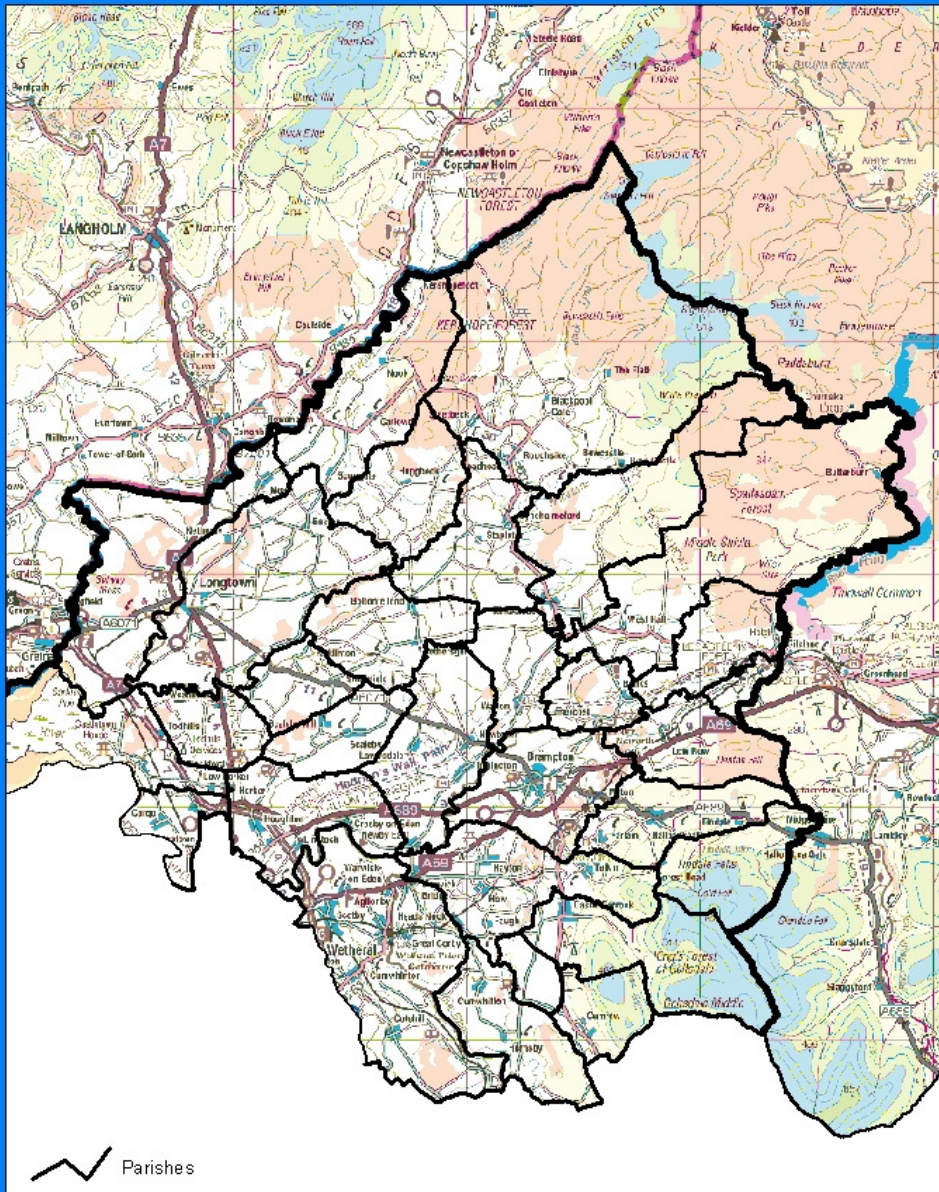


Cumbria Housing Strategy 2006/2011 Strategic Housing Market Assessment 2009

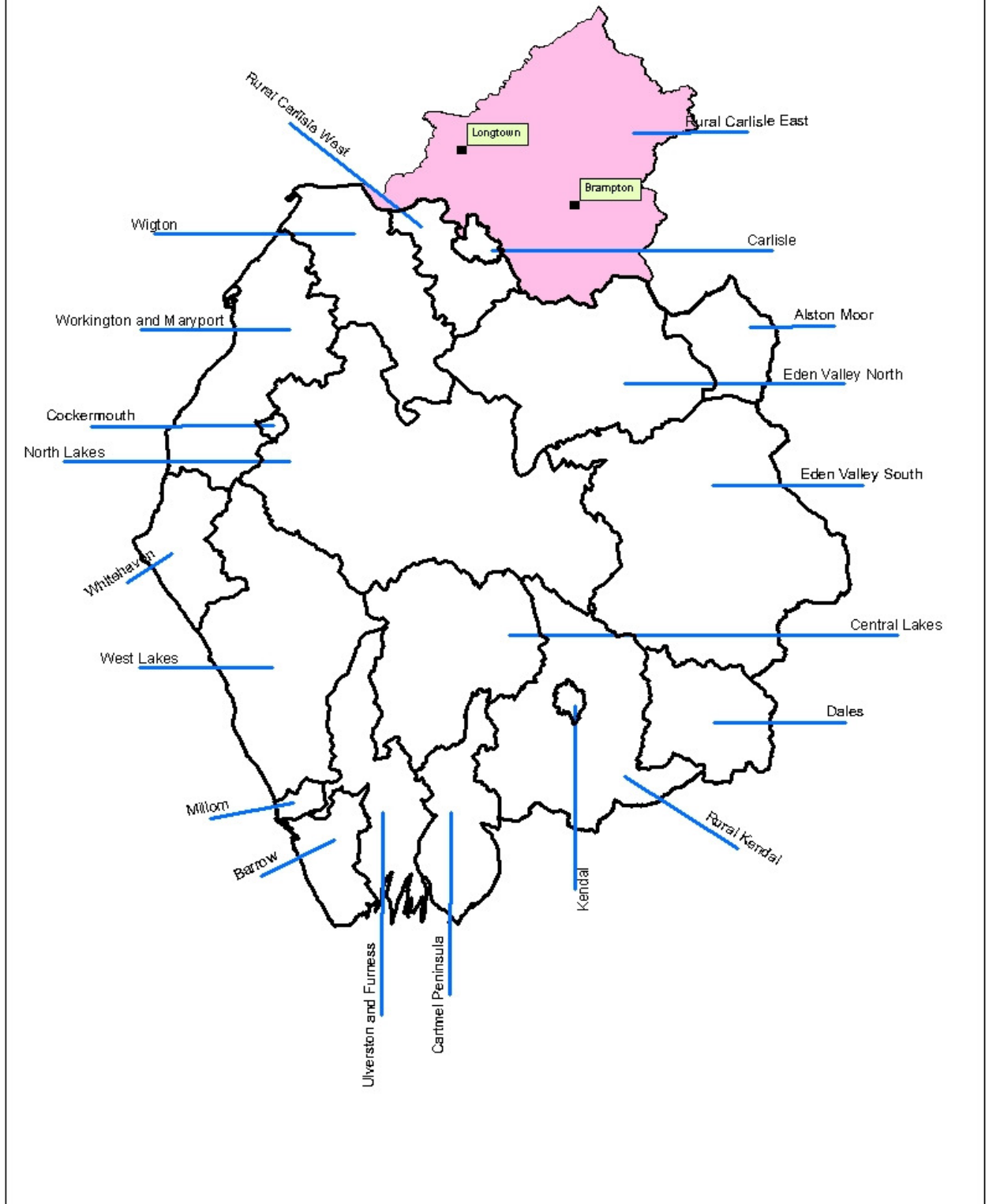
Rural Carlisle East Housing Market Area



Cumbria Sub-Regional Housing Group



Cumbria's 20 Housing Market Areas



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Rural Carlisle East Housing Market Assessment

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Note to the Strategic Housing Market Assessment

The SHMA documents have been prepared jointly by each Cumbria district in consultation with local and county stakeholders and have been compiled using the Governments' Strategic Housing Market Assessments Practice Guidance Version 2, August 2007. The documents are not intended to provide definitive estimates of housing need, demand and market conditions. However they aim to provide insights into how housing markets operate both now and in the future. They are intended to allow an evidence base upon which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing needs and demand (SHMA Guidance, 2007, pp7-9).

To allow ease of reference each stage of the assessment follows the same order as the Guidance. Data sources occasionally differ from those recommended in the Guidance where they have been unavailable or where more robust up to date information has been accessed. The following analysis looks at the housing market area and provides information on the wider District and Cumbrian level where this adds contextual information. For a full methodology and checklist of core outputs and process please see appendix 3 & 4.

Abbreviations

CCC	Carlisle City Council
CLG	Communities and Local Government (formerly DCLG)
HCA	Homes and Communities Agency (formerly Housing Corporation)
HMA	Housing Market Area
HNS	Housing Need Survey
LCHO	Low Cost Home Ownership
LSVT	Large Scale Voluntary Transfer (of former council housing stock)
RSL	Registered Social Landlord (or Housing Association)
SHMA	Strategic Housing Market Assessment
TSA	Tenant Services Authority
TTWAs	Travel to work areas

Rural Carlisle East Housing Market Assessment

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December 2009

Carlisle Rural East Housing Market Assessment

Current Market Profile

Carlisle Rural East encompasses the greater part of Carlisle's rural district, including the key service centres of Brampton and Longtown. The important role of the key service centres as a driver for our rural areas is central to Carlisle's economic strategy.

Property prices are significantly higher than in Carlisle Urban. Second homes are becoming more prevalent than in the rest of the Carlisle district (especially in the Brampton area) but are still relatively low compared to the rest of the county.

Although some people may commute as far as Newcastle (on the A69) most work locally or in Carlisle. The key service centres are the focus of employment within the area. Significant local industries include haulage and agriculture. One of the biggest threats to Carlisle's rural economy, caused by the economic downturn, is the threat to the haulage sector, as increased fuel costs have tightened margins significantly – indeed; increased fuel costs represent a problem for rural businesses more generally.

The closure of Lochinvar school, Longtown, in 2008 although deeply regrettable, has at least served as a catalyst to a wide-ranging review of property and provision of services within Longtown by a City and County Council-led partnership to look at opportunities to provide additional community services. Similarly, in Brampton the proposed closure of Brampton Business Centre would have a negative impact on local services, although again the partnership is carrying out a property review to assess the potential for new health and community facilities, as well as looking for opportunities to support the local economy.

On a positive note, the potential redevelopment of Carlisle Airport by haulage giant Eddie Stobart could bring significant economic benefits (Cumbria Tourism have estimated the airport and related facilities could lead to around 200 new jobs).

Headline Findings

- 106 households per year in need of affordable housing over the next five years (District Housing Survey 2006).
- Need identified is predominantly for larger 3+ bed general needs housing, with a greater level of need for social rented housing than intermediate.
- Earnings to property price ratio – 7.6 x (CACI Paycheck & Streetvalue).
- 97% of newly forming households unable to afford market prices (at the time of the 2006 District Survey).
- The threat to jobs posed by the current economic recession poses a parallel threat to the housing market. Nationally – Government initiatives include the Mortgage Rescue Scheme, launched in early 2009, but there is only enough funding available to assist around 6000 households nationally – compared to 13,161 repossessions in the third quarter of 2008 – representing a 92% increase on the same quarter the previous year (source: CLG & Financial Services Authority).

Targets

The following targets have been devised for this market area. In order to achieve these appropriate actions from the Cumbria Housing Strategy Action Plan will be applied.

- To deliver more affordable housing – the results of the district survey represent a challenge, as they identify 106 households per year as being unable to buy on the open market. Delivering on this sort of level of need would be extremely difficult, due to planning policy focussing new build on key service centres and local service centres, with only 20% of new development allocated for Carlisle's rural areas, and the target for 40% brownfield development in rural areas. It is not a new phenomenon for people from Carlisle's rural districts setting up home from the first time to have to move into Carlisle urban due to the lack of affordable housing locally, however the position has got significantly worse over recent years due to the level of house price increases, which has been highlighted by the district survey.
- 100% of all social housing to meet the decent homes standard by 2010.
- 70% of all private sector homes occupied by vulnerable people to meet the decent homes standard by 2010.

Key Issues

1. Lack of **affordable housing** (the main issue for this market)
 - House prices have risen significantly faster than incomes over recent years – national and district-wide price falls yet to impact on Rural East (as of third quarter of 2008) but number of sales still hit dramatically by credit crunch (see stage 4, section 4.1).
 - As a result of the credit crunch many lenders are now asking for 20% or even 30% deposits (average 18% - per Council of Mortgage Lenders, Jan 2009).
 - Shortage of social rented housing – especially family housing.
 - Resulting in significant need for new affordable housing.
 - Young people wishing to set up home independently unable to afford accommodation in the areas they grew up.
 - Particularly high level of need for larger 3+ bed accommodation (especially rented).
 - Need for both social rented, intermediate housing – local connection criteria to be ensured via Section 106 agreements.
2. **Homelessness**
 - Only 15 households with an identified connection to Carlisle Rural East accepted as being homeless and in priority need in 2007/08. However, this could mask a hidden problem, as people have often drifted into the town before presenting themselves as homeless.
3. **Supported housing** needs
 - Provision currently largely centred in Carlisle urban, although sheltered schemes exist in Longtown and Brampton, as well 4 supported bungalows at Castle Carrock. Riverside Carlisle (formerly CHA) sheltered housing provision is currently under review.
4. **Decent homes**
 - Plans in place to make all social housing decent by 2010
 - Significant proportion of private sector homes occupied by vulnerable people are already decent but more needs to be done to address the situation.

2. Market Drivers

Market Drivers

- Key service centres of Brampton and Longtown are the main focus of employment.
- Range of shops and services – 52% of respondents to the District Survey felt these facilities were either very or fairly good – twice as many as the 26% who felt these were poor (significantly less than the 77.4% who felt shops were good in Carlisle urban – not surprisingly, as this is where all the large supermarkets are located).
- Overall 92.6% of respondents expressed overall satisfaction with their local neighbourhood (significantly higher than in Carlisle urban).
- Perceptions of policing, crime and anti-social behaviour: only 2.2% of survey respondents felt this was a serious problem – much lower than in Carlisle urban.
- Around 72% of respondents felt local schools were very or fairly good – a slightly higher satisfaction rate than in Carlisle's other housing markets – however Lochinvar secondary school at Brampton closed in 2008, with pupils being bussed to William Howard at Brampton. Local estate agents confirmed that being in the catchment area of a good school was a determining factor in the decisions people make about where they choose to live.
- Outside the key service centres, a lot of properties in the owner-occupier sector are larger detached properties, beyond the remit of affordable housing. Estate agents have identified that a high proportion of properties sold for over £200k are purchased by incomers moving to the area for work.
- Estate agents have identified an increase in the second home market in the Brampton area, although this is still relatively minor compared to other areas of the county.
- Local developers have confirmed parts of Rural East, e.g. Wetheral remain sought after due to reputation.
- Cumbria Tourism (in a response to the SHMA consultation) estimated Carlisle Airport and related facilities could lead to the development of around 200 new jobs.
- Similarly, Cumbria Tourism estimated Hadrian's Wall product investment could lead to in the region of 100 new jobs.

In summary, there is a major affordability issue in the Carlisle Rural East housing market. At the time of the District Housing Survey (2006) it was established that 97% of newly forming households could not afford to buy at responsible borrowing levels, based on a lower quartile house price of £125,000 (compared to only £76,499 in Carlisle Urban) at that time. Overall, 106 households per year were assessed as being in need of affordable housing. (See Stage 4, Section 4.1, for an update on the impact of the credit crunch on property prices and the number of sales).

These difficulties are compounded by the shortage of social rented housing (especially family housing, which has been depleted by high levels of Right to Buy sales) and affordable private sector rented accommodation.

It would be very difficult to meet the level of identified need due to local planning policy (summarised under Targets) which seeks to site new affordable housing in sustainable locations in reasonable proximity to services and facilities, and the difficulty of attaining affordable sites (especially brownfield sites) in rural areas.

Newly forming households have historically had to move into Carlisle to find affordable accommodation, however there is a real need for additional affordable units in Carlisle Rural East.

