higher proportion of specialist accommodation as needing to be rented (affordable) accommodation rather than leasehold (market). Consideration has also been given to overall levels of disability in the older person population; given that these are similar to the national average only a very small adjustment has been made.

- 6.33 The main source of prevalence rate data is the Housing LIN. However, the rates used (on the online toolkit) are still the same as originally developed in 2008. A review of the rates was undertaken in 2016, and whilst these have not yet been adopted on the Housing LIN website, they are also worthwhile reflecting in the conclusions. A further Housing LIN report (Housing in Later Life) was published in 2012 and contained a further set of suggested prevalence rates; however, these figures were rejected as not being 'substantiated' and have not therefore been considered in the analysis below. Finally, it is possible to use rates from HOPSR – these more closely match current prevalence rates (i.e. they roll forward current levels of provision based on authorities with the highest levels of provision) and already include adjustments for local factors such as varying levels of health amongst the older person population.
- 6.34 On the basis of this discussion, four sets of estimates of the need for specialist older persons accommodation have been developed; firstly, three linking to the Housing LIN and secondly as taken from HOPSR. The sources used and a brief description is:
- Shop@ (online) – this takes the prevalence rates in the online tool from Housing LIN. This is essentially the data as published without any local adjustments;
 - Shop@ (adjusted) – this takes the Housing LIN online figures and makes adjustments based on recognising slightly better health amongst the older person population in the area. Adjustments are also made to the tenure split based on local deprivation levels;
 - Shop@ Review – this uses information from the 2016 review into the Housing LIN prevalence rates and whilst not yet adopted by Housing LIN does provide some more up-to-date thinking on the topic. The base rates have again been adjusted to take account of health and deprivation;
 - HOPSR – this applies the rates published in the HOPSR for each local authority. It is understood that these rates already make adjustments for health and deprivation issues and are therefore used as published.
- 6.35 The table below shows the prevalence rates used in the analysis from each of the above sources. In both the HOPSR and Housing LIN, accommodation types are split into retirement/sheltered, enhanced sheltered and Extra-care. For the purposes of analysis below the last two categories (enhanced sheltered/Extra-care) have been merged into one. This is partly because this allows for alignment with the supply data available from the EAC and also to be consistent with the Shop@ Review (discussed above) which notes that *'most leasehold extra-care is enhanced sheltered according to EAC specifications'*. Therefore, two categories of accommodation are used:
- Housing with Support (which covers retirement/sheltered housing); and
 - Housing with Care (which includes the enhanced sheltered and extra-care housing)
- 6.36 The table shows in both of these categories that the different sources suggest wildly varying assessments of the need for different types of housing in different tenures, this is particularly the case for housing with care where the prevalence rates for rented housing range from 11 dwellings per 1,000 up to 34 dwellings per 1,000 – market needs vary from 4 per 1,000 up to 21 per 1,000. On this basis it is quite difficult to definitively say what a reasonable rate to use would be and the analysis has simply averaged all the sources to provide figures to use in analysis (final row of table below).

Figure 6.17: Prevalence rates from different sources as applicable to Carlisle (figures all per 1,000 population aged 75 and over)				
	Housing with support (sheltered/retirement)		Housing with care (enhanced sheltered/extra-care)	
	Rent	Market	Rent	Market
Shop@ (online)	78	48	34	11
Shop@ (adjusted)	54	69	23	21
Shop@ Review	79	44	11	8
HOPSR	125	24	14	4
Average	84	46	21	11

Source: Derived from Housing LIN and HOPSR data

6.37 The tables below show estimated needs for different types of housing across the whole of Carlisle by applying the above prevalence rates (the first table links to the projection with 200 dwellings per annum and the second with 620 dwellings per annum). Overall, the analysis suggests there is a current shortfall of all types and tenures of specialist housing, and that this is expected to increase in the future. Focussing on housing with care in the rented (affordable) sector, the analysis identifies a current shortfall of around 660 units, increasing to about 1,000 units by 2030 – figures in the leasehold sector are slightly lower. The figures from the two different projections show broadly similar patterns. It should be noted that the supply data for housing with support and housing with care dates from 2015 and may need to be updated with knowledge of any schemes developed since then.

Figure 6.18: Older Persons' Dwelling Requirements 2018 to 2030 linked to provision of 200 dwellings per annum – Carlisle

		Housing demand per 1,000 75+	Current supply	2018 demand	Current shortfall/ (surplus)	Additional demand to 2030	Shortfall/ (surplus) by 2030
Housing with support	Rented	84	241	900	659	339	998
	Leasehold	46	150	495	345	187	532
Housing with care	Rented	21	104	222	118	84	202
	Leasehold	11	0	119	119	45	163

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

Figure 6.19: Older Persons' Dwelling Requirements 2018 to 2030 linked to provision of 620 dwellings per annum – Carlisle

		Housing demand per 1,000 75+	Current supply	2018 demand	Current shortfall/ (surplus)	Additional demand to 2030	Shortfall/ (surplus) by 2030
Housing with support	Rented	84	241	900	659	377	1,036
	Leasehold	46	150	495	345	207	552
Housing with care	Rented	21	104	222	118	93	211
	Leasehold	11	0	119	119	50	168

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

- 6.38 One further point to note from the analysis is that the Council area has a very low current supply of housing for older people. According to the Elderly Accommodation Counsel, the supply of specialist accommodation (housing with support and with care combined) represents just 59 units per 1,000 people aged 75 and over. This is notably lower than equivalent figures for Cumbria (79 per 1,000), the North West (143 per 1,000) and England (139 per 1,000). This provides further evidence of a need to increase the supply of these types of accommodation where possible.
- 6.39 The figures provided above should be treated as indicative as there is no nationally agreed set of prevalence rates (or how these might be adjusted for local factors). The Council should consider reviewing this evidence if a specific application comes in for older persons housing, where this is supported by its own needs assessment.
- 6.40 The analysis has not attempted to break these figures down into the three sub-areas. However, the data previously provided in this section would help to indicate how needs might vary across locations. In particular, it is notable that the population of older persons does vary across the District, with those areas with higher proportions potentially expected to see a higher demand for older person accommodation. In terms of the tenure split, earlier analysis suggested only small differences between locations when considered in the round. It seems likely therefore that the typical tenure splits highlighted above would be applicable across the District.