3. The Current Housing Market

Stage 1: The demographic and economic context

1.1 Demography and household types

(Table 1) Age Range 2001	ALL PEOPLE	0 - 4	5 - 14	15 - 29	30 - 44	45 - 59	60 - 74	75 +
Rural Carlisle East	25640	1211	2838	3536	5013	6204	4461	2377
%	100	4.7	11.1	13.8	19.6	24.2	17.4	9.3

(Source, 2006 Census, ONS)

(Table 2) Households	Rural Carlisle East Count	Rural Carlisle East %	District %	Cumbria %	North West %
All Households	10107	100	100	100%	100%
One person households	2752	27.23	32.1	30.1	30.9
- of which Pensioners living alone % of total households	1503	14.87	16.0	15.8	15.1
All other Pensioner households	1157	11.45	10.0	10.8	8.9
Households with dependent children	2872	28.42	27.3	27.5	30.4
- of which Lone Parent households with dependent children - % of total households	392	3.88	6.0	5.5	7.7
Households with non dependent children	1075	10.64	10.1	9.8	10.3
- of which Lone Parent households with non-dependent children - % of total households	281	2.78	3.2	3.0	3.5
Households with no children	2051	20.29	18.0	19.3	16.4
All other Households	200	1.98	2.7	2.5	3.0

(Source, 2001 Census, ONS)

(Table 3) Ethnic Group	Rural Carlisle East %	District %	North West %	England and Wales %
All People	(24,318)	(100,711)	(6,729,764)	(52,041,916)
White - British	98.93	97.82	92.17%	87.49%
White - Irish	0.21	0.52	1.15%	1.23%
White - Other	0.55	0.77	1.11%	2.59%
Mixed - White and Black Caribbean	0.00	0.07	0.33%	0.46%
Mixed - White and Black African	0.10	0.05	0.15%	0.15%
Mixed - White and Asian	0.00	0.09	0.26%	0.36%
Mixed - Other	0.00	0.09	0.20%	0.30%
Asian or Asian British - Indian	0.10	0.09	1.07%	1.99%
Asian or Asian British - Pakistani	0.00	0.05	1.74%	1.37%
Asian or Asian British - Bangladeshi	0.00	0.08	0.39%	0.54%
Asian or Asian British - Other	0.00	0.06	0.22%	0.46%
Black or Black British - Black Caribbean	0.00	0.02	0.30%	1.08%
Black or Black British - Black African	0.10	0.04	0.24%	0.92%
Black or Black British - Other	0.00	0.01	0.08%	0.18%
Chinese or other ethnic group - Chinese	0.00	0.17	0.40%	0.44%
Chinese or other ethnic group - Other ethnic group	0.00	0.24	0.20%	0.42%

(Source, 2001 Census, ONS)

Ethnicity and Minority Groups (Carlisle)

(Table 4) Ethnicity (Black & Minority Ethnic Groups) Estimated Resident Population					
Area	All Groups	BME (number)	BME (%)	White British (number)	White British (%)
England	51,092,000	8,356,000	16.4	42,736,000	83.6
North West	6,864,300	726,500	10.6	6,137,800	89.4
Cumbria	496,900	19,700	4.0	477,200	96
Allerdale	94,500	3,200	3.4	91,300	96.6
Barrow	71,800	2,900	4	68,900	96
Carlisle	103,500	4,200	4.1	99,300	95.9
Copeland	70,400	2,400	3.4	68,000	96.6
Eden	51,900	1,800	3.5	50,100	96.5
South Lakeland	104,900	5,400	5.1	99,500	94.9

Source: Mid-2007 Estimates, Office of National Statistics (experimental statistics) However, we are unable to produce the information down to HMA level due to the data not being available at present. Note: Figures may not add exactly due to rounding.

(Table 5) Changes to the BME Group 2001 to 2007		Allerdale	Barrow	Carlisle	Copeland	Eden	South Lakeland
BME Population 2001	Numerical	1500	1500	2200	1200	800	2600
	Proportion	1.6	2.1	2.2	1.7	1.6	2.5
BME Population 2007	Numerical	3200	2900	4200	2400	1800	5400
	Proportion	3.4	4	4.1	3.4	3.5	5.1

Source: Mid-2007 Estimates, Office of National Statistics (experimental statistics) However, we are unable to produce the information down to HMA level due to the data not being available at present. Note: Figures may not add exactly due to rounding.

The overall trend for Carlisle is an increase in BME Groups as a percentage from 2.2% to 4.1%.

(These figures are based on Cumbria County Council's definition of Black and Minority Ethnic groups which includes: Eastern Europeans; Gypsy Travellers; Irish people; Black African and Black Caribbean people; Asian and East Asian people; and People who are mixed race)

- The Carlisle district is projected to experience relatively high population growth – a range of population forecasts based on different scenarios are included in Chapter 4, Stages 1 & 2 using the POPGROUP model.
- In our rural areas many younger people have been unable to afford to remain in their communities due to affordability problems. At the same time many older people have retired to these rural communities, often from Carlisle urban – although the problem is not as bad as in some other areas of the county.
- The employment profile is significantly different to Carlisle urban, with more managers, professionals and skilled workers. The 3 most popular types of employment for people living in Carlisle Rural East per the 2001 census were: skilled trades (17.2%), managers and senior officials (15.6%) and associate professionals & technical occupations (13.1%).
- Despite the recession and difficulties faced by the economic market, the new Northern development route and potential for new employment at Kingmoor Park, as well as the proposed airport development could provide enhanced employment opportunities.

(Sources include Cumbria Economic Bulletin & Information & Intelligence, Policy & Performance Unit, Cumbria County Council).

1.2 National and Regional Economic Policy

Housing and the macro-economy

Housing plays a fundamental role in the labour market by providing the places where the workforce lives, however there is no straightforward numeric link between economic change and propensity towards household formation/migration. Nevertheless, a well functioning economy is likely to be one where there is both an appropriate and attractive range of housing to support a thriving and diverse labour market, and where housing provision responds to changes in economic structure and performance. With this in mind, economic strategies and planning policy in the North West and across the UK now routinely highlight the impact that issues such as high prices, inadequate supply and poor quality housing might have on the capacity of an area to attract and retain a viable labour force.

National Context

Despite strong economic growth and broad stability since 1994/1995, current economic indications suggest that this position has changed significantly, brought about by high oil, utility and food costs, combined with a continued restriction on the availability of new mortgages brought on by the international 'credit crunch' stemming from the USA, and the resultant loss of global business confidence. The UK economy has now entered a recession leading to increased levels of unemployment. As at September 2008, predictions are that average house prices will fall by up to 25%, and it will be 2010 before there may be signs of a recovery (Nationwide, September 2008). Other signals within the UK economy show that manufacturing output is declining as a further sign that the UK economy is entering a recession.

Recent news headlines would suggest that, with developers reducing staffing levels, the more alarming effects of the credit crunch, such as widespread job losses and

large falls in land value are already being felt by the house building industry. With the recession it is likely that there would be further reductions in demand for housing, with resultant falls in house prices, until such time as a new equilibrium is reached between demand and supply and stability is achieved in the international markets. However, aside from the lending practices of major lenders, the underlying reasons behind the high house price inflation in recent years, is the fact that there has been insufficient housing provision to meet needs across the UK. Some economists predict that once the economy picks up again, there could be a further surge in house price inflation, which may be as serious as had been experienced in recent years. There is a need therefore to continue to build new houses in order to respond to underlying housing needs.

Monetary Policy

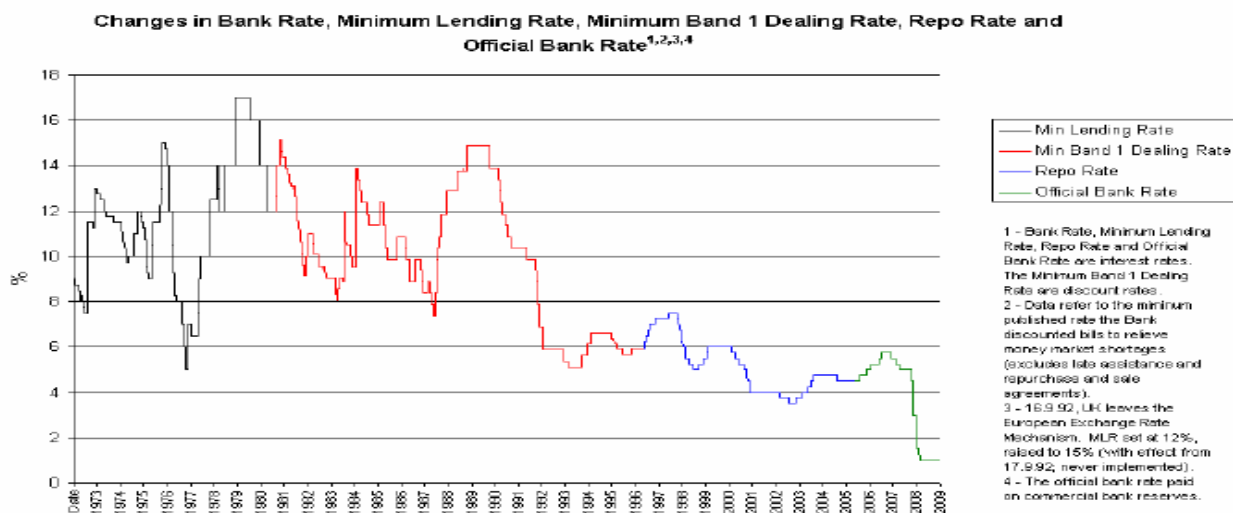
Interest rates reflect the effective cost of borrowing money and in the UK the base interest rate is set by the Bank of England's, Monetary Policy Committee (MPC). The Bank usually sets interest rates in order to try and meet an inflation target which is based on the Consumer Price Index (CPI) being equal to $2.0\% \pm 1$. If inflation is forecast to rise above the target, the Bank is likely to raise interest rates in order to reduce spending in the economy, and therefore moderate inflationary pressures.

Following some significant price rises in the food and energy sectors over the last year, the CPI has soared above its target value peaking, in September, at 5.2%. However the CPI has now begun to fall back with the most recent data for January showing inflation at 3.1% (still well above the target value). Due largely to a recent fall in oil prices related to falling demand linked to declines in global production levels, inflation is currently expected to fall rapidly over the coming months.

Rather than responding impulsively in the short term, the Bank's overarching aim is to ensure inflation returns to target in the medium to long term. Thus principally as a result of the MPC's forecast that the currently high level of inflation is a temporary phenomenon, interest rates have remained low and below the 10 year average of 5.2%. Unsurprisingly, there are also a number of other factors which play an important role in the balancing act between inflation and interest rates such as consumer confidence; time lags between rate changes and their effects on demand; the differential between the two rates and the ratio of fixed rate vs. variable rate mortgages (and in particular the proportion of sub-prime mortgages, where borrowers are paying a high proportion of their disposal income on repayments).

Responding to the severity of the global economic crisis and to help stimulate the British economy the Bank of England's official interest rate has been reduced significantly in recent months. A record monthly decline of 1.5 percentage points from 4.5% to 3.0% in November 2008 followed a 0.5% reduction in the interest rate in October. Subsequent reductions of 1.0% in December, 0.5% in January and a further 0.5% in February 2009 have brought the official Bank of England base rate to 1.0%, the lowest rate in the Bank's 315 year history. Financial markets believe the prospect of sharply lower growth and weakening inflation may prompt even further reductions, and some commentators believe the bank rate may drop to as low as 0.5% in the first half of 2009. The graph on the next page shows how interest rates have fluctuated since the early 1970s.

Graph 1: Historic Variation in the UK Interest Rate.



Source: Cumbria Vision

Interest rates principally affect the housing market in one of two ways:

- **Mortgage Payments:** An increase in interest rates will increase monthly mortgage payments on a variable mortgage. For example, a quarter point rise on a £140,000 mortgage will increase monthly payments by approximately £30.
- **Demand for Housing:** A sustained rise in interest rates will affect the affordability of paying a mortgage. As interest rates rise, buying a house becomes less attractive and therefore demand falls. This can lead to falling house prices. For example, in the late 1980s interest rates rose to 15% causing house prices to collapse in the UK.

North West Regional Context

(Source: Northwest Regional Economic Forecasting Panel, Spring 2008)

The recent history of the regional economy includes a period of:

- **Very rapid jobs growth**, especially between 2001 and 2004. This may be exceptional and unlikely to be seen again. It followed marked recent increases in public spending such that a third of the region's jobs are now in the public sector; and it also included the out-sourcing of jobs in financial and business services from higher cost places in the South, following a downturn in international financial markets in 2001.
- **Net migration shift**, which explain why the region's population began to grow again from 2001. This also appears to have been closely related to this exceptional period of growth in job opportunities. While the growth in participation amongst men has remained low, a significant increase of the participation of women in the region's labour force appears to have been a further response to this same peak in job opportunities. Nevertheless, the underlying trend in the growth of jobs in the North West has still been running on average around 0.1 percentage points a year below that in the UK.
- **A fall in productivity**, which accompanied the recent peak in jobs growth in the North West. Services now represent the bulk of jobs, and productivity levels in all broad service sectors in the region fell relative to the UK between

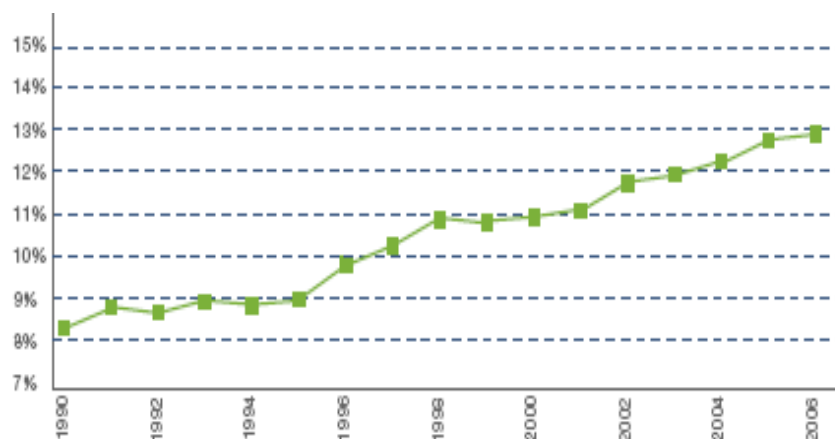
1995 and 2005. Also, there is little left of an advantage the region once enjoyed in the productivity stakes because of its once considerable concentration of employment in manufacturing, in which labour productivity, is generally higher than in services.

The relative decline in the region's productivity in services is attributed to:

- A gradual fall in its price level relative to the UK, which is bound to have had a general effect on relative wages.
- A shift in the balance between lower and higher level jobs in favour of the UK, and a widening disparity between earnings in higher-level jobs between London and other major cities, including Manchester and Liverpool. This effect has been particularly marked in top-end jobs in financial and business services, a sector that now provides almost half of GVA in London as against less than a fifth in the North West.
- The output gap between the region and the UK has generally grown faster than the North West. The main influence has been the performance of London as a global city and as an international provider of high level services, together with consequential growth in the 'super city region' around London. Its direct influence now expands into parts of the East Midlands, the West Midlands, and the South West, as well as into Eastern England and much of the South East.

Graph 2: GVA per head - % difference between North West & UK (current prices)

(Source: Regional Accounts & Cambridge Econometrics)



The GVA gap can be explained as follows:

- About a quarter reflects labour market differences, mainly lower participation, but also fewer hours worked, and less double jobbing in the North West, despite broadly similar patterns of part-time working.
- About a third reflects the fact that employees in the North West earn less for similar kinds of work, interpreted as a reflection of the influence of its lower general price level on wage settlements, a price level that has been falling relative to the UK.
- The rest reflects an additional gap in earnings because of the nature of jobs in

the North West as compared with jobs in the UK. The fact that there are relatively fewer higher-level jobs, and relatively more lower levels jobs, in the North West plays a part, as does the industrial structure in the region with a slight bias towards sectors that tend to generate lower value added per job. But the most important influence here is shown to be comparatively high rewards for higher-level jobs in London and the Wider South East, especially in financial and business services, which now generates nearly half of London's GVA.

The expectation that these trends will continue, and that growth rates in GVA and in GVA per head will continue to diverge with the UK and England, has mainly to do with the dynamic effects of economic agglomeration continuing in and around London. It is also expected that national and international business is likely to continue to become more concentrated in London. Generally speaking, a distinction can be drawn between areas of the UK that are directly influenced by London, and others, such as the North West, that are generally further away, and have less well developed links, even if they may host support services for firms based in higher cost places, including the London area. Therefore, although Manchester has developed into the equivalent centre for the North West and has some national and international business, it is on a much smaller scale and, based on projected trends in total and working age populations and likely developments in participation, the effective supply of labour and jobs is expected to continue growing more slowly in the region than in the UK, with a risk that this expected divergence in jobs growth could be wider than expected, depending on where net immigration is concentrated.

The central forecast of the most likely gap in GVA growth between the North West and the UK over the next twenty years is an average of 0.4 percentage points per annum, or a little more. The results of public policy initiatives are implicit in these trends and the Forecasting Panel think change is unlikely mainly because many programmes are similar to those that have been in place for some time and economic performance seems to have been driven mainly by structural change responding to market forces. This may change if firms and other bodies in the region take increased advantage of strategic opportunities in which the region has strengths (for instance in nuclear, energy, and environment-related industries) and if we saw public policy concentrating an increased proportion of resources on growth, especially on accommodating and underpinning agglomeration through appropriate policies, such as transport and housing.

It is nonetheless implicit in this view that the North West's economy will continue to grow more rapidly than in the 1990s, and also that living standards in the region will continue to improve on average even if the gap in GVA per head is expected to widen. Although the North West's growth corridor may flourish, and its influence will spread geographically, especially given effective transport and spatial policies, the corridor is simply different in character and scale, and less of an integrated whole at present, than is London and its surroundings.

Construction and Housing

Since the first quarter of 2007 the rate of increase in house prices in the region declined, while in the final quarter of the year house price inflation in the UK declined for the first time in two years. Along with a fall in the numbers of housing transactions, this confirmed that the housing market was weakening. The most recent national data in September 2008 shows that the annual rate at which house

prices are falling continued to accelerate to hit a new record of 5.1 per cent. However, homes lost only 0.1 per cent of their value during September itself, well down on August's drop of 2.7 per cent.

Construction: Growth in 2007 was sustained by private commercial orders

Construction orders in the North West increased through the first half of 2007, but have since fallen back. In 2007 private sector new housing orders declined to below 2005 levels. However, the level of infrastructure and other public orders increased. Private industrial orders remained relatively unchanged from 2006; growth in private commercial orders was much more marked in the first half of the year, although they have since fallen back.

The value of construction output in 2007 was 12.8% higher than in 2006, due primarily to new public housing and other private sector repair and maintenance. Private commercial and industrial output growth more than offset a decline in infrastructure output.

GVA growth in construction was weak in 2006 at 1.0% but is estimated to have strengthened to 2.1% in 2007, although this was weaker than in the UK as a whole. Weaker growth is expected in 2008 (data not yet published); 1.5% for the North West and 1.0% for the UK. GVA is then expected to fall in 2009 in response to the impact of the credit crisis and the weakening housing market, before recovering in 2010 and 2011.

House Prices: Inflation weakened through 2007

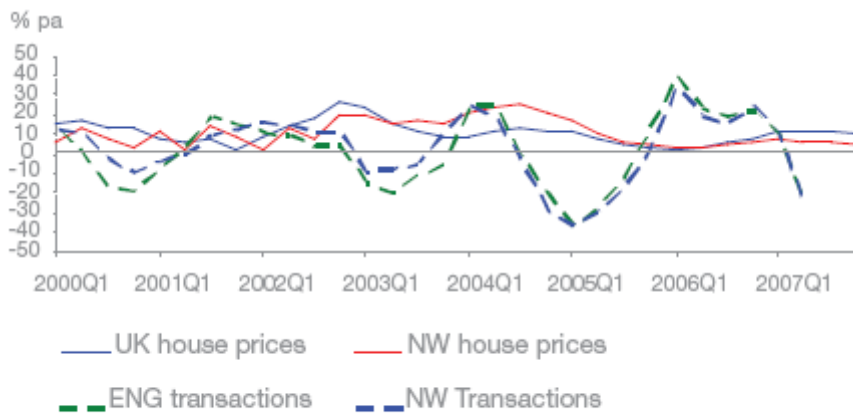
House price inflation slowed through 2007 despite reductions in interest rates during the year. At the end of 2007, prices were on average 5.0% higher than a year earlier in the North West compared with 9.9% in the UK. Along with slower price inflation since the beginning of 2007, figures (Q2 2007) for the number of transactions show a decline for both the North West and UK. This is consistent with the tightening of monetary policy during 2006/07 and tougher lending standards for mortgages after the recent difficulties in financial markets and points to a slowdown in the market.

Housing Investment: The outlook is for weaker activity in the short term

Short-term prospects for housing investment in the region are considerably less favourable than in recent years. The number of new dwellings started declined by 19.0% compared to 6.0% nationally, representing the first decline in four years. Housing starts across all categories (private enterprise, registered social landlords and local authorities) declined by a larger amount in the region than nationally in 2006/07. Potential downside risks to the housing market remain including the current liquidity issues in capital markets and resultant reductions in mortgage packages available on the high street and high levels of consumer debt.

There have been sharp falls in housing starts this year with some smaller house builders already in difficulties and large nationally organised concerns scaling back new build.

Graph 3: Recent development in the housing market



Source: Communities and Local Government.

Cumbrian Context

“Whilst poor, GVA performance is showing improvement. Time will show how we perform in relation to other sub-regional economies due to the current recession; early indications are that we are not adversely affected”

The numbers paint a mixed picture for the county depending on the timescale over which we assess change and the geographical area we focus on. The bullet points below identify the key points of relevance:

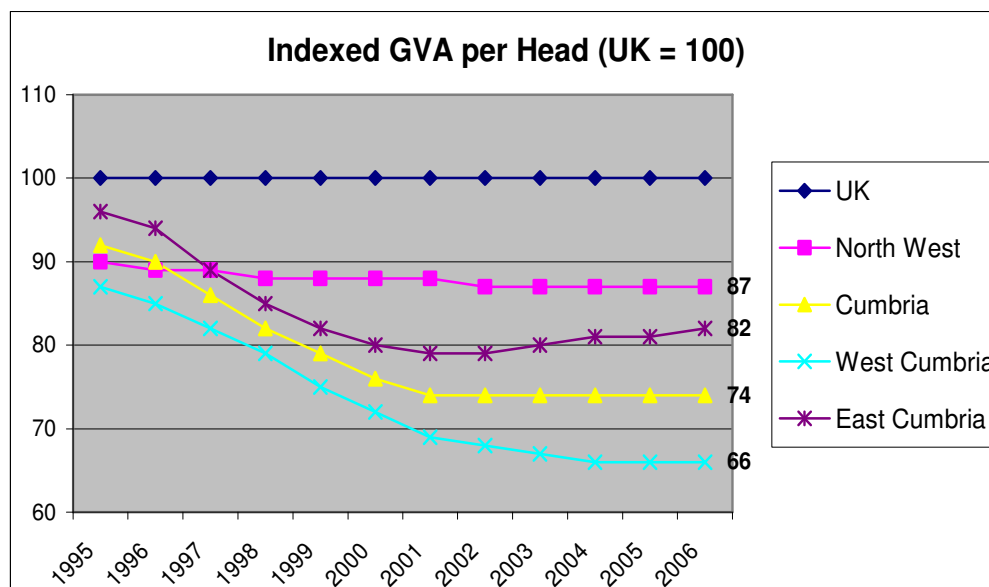
- Over the long term (1995-2006) Cumbria remains the slowest growing of the 37 county-type areas in the UK, with an overall growth rate of 41.2% compared to 66.0% in the Northwest region and 80.0% for the UK as a whole.
- Since 2005 Cumbria has grown at around the same rate as the region (5.0% vs. 5.2% respectively). Cheshire is fastest growing part of NW at 6.5%
- GVA per head in the county now stands at £14,044 compared with £16,482 in the NW and £19,430 in the UK (74% of the UK average – the same index as we have seen every year since 2001)
- There is significant disparity between West and East Cumbria. Overall East Cumbria has grown by 51.8% since 1995 compared with 29.0% in West Cumbria, the slowest of any of the 133 sub-county areas in the UK.
- Over the latest year (2005-2006) East Cumbria’s growth rate stands at 5.5% while West Cumbria’s is 4.4%.
- GVA per head in East Cumbria now stands at £15,450 (82% of the UK average) while for West Cumbria it is £12,498 (66% of the UK average).

Graph 4:

Headline¹ Gross Value Added (GVA)² per head indices by NUTS3 area at current basic prices by region

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
UK	100	100	100	100	100	100	100	100	100	100	100	100
North West	90	89	89	88	88	88	88	87	87	87	87	87
Cumbria	92	90	86	82	79	76	74	74	74	74	74	74
West Cumbria	87	85	82	79	75	72	69	68	67	66	66	66
East Cumbria	96	94	89	85	82	80	79	79	80	81	81	82

UK less Extra-Regio=100



NOTES:

The economic territory of a country can be broken down into regional and extraregio territory.

The extraregio territory is made up of parts of the economic territory of a country which cannot be attached directly to a single region.

The extraregio territory consists of, among others, national air-space, territorial waters and the continental shelf lying in international waters over which the country enjoys exclusive rights; territorial enclaves, embassies, consulates, military and scientific bases; deposits of energy and natural resources outside the continental shelf of the country, worked by resident units.

Source: Cumbria Vision / North West Development Agency 2008

General Remarks

While the severity of current economic effects is open to interpretation, it is likely that housing areas with stronger, more stable markets will be able to weather the storm more effectively than weaker markets.

In Cumbria, if economic growth is to be supported by adequate housing provision (both in terms of quality and quantity); the county will need to supply sufficient new dwellings to meet the needs of in-migrants. However, by increasing the economic activity rates of the indigenous population, the demands placed on housing by economic growth could be lessened with fewer migrants required to sustain the same level of growth.

Key Issues: Remote but attractive places, ageing population and strain on support services, reliance on public sector contracts, nuclear and energy industries. The table below shows a number of strengths, weaknesses, opportunities and threats facing Cumbria.

<p style="text-align: center;">Strengths:</p> <ul style="list-style-type: none"> • Key sectors in nuclear, energy & environmental technologies • High share of self employed compared with regional average • National parks and other attractive places encourage leisure, tourism, outdoor education and wealthy incomers • Concentration of wealth in some parts of South Cumbria 	<p style="text-align: center;">Weaknesses:</p> <ul style="list-style-type: none"> • Has seen relatively slow growth in GVA and GVA per head • Traditional dependencies on agriculture and on manufacturing (especially in W. Cumbria) • Many places have poor skills and are not well connected to major centers or transport routes • High incidence of worklessness in Barrow & West Cumbria
<p style="text-align: center;">Opportunities:</p> <ul style="list-style-type: none"> • Secure maximum benefit from the nuclear agenda • Public sector initiatives for Carlisle, Barrow and the University of Cumbria • South Cumbria could gain from spill over from Manchester 	<p style="text-align: center;">Threats:</p> <ul style="list-style-type: none"> • High wage levels in nuclear industry on West Coast distort local labour markets • Generally high level of grant expectation in West Cumbria alongside heavy reliance on nuclear industry and failure to reach consensus on nuclear waste • Challenges in maintaining the sustainability of rural communities

Source: North West Development Agency, May 2008

1.3 Employment Levels and Structures

The following looks at the economic situation at both district and housing market area level. The analysis is slightly constrained by the availability of up-to-date lower level data.

Commuting, travel to work patterns and self-containment

The regional Strategic Housing Assessment summarises the picture as follows:

“In Cumbria, the housing market areas are smaller and this might lead to lower average levels of self-containment. But the picture is more varied. In terms of migration, most of the Cumbria housing market areas have a low level of self-containment reflecting the popularity of the area for retirement or other long distance movement. The exceptions are Barrow, Dalton and Askham and the two West Cumbria housing market areas, which experience much lower levels of migration to and from external areas. In terms of travel to work, these three areas are also very self-contained, but so are Carlisle, Eden Valley and Alston Moor. For Carlisle, Eden Valley and Alston Moor, this may reflect the long distance to other employment centers. Cumbria housing market areas are less self-contained in terms of travel to work.

In terms of linkages with other areas, because of its geographic position, Barrow, Dalton and Askham has strong links only with Ulverston/Cartmel. The West Cumbria housing market areas tend to have links with one another, and to some extent with Carlisle. For the remainder of Cumbria, there is a north-south split, with stronger links between Central Lakes, Dales/Rural Kendal and outside the sub region Lancaster, and a separate grouping of Eden Valley, North Lakes, Alston Moor and Carlisle.” (RSHA p32)

Analysis in March 2008 at county and district level tends to confirm a “spatially coincident housing and labour markets with a high degree of home to work trip self-containment” (Stephen Hincks, *Cumbria Economic Bulletin, 2008*). There is some long distance commuting in Cumbria and at district level the variations become wider. On the whole Eden is a net exporter of labour, with 827 more employed residents than workforce compared to Carlisle which is a net importer of labour of 5,801 (Cumbria Economic Bulletin, using Census data 2001). This may have policy implications if we wish to look to expanding our economy, cut commuting patterns and encourage people to both live and work in the district.

Derivation of Housing Market Areas/ Relationship to Regional HMAs (North West Regional Assembly)

Cumbria’s Housing Market Areas were defined in 2005/06 using information such as Travel-to-Work areas, plus other housing based data such as house price and affordability data, and local knowledge of specific housing areas, to create 20 distinct Housing Market Areas across Cumbria. In order to make the process easier they mostly followed ward boundaries, so that population and other data could be recorded more easily. Notwithstanding this point, it was explicitly decided not to follow District boundaries or any other specific “political” boundary, in order to accord with Government advice, and to recognise that housing markets do not respect these types of areas.

In terms of process, the HMAs were defined through the then Data Collection Group (a predecessor of the R&I Group), and had been subject to internal District Council consultation. They formed the basis of the Housing Market Assessments, which were

published in 2006, which were similar, although not as comprehensive as the current draft Strategic Housing Market Assessments. The HMAs also underpin the Cumbria Housing Strategy, which was launched in October 2006, which has been upheld as an excellent example of joint working, and for developing local housing policy and has been adopted by each of the District Housing Authorities. As a consequence, the Housing Market Areas have been used by the District Councils since then to inform local housing and planning policy (including development control) since 2006, and can be easily cross referenced to their own District Local Plans, LDFs and Housing Policies.

In 2008, the NWRA carried out its own regional SHMA, which acknowledges our Housing Market Areas as a basis for the regional SHMAs, in recognition of their usefulness and applicability, although they use 11 larger HMAs to make them a similar size to those in the rest of the assessment across the rest of the North West.

The current SHMA process essentially builds on the the previous HMAs, and adopts the previously defined Housing Market Areas. Some of the data contained in the SHMAs is District-wide, and also cross relates to the Cumbria Vision Economic Plan, meaning that the SHMAs can be easily used to inform local District and County-wide policy formulation and implementation. In view of the short time span between preparation of the HMAs in 2005/06 and the current SHMAs, it was agreed by the R&I Group that it would not be practical or reasonable to review the HMA boundaries at this stage, because of the imperative need to get SHMAs quickly in place to inform the LDF processes.

Economic Activity 2001

(Table 6) Economic Activity 2001			Carlisle Rural East	Carlisle District	Cumbria	North West
Working Age Population: All People			13277	60965	292,052	4086588
Working Age Population: Economically Active	Total		10863	48314	225,722	3014218
		%	81.8	79.2	77.3	73.8
	Employee		7898	38482	174,698	2393573
		%	59.5	63.1	59.8	58.6
	Self Employed		2273	5556	32,129	324562
		%	17.1	9.1	11.0	7.9
	Unemployed		389	2545	11,966	173638
		%	2.9	4.2	4.1	4.2
Student		303	1731	6,929	122445	
	%	2.3	2.8	2.4	3.0	
Working Age Population: Economically Inactive	Total		2414	12651	66,330	1072370
		%	18.2	20.8	22.7	26.2
	Retired		403	1513	9,386	96801
		%	3.0	2.5	3.2	2.4
	Student		443	2248	9,877	222667
		%	3.3	3.7	3.4	5.4
	Other		1568	8890	47,067	752902
		%	11.8	14.6	16.1	18.4

Source: 2001 Census. Residence based. NB this covers all people of working age. For males this is 16-64; for females this is 16-59.

(Table 7) Economically Inactive - Other	Carlisle Rural East	%	Carlisle	%	Cumbria	%	North West	%
ALL PEOPLE (aged 16-74)	17743		73388		354,183		4,839,669	
Looking after home/family	880	5.0	3635	4.9	20,072	5.7	296,065	6.1
Permanently sick or disabled	706	4.0	4493	6.1	22,603	6.4	374,928	7.7
Other	353	2.0	1785	2.4	9,671	2.7	160,648	3.3

Source: 2001 Census. Residence based

Gross Value Added Per Head of Population

This is only available for East and West Cumbria. For East Cumbria the GVA per head of population has been higher since 1995 than the regional and county average. While this is still only 85% of the UK average (indicating that the area is lagging behind in terms of productivity of the workforce) this area has shown a faster growth in recent years.