Older Persons' Housing Needs Within a C2 Use Class

- 6.41 The analysis below provides the same style of outputs (drawing on the same sources) for the estimated need for care home bedspaces. The analysis draws on that above, including making adjustments for the relative health of the population of Carlisle. It should be noted that the rows in tables are for bedspaces and do not have an associated tenure. The box below shows the definition of care beds assumed for this assessment.

Definitions of Different Types of Older Persons' Accommodation (C2 use class)

Care beds:

Care homes: Residential settings where a number of older people live, usually in single rooms, and have access to on-site care and personal care services (such as help with washing and eating).

Care homes with nursing: These homes are similar to those without nursing care but they also have registered nurses who can provide care for more complex health needs.

Source: HOPSR

- 6.42 The table below shows the prevalence rates used in analysis for the number of bedspaces required drawn for a number of sources. Again, the analysis shows some variation in assumptions with the overall average showing a need for 99 bedspaces per 1,000 population aged 75 and over.

Figure 6.20: Prevalence rate assumptions used to estimate the need for care home bedspaces (figures per 1,000 population 75+)	
	Housing demand per 1,000 75+
Shop@ (online)	110
Shop@ (adjusted)	108
Shop@ Review	84
HOPSR	94
Used in analysis	99

Source: Derived from Housing LIN and HOPSR data

- 6.43 The table below shows the need associated with these prevalence rates when applied to the population projections in Carlisle – the analysis includes an estimate of the current supply. The analysis shows a current demand for around 100 bedspaces. There is however projected to be a notable future need, with up to an additional 450 bedspaces projected as being needed in the period to 2030 (totalling around 550 additional bedspaces by 2030).

Figure 6.21: Older Persons' care bed requirements 2018 to 2030 – Carlisle						
	Housing demand per 1,000 75+	Current supply	2018 demand	Current shortfall/ (surplus)	Additional demand to 2030	Shortfall/ (surplus) by 2030
Linked to 200 dpa	99	961	1,062	101	400	501
Linked to 620 dpa	99	961	1,062	101	445	546

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

Older Persons' Specialist Housing and SCGV

- 6.44 Using the same assumptions as above additional modelling has been undertaken to look at older persons' needs when set against the housing trajectory – and within this an estimate of a reasonable level of provision on the SCGV. The analysis includes figures for both the dwelling need (considered to be in a C3 class) and care home bedspaces (C2).
- 6.45 Focussing on the dwelling need, the analysis suggests a total of 3,096 homes as being required up to 2050 – this is just under 100 per annum and represents 16% of the housing trajectory (of 19,316 homes). The analysis suggests a further need for around 1,200 additional care home bedspaces.

Figure 6.22: Older Persons' Dwelling Requirements 2018 to 2050 linked to the Council's housing trajectory

		Housing demand per 1,000 75+	Current supply	2018 demand	Current shortfall/ (surplus)	Additional demand to 2030	Shortfall/ (surplus) by 2030
Housing with support	Rented	84	241	900	659	962	1,622
	Leasehold	46	150	495	345	529	874
Housing with care	Rented	21	104	222	118	237	355
	Leasehold	11	0	119	119	127	245
Care home bedspaces		99	961	1,062	101	1,136	1,237

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

- 6.46 It has previously been noted that the SCGV site may be expected to see a relatively high proportion of families, particularly if households move to the area to take up employment opportunities. On this basis it may be that the SCGV site might have a need that is lower than the 16% shown above; with need being greater in established communities. However, it should be noted that provision of specialist housing could also stimulate demand, particularly in an area such as Carlisle where there is a very limited current supply of such homes. Given the potential scale of development at SCGV there is a clear opportunity to provide a diverse housing offer, including homes to meet the needs of an ageing population.
- 6.47 On that basis, it is concluded that the analysis would support retirement and/or extra-care facilities in the Garden Village. Although not precise, it is also concluded (on the basis of the analysis and discussion) that something in the region of 10% of homes as being suitable for older people may be appropriate. These homes should be in both the market and affordable sectors.

Older Persons' Housing and Planning Use Classes

- 6.48 It is worth briefly discussing the Use Classes that Older Persons housing would fall into as there is some lack of clarity (particularly when it comes to Extra-care housing). The Use Classes Order sets out different categories of residential use and makes a distinction between residential institutions (Class C2) and dwelling-houses (Class C3) – the C2/C3 distinction is important as it can impact on the ability of a local authority to seek an affordable housing contribution from a development.
- 6.49 There is considerable case law (at planning appeals and in the courts) on the definitions of both. There is no government guidance on which use class 'extra care housing' falls into. It is for the decision maker to decide, depending on the individual circumstances of each case. In deciding which is the appropriate use class, much will depend on the extent to which the accommodation is self-contained, and the discussion below sets out in more detail the definitions used in this report.
- 6.50 Planning Practice Guidance does not appear to give a definitive definition of C2 and C3. However, there are a number of places where C2 housing is referenced. This includes:

[on housing needs assessment] *'The assessment can also set out the level of need for residential institutions (Use Class C2)'* [paragraph 2a-020]

[on Housing and economic land availability assessment] *'Local planning authorities will need to count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. For residential institutions, to establish the amount of accommodation released in the housing market, authorities should base calculations on the average number of adults living in households, using the published census data'* [paragraph 3-043]

- 6.51 This latter quote would suggest that it is necessary to understand the Census definition if we are to separate out institutional (i.e. C2) accommodation from dwellings (i.e. C3). The 2011 Census definitions include:

'... units in an establishment where 50 per cent or more have their own kitchens should be defined as households (irrespective of whether there are other communal facilities)'

- 6.52 Hence, any development, should be included as C3 (not institutional) where at least half of all units have their own kitchens. In developments where fewer than half of units have their own kitchen, a C2 use class is relevant.
- 6.53 To be clear, the PPG defines C2 use class by reference to 'residential institutions' and draws from the 2011 Census to define this. The Census definition is related to self-containment (based on kitchen facilities). On this basis it would be expected that most Extra-care schemes would fall into a C3 use class.
- 6.54 Overall, however, it is suggested that the choice of a Use Class should not really matter as long as relevant policies are clear about the expectation from any scheme. For example, an affordable housing contribution could be sought from Extra-care schemes regardless of whether or not they are considered as C2 or C3 – as long as this is clearly set out in policy.