(Table 8) Gross Value Added per head of population GVA as % of UK average	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
UNITED KINGDOM	100	100	100	100	100	100	100	100	100	100	100
England	102	102	102	102	102	102	103	103	103	103	102
North West	91	90	90	89	89	89	89	88	88	88	87
Cumbria	93	91	88	84	80	78	76	76	76	76	76
West Cumbria	89	87	85	81	78	74	71	69	68	66	65
East Cumbria	97	95	90	86	83	81	81	81	83	85	85

Source: Cumbria Intelligence Unit

Unemployment and Claimant rates

ILO (International Labour Organisation) define 'unemployed' as all those who were without a job who were able to start work within the next fortnight and had actively looked for work in the last four weeks or had recently found a job and were waiting to start. There is a natural rate of unemployment is the healthy unemployment rate that will always occur in an economy, which will always be present due to job turnover or a mismatch between job skills and job availability. This data is only available from 2001 Census. Claimant rates record the number of people claiming Job Seekers Allowance. This might not, for example, include those that choose to claim or fail to sign for JSA.

(Table 9) JSA Claimants monthly count July 08	Number	Rate
District	1130	-
Cumbria	4,996	1.7
North West	116,193	2.7
United Kingdom	871,288	2.3

Source: Cumbria Intelligence Observatory

(Table 10) JSA Claimant Count (yearly average)	August 2004 - July 2005 (inclusive)		August 2005 - July 2006 (inclusive)		August 2006 - July 2007 (inclusive)		August 2007 - July 2008 (inclusive)	
	number	rate	number	rate	number	rate	number	rate
Carlisle Rural East	144	1.1	155	1.2	160	1.2	144	1.1
District Total	1217		1399		1275		1130	

Source: Cumbria Intelligence Observatory

Occupation level

Different occupational groups can be seen to operate in and drive different housing markets. It has been argued that there is a strong association between occupational status and housing markets principally driven by income (Regeneris, NWRA, 2008). The higher skilled have a greater propensity to be owner occupiers, while the lower skilled and workless are significantly more likely to reside in social housing or in the private rented sector. This will influence the locations in which people search for property.

Those that can afford higher value property so be more selective about location. Household type will influence preferences for location and type with families requiring larger properties in urban or rural locations and younger professionals' urban locations and smaller flats/apartments. In addition there are links between average earnings and the distance travelled to work, so while higher priced housing may be located in specific areas, there may be a wider area from which to choose to commute to.

Generally speaking the lower the occupational group the greater the affordability issues and the more limited the travel to work areas. However groups may also be forced to widen their TTWs in order to find affordable housing. In some areas affordability is driving intermediate markets with shared ownership becoming more prevalent. For younger people with lower income occupations there is also a greater inclination to enter the private rented sector. For those in the lowest occupation groups there is a substantial requirement for social rented housing. Affordability is squeezing workers in the lowest occupation groups out of the private market which may in turn create recruitment problems. On the one hand this group has the lowest mobility. However there is some evidence that TTWs have extended due to a lack of

affordable housing near their place of work. Some employers, for example, may need to provide transport for lower skilled employees. For these groups shared ownership may not be an option.

Cumbria and the North West in general has a lower proportion of its workforce in professional, managerial and associated technical occupations than Britain, (although indications are that this is rising). However there is a much higher incidence of skilled occupations in Cumbria than the North West and England and this is particularly so in the Eden District.

Since 2001 there has been a district wide reduction in the proportion of manager/senior officer occupation levels from 14% to 10%, a fall in elementary occupations of 8% and a reduction in personal service occupations of 3%. Other occupations have remained the same or risen slightly (typically 2-3%) with associate professional and technical occupations showing the most significant rise of 7% up to 17%. The fall in managers/senior officers in Eden does not match the figures for Cumbria and the North West where this sector has shown an increase, and this could have implications for demand for higher priced property indicating a slow down in this end of the market.

However Eden has outstripped Cumbria and the North West in the rise of professional/technical occupations and seen a greater growth in the proportion of skilled trades' occupations. Outside Eden there has been a reduction in these skilled trades.

(Table 11) Occupation level % 2007/8	Carlisle		Cumbria		North West		Great Britain	
		%		%		%		%
1: managers and senior officials	8,700	16.2	32,900	13.4	450,600	14.2	4,396,800	15.4
2: professional occupations	5,100	9.5	24,200	9.8	372,200	11.8	3,686,600	12.9
3: associate prof & tech occupations	6,000	11.2	34,000	13.8	444,500	14.0	4,157,700	14.6
4: administrative and secretarial occupations	8,300	15.5	24,200	9.8	392,300	12.4	3,296,100	11.6
5: skilled trades occupations	5,800	10.8	35,300	14.3	329,900	10.4	3,085,400	10.8
6: personal service occupations ¹	2,400	4.4	20,200	8.2	261,400	8.3	2,319,400	8.1
7: sales and customer service occupations	5,400	10.0	23,300	9.4	261,600	8.3	2,163,000	7.6
8: process, plant and machine operatives	6,000	11.1	24,400	9.9	266,300	8.4	2,041,000	7.2
9: elementary occupations ²	6,100	11.3	27,800	11.3	376,700	11.9	3,282,500	11.5
<i>Source: Annual Population Survey ONS.</i>	53,800	100	246,300	100	3,155,500	100	28,428,500	100

Source: ONS 2001 Census

¹ Personal service occupations include nurses, ambulance staff, residential wardens, care assistants, educational assistants, veterinary nurses, sports and leisure assistants, tour guides, hairdressers and beauticians, housekeepers, pest control officers and undertakers. For a full definition see ONS Standard Occupational Classification, major group 6.

² Elementary occupations include agricultural workers (farm, forestry and fishing), construction labourers, dockers, hospital porters, waiters, bar staff, leisure attendants, refuse, traffic wardens and car park attendants. For a full definition see ONS Standard Occupational Classification, major group 9.

(Table 12) HMA Occupation level 2001	Rural Carlisle East	Rural Carlisle East %	Carlisle District %	Cumbria %	North West %
ALL PEOPLE	11879				
1. Managers and Senior Officials	1841	15.5	12.2	12.9	13.7
2. Professional Occupations	1274	10.7	7.6	9.1	10.5
3. Associate Professional and Technical Occupations	1559	13.1	11.4	11.4	12.8
4. Administrative and Secretarial Occupations	1315	11.1	11.6	10.5	13.1
5. Skilled Trades Occupations	2035	17.1	13.6	16.3	11.7
6. Personal Service Occupations	706	5.9	6.7	7.2	7.6
7. Sales and Customer Service Occupations	679	5.7	9.0	7.8	8.3
8. Process; Plant and Machine Operatives	1074	9.0	13.1	10.9	9.8
9. Elementary Occupations	1396	11.8	14.5	13.9	12.5

Source: 2001 Census ONS (from Nomis on Wed November 12, 2008)

Industry of Employment

While occupational levels are helpful in understanding the links between labour markets and housing markets, this can be understood more deeply by looking at the variations within categories. For example managers within the banking and finance sector are likely to have higher incomes than those in the public sector, which in turn influence housing requirements, mobility and housing locations. What is less certain is how much this influences preferences about housing types and specific locations at a local level. Further research is needed in this field.

Figures on Agriculture and Fishing in the area are problematic. The ABI does not include self-employment, and only includes agricultural *employees* at district level. It does not therefore include farmers who are classed as proprietors and therefore self-employed. .

(Table 13) Industry of Employment: Count and Percentage 2006-7 (work based) including 2003 comparator		(2003 Carlisle Rural East)	Carlisle Rural East	District Total	Cumbrian Total	North West	Great Britain
Agriculture and fishing (SIC A,B)	%	39 0.6	36 0.4	434 1.0	2777 2	13369 1	203124 1
Energy and water (SIC C,E)	%	31 0.5	51 0.6	195 0.4	1527 1	10087 0	153600 1
Manufacturing (SIC D)	%	702 10.8	648 8.2	6016 13.6	35004 19	362815 14	2747432 12
Construction (SIC F)	%	524 8.1	922 11.6	2949 6.6	12180 7	144567 6	1205704 5
Distribution, hotels and restaurants (SIC G,H)	%	1956 30.2	2004 25.3	11607 26.2	47699 26	550019 22	4798596 22
Transport and communications (SIC I)	%	890 13.8	1265 16.0	4051 9.1	10128 6	169057 7	1439638 6
Banking, finance and insurance, etc (SIC J,K)	%	595 9.2	1233 15.5	6158 13.9	22833 13	516287 20	4962241 22
Public administration, education & health (SIC L,M,N)	%	1456 22.5	1547 19.5	10877 24.5	40356 22	665542 26	5602997 25
Other services (SIC O,P,Q)	%	274 4.2	226 2.8	2083 4.7	7853 4	111353 4	1108558 5
TOTALS		6466	7932	44368	180356	254309 5	22221887

Source: ABI Analysis, 2006-07. Work based. Data does not include self employment. Data only includes agricultural employees at district (added together to give a County figure) and will leave out farmers counted as self-employed, which accounts for the seemingly low figure for this industry given Cumbria's rural nature.

(Table 14) Industry of Employment: Count and Percentage Jan 07-Dec 07 (residence based)		Rural Carlisle East	District Total	Cumbrian Total	North West
Agriculture and fishing (SIC A,B)	%	1039 8.9	1609 3.4	12,600 0.1	37,200 1.2
Energy and water (SIC C,E)	%	149 1.2	452 1.0	3,500 0.0	27,800 0.9
Manufacturing (SIC D)	%	1359 11.4	7448 15.9	42,200 0.2	445,000 14.6
Construction (SIC F)	%	884 7.4	3426 7.3	17,600 0.1	234,700 7.7
Distribution, hotels and restaurants (SIC G,H)	%	2655 22.3	12332 26.3	52,600 0.2	586,200 19.3
Transport and communications (SIC I)	%	806 6.8	3622 7.7	13,300 0.1	212,600 7.0
Banking, finance and insurance, etc (SIC J,K)	%	1367 11.5	4907 10.5	17,300 0.1	427,900 14.1
Public administration, education & health (SIC L,M,N)	%	3096 26.0	10978 23.4	61,700 0.3	898,400 29.5
Other services (SIC O,P,Q)	%	566 4.7	2152 4.6	18,200 0.1	161,100 5.3
TOTALS		11921	46926	239,000	3,042,200

Source: ONS Annual Population Survey. Data apportioned to HMA level on the basis of 2001 census-based ward distributions.

Migrant Workers

Cumbria Constabulary undertook a Social/Demographic Trend Analysis of the EU Immigrant Population in Cumbria 2003-2007. It is acknowledged that the availability of statistics on immigration is limited and generally relates to new migrants rather than existing migrants who may have relocated since first registering. The statistics available highlighted the following trends:

- There has been no change in the Cumbrian population with regards to pre 2004 EU member nationalities, but there has been a large increase in the number of post 2004 EU members in Cumbria; increasing eightfold between 2003/04 and 2004/05 and resulting in approximately 4500 Eastern Europeans arriving in Cumbria over the last 5 years, 3000 of whom were Polish.
- Based on the last 5 years data, the number of new Eastern Europeans arriving in Cumbria will reach over 3500 in 3 years time. However, the last 2 years has shown a steadying in the rate of new Eastern European arrivals, suggesting there will be 2000 new arrivals in 3 years time. Future Analysis will be required to monitor this.
- South Lakeland has had the highest influx of Eastern Europeans in Cumbria. The migrants are employed primarily in short term tourism employment, suggesting that South Lakes Eastern European population is on a short term, transient basis.
- Carlisle is where the majority of Eastern Europeans in Cumbria are likely to settle on a long term basis, but only half of them are likely to work in the district, with the others commuting to work in neighbouring districts.
- Copeland and Barrow have the lowest numbers of Eastern Europeans residing or working there, due to limited job opportunities. If employment increases, these areas could see a large influx of migrant workers.
- Poles are the largest Eastern European group in Cumbria. They reside all over the county, but the largest Polish communities are in South Lakeland and Carlisle.
- Lithuanians mainly reside and work in factories in Allerdale, especially Maryport.
- Romanians are located in South Lakeland, but they only joined the EU in 2007, so it is difficult to tell if South Lakes will remain the only part of Cumbria where Romanians go to, or if a larger geographical spread will occur as time goes on. The arrival and movement of Romanians will have to be monitored over time.
- Influences upon immigration previously centred on family grounds, whereas the main influence upon Eastern European immigrants is now employment. Therefore any future change in employment opportunities in Cumbria is likely to impact on the constitution and location of our migrant population.
- Limited data suggests that summer sees an increase in Eastern Europeans coming to Cumbria in the summer and being employed in the tourism sector. This deduction will have to be tested further when more data is available.

Table 15 below shows GP Registrations from 2004-2007

North Carlisle	Carlisle	682
North Carlisle	Brampton	6
North Eden	Penrith	210
North Eden	Kirkby Stephen	7
West Copeland	Whitehaven	77
West Copeland	Cleator Moor	10
West Copeland	St Bees	6
West Copeland	Millom	6
West Allerdale	Workington	62
West Allerdale	Keswick	60
West Allerdale	Cockermouth	10
West Allerdale	Maryport	170
West Allerdale	Wigton	28
South Lakes	Windermere	59
South Lakes	Kendal	43
South Lakes	Sedbergh	5
South Lakes	Ambleside	16
South Barrow	Barrow in Furness	15
South Lakes	Ulverston	13
South Lakes	Grange over Sands	10
Total		1504

Source: Social/Demographic Trend Analysis of EU Immigrant Pop. in Cumbria 2003-7, Cumbria Constabulary, Cumbria Equality & Diversity Partnership Needs of Migrant Workers in Cumbria.

Table 16 below shows the Workers Registration Scheme registrations from May 2004 to September 2007 per district.

South Lakeland	1315
Allerdale	925
Eden	645
Carlisle	535
Barrow-in-Furness	185
Copeland	165
Cumbria	3770

Source: Social/Demographic Trend Analysis of EU Immigrant Pop. in Cumbria 2003-7, Cumbria Constabulary, Cumbria Equality & Diversity Partnership Needs of Migrant Workers in Cumbria.

By far the greatest number of registrations were in the South Lakeland district followed by Allerdale. The majority (87%) of Cumbria's Eastern European WRS applicants were in the 18-34 age range reflecting the main driver for locating in the area being employment. Table 17 on the next page shows the employment industry per District.

District	Tourism (catering)	Process Worker (factory)	Cleaner, Handyman	Sales, Retail	Food Processing	Medical	Agriculture	Total
South Lakeland	730		115	50		55		950
Allerdale	200	215	25		105			545
Eden	270	35	30	50		15	30	430
Carlisle	55	120	75	10		10	30	300
Copeland	40	5	5	10		10	5	75
Barrow	15	10	0	5		10		40
Total	1310	385	250	125	105	100	65	2340

Source: Social/Demographic Trend Analysis of EU Immigrant Pop. in Cumbria 2003-7, Cumbria Constabulary, Cumbria Equality & Diversity Partnership Needs of Migrant Workers in Cumbria.

- Cumbria is following the national trend of the majority of Eastern European immigrants taking on lower-skilled jobs, mainly because these are easier to find and do not require advanced language skills. For Cumbria, the majority are employed in tourism and processing in factories.
- A large number of migrant workers take jobs below their education, qualification and work experience level from their home country, as they can earn more in a low skilled position in the UK than they can in a professional position in their own country.
- Cumbria is an area of relatively little unemployment, with the rate falling 2% on what it was a year ago and remaining below the UK rate. Therefore, many employers rely on migrant workers to fill any vacant positions.
- As discussed below, the nature of jobs taken by Eastern Europeans in Cumbria generally reflects the economy of the area and its demands.

Carlisle

- 40% were employed in factories as process workers, with 31% of all process workers being in Carlisle.
- The main employers of Eastern Europeans in Carlisle are Cavaghan and Gray, Mcvities and Enesco.
- Riverside Recruitment supplies the majority of migrant workers to the region.

Eden Employers

- 63% employed in tourism, with the majority as kitchen or catering assistants.
- Alba proteins, Frank Birds and Center Parcs are the main employers in the area. Some of the employers in Eden either provide housing in Carlisle or provide transport from Carlisle to Eden for their workers, as housing is more affordable and readily available in Carlisle than in Eden.

Housing

The key housing issues affecting migrant workers are:-

- Most of the migrant workers in the service industry are in tied accommodation. Although this has advantages, such as minimising travel costs, it may mean that workers are reliant on their employer for providing meals, and they could be paying higher rates for the type of accommodation they are in.
- Some migrant workers live on poor quality or overcrowded accommodation. This may be provided by their employer and rent deducted direct from pay,

making the migrant worker likely to become homeless should their employment cease.

- Some interviewees are interested in purchasing their own property and settling in Cumbria.
- Housing is more affordable in Carlisle than it is in Eden, which could have influenced the fact that more Eastern Europeans have located in Carlisle than in Eden.

The above information reflects the findings from the Cumbria Equality and Diversity Partnership and Cumbria County Council study into the needs of migrant workers in Cumbria.

(Sources: Social/Demographic Trend Analysis of the EU Immigrant Population in Cumbria 2003-2007 (Cumbria Constabulary), Cumbria Equality and Diversity Partnership Needs of Migrant Workers in Cumbria)

Qualifications

(Table 18) NVQ Qualifications ³	NVQ4 & above (%)	NVQ3 & above (%)	NVQ2 & above (%)	NVQ1 & above (%)	Other qual %	No qual %
North West	24.8	43.7	63.6	78.3	5.8	15.8
Carlisle District	23.9	45.7	68.3	84.2	5.7	10.1

Source: ONS Annual Population Survey March 2007 via Nomis. Source Geography: District

1.4 Incomes and earnings

Uses median income (from 2007 data) and pay data from ASHE survey ONS (cross-reference with 3.2 uses lower quartile figures re affordability). Analysis should consider how income & earnings has changed over time relative to Cumbria and national picture (see guidance). NB. ASHE data is only available down to district level.

(Table 19) Median Income 2005 - 2007	2005	2007
Rural Carlisle East	27,331	28,974
Carlisle District	23,106	25,744
Cumbria	23,646	25,758
National	26,000	26,000

(Source: CACI Street Value/ CACI Paycheck supplied by Cumbria County Council)

³ National Vocational Qualifications (NVQs) are work-based qualifications that assess the skills and knowledge people need to perform their job role effectively. The qualifications define what employees, or potential employees, must be able to do and know, how well they must do these things, and the circumstances in which they have to use the skills or carry out the activities. NVQs are available at five levels, which reflect the range of technical and supervisory skills, knowledge, and experience that employees should have as they progress in their industry. NVQ level 4 is broadly equivalent to Honours Degree level, whilst NVQ level 1 is equivalent to GCSE grades D-G.

(Table 20) Gross weekly median pay by place of residence 2005-07		
	2005	2007
Rural Carlisle East	Not available	Not available
Carlisle District	304.7	306.7
Cumbria	321.5	328.1
North West	334.5	355.8
England	356.7	381.2

(Source: ASHE, ONS)

(Table 21) Gross weekly pay (mean & median) % change 2005-07	Median	Annual Percentage change	Mean	Annual percentage change
Rural Carlisle East (not available)	-	-	-	-
Carlisle District	306.7	2.8	357.8	3.6
Cumbria	328.1	-1.3	393.5	2.4
North West	355.8	3.3	423.7	3.3
England	356.7	1.0	432.6	2.1

(Source: ASHE, ONS)

Deprivation

The 2007 Index of Deprivation produced by the CLG gives as a comparable indicator of deprivation in each lower level output area for the Cumbria area. For our purposes we have named the wards that contain each of these areas.

The purpose of this domain is to measure barriers to housing and key local services. The indicator is structured into two sub-domains: 'geographical barriers', and 'wider barriers' which includes issues relating to access to housing, such as affordability:

Sub Domain: Wider Barriers

- Household overcrowding
- District level rate of acceptances under the homelessness
- Difficulty of Access to owner-occupation

Sub Domain: Geographical Barriers

- Road distance to a GP surgery
- Road distance to a general store or supermarket
- Road distance to a primary school
- Road distance to a Post Office or sub post office

Deprivation in Cumbria 2004

Carlisle District ward-level ranking

(Further information, together with rankings for the Super Output Areas, can be found at

<http://www.communities.gov.uk> .) Source: Cumbria Economic Bulletin September 2004

Table 22: Ward Deprivation in Carlisle District

Cumbria rank	Ward	District	Ward Score	England rank
10	Upperby	Carlisle	38.4	640
12	Botcherby	Carlisle	37.6	691
15	Castle	Carlisle	34.2	924
28	Morton	Carlisle	28.5	1439
30	Harraby	Carlisle	27.7	1526
31	Currock	Carlisle	27.6	1540
33	Belle Vue	Carlisle	27.0	1606
35	Denton Holme	Carlisle	25.8	1713
38	St. Aidans	Carlisle	25.3	1783
42	Longtown & Rockcliffe	Carlisle	23.4	2058
65	Brampton	Carlisle	18.2	2966
68	Lyne	Carlisle	17.5	3117
74	Irthing	Carlisle	16.8	3300
88	Dalston	Carlisle	15.5	3655
107	Yewdale	Carlisle	13.7	4202
110	Stanwix Rural	Carlisle	13.4	4339
118	Belah	Carlisle	12.8	4563
120	Burgh	Carlisle	12.4	4688
133	Hayton	Carlisle	11.9	4911
141	Great Corby and Geltsdale	Carlisle	11.1	5221
156	Wetheral	Carlisle	8.3	6438
159	Stanwix Urban	Carlisle	7.2	6862

Please note: England rankings are out of 7,936 wards
Source: Cumbria Economic Bulletin September 2004

Economic Development – District Commentary

Growing Carlisle – An Economic Strategy for the Carlisle City Council (March 2008)

Carlisle enjoys an almost unique position, in that it is one of England's relatively few free-standing small cities outside the immediate economic influence of a major conurbation (with the nearest big city Newcastle almost 60 miles to the East). Despite its relatively remote geographical location, Carlisle is well served by transport links, both road (M6, A69) and rail (West Coast mainline); although Cumbria is the only sub region in England without local access to scheduled air services. It is hoped the proposed redevelopment of Carlisle airport will benefit the local economy.

Carlisle is a major retail centre, with a significant retail catchment population – estimated at almost 400,000 people (with around 11 million retail visits each year) drawn from an area extending into Scotland, southwards from Moffat to just north of Kendal, covering about two-thirds of Cumbria.

It is hoped that the new University will serve the dual purpose of encouraging more young people to go into higher education who may not have wished to leave the area, as well as reversing the 'brain drain' - as Cumbria has historically struggled to retain graduates or encourage young people who have moved away to study to return to the area. Cumbria has substantial, although as yet not fully exploited tourism opportunities, due to its proximity to the Lake District, Scotland, and Hadrian's Wall, as well as Northumberland and the Pennines.

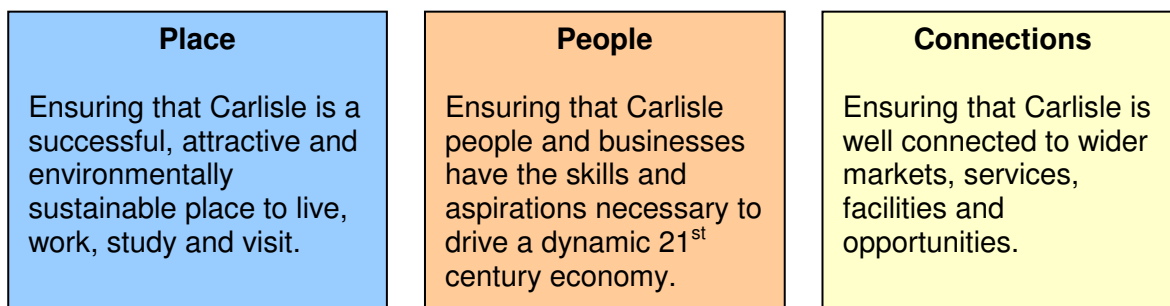
Opportunities v Challenges

The Strategy recognises the following opportunities and challenges to the local economy:-

Opportunities	Challenges
<ul style="list-style-type: none">• Too great a reliance on low productivity sectors• Under-representation of business sectors with potential for growth• Prospect of further job losses through re-structuring, especially in the manufacturing sector• Poor performance in education, loss of talent, few graduate jobs and low aspirations• Small population with limited economic potential• Pockets of deprivation and limited access to rural services and jobs• Perception of remoteness and local congestion• Under-exploited tourism potential, no professional theatre and lack of high quality hotel.	<ul style="list-style-type: none">• Making Carlisle a more attractive place to live, work, study, visit and invest• Raising education and skill levels• Raising the economic status of people and communities at risk of economic exclusion• Eliminating negative perceptions associated with Carlisle's location• Making Carlisle's transport system work efficiently to support economic development• Promoting change in the economy to improve productivity, competitiveness, innovation and the creation of higher value jobs• Promoting economic growth and environmental quality within the constraints imposed by climate change.

Strategic Framework

The three key themes of the Economic Strategy are:-



There are four strands under the **Place** theme:-

- 'Growing Carlisle'
- City Centre
- Revitalising Communities
- Promoting Carlisle.

The second theme is about **People** and has three strands:-

- Reducing Worklessness
- Improving Workforce Skills
- Supporting Business Competitiveness and Innovation in Growth Sectors.

The six strands of the final theme: **Connections** makes the links between the Economic Strategy and the Carlisle Renaissance Movement Strategy and the investment programme set out in the Local Transport Plan:-

- Distance to Markets
- Regional Roads & West-East links
- Localised Congestion
- Access to Services
- ICT Connectivity
- Funding for Infrastructure.

'Growing Carlisle' / Growth Point

Our Economic Strategy is based on the theme of 'Growing Carlisle' and the opportunities arising from significant population growth (diversity, quality and choice of services and employment – not just population) over the next 25 years. The North-West Regional Economic Strategy (2006-09) identifies Carlisle as one of five areas of significant growth potential. Our District Strategy recognises Carlisle's potential to increase its capacity as a centre for the sub region and to become a driver for economic growth within Cumbria.

The Carlisle Economic Strategy identifies a strong consensus emerging for a more ambitious population growth above the most recent forecasts. There are clear economic advantages arising from a larger population. Aspirational population growth projections suggest a population of 119,000 by 2025. This population figure has been used to produce household formation projection, and was the basis of the Growth Point Bid of an annual target of 600 dwellings, 150 more than in the current RSS (Regional Spatial Strategy). This would allow sufficient housing development to meet the affordable housing requirement identified through the housing needs survey as well as the need to provide a wide range of housing to attract new investment to the City and provide a balanced housing market.

Growing Carlisle – Work Themes

One of the purposes of the strategy is to establish a consensus on the benefits of growth for Carlisle and the region. The key work strands are:-

- i. Agreeing growth targets
- ii. Agreeing housing land allocations and improving housing choice
- iii. Determining new employment land allocations
- iv. Bringing brownfield land into development
- v. Improving the stock of business premises.

Revitalising Communities – Need for Action

Although the Strategy acknowledges the benefits of a growing Carlisle economy are likely to be most visible in the City Centre, interventions are needed in some of our more deprived urban wards – particularly in Carlisle South, as well as parts of our rural area, including the key service centres of Brampton and Longtown.

Vision

The Strategy sets out the Vision that in 25 years time residents and visitors alike should be able to describe Carlisle in the following terms:

Carlisle is Cumbria's historic, dynamic and successful University City, creating growth opportunities in a sustainable environment with skilled people and international connections in a stunning location.

Rural Priorities

The population of Rural Carlisle has been increasing more quickly than in the urban area – a trend that is likely to continue. There has been a notable change in the demographic profile – with more older/ retired people, and a corresponding loss in young adults, due to a lack of affordable housing and limited employment opportunities.

The Strategy promotes a strong focus on the economic potential of the key service centres – Longtown and Brampton:-

- i enhancing the role of service centres including streetscape, transport, parking, signage and promotion/ marketing
- ii support local delivery points for district-wide projects e.g. business support, workforce development and worklessness
- iii tourism development – network/ cluster development

- iv action to ensure engagement of businesses and workless people in wider Renaissance projects
- v ensuring sufficient provision of employment land and premises
- vi encouraging the role of local delivery mechanism/ trusts.

Another key project affecting both Rural East and Rural West is the need to agree future housing allocations for Carlisle's urban and rural housing markets.

Sources for this section:

Growing Carlisle – An Economic Strategy for the Carlisle City Region

http://www.carlisle.gov.uk/council_and_democracy/partnerships/carlisle_partnership/economic_strategy.aspx

Northwest Regional Economic Strategy 2006

<http://www.nwda.co.uk/publications/strategy/regional-economic-strategy-200.aspx>

Further notes on TTW and commuting patterns

Sept 2007 Economic Bulletin (ward-level data):

<http://www.cumbria.gov.uk/elibrary/Content/Internet/536/675/1764/1778/39363113349.pdf>

Sept 2004 Economic Bulletin (local authority data):

<http://www.cumbria.gov.uk/elibrary/Content/Internet/536/675/1764/1778/38384113420.pdf>

TRAVEL TO WORK FLOWS - CENSUS 2001

Extract from Cumbria Economic Bulletin
September 2004

Introduction

In August the Office for National Statistics released further data from the 2001 Census, showing travel to work flows for residents. These provide details of the ward of residence and the ward of workplace for employed adults aged 16-74. It is important to understand the distinction between those who live in an area and the workforce that is employed there. Throughout this chapter, the following terminology is used:–

- **employed residents** – people who live in a specified area and are in employment. Their job may or may not be in the same area.
- **workforce** – people whose jobs are located in a specified area. Their place of residence may or may not be in the same area. For example, John Smith, who lives in Harraby and works as a car mechanic in Penrith, is an *employed resident* of Carlisle but is part of the *workforce* of Eden.

Balance of employed residents to workforce

The data show that the number of employed residents in Cumbria is almost identical to the size of the workforce of Cumbria, at approximately 220,800. However, at district level the variations are much wider. Allerdale has more employed residents than workforce (5,707), as do South Lakeland (1,062), Eden (827) and Barrow (243), making them net exporters of labour. In contrast, Carlisle and Copeland are net importers of labour, as they have a smaller number of employed residents than workforce (5,801 in Carlisle and 1,911 in Copeland). It is particularly noticeable that there are over 3,000 more female jobs in Carlisle than female employed residents. In Copeland there are 1,899 more male jobs than male employed residents, but virtually no excess in female jobs over employed residents. Table 23 shows the relevant figures.

(Table 23: Number of employed residents per Local Authority District (LAD) compared to size of workforce per LAD Source: ONS)

LAD	Location of employed residents			Location of workforce			Balance residents/workforce		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Allerdale	42,107	22,825	19,282	36,400	19,462	16,938	5,707	3,363	2,344
Barrow	28,971	15,750	13,221	28,728	15,387	13,341	243	363	- 120
Carlisle	46,926	24,907	22,019	52,727	27,408	25,319	- 5,801	- 2,501	- 3,300
Copeland	29,472	16,172	13,300	31,383	18,071	13,312	- 1,911	- 1,899	- 12
Eden	24,985	13,688	11,297	24,158	13,361	10,797	827	327	500
S. Lakeland	48,315	25,933	22,382	47,253	25,154	22,099	1,062	779	283
Cumbria	220,776	199,275	101,501	220,649	118,843	101,806	127	432	- 305

Employed residents

This section examines where Cumbria's employed residents travel to for their main place of work. As noted above, employed residents are those who live in a specified area and are in employment, although their place of work may not be in the same area as their residence.

Employed residents who work outside Cumbria

The majority (95%) of employed residents work within Cumbria, but a significant minority (11,000 people) travel to work outside the county. Not surprisingly, most of these live in districts with easiest access to adjoining counties or major transport links. Almost half of those who work outside Cumbria (4,459) live in South Lakeland, and this represents 9.2% of all employed residents in that district. This proportion is twice that of the district with the next highest proportion, Carlisle (where 4.6% of residents travel outside the county to work). Residents in Allerdale and Copeland are least likely to travel outside the county to work. Table 24 shows the number and proportion of employed residents from each district who work outside Cumbria.