Wheelchair User Housing

- 6.55 Information about the need for housing for wheelchair users is difficult to obtain (particularly at a local level) and so some brief analysis has been carried out based on national data within a research report by Habinteg Housing Association and London South Bank University (Supported by the Homes and Communities Agency) - *Mind the Step: An estimation of housing need among wheelchair users in England*. This report provides information at a national and regional level although there are some doubts about the validity even of the regional figures; hence the focus is on national data.
- 6.56 The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated (based on English House Condition Survey data) that just 0.5% of homes meet criteria for 'accessible and adaptable', while 3.4% are 'visitable' by someone with mobility problems (data from the CLG Guide to available disability (taken from the English Housing Survey)) puts the proportion of 'visitable' properties at a slightly higher 5.3%.

- 6.57 Overall, the report estimates that there is an unmet need for wheelchair user dwellings equivalent to 3.5 per 1,000 households (this is described in the Habinteg report as the *number of wheelchair user households with unmet housing need*). In Carlisle, as of 2018, this would represent a current need for about 175 wheelchair user dwellings. Moving forward, the report estimates a wheelchair user need from around 3% of households. If 3% is applied to the household growth in the demographic projections (2018-30) then there would be an additional need for around 70-220 adapted homes. If these figures are brought together with the estimated current need then the total wheelchair user need would be for around 240-390 homes (over 12-years).

Figure 6.23: Estimated need for wheelchair user homes (2018-2030) – Carlisle			
	Current need	Projected need (2018-30)	Total
Linked to 200 dpa	174	70	244
Linked to 620 dpa	174	217	390

Source: Derived from demographic projections and Habinteg prevalence rates

- 6.58 Information in the CLG Guide to available disability data also provides some historical national data about wheelchair users by tenure (data from the 2007/8 English Housing Survey). This showed around 7.1% of social tenants to be wheelchair users, compared with 2.3% of owner-occupiers (there was insufficient data for private renting, suggesting that the number is low). This may impact on the proportion of different tenures that should be developed to be for wheelchair users (although it should be noted that the PPG (56-009) states that '*Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling*').

Housing for Older People and People with Disabilities: Key Messages

- Planning Practice Guidance (PPG) section 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards). The PPG (on housing needs assessment) suggests looking at the specific needs of older people and those with disabilities. A range of data sources are considered, as suggested by CLG and also some more traditionally used in assessments such as this (e.g. from Housing LIN and HOPSR). This is to consider the need for specialist accommodation for older people and also Building Regulations M4(2) (accessible and adaptable dwellings), and M4(3) (wheelchair user dwellings).
- The data shows that in general, Carlisle has similar levels of disability compared with other areas, however an ageing population means that the number of people with disabilities is likely to increase substantially in the future. Key findings include:
 - Up to 30% increase in the population aged 65+ over 2018-2030 (potentially accounting for at least half of total population growth);
 - A current need for sheltered and extra-care housing in both the rented and leasehold sectors;
 - A future need for all types of specialist housing for older people;
 - A need for additional care bedspaces; and
 - a need for up to 390 dwellings to be for wheelchair users (meeting technical standard M4(3))
- This would suggest that there is a clear need to increase the supply of accessible and adaptable dwellings and wheelchair user dwellings as well as providing specific provision of older persons housing. Given the evidence, the Council could consider (as a start point) requiring all dwellings to meet the M4(2) standards (which are similar to the Lifetime Homes Standards) and at least 5% meeting M4(3). It should however be noted that there will be cases where this may not be possible (e.g. due to viability or site-specific circumstances) and so any policy should be applied flexibly.
- The Council should also consider if a different approach is prudent for market housing and affordable homes, recognising that Registered Providers may already build to higher standards, and that households in the affordable sector are more likely to have some form of disability.
- In seeking M4(2) compliant homes, the Council should also be mindful that such homes could be considered as 'homes for life' and would be suitable for any occupant, regardless of whether or not they have a disability at the time of initial occupation.
- The analysis is not definitive about the quantities of different types of specialist housing (or its tenure) due to a range of views about prevalence rates; the need for housing with care (Extra-care/Enhanced sheltered) is estimated to be for around 380 dwellings in the period to 2030 (32 per annum); over half of these are estimated to be required in the rented (affordable) sector – it is considered that these will be in a C3 use class.
- The analysis has also considered the potential need for specialist housing on the St Cuthbert's Garden Village site. Given that this is a new site, and previous analysis has suggested that it may attract a higher proportion of families. It is suggested that needs might be lower than within other housing developments. However, it is also the case that a supply of specialist housing (of which there is currently relatively little across the Council area) could stimulate demand. Taking account of a range of factors, it is concluded that SCGV should be providing around 10% of housing as specialist accommodation, in both the market and affordable sectors.

7. Private Rented Sector

Introduction

- 7.1 Planning Practice Guidance on housing need assessment highlights the Private Rented Sector (PRS) as one of the specific groups that should be analysed, although there is little advice on the analysis expected and the outputs. Specifically, the PPG says: *'tenure data from the Office for National Statistics can be used to understand the future need for private rented sector housing'* and *'market signals reflecting the demand for private rented sector housing could be indicated from the level of changes in rents'*.
- 7.2 This section therefore looks at a range of statistics in relation to the PRS in Carlisle. Where reasonable, comparisons are made with other tenures (i.e. owner-occupied and social rented) as well as contrasting data with other areas. The aim is to bring together a range of information to understand the role played by the sector, and to consider if there is any need to provide additional housing in this tenure.

Size of the Private Rented Sector

- 7.3 The table below shows the tenure split of housing in 2011 in Carlisle and a range of other areas. This shows a total of 6,900 households living in private rented housing in the District – 14.3% of all households. This proportion is above the County but below regional and national equivalent figures. The vast majority of households in the PRS are living in housing rented from a landlord or through a letting agency, although 693 (1.4% of all households) are recorded as living in 'other' PRS accommodation, this is mainly households living in housing owned by a relative or friend.

Figure 7.1: Tenure (2011)				
	Carlisle	Cumbria	North West	England
Owns outright	16,754	87,019	934,101	6,745,584
Owns with mortgage/loan	16,577	71,137	1,023,250	7,403,200
Social rented	7,394	31,778	550,481	3,903,550
Private rented	6,914	28,481	462,899	3,715,924
Living rent free	703	3,627	38,818	295,110
Total	48,342	222,042	3,009,549	22,063,368
% private rented	14.3%	12.8%	15.4%	16.8%

Source: Census (2011)

- 7.4 The table below shows the proportion of household living in private rented accommodation in each sub-area. The table also provides a breakdown within the private rented category. The analysis shows a range of proportions living in the PRS, varying from 11.7% of households in Rural West, up to 15.2% in Carlisle Urban. The table also indicates that in general there are relatively few households living in PRS accommodation other than that rented directly from a landlord or through a letting agency.

Figure 7.2: Breakdown of types of private rented accommodation (2011)					
	Private landlord or letting agency	Employer of a household member	Relative or friend of household member	Other	Total in private rented sector
Rural West	10.3%	0.3%	0.8%	0.3%	11.7%
Rural East	11.0%	0.4%	0.9%	0.2%	12.6%
Carlisle Urban	13.8%	0.1%	1.1%	0.2%	15.2%
All households	12.9%	0.2%	1.0%	0.2%	14.3%

Source: CLG Live Tables, Census (2011) and data modelling

- 7.5 As well as looking at the current tenure profile, it is of interest to consider how this has changed over time; the table below shows (for the whole of the study area) data from the 2001 and 2011 Census. From this it is clear that there has been significant growth in the number of households living in privately rented accommodation as well as an increase in outright owners (this will be due to mortgages being paid off, which may have been assisted by a period of low interest rates). There has been a decline in the number of owners with a mortgage and a decrease in the number of households in social rented accommodation.

Figure 7.3: Change in tenure (2001-11) – Carlisle				
	2001 households	2011 households	Change	% change
Owns outright	13,369	16,754	3,385	25.3%
Owns with mortgage/loan	17,777	16,577	-1,200	-6.8%
Social rented	8,055	7,394	-661	-8.2%
Private rented	3,666	6,914	3,248	88.6%
Living rent free	1,096	703	-393	-35.9%
Total	43,963	48,342	4,379	10.0%

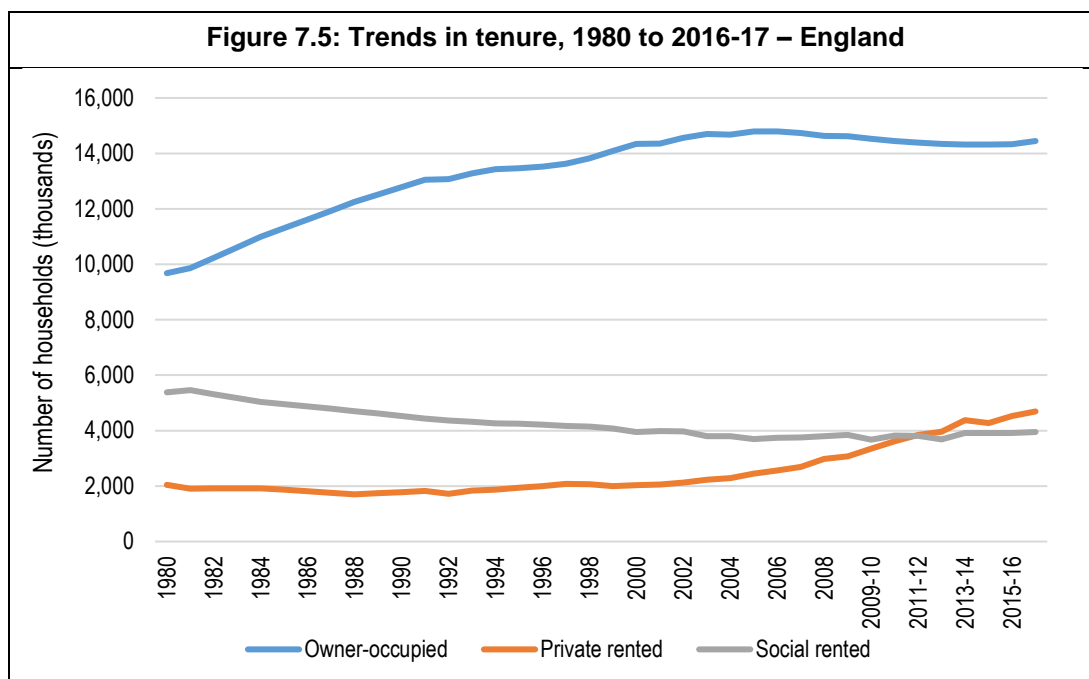
Source: 2001 and 2011 Census

- 7.6 The general pattern of tenure changes in Carlisle is broadly similar to that seen in other areas – i.e. an increase in the PRS and outright owners and a reduction in owners with a mortgage.