(Table 24: Employed residents who work outside Cumbria Source: ONS)

LAD of residents	No. of employed residents working outside Cumbria			% of employed residents working outside Cumbria		
	Total	Male	Female	Total	Male	Female
Allerdale	1,138	865	273	2.7	3.8	1.4
Barrow	1,311	1,041	270	4.5	6.6	2.0
Carlisle	2,175	1,514	661	4.6	6.1	3.0
Copeland	825	639	186	2.8	4.0	1.4
Eden	1,113	784	329	4.5	5.7	2.9
S. Lakeland	4,459	2,834	1,625	9.2	10.9	7.3
Cumbria	11,021	7,677	3,344	5.0	6.4	3.3

Employed residents who work outside the district in which they live

At district level, Allerdale has the highest number and proportion of employed residents working outside the district. Over a quarter of Allerdale's employed residents work either in other parts of the county or outside it, with Copeland and Carlisle being the most likely workplaces. This is not particularly surprising given the earlier analysis, which showed that Allerdale has significantly more employed residents than workforce. Carlisle has the lowest proportion of residents commuting outside the district, 10.6%, which can partly be explained by the excess of workforce over employed residents. Table 25 shows the number and proportion of employed residents who work outside the district in which they live.

(Table 25: Employed residents who work outside the district in which they live Source: ONS)

LAD of residents	No. of employed residents working outside District of residence			% of employed residents working outside District of residence		
	Total	Male	Female	Total	Male	Female
Allerdale	10,935	6,600	4,335	26.0	28.9	22.5
Barrow	5,056	3,427	1,629	17.5	21.8	12.3
Carlisle	4,993	3,231	1,762	10.6	13.0	8.0
Copeland	5,128	3,190	1,938	17.4	19.7	14.6
Eden	4,364	2,495	1,869	17.5	18.2	16.5
S. Lakeland	8,781	5,364	3,417	18.2	20.7	15.3

The workforce

The focus of this section is the travel-to-work patterns of the workforce residing outside the district in which they work, or outside the county.

The workforce who live outside Cumbria

As mentioned earlier, a similar number of people travel into Cumbria to work as travel out - approximately 11,000 or 5% of the Cumbrian workforce - but this varies significantly by district. Carlisle has the highest number of people in its workforce who live outside Cumbria, 4,155, which represents 7.9% of Carlisle's total workforce. This number is almost twice as high as the number of employed residents in Carlisle who do the opposite and travel outside the county to work. South Lakeland shows the opposite trend, with more residents travelling out of Cumbria to work (4,459) than those who travel in from outside the county (3,603 people, 7.6% of the workforce). Table 26 shows the number and proportion of each district's workforce who travel in from outside Cumbria.

(Table 26: The workforce who live outside Cumbria Source: ONS)

LAD of employment	No. of workforce living outside Cumbria			% of workforce living outside Cumbria		
	Total	Male	Female	Total	Male	Female
Allerdale	572	384	188	1.6	2.0	1.1
Barrow	1,018	924	94	3.5	6.0	0.7
Carlisle	4,155	2,571	1,584	7.9	9.4	6.3
Copeland	818	728	90	2.6	4.0	0.7
Eden	728	521	207	3.0	3.9	1.9
S. Lakeland	3,603	2,117	1,486	7.6	8.4	6.7
Cumbria	10,894	7,245	3,649	4.9	6.1	3.6

The workforce who live outside the district in which they work

Carlisle and Copeland have the highest proportion of their workforce who live outside the district in which they work (21.5% and 22.4% respectively). The proportion of the female workforce in Carlisle who live outside the district is particularly high at 20%, as is the proportion of the male workforce in Copeland (28.2%). Table 27 shows the number and proportion of each district's workforce who travel in to work from outside the district.

(Table 27: The workforce who live outside the district in which they work
Source: ONS)

LAD of residents	No. of workforce living outside their workplace District			% of workforce living outside their workplace District		
	Total	Male	Female	Total	Male	Female
Allerdale	5,228	3,237	1,991	14.4	16.6	11.8
Barrow	4,813	3,064	1,749	16.8	19.9	13.1
Carlisle	10,794	5,732	5,062	21.5	21.9	20.0
Copeland	7,039	5,089	1,950	22.4	28.2	14.6
Eden	3,537	2,168	1,369	14.6	16.2	12.7
S. Lakeland	7,719	4,585	3,134	16.3	18.2	14.2

Important note: measures taken to protect confidentiality in all results from the 2001 Census include the adjustment of small counts. The data in this report are aggregated from ward level, and therefore the amount of small area adjustment may have the effect of inflating the aggregated figures. For this reason the absolute numbers should be treated with caution.

Stage 2: The housing stock

2.1 The dwelling profile

**Please see section 5 for number of housing completions*

(Table 28) Tenure	Count	%	District %	Cumbria %	North West %
Owner Occupation	7793	77.1	70.87	72.3	69.3
Social Rented	1057	10.5	18.33	16.00	20.1
Private Rented	993	9.8	8.35	11.7	8.5
Living Rent Free*	267	2.6	2.49	2.4	2.1
Total	10110	100	100.04	100	100

(Source, 2001 Census, ONS)

**Living Rent Free: could include households that are living in accommodation other than private rented.*

The above table has amalgamated local authority and Social Rented as Carlisle City Council have transferred all their stock to a Housing Association. Local Authority/social rented housing stocks at April 2001, as reported by CIPFA, were generally higher than Census counts. The difference may be partly explained by people on full Housing Benefit ticking 'Lives here rent free'.

Right to Buy sales have led to a significant reduction in the no. of social rented properties. District-wide, the no. of RSL homes fell from 8,898 at 1st April 2003 (following stock transfer in December 2002), to 7549 at 1st April 2007 – this fall does involve some selected demolition - including surplus one-bed flats (all in the urban area), but is largely accountable to Right to Buy sales. (Source: HSSA (HIP) data).

(Table 29) Property Type	Count	%	District %	Cumbria %	North West %
ALL OCCUPIED HOUSEHOLD SPACES	10692	100	100	100	100
In an unshared dwelling	-	-	99.6	99.8	99.8
- House or bungalow - Detached	4978	46.56	23.5	25.5	18.0
- House or bungalow - Semi-detached	3139	29.36	36.1	33.0	37.4
- House or bungalow - Terraced (including end terrace)	1745	16.32	29.2	31.2	31.4
- Flat, maisonette or apartment	724	6.77	10.6	9.7	12.7
- Caravan or other mobile or temporary structure	94	0.88	0.2	0.4	0.3
In a shared dwelling : TOTAL	12	0.11	0.3	0.2	0.2

(Source, 2001 Census, ONS)

(Table 30) House Size	Count	%	District %	Cumbria %	North West %
ALL HOUSEHOLDS	10107	100	100	100	100
1 room	33	0.33	0.6	0.4	0.5
2 rooms	120	1.19	1.5	1.4	1.8
3 to 4 rooms	2058	20.36	30.0	25.0	26.9
5 to 6 rooms	4481	44.34	48.6	51.4	52.1
7 or more rooms	3415	33.79	19.3	21.8	18.7

(Source, 2001 Census, ONS)

- In Rural East most social rented accommodation is located in the key service centres of Longtown and Brampton, and there is a shortfall of affordable family housing due to Right to Buy sales.
- There are currently relatively few new affordable homes in the pipeline in Carlisle Rural East – nowhere near enough to meet demand identified in the District Survey.
- Outstanding planning permissions – a rural moratorium was imposed between summer 2004 and early 2006 to reduce the backlog of permissions – this had the effect of reducing the backlog to 7 ½ years, which Planning Services considered manageable.

2.2 Stock condition

Combined Rural East & Rural West

(Table 31) Decent Homes March 2008	Private Sector	Social Rented
Number of properties failing Decency Standards	5676 (approx.) (43.0%)	106 (9.8%)
Of which homes for vulnerable people	1,360 (48.5%)	59 (5.4%)

Source: House Condition Survey 2005, RSL data, 2009

- In future it is proposed that instead of carrying out individual stock condition surveys at District Council level, a combined survey will be undertaken across the six districts – this would be facilitated by Cumbria Housing Group's Decent Homes thematic group. This will hopefully deliver greater consistency to the research, as well as providing economies of scale.
- A survey is currently being organised to take place in across Cumbria in 2010 using a consistent methodology during 2010 – unfortunately, this data will not be available in time to include in the SHMAs (consultants have reviewed the methodology on behalf of CLG to develop a more efficient and effective process).

- The percentage of non-decent properties in the private sector is significantly higher in Carlisle's rural district is significantly higher than in the urban area.

(Table 32) Rural Carlisle East	Number of properties empty for more than six months	% of properties empty for more than six months
March 2006	194	1.57%
March 2008	204	1.74%

(Source: Council tax records)

- Some incidences of empty properties (as identified by local authority enforcement officers) are due to people inheriting properties and not wanting to let them out for fear of them being damaged, so they end up leaving them empty.

2.3 Shared housing & communal establishments

(Table 33) Rural Carlisle East	2001 Census		District Records 2008	
	No. of people	No. of dwellings	No. of people	No. of dwellings
Communal establishments*	279	15	-	-
Houses of multiple Occupation	-	-	855	95

*A communal establishment is defined as an establishment providing managed residential accommodation. Managed means full-time or part-time supervision of the accommodation. NB The figures for houses in multiple occupation are for Carlisle district and cannot be broken down to Strategic Housing Market Areas, there are not many houses of multiple occupation in the rural areas of Carlisle district. Source: Carlisle City Council

- Carlisle City Council currently licence and inspect annually 95 properties under Part 2 of the Housing Act 2004.
- The total number of HMO's within the urban area is approximately 330
- The licensed properties are occupied individually with between 5 and 17 people; the average occupancy of each property is 9 persons. Total estimated bed space is approximately 855 persons.
- The majority of the HMO stock is pre 1920s.

Stage 3: The active market

3.1- 3.2 The cost of buying or renting property and affordability

- **Cost of buying and affordability**

(Table 34) House Price/ Household Income 2007	House Prices (£)		Income (£)	
	Mean	Median	Mean	Median
Rural Carlisle East	216,745	219,000	33,722	28,974
Carlisle District	164,519	150,000	30,252	25,744
Cumbria	162,647	146,000	30,193	25,758
National	199,132	169,000	31,000	26,000

(Source: CACI Street Value/ CACI Paycheck supplied by Cumbria County Council)

(Table 35) House prices in HMA 2005 to 2008 Rural Carlisle East			
Year	Mean (£)	Median (£)	Lower Quartile (£)
2005	191,668	192,000	145,000
2008	216,745	219,000	168,000
Average annual growth rate 2005-2008	6.54%	7.03%	7.93%
House prices in the Cumbria County region, 2005 to 2008			
Year	Mean (£)	Median (£)	Lower Quartile (£)
2005	162,647	146,000	88,000
2008	182,574	164,000	101,000
Average annual growth rate 2005-2008	6.13%	6.16%	7.39%
House prices to income ratio, 2008			
	Rural Carlisle East	Cumbria	England
Mean house price/mean income	6.4x	6.0x	6.4x
Median house price/median income	7.6x	6.4x	6.5x
Lower quartile house price/lower quartile income	9.2x	6.2x	Not Available

(Source: CACI Street Value/ CACI Paycheck supplied by Cumbria County Council)

- **Cost of renting and affordability**

(Table 36) Private and Social sector rents - based on district wide figures 2008				
Private Sector Rents	Private Sector Weekly Rents	% of median income £557.19	Housing Association Weekly Rents	% of median income
Bedsit				
1 bed flat	£90	16.15	£56.87	10.21
2 bed flat	£105	18.84	£65.06	11.68
Terraced House				
2 bed	£95	17.05	£65.92	11.83
3 bed	£110	19.74	£68.70	12.33
Semi - Detached				
2 bed	£105	18.84	£66.50	11.93
3 bed	£115	20.64	£69.93	12.55
4 bed	£125	22.43	£72.86	13.08
Detached House				
3 bed	£125	22.43	N/A	-
4 bed	£140	25.13	N/A	-
Bungalow				
2 bed	£110	19.74	£64.74	11.62
3 bed	£130	23.33	N/A	-
<i>Source: Rent Service *</i>			<i>Source: Housing Association Rents, Carlisle District #</i>	

* Please note that the weekly private rents provided by Rent Services are for Carlisle District and not broken down to individual HMA level, private rents for the Rural HMA's are likely to be higher.
 #Please note: these figures are based on average rents for the 3 largest RSL's in the Carlisle district who manage about 95% of HA stock between them. Certain assumptions have had to be made in splitting the largest RSL (Riverside Carlisle) stock profile down for Rural East & West, as a combined rural figure was provided by Riverside Carlisle and where rents have been given based on bedroom size only (e.g. 2 bed house) it has been assumed that 50% of these are terraced and 50% semi-detached.

- Social rents are significantly cheaper than private rents, although private rents are less expensive than many other parts of the country.
- Affordability is a key factor in assessing the sustainability of any Housing Market, as a lack of affordability can contribute to excess commuting and unsustainable travel patterns, a loss of workers in an area, high levels of dependence on social housing/ housing benefit, health inequalities and homelessness.
- Rent Office data was only available at district level, which unfortunately did not allow for a deeper analysis. It is obviously the case that there will be significant variations in private rents compared to RSL rents, which are quite similar, as they are controlled by the Government's target rents regime. Since the introduction of the Local Housing Allowance in April 2008, private sector rents have actually seen a reduction in those areas which have seen the market saturated due to owners renting properties they are unable to sell because of the recession.

3.3 Overcrowding and under-occupation

(Table 37) Occupancy Rates	Rural Carlisle East Count	%	District %	Cumbria %	North West %
ALL HOUSEHOLDS	10112	100	100	100	100
Owned – Not overcrowded	7685	76.0	69.6	70.9	67.2
Owned – Overcrowded	118	1.2	1.3	1.4	2.0
Rented from council – Not overcrowded	642	6.4	14.0	8.3	12.2
Rented from council – Overcrowded	99	1.0	1.3	0.8	1.3
Other social rented – Not overcrowded	299	3.0	2.7	6.4	5.7
Other social rented – Overcrowded	6	0.1	0.3	0.5	0.8
Private rented or living rent free – Not over crowded	1193	11.8	9.7	10.6	9.4
Private rented or living rent free – Overcrowded	70	0.7	1.2	1.1	1.3

(Source, 2001 Census, ONS)

The occupancy rating provides a measure of under-occupancy and overcrowding. For example a value of –1 implies that there is one room too few and that there is overcrowding in the household. The occupancy rating assumes that every household including one person households requires a minimum of two common rooms (excluding bathrooms).

3.4 Vacancies, available supply and turnover by tenure

Combined Figures for Rural Carlisle East & Rural Carlisle West

(Table 38) Access to Social Rented Housing			
Household Type	Total Stock @ March 08	Turnover % 07/08	%age of empty properties as at 31 st March 2008
1 Bed flat	171	4.09%	9.94%
2 Bed flat	128	8.59%	0.78%
2 Bed house	143	6.29%	1.40%
3 Bed house	183	2.19%	1.64%
4 Bed house	15	0.00%	0.00%
1 Bed bungalow	152	6.58%	1.97%
2 Bed bungalow	33	9.09%	0.00%
3 Bed bungalow	0	N/A	N/A

(Source: Registered Social Landlords)

Turnover is the percentage of properties re-let during the year compared to the total stock.

- The main reasons for people terminating their tenancies as identified by Riverside Carlisle (the largest landlord in Carlisle) were tenants being deceased and moving into residential care (particularly in the case of elderly tenants). This is prevalent in Rural East due to the disproportionate level of elderly accommodation managed by the Association due to Right to Buy sales. Another common cause was tenants moving in with friends or relatives.
- The majority of people who terminated their tenancies to buy an alternative property bought in Carlisle urban due to the lower house prices. Across the Carlisle district tenants were more likely to buy their existing home under the Right to Buy than give up their tenancy to buy a property
- There is not a significant problem with difficult-to-let properties, although flats – especially one-beds are less popular than other property types.

- Riverside Carlisle have advised that waiting times vary depending upon the type of property required. The waiting time for flats can be less than a year whereas for a 2/3-bedroom houses in certain areas it will be upwards of ten years. The waiting time will also depend upon the assessed housing need so for example a statutory homeless family may only wait a matter of weeks or months after the homeless assessment before being re-housed. However they may have 'waited' years before becoming homeless, where is the 'waiting time' measured from? It is doubtful whether there will have been any reduction in waiting times over the last two years and given the significant increase in numbers registering for housing the average must be increasing. There may have been some reduction in waiting times for one-bedroom flats. Overall waiting times might range from less than 12 months for certain property types, eg 1 bed flats or households who the local authority have a statutory duty to assist with housing, to upwards of ten years for 2/3 bedroom houses in high demand areas with low turnover rates. Generally, waiting times will be lowest for Carlisle Urban, followed by Rural East and then Rural West, which reflects the availability of Riverside Carlisle properties in these areas. Again there will be local variations so for example the waiting time for one bed flats in Rural East may be less than for Carlisle Urban.
- The District Survey highlighted the need for more affordable smaller properties in Rural East. District wide, there is an under supply of affordable properties in the following categories: adapted properties for larger households, and larger family homes (4 or more bedrooms), while there is also a low turnover of two or more bedroom bungalows - presenting difficulties for tenants with care needs.
- The turnover of RSL properties is very low in the case of family homes.
- Housing Association rents are significantly more affordable than private sector rents.