Figure 7.4: Change in tenure (2001-11)				
	Carlisle	Cumbria	North West	England
Owns outright	25.3%	19.3%	11.5%	13.0%
Owns with mortgage/loan	-6.8%	-9.1%	-7.8%	-8.4%
Social rented	-8.2%	-5.1%	-2.5%	-0.9%
Private rented	88.6%	47.9%	92.8%	82.4%
Living rent free	-35.9%	-28.9%	-35.5%	-29.6%
TOTAL	10.0%	6.2%	7.0%	7.9%

Source: 2001 and 2011 Census

- 7.7 The PRS has clearly been growing rapidly over time, in Carlisle and other locations; it is also worth considering what further changes may have occurred since 2011. Unfortunately, robust local data on this topic is not available, however a national perspective can be drawn from the English Housing Survey (EHS) which has data up to 2017. The figure below shows changes in three main tenures back to 1980. This clearly shows the increase in the number of households living in private rented accommodation from about 2001 and also a slight decrease in the number of owners. Since 2011, the EHS data shows that that PRS has risen by a further 26% and if Carlisle has seen a similar level of increase then this would imply about 1,800 additional households in the sector – bringing the total up to around 8,700 households – about 18% of all households in the Council area.



Source: English Housing Survey

- 7.8 The data above shows information for all households and it is of interest to study this information for younger households. Interrogating changes for a full range of age groups is difficult as the two Census (2001 and 2011) use different age bandings. It is however possible to provide an indication of the change in tenure by looking at households aged under 35 and this is shown in the table below.
- 7.9 For the Under 35 age group the analysis again shows a substantial increase in the number of households living in private rented accommodation (84%). However, it should be noted that overall there was little change in the number of households aged under 35 (increasing by 0.3%). The analysis also highlights a significant decrease in the number of owner occupiers (decreasing by 29% in just 10-years) and a modest reduction in the number of young people in social rented accommodation. In 2001, some 22% of younger households lived in the PRS; by 2011, this had increased to 41%.

Figure 7.6: Change in tenure 2001-11 (all households aged Under 35) – Carlisle				
	2001	2011	Change	% change
Owned	4,570	3,255	-1,315	-28.8%
Social rented	1,714	1,547	-167	-9.7%
Private rented	1,806	3,316	1,510	83.6%
TOTAL	8,090	8,118	28	0.3%

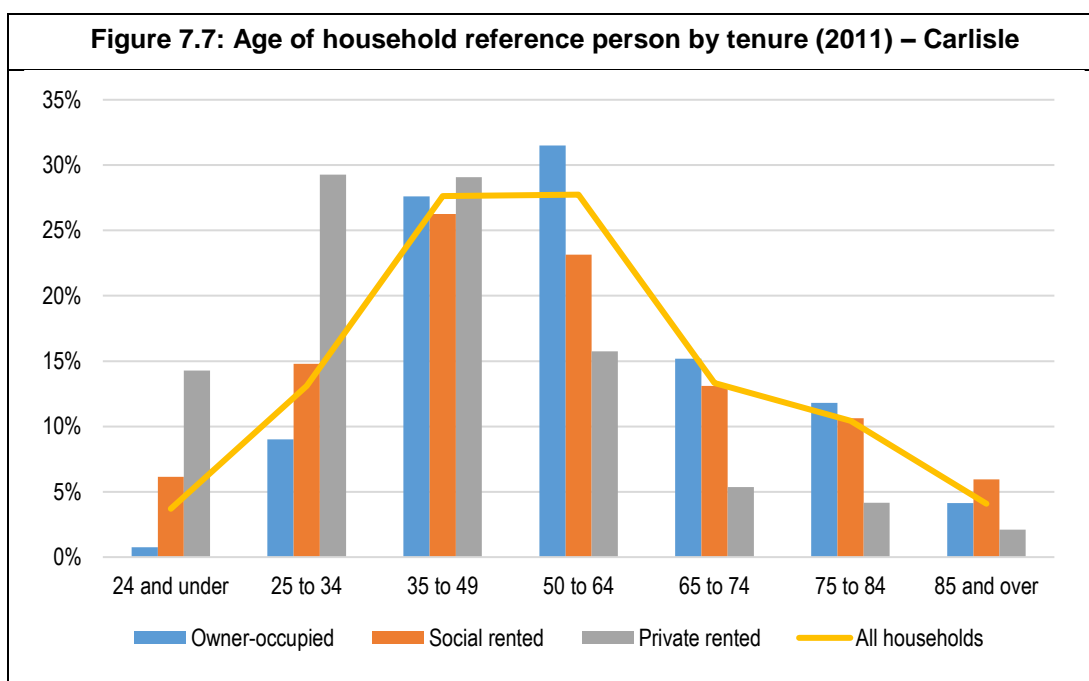
Source: 2001 and 2011 Census

Profile of Private Renters

7.10 This section presents a profile of people/households living in the private rented sector. Whenever possible comparisons are made with those living in other tenures.

Age

7.11 Private renters are younger than social renters and owner occupiers. In 2011, the average age of household reference persons (HRPs) in the private rented sector was 42 years (compared with 56 years for owner occupiers and 53 years for social renters). Nearly three-quarters (73%) of private rented sector HRPs were aged under 50 compared with 47% of social renters and 37% of owner occupiers.



Source: Census (2011)

7.12 At a national level, the EHS notes that the proportion of younger people in the PRS has increased over time. It notes that the proportion of those aged 25 to 34 who lived in the private rented sector increased from 24% in 2005-6 to 46% in 2015-16. Over the same period, there was a corresponding decrease in the proportion of people in this age group in both the owner occupied (from 56% in 2005-6 to 38% in 2015-16) and social rented (from 20% in 2005-6 to 16% in 2015-16) sectors.

Household type

- 7.13 The table below shows the composition of households living in the private rented sector (and compared with other tenures). This shows a relatively high proportion of households with dependent children, making up 28% of the PRS and younger single person households (33% of the sector). The sector also sees a relatively high proportion of households in the 'other' category. Many of these households are likely to be multi-adult households living in shared accommodation (i.e. houses in multiple occupation (HMOs)).
- 7.14 Between 2001 and 2011, Census data shows that the number of households with dependent children in the PRS rose from 1,124 to 2,137 – a 90% increase. The proportion of the PRS made up of households with dependent children has increased from 24% to 28% over the same period. The EHS also shows a similar pattern nationally.

Figure 7.8: Household composition by tenure (2011) – Carlisle				
	Owner-occupied	Social rented	Private rented	Total
Single person aged 65+	13.6%	22.1%	7.5%	13.9%
Single person aged <65	14.5%	31.0%	33.5%	20.0%
Couple aged 65+	11.0%	3.8%	2.2%	8.5%
Couple, no children	21.9%	7.5%	15.8%	18.8%
Couple, dependent children	19.9%	10.4%	14.6%	17.6%
Couple, all children non-dependent	8.0%	2.5%	2.0%	6.2%
Lone parent, dependent children	3.4%	14.4%	11.4%	6.4%
Lone parent, all children non-dependent	3.7%	4.2%	1.9%	3.5%
Other households with dependent children	1.4%	1.6%	2.0%	1.6%
Other households	2.4%	2.5%	9.1%	3.5%
Total	100.0%	100.0%	100.0%	100.0%
Total households	33,331	7,394	7,617	48,342
Total dependent children	24.7%	26.5%	28.1%	25.5%

Source: Census (2011)

Size and type of accommodation

- 7.15 The tables below show the size and type of accommodation in the PRS compared with other sectors. From this it can be seen that the profile PRS generally sits somewhere between that of owner-occupation and social renting. For example, the PRS has a higher proportion of detached homes than the social rented sector, but fewer than owner-occupiers; the opposite is seen when looking at flatted accommodation.
- 7.16 When looking at the size of accommodation, it is clear that the PRS is strongly focussed on 2- and 3-bedroom homes (making up 74% of all households in this tenure). The owner-occupied sector in contrast is dominated by 3+-bedroom homes (71% of the total in this tenure) whilst social renting has the highest proportion of 1-bedroom homes (27%).

Figure 7.9: Accommodation type by tenure (households) – Carlisle

	Owner-occupied	Social rented	Private rented	Total
Detached	29.3%	5.7%	13.6%	23.2%
Semi-detached	39.4%	34.2%	21.8%	35.8%
Terraced	26.8%	29.0%	35.6%	28.5%
Flat/other	4.5%	31.0%	29.0%	12.4%
Total	100.0%	100.0%	100.0%	100.0%
	33,331	7,394	7,617	48,342

Source: Census (2011)

Figure 7.10: Accommodation size by tenure (households) – Carlisle

	Owner-occupied	Social rented	Private rented	Total
1-bedroom	1.5%	27.1%	15.6%	7.7%
2-bedrooms	27.4%	41.8%	46.4%	32.6%
3-bedrooms	49.2%	28.0%	27.8%	42.6%
4+-bedrooms	21.9%	3.1%	10.2%	17.2%
Total	100.0%	100.0%	100.0%	100.0%
	33,331	7,394	7,617	48,342

Source: Census (2011)

Overcrowding and under-occupation

- 7.17 The analysis below studies levels of overcrowding and under-occupation – this is based on the bedroom standard with data taken from the 2011 Census. The analysis shows that levels of overcrowding in the PRS are higher than for households generally, with 3.9% of households being overcrowded in 2011 (the same as the figure in social rented accommodation, but notably above the owner-occupied figure of 1.4%). Levels of under-occupation are slightly higher than in the social rented sector, with around 62% of households having at least one spare bedroom (86% in the owner-occupied sector).

Figure 7.11: Overcrowding and under-occupation by tenure (households) – Carlisle

	Owner-occupied	Social rented	Private rented	Total
+2 or more	46.3%	11.6%	18.9%	36.7%
+1 or more	39.4%	38.5%	43.1%	39.8%
0	12.9%	46.0%	34.1%	21.3%
-1 or less	1.4%	3.9%	3.9%	2.2%
Total	100.0%	100.0%	100.0%	100.0%
	33,331	7,394	7,617	48,342

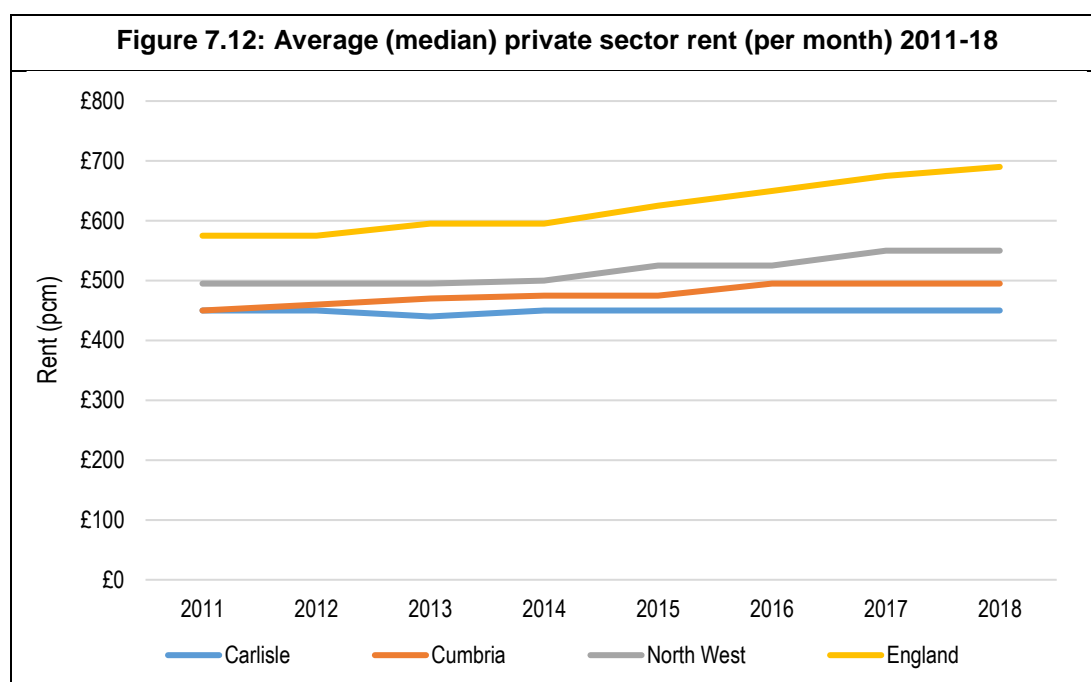
Source: Census (2011)

Economic activity

- 7.18 Data from the 2011 Census shows that 73% of private renters in Carlisle were working, this is higher than the proportion of owner occupiers (67%) and somewhat higher than the proportion of social renters in work (34%). Smaller proportions of private renters were retired (11%) compared with over 30% of both owner-occupiers and social rented sector tenants.