3.5 Second homes and vacant dwellings

(Table 39) Second and Vacant Dwellings	Rural Carlisle East		District		Cumbria		North West	
All household spaces: With residents	12383	95.00%	43963	95.31%	209,027	92%	2,812,789	95%
All household spaces: With no residents: Vacant	441	3.38%	1966	4.26%	9,443	4.2%	124,600	4.2%
All household spaces: With no residents: Second residence / holiday accommodation	211	1.62%	195	0.42%	7,374	3.2%	12,852	0.43%

(Source, 2001 Census, ONS)

(Table 40) Second and Vacant Dwellings – Council Tax Registrations, March 2008	
Total Stock	11692
Holiday Homes*	47
Second Homes	206
Vacant Dwellings (+6 months)	204

(source: Carlisle City Council's Revenue and Benefits, Council Tax)

- Local estate agents have identified an increasing incidence of second homes in the Brampton area, although numbers remain relatively low compared to other areas of the county.
- Some incidences of empty properties (as identified by local authority enforcement officers) are due to people inheriting properties and not wanting to let them out for fear of them being damaged, so they end up leaving them empty.

Stage 4: Bringing the evidence together

4.1 Market characteristics

“Credit Crunch” – Impact on Property Sales

The table below compares average (mean) house prices and volume of sales at the house price peak in September 2007 (following several years of house price increases), and 12 months later in September 2008.

Table 41: Mean House Prices & Volume of Sales 2007 - 2008

Quarter	Detached		Semi		Terraced		Apartment		Average	
	£	No.	£	No.	£	No.	£	No.	£	No.
Sep 07	276170	55	192099	29	124261	18	-	0	225460	102
Sep 08	263794	27	230875	8	165666	3	-	0	249117	38

(Source: Land Registry prices relating to 4-digit postcode areas: CA4 8; CA4 9; CA6 4; CA6 5; CA6 6; CA8 1; CA8 2; CA8 9).

Note – RE: apartment sales (recorded as zero here) – where there are less than 3 sales in a quarter the Land Registry does not give an average, in case this is unrepresentative.

- Obviously, housing market trends need to be monitored over a longer period, but to give an example of the impact of the credit crunch, house prices for Carlisle district fell by just over 5% over this 12 month period from their peak of £146,703 to £139,345. Rural Carlisle East actually “bucked the trend”, with an actual *increase* in property prices (as the above table demonstrates).
- The reason for this being that although prices of more expensive detached properties did fall by just over £12k over this period, they consisted of just over 71% of transactions during the quarter to Sep 08, compared to just under 54% in the same quarter a year earlier.
- The no. of transactions plummeted over this period, with a reduction in sales of almost 63% due to people being unable to access mortgages – higher than the 56.8% reduction across the district (613 to 265), (source: www.upmystreet.com).
- Since the credit crunch took hold, many lenders are insisting on 20% or even 30% deposits.
- Prices in England and Wales fell from £229,772 to £222,220 over the same period (source: www.upmystreet.com).
- This inability to secure credit is a result of many lenders insisting on 20% or even 30% deposits – the average now being 18% (per Council of Mortgage Lenders, January 2009) – following several years of easy credit, and many lenders providing loans of 100+%.
- In the six months since the table above was prepared, data released by the Land Registry confirms an annual house price change of -16.2%, leaving the average price in England and Wales at £152,895 (back to the level of August 2004) - albeit prices have been falling at a lower rate -0.4% in the month to March. Regionally, the average price in the North West was £115,258 (annual change - 15.9%/ monthly change -0.5%). Prices in Cumbria have fallen less than the

national average – with an average price of £129,151 (being -10.7% annual change/ -0.2% monthly change). The report does not break the data down to district level. The fall in the actual number of sales is much more marked – nationally the overall reduction of -57% exactly mirrors the situation in Carlisle for the 12 months to September 2008 – detailed above. (Source: Land Registry House Price Index – Headline Statistics to March 2009: date of release: 30th April 2009).

4.2 Trends and drivers

“The shortage of mortgage funding and reduction in the number of active lenders has reshaped the mortgage landscape in the space of a year. This low level transactions is insufficient for the functioning of an efficient market.”

(Quote from the Director General of the Council of Mortgage Lenders, February 2009)

The above quotation encapsulates the crisis faced by the UK Housing market at present. Nationally, there were 516,000 house purchase loans in 2008, a decline of 49% from 2007, and the lowest level of activity since 1974. During December 2008 there were only 32,000 house purchase loans – a decline of 5% from November and the lowest level since monthly records began in 2002. (www.cml.org.uk)

The possible consequences of the credit crunch are extremely far reaching. The Centre for Economics and Business Research has raised concerns that house prices could fall by a record amount during 2009, unless Government action succeeds in boosting mortgage lending, and by up to 40% from their peak during the third quarter of 2007. (www.cebr.com)

However, despite this pessimistic prognosis for the Housing market, the Halifax actually reported a rise in UK house prices during January 2009 of 1.9% (more than offsetting December’s fall of 1.6%) following 10 consecutive months of price falls. Although the Halifax did stress that although it was important not to place too great an emphasis on any one-month’s figures, this may reflect an early sign of low level stabilisation of the market. (www.halifax.co.uk)

But how can a better balance be struck between owning and renting to prevent these difficulties arising again in the future? “Sink or Swim”, an article in *Inside Housing* (12 December 2008), by independent Housing policy analyst, Mark Lupton, supports the development of an “aspirational” private rented market, (other commentators have espoused the potential for a “branded” private rented sector) to bring about positive changes in the lives of people who cannot be homeowners. The article argues the case for breaking down the division between a highly regulated private sector and a deregulated private sector, so that all tenants can expect a reasonable standard from their landlord (along the lines of the 2008 Rugg and Rhodes review into the private rented sector).

4.3 Issues of future policy/ strategy

“If the credit crunch has done anything useful it has pointed out in stark terms that housing has had fundamental problems for many years – problems we’ve glossed over. It has also reminded us that if we get it wrong, the whole economy suffers.”

(Quote from the Chartered Institute of Housing’s Director of Policy & Practice, October 2008)

This quotation from the CIH emphasises the Institute's belief that the housing system is fundamentally broken and needs far-reaching wide-scale, holistic reform to deliver fair, affordable and flexible housing in the future. (www.cih.org)

- The threat to jobs posed by the current economic recession poses a parallel threat to the housing market. Nationally – Government initiatives include the Mortgage Rescue Scheme, launched in early 2009, but there is only enough funding available to assist around 6000 households nationally – compared to 13,161 repossessions in the third quarter of 2008 – representing a 92% increase on the same quarter the previous year (source: CLG & Financial Services Authority).
- The recession has severely dented the Government's long-term targets of delivering 3 million new homes by 2020. The impact of the recession and credit crunch has also had a far-reaching impact on the construction industry, as people who have lost their jobs in the industry, as well as manufacturers etc. in the industry's supply chain will not be that easy to quickly replace when the market eventually picks up.
- The situation is particularly stark for single people and those without dependent children (i.e. households not usually classified as being in a priority need group and owed a duty of care under the Homelessness legislation). Recent research by the charity Crisis (January 2009) shows that a third of these households would lose their home within three months of losing their primary source of income. The outlook does not look any more optimistic at present, with unemployment reaching 2 million and the recession deepening. (www.crisis.org.uk)

Rural Focus

The Government has indicated that it is likely to implement most of the planning recommendations in 2008's Taylor Review (by Matthew Taylor MP) – "Living Working Countryside". Nationally, this will introduce a series of changes to the planning regulations to accompany the largest building programme in rural communities for a generation.

Mr Taylor's report warns of the dangers of too many second homes and calls for more affordable housing, citing fears that residents such as nurses and teachers, as well as farm hands and other workers connected to the rural economy could be priced out of the countryside. The review says:

If villages become in essence 'gated communities' of the wealthy and retired, the people who do the work in the countryside – on the farms, in the shops, in local businesses, providing the practical services and employment needed in the rural villages – will be priced out. With fewer families in the village, services like schools, buses and Post Offices become even less viable – and if lost altogether, make communities even less sustainable.

To these ends, the review suggests that in a bid to increase levels of affordable homes in villages, planning regulations blocking new properties should be set aside for small developments exclusively dedicated to purchasers with a local connection. Mr Taylor is sceptical of the Government's build target of 3 million by 2020 (many of which were earmarked for rural areas) due to the impact of the credit crunch, although the Government is sticking to its build target.

(Source – *The Taylor Review: Living Working Countryside* – Matthew Taylor, MP, 2008).

4. The Future Housing Market

4. The Future Housing Market

This chapter estimates the total number of new dwellings that may be required in the future in response to various scenarios reflecting the scale of housing demand. The scenarios have been generated using POPGROUP, a forecasting tool supplied by the University of Manchester. The analysis is only available down to a district level.

The analysis has four stages:

Stage 1: Projecting changes in population and future numbers of households

Stage 2: Future economic performance

Stage 3: Future affordability

Stage 4: Bringing the evidence together

Stage 1: Projecting changes in future numbers of households

This stage gives projections of population, households and dwellings at a district level. POPGROUP population forecasting software has been used to create all the scenarios contained in both this section (population led and dwelling led) and also section 4.4 (labour force led). All these scenarios contain estimates of local information to provide likely scenarios for growth into the future. Like all population forecasting outputs, the results are simply a representation of what might happen in the future if various trends are played out as we expect. As a result, they cannot be relied upon as fact, and actual results may end up being significantly different to what the scenarios suggest will happen. This should be kept in mind at all times when using the outputs, and caution should be used when incorporating the outputs into any decision making process.

Three types of scenario have been generated for this document:

1. Population Led Scenarios
2. Dwelling Led Scenarios
3. Labour Force Led Scenarios

Within each table below, population, households and dwellings are shown as the level they would be in that particular year (shown in 5 year bands). However the net migration (in migration minus out migration) and net change (births minus deaths plus migration) is shown for the previous 5 years. For example, net migration shown under 2011 is the total net migration experienced over the 5 years 2006-2010. Annualised dwelling figures are shown in the same way, so the annualised dwelling figure shown under 2011 is the annual requirement for each of the years 2006-2010. Finally, an average annualised dwelling requirement has been supplied which shows the average number of dwellings required per year across the full time period 2006-2031.

Population/migration led scenarios

These scenarios look at what has happened to population in the past, and apply what we think will happen in the future. These scenarios therefore depict what could happen if certain assumptions we have made about population and migration are

realised. The predicted figures for households and dwellings represent what would be needed to accommodate the forecasted population growth.

Zero Net Migration

Shows what might happen if natural change were the only contributing factor to future population trends.

(Table 42) Carlisle	2006	2011	2016	2021	2026	2031
Population	103,313	103,625	103,551	103,422	103,095	102,530
Households	46,339	47,844	49,185	50,218	50,949	51,478
Dwellings	48,472	50,046	51,449	52,530	53,294	53,847
5 Year Net Migration		0	0	0	0	0
5 Year Net Change		312	-74	-129	-327	-564
Annualised Migration		0	0	0	0	0
Annualised Change		62	-15	-26	-65	-113
Annualised Dwelling Requirement		315	281	216	153	111
Average Annualised Dwelling Requirement	215					

Source: pop-group population forecast software, Cumbria County Council 2008

5 Year Migration Led Run

Shows what might happen if future migration follows past trends.

(Table 43) Carlisle	2006	2011	2016	2021	2026	2031
Population	103,313	105,934	108,741	111,547	114,154	116,455
Households	46,339	49,031	51,907	54,553	56,929	59,032
Dwellings	48,472	51,287	54,296	57,064	59,549	61,749
5 Year Net Migration		2698	2799	2848	2882	2855
5 Year Net Change		2621	2808	2806	2607	2301
Annualised Migration		540	560	570	576	571
Annualised Change		524	562	561	521	460
Annualised Dwelling Requirement		563	602	554	497	440
Average Annualised Dwelling Requirement	531					

Source: pop-group population forecast software, Cumbria County Council 2008

Dwelling Led scenarios

These scenarios look at what has happened to the number of dwellings in the past, and apply what we expect to happen to the number of dwellings in the future. These scenarios therefore depict what could happen if certain assumptions we have made about the provision of dwellings are realised. The predicted population and migration figures represent what would be needed to satisfy the assumed dwelling levels.

5 Year Dwelling Led

Shows what would happen if net dwelling change remained the same as the last 5 years through to 2031

(Table 44) Carlisle	2006	2011	2016	2021	2026	2031
Population	101,327	101,247	101,218	101,723	102,707	104,001
Households	45,913	47,276	48,806	50,335	51,865	53,394
Dwellings	48,026	49,452	51,052	52,652	54,252	55,852
5 Year Net Migration		273	416	1,064	1,747	2,256
5 Year Net Change		-80	-28	505	984	1,293
Annualised Migration		55	83	213	349	451
Annualised Change		-16	-6	101	197	259
Annualised Dwelling Requirement		285	320	320	320	320
Average Annualised Dwelling Requirement	313					

Source: pop-group population forecast software, Cumbria County Council 2008

Dwelling Led based on Regional Spatial Strategy (RSS)

Shows what might happen if net dwelling change followed those laid out in the RSS

(Table 45) Carlisle	2006	2011	2016	2021	2026	2031
Population	101,327	102,136	103,500	105,350	107,659	110,284
Households	45,913	47,649	49,800	51,951	54,102	56,253
Dwellings	48,026	49,842	52,092	54,342	56,592	58,842
5 Year Net Migration		1,148	1,693	2,216	2,847	3,360
5 Year Net Change		810	1,363	1,850	2,309	2,625
Annualised Migration		230	339	443	569	672
Annualised Change		162	273	370	462	525
Annualised Dwelling Requirement		363	450	450	450	450
Average Annualised Dwelling Requirement	433					

Source: pop-group population forecast software, Cumbria County Council 2008

Dwelling Led (Growth Point Bid)

(Table 46) Carlisle	2006	2011	2016	2021	2026	2031
Population	101327	103163	106137	109548	113401	117582
Household	45913	48079	50947	53815	56683	59551
Dwellings	48026	50292	53292	56292	59292	62292
Net Migration		2157	3168	3548	4123	4645
Net Change		1837	2973	3411	3853	4181
Annualised Migration		431	634	710	825	929
Annualised Change		367	595	682	771	836
Annualised Dwelling Requirement		453	600	600	600	600

Please note: Figures can only be broken down to District Level

Source: pop-group population forecast software, Cumbria County Council 2008

The Carlisle Economic Strategy identifies a strong consensus emerging for a more ambitious population growth above the most recent forecasts. There are clear economic advantages arising from a larger population. Aspirational population growth projections suggest a population of 119,000 by 2025. This population figure has been used to produce household formation projection, and was the basis of the Growth Point Bid of an annual target of 600 dwellings, 150 more than in the current RSS. This would allow sufficient housing development to meet the affordable housing requirement identified through the housing needs survey as well as the need to provide a wide range of housing to attract new investment to the City and provide a balanced housing market.

All information contained in the above tables should be used as a guide only. It is improbable that any one scenario will be realised exactly. However, by using the information contained in each scenario together it may be used to aid the decision making process. At the current time, POP.GROUP is not able to break these scenarios down by household type – the intention is to refine the data which POP.GROUP is able to deliver along these lines for future research projects.

Stage 2: Future economic performance

Future housing demand will be affected not just by the number of households but by their ability and willingness to pay for housing. The economic performance of an area can influence both the number of households (e.g. through migration) and the willingness and ability to pay for housing (e.g. through income and investment potential).

Recent developments in the UK and world economies and financial systems have now undermined many, if not all, of the positive factors which have influenced the strong growth in the housing market since the turn of the century. The UK housing market is experiencing a period of decline with falling or static prices and low turnover, and, in the short term at least, a period of inactivity amongst first time buyers unable to gain access to mortgage finance as a result of the 'credit crunch'. Whilst these factors may ultimately help to improve the problems of affordability in the long term; in the short term they will almost certainly have an impact on new housing completions and, at worst, it is possible to envisage a scenario of falling prices and sharply reduced demand, leading to a significant crisis in the development industry.