Housing Costs

- 7.19 The analysis of affordable housing need describes the current cost of housing in the PRS in Carlisle. Below, analysis is carried out to look at how costs have changed over time. This draws on data from the Valuation Office Agency (VOA) using a time series back to 2011 – the data provided in this section looks at the year to the end of September (for any given year).
- 7.20 The figure below shows a time-series of average (median) rents from 2011 to 2018; this shows across the District area that there has been no increase in rent levels and rents are somewhat lower than seen nationally. The table below shows that the overall average rent in Carlisle was unchanged from 2011 to 2018; in comparison, rents increased by 10% across the County, 11% regionally and 20% nationally.

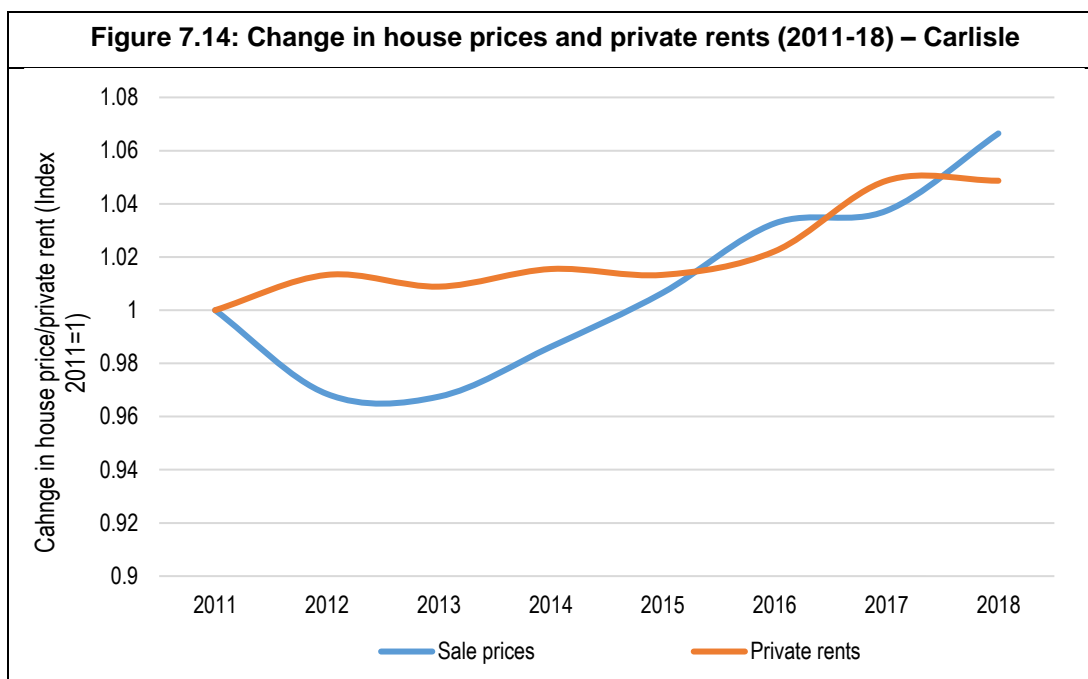


Source: Valuation Office Agency

Figure 7.13: Average (median) private sector rent (per month) 2011 and 2018 – Carlisle				
	2011	2018	Change	% change
1-bedroom	£375	£375	£0	0%
2-bedrooms	£435	£450	£15	3%
3-bedrooms	£525	£550	£25	5%
4+-bedrooms	£675	£740	£65	10%
All dwellings	£450	£450	£0	0%

Source: Valuation Office Agency

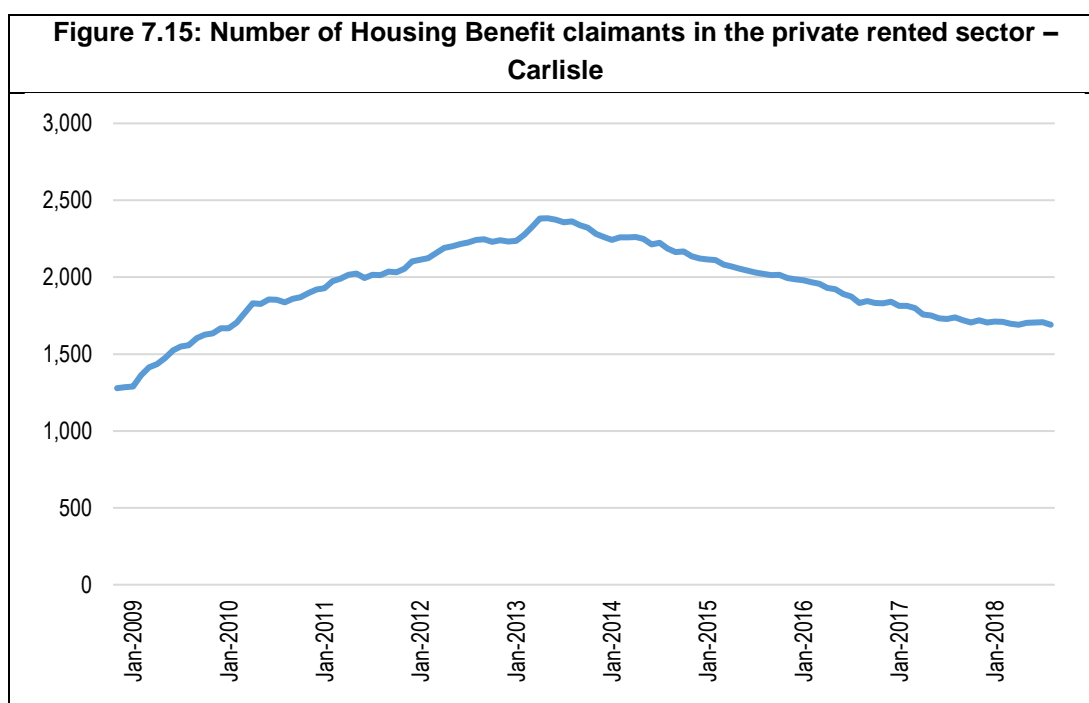
- 7.21 The figure below shows a comparison between changes to private sector rents and changes to the average house price in the 2011-18 period (figures are for mean rather than median and in the case of rents this shows a slight increase (of about 5% from 2011 to 2018)). The analysis shows that house prices have increased by around 7% in Carlisle, compared with a 5% change in rents respectively. For context, the equivalent change in prices across England and Wales was 35%. In general house prices and private sector rents have tracked each other since 2015, with a gap in the growth only being apparent in the earlier years from 2011 (a period in which house prices fell). This analysis does not really suggest any particular pressures in PRS when taken in the context of the whole market, and therefore does not indicate any particular shortage of supply of private rented homes.



Source: Valuation Office Agency and Land Registry

Housing Benefit Claimants

- 7.22 A further analysis has been carried out to look at the number of housing benefit claimants in the sector. This provides an indication of the number of people who are using the sector as a form of affordable housing, and in many cases will be living in private rented accommodation due to a lack to affordable housing (e.g. in the social rented sector). It should however be noted that some of these households may also be in the sector through choice.
- 7.23 The analysis shows that from 2008, the number of claimants in the PRS rose steadily to peak at nearly 2,400 in 2013. Since then the number of claimants has fallen, with the number currently standing at just under 1,700. It is clear that the PRS still has a significant role in proving accommodation for those who cannot afford the market, but that this is reducing over time. The change is likely to be mainly due to economic improvements (e.g. reducing unemployment), although the relative unaffordability of the sector may also be playing a role – with some households seeking to move into the social rented sector.



Source: Department of Work and Pensions

Build-to-Rent

- 7.24 As noted, the size of the PRS has grown substantially in Carlisle since 2011 and this has been the main growth sector in the market. Nationally and regionally there has also been a substantial increase in the size of the PRS.

- 7.25 Linked in part to this, there is an increased (national) interest from developers in “Build to Rent” housing, which is specifically built not for open market sale but for the Private Rented Sector. Arguably, the sector provides the opportunity for good quality, well-managed rental accommodation which is purpose-built. Additionally, the sector provides the opportunity to boost overall housing delivery, as it does not compete directly with traditional housing development schemes which are built for sale.
- 7.26 The Government has been promoting Build-to-Rent housing. It has set up a Private Rented Sector Taskforce; and supported delivery through other measures – including a Build to Rent Fund which provides Government-backed loans to support new development. The sector is currently relatively small but is one with growth potential.
- 7.27 The Housing White Paper (HWP) notes that local authorities ‘*should plan proactively for Build to Rent where there is a need, and to make it easier for Build to Rent developers to offer affordable private rental homes instead of other types of affordable housing*’. Following this, the revised NPPF now includes Build to Rent housing in the Glossary and specific advice about affordable housing on Build to Rent schemes. Build to Rent guidance was published by MHCLG on the 13th September 2018.
- 7.28 In Carlisle, there is currently no evidence of a need for Build to Rent or any significant activity in the sector. Indeed nationally, Build to Rent schemes are mainly coming forward in major urban areas (notably London) and are focussed on young professionals in locations close to transport hubs. Given private sector rent levels in Carlisle, it seems unlikely that there would be any notable investment in this sector at present. However, if schemes were to come forward, the Council should consider them on merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- 7.29 If the Council were to seek to promote Build-to-Rent housing, the draft London Plan (Policy H13³) provides some indication of the sort of criteria that could be used. In particular Policy H13 would require housing to be provided at a ‘genuinely affordable rent’ and preferably at a Living Rent; the housing should also be secured in perpetuity.
- 7.30 Policy H13 also contains a number of other suggested clauses which it is considered would be relevant to Carlisle. This includes a covenant (to ensure that homes remain as Build-to-Rent for a set period of time), longer tenancies (suggested at least 3-years), a clear basis for rent increases and no upfront fees for prospective tenants.

³ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/draft-new-london-plan/chapter-4-housing/policy-h13-build-rent>

The Private Rented Sector: Key Messages

- The private rented sector (PRS) accounts for around 14% of all households in Carlisle (as of 2011) – a higher proportion to that seen across Cumbria, but below equivalent figures for the North West and England (17%). The number of households in this sector has grown substantially (increasing by 89% in the 2001-11 period).
- The PRS has some distinct characteristics, including a much younger demographic profile and a high proportion of households with dependent children (notably lone parents) – levels of overcrowding are relatively high. In terms of the built-form and size of dwellings in the sector, it can be noted that the PRS generally provides smaller, flatted/terraced accommodation when compared with the owner-occupied sector. That said, around 38% of the private rented stock has three or more bedrooms and demonstrates the sector's wide role in providing housing for a range of groups, including those claiming Housing Benefit and others who might be described as 'would be owners' and who may be prevented from accessing the sector due to issues such as deposit requirements.
- Additional analysis suggests that rent levels have increased very slightly over time (when looking at the 2011-18 period) but that increases in rents fall slightly behind the increase in house prices over the same period – the increase in rents is lower than seen regionally and nationally and does not suggest any particular lack of supply of private rented homes.
- There is no evidence of a need for Build to Rent housing (i.e. developments specifically for private rent). Given the current Government's push for such schemes, the Council should consider any proposals on their merit, including taking account of any affordable housing offer (such as rent levels and the security of tenure).
- This study has not attempted to estimate the need for additional private rented housing. It is likely that the decision of households as to whether to buy or rent a home in the open market is dependent on a number of factors which mean that demand can fluctuate over time; this would include mortgage lending practices and the availability of Housing Benefit. A general (national and local) shortage of housing is likely to have driven some of the growth in the private rented sector, including increases in the number of younger people in the sector, and increases in shared accommodation. If the supply of housing increases, then this potentially means that more households would be able to buy, but who would otherwise be renting.