The following section looks at how future economic performance at a regional, sub-regional and local level may develop and draws upon regional and sub-regional economic forecasts to help show how future housing demand may be influenced by economic performance.

Regional Economic Outlook

According to the Spring 2008 report from the *Northwest Regional Economic Forecasting Panel*, GVA is expected to grow more slowly in the North West than nationally by an average of some 0.4 percentage points a year. Thus, if growth in the UK turns out to average 2.7% a year as predicted, the North West should average 2.3% which is still substantially better than GVA growth of 1.8% achieved per annum on average in the region in the 1990s (mainly because the region's population and working age population are expected to grow rather than fall, as they did then). GVA per resident head is expected to grow on average over the next twenty years by 1.6 percent a year, as compared with 1.9 percent in the UK. As a result, the gap in the level of GVA per head in the region, which presently stands at around 13.5 percent lower than in the UK, is likely to widen further.

Gross Value Added (GVA) growth in construction is estimated to have picked up in 2007 to 2.1%, but in 2008 growth is expected to weaken to 1.5% (data not yet published). GVA in construction is then expected to fall in 2009 before recovering in 2010 and 2011.

Cumbrian Economic Outlook to 2016

In conjunction with the North West Regional Development Agency, Cumbria Vision has undertaken a process of economic modelling to determine how the economy of Cumbria may grow during the period to 2016. Using a forecasting model developed by Experian, three scenarios have been developed.

1. The first scenario takes a purely econometric approach to modelling and projects the future based on historic trends and assumes a 'policy-off' response. As such, this scenario forecasts a relatively low level of growth. This scenario has been developed by Experian in consultation with regional and sub-regional partners and is held within the Experian forecasting model as the "*baseline*" scenario.
2. The second scenario includes employment growth assumptions based on local knowledge of committed, proposed and potential future developments and programmes. As such the second scenario paints a more positive picture being responsive to local policies and ambitions and forms the "*aspirational*" scenario. This scenario has been developed within the sub-region and through consultation with regional partners.
3. The third scenario attempts to estimate the potential effects of the national and global economic downturn on the Cumbrian economy. A particularly pessimistic view has been taken when devising the assumptions underlining this forecast in an attempt to create a "*worst case*" scenario. This scenario has been developed with the sub-region.

These three scenarios illustrate how Cumbria's economy may develop over the coming years provided certain conditions are met. In each case the forecast is employment led with each new employment opportunity being filled by a new member to the workforce, in other words the employment growth figures represent net job gains. However it is not possible to accurately determine what proportion of this employment growth represents true incomers to the county that will be requiring homes and what proportion is filled by, for example, a return to employment amongst the indigenous workless population or how much is attributable to the 60-70 age groups remaining in employment for longer. In the case of the latter example, current indications such as a declining working age population and recent falls in the value of pension funds suggest that this factor may be particularly acute in the coming years.

It is worth adding a caveat here. Econometric modelling is inherently based upon the observation of past events and the extrapolation of baseline trends from the past into the future. As such, any forecasting model relies upon an accurate baseline from which any scenarios manually inputted by a user subsequently depart. However, due to the fact that the baseline data contained within forecasting models generally lags behind the present by six months to a year, it is extremely difficult in times such as these where economic conditions are changing on a weekly basis, to be completely confident in the validity of the scenario outputs. Unfortunately no systems yet exist which can accurately predict external shocks to the economy and as such the results of this, and indeed any, scenario modelling, should be treated with an element of caution. This is true at any time, but the issue is particularly acute at the moment due to the degree of instability in current macroeconomic conditions.

The forecasts provided below must, therefore, be taken with this same element of caution as they are posited upon baseline trends which do not yet take into account the downturn in the UK (and World) economy which began to emerge in 2008 and which is predicted to last well into 2010 or beyond. Within the scenarios a certain

amount of artistic license has therefore been taken in an attempt to estimate, on the one hand, the possible outputs of an aspirational vision for employment growth in Cumbria and, on the other hand, the potential effects of the downturn on the economy of Cumbria if the worst were to happen. It must be stressed however that the scenarios have been formed from assumptions based on the collective judgment of a number of individuals and that any semblance to events as they subsequently unfold owes only to the experience of the group of individuals involved in the design of the scenarios.

Employment Growth Forecast:

Table 47 below shows how total employment and the numbers of full time equivalents (FTEs) may grow over a ten year period from an initial position in 2006 to 2016.

Baseline, Aspirational and Worst Case Scenario Employment Growth, 2006-2016

(Table 47) Data	2006	2011	2016	Change	% Change, 2006-2011	Annual % Change
Baseline Total Employment	253,900	258,800	258,900	5,000	1.97	0.20
Aspirational Total Employment	254,400	264,900	280,400	26,000	10.22	1.02
Worst Case Total Employment	253,900	238,500	252,000	-1,900	-0.75	-0.07
Baseline FTEs	206,000	208,500	207,600	1,600	0.78	0.08
Aspirational FTEs	206,400	213,700	225,700	19,300	9.35	0.94
Worst Case FTEs	206,000	192,400	202,300	-3,700	-1.80	-0.18

Source: pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Under the aspirational scenario “total employment” is expected to grow by 26,000 in the period 2006-2016 which equates to an annual increase of 1.02%. This compares with a baseline employment growth rate of 0.20%. FTE employment is expected to grow by 19,300 or 0.94% annually, suggesting that part time employment will be growing at a slightly faster rate than full time employment. Under the worst case scenario, on the other hand, total employment will fall by 1,900 over the period 2006-2016 which equates to an average of -0.07% annually. However, total employment will fall as low as 238,500 in 2011 which is a fall of 15,400 from the figure in 2006 or an average of -1.21% annually. FTE employment will fall by 13,600 during 2006-2011, but will then increase by 2016 to stand at only 3,700 below the 2006 figure. This indicates that part-time jobs may be shed at a faster rate than full time positions but may then also be created again more quickly once the recovery begins to take effect by 2012.

Projected Gross Value Added:

Annual GVA growth of 3.30% is forecast under the aspirational growth scenario. Compared with the baseline scenario, the GVA difference in 2016 as a result of this accelerated rate of growth would amount to an additional £1.04bn of GVA. GVA growth under the worst case scenario will be slower than under the baseline scenario at an average of 1.68% over the ten year period, however when splitting the period in two, the growth rate during 2006-2011 is markedly slower at 0.61% than that in the recovery period of 2011-2016 where the average annual rate is 2.66%.

(Table 48) Data	2006	2011	2016	Change	% Change, 2006-2016	Annual % Change
Baseline GVA (£million)	6,850	7,510	8,080	1,230	18.0	1.80
Aspirational GVA (£million)	6,870	7,790	9,140	2,270	33.0	3.30
Worst Case GVA (£million)	6,850	7,060	8,000	1,150	16.8	1.68

Source: pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Economic Outlook – Carlisle

Carlisle is a market town, major shopping centre, transport interchange on the M6 and West Coast Main Line, an employment and service centre for Cumbria and South West Scotland and, with the creation of the University of Cumbria in 2007, a University City. Disastrous flooding in 2005 led to the creation of Carlisle Renaissance, a government funded programme to support the regeneration of Carlisle. The four key current priorities are:

- Developing a new City Centre Riverside Campus for the University of Cumbria
- Maximising the potential of the Historic Quarter and its key assets
- Delivering major new employment sites on the M6 corridor
- Strengthening the mix of retail, office and ancillary uses in the City Centre

‘Growing Carlisle’

In partnership, Carlisle City Council and Carlisle Renaissance have developed ‘Growing Carlisle’, an economic strategy for the Carlisle City Region. ‘Growing Carlisle’ is about shaping Carlisle’s future to encourage a successful local economy and enhancing its role as Cumbria’s regional city.

The following key opportunities and themes have been identified from the Cumbria Economic Strategy (2009-19):

Key Opportunities

- Population growth – Growth Point status confirmed
- Prioritisation for growth within the RES and the prospect of attracting significant public and private sector funding
- The establishment of the University of Cumbria HQ in Carlisle
- The development of Carlisle Airport
- The development and growth of key economic and business sectors, including culture and tourism, financial and business services, retail, food & drink, logistics, specialist manufacturing, education and health.
- Scope for the allocation of additional land for housing and employment use.

Key Issues

- Too great a reliance on low productivity sectors
- Under-representation of business sectors such as law and insurance with potential for growth
- Prospect of further job losses through re-structuring, especially in the manufacturing sector

- Poor performance in education, loss of talent, few graduate jobs and low aspirations
- Pockets of deprivation and limited access to rural services and jobs
- Perception amongst potential inward investors of remoteness from markets and issues of local congestion
- Under-exploited tourism potential, no professional theatre and lack of high quality hotel.

Future Economic Potential - Carlisle

The results from Cumbria Vision's modelling of future economic performance can also be interrogated at a district level. The tables below show how employment and GVA in Carlisle District could grow under the baseline, aspirational and worst case scenarios.

Baseline, Aspirational and Worst Case Scenario Employment Growth, 2006-2016

(Table 49) Data	District	2006	2011	2016	Volume Change	% Change, 2006-2016	Annual % Change
Baseline FTEs	Carlisle	50,000	50,700	50,900	900	1.80	0.18
Aspirational FTEs		50,100	51,500	53,900	3,800	7.58	0.76
Worst Case FTEs		50,000	45,800	49,000	-1,000	-2.00	-0.20

Source: pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Baseline, Aspirational and Worst Case Scenario GVA Growth, 2006-2016

(Table 50) Data	District	2006	2011	2016	Volume Change	% Change, 2006-2016	Annual % Change
Baseline GVA (£m)	Carlisle	1,482	1,663	1,865	383	25.84	2.58
Aspirational GVA (£m)		1,484	1,698	2,010	526	35.44	3.54
Worst Case GVA (£m)		1,482	1,501	1,792	310	20.92	2.09

Source: pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Under the aspirational scenario, growth in employment will amount to an additional 2,900 full-time equivalents in the workforce. In turn this would generate an additional £150 million GVA over 10 years. Under the worst case scenario there are 1,900 fewer FTEs in Cumbria than the baseline by 2016, however the difference with the baseline would have been as great as 4,900 fewer FTEs in 2011.

A number of assumptions underpin the different levels of growth forecast in the aspirational and worst case scenario. The key assumptions are listed below:

Key Aspirational Growth Assumptions

- Growth in the agricultural and forestry sector due to significant potential for improvements in the management of woodland areas. In turn, this would lead to significant potential for biomass production helping to fuel a low carbon economy in the future.
- It is assumed that declines in the manufacturing sector will be less severe under the aspirational scenario than under the baseline forecast.

- Within the food and drink sector, which is a relatively large but under threat sector in Carlisle, it is assumed that growth will occur, particularly amongst smaller companies and amongst the supply chain, which will offset the job losses forecast for the sector under the baseline scenario.
- Within the retail and hospitality sector there exist significant prospects for expansion through a city centre revamp as part of the Carlisle Renaissance programme. There are also plans for at least three new hotels within the district as well as potential linked to the redevelopment of the airport site.
- Within the construction and connectivity sector there are a number of existing and proposed large scale developments such as the Carlisle Northern Development Route; expansion of the University; significant growth in housing associated with the Growth Point status; potential to create a substantial number of additional employment units on Kingmoor Park as well as the development of the airport.
- Carlisle underperforms in the financial and business services sector for a regional or even sub-regional centre. However there is potential for growth, particularly as a result of improved marketing of Carlisle as a place to do business and also linked to increases in population and expansion in other industry sectors.
- In the public sector there exist considerable opportunities related to the development of the University, the two new academy schools and development at the Cumberland Infirmary.

Key Worst Case Scenario Assumptions

- Due to constant demand for food and a shifting emphasis on buying local produce it is expected that job losses will be minimal within the agriculture, forestry and fishing sector; nevertheless, the sector will fail to live up to its potential for growth.
- A focus on renewables and a renaissance in nuclear power is high on the agenda at both a regional and national level so there is some hope that the Britain's Energy Coast™ Master plan will be to a large degree unaffected by any downturn. However there is a possibility that whilst public spending may remain relatively constant, private sector investment will not be as great as expected and this is reflected in the lower employment growth in this sector under the worst case scenario. Carlisle will experience a knock-on effect in terms of businesses operating within the supply chain and there will also be reduced numbers of additional energy related businesses relocating to the district.
- Manufacturing was already expected to decline even under the aspirational scenario, so it is not surprising that this will be one of the hardest hit sectors. Particular pressure will come from rising cost of imports, although some firms dealing mainly in exports may be more fortunate. However the vast majority of small-medium sized firms operating mainly within localised markets will come under pressure from all sides as both upper tier companies and retailers attempt to retain their profit margins. Declining consumer spending and lack of buyer confidence will lead to falls in output and pressure on managers to either reduce the number of working hours or, where this fails, reduce the size of the workforce.
- As in other forms of manufacturing, the food and drink sector will be squeezed as a result of the downturn albeit to a more limited extent due to the size of the sector. Demand for food will not decline as markedly as other products although there may be a move from luxury products to shops own brands with farm shops and higher added value produce likely to be worst hit.

- The extent of any change in the retail and hospitality sector is difficult to predict, however it is expected that job losses in retail will be widespread due to a decrease in consumer confidence/spending and a number of national stores going into administration. Within hospitality, any job losses may be absorbed by the migrant workforce returning to their country of origin due to the fall in the value of sterling. However there is a counter-argument which suggests tourism based revenue may actually increase in the Lake District as more people decide to holiday in the UK rather than abroad.
- The construction industry has been severely hit due to the stalling of new housing and commercial projects, falling land prices and difficulty in accessing finance. The knock-on effects are now taking hold with many smaller businesses in the supply chain facing difficult times. The coming years are predicted to be especially difficult for the construction industry until confidence returns to the housing market and credit conditions improve.
- Financial and business services are under-represented across Cumbria as a whole, so any potential job losses within the sector as a proportion of total job losses within Cumbria are likely to be less pronounced than for across the UK. However, a number of high profile job losses have been announced by global firms in recent months and it is very possible that rationalisation of services and associated downsizing will affect businesses operating in Cumbria.
- As a result of contraction elsewhere, it is possible that employment in the public sector may actually increase rather than decline in an attempt to stem rising unemployment. However it is still expected that any increase will be at a slower rate than that of the baseline trend. Investment in skills and education infrastructure is likely to remain strong, as is expenditure in the health sector.

This section principally draws upon the work in sections 4.1 and 4.2 and incorporates the economic forecasts produced by Cumbria Vision into the population and dwellings based modelling provided by POPGROUP. The scenarios presented below are labour force led scenarios which draw upon what has happened to the number of full time equivalent jobs in the past, and apply what we think could happen in the future provided certain conditions and assumptions are satisfied. The outputs of population, households and dwellings are provided to support the change in the number of jobs over the period of the forecast.

As the outputs from one forecasting model (Experian) have been used as the inputs to another (POPGROUP), extra caution should be taken when interpreting the results as they are indicative only and are best understood, therefore, in the hypothetical context: 'what would be the population and dwelling requirements if...'. The assumptions underlying the employment growth (or decline) within each scenario have already been presented in section 4.2 (see pages x-y above) however it is worth repeating the general intention behind each economic scenario:

1. The first scenario takes a purely econometric approach to modelling and projects the future based on historic trends and assumes a 'policy-off'

response. As such, this scenario forecasts a relatively low level of growth. This scenario has been developed by Experian in consultation with regional and sub-regional partners and is held within the Experian forecasting model as the “**baseline**” scenario.

2. The second scenario includes employment growth assumptions based on local knowledge of committed, proposed and potential future developments and programmes. As such the second scenario paints a more positive picture being responsive to local policies and ambitions and forms the “**aspirational**” scenario. This scenario has been developed within the sub-region and through consultation with regional partners.
3. The third scenario attempts to estimate the potential effects of the national and global economic downturn on the Cumbrian economy. A particularly pessimistic view has been taken when devising the assumptions underlining this forecast in an attempt to create a “**worst case**” scenario. This scenario has been developed within the sub-region.

These three scenarios illustrate how Cumbria’s economy may develop over the coming years provided certain conditions are met. The forecasts are employment led with each new employment opportunity being filled by a new member to the workforce and the employment growth figures representing net job gains. To supplement these three scenarios, two additional ones are also added below. The first additional scenario is a control scenario which assumes that no additional jobs are inputted to the model. Accordingly, any fluctuations in employment under this scenario are purely a result of natural and migratory change in the workforce. The second additional scenario is the 5 year migration-led run from stage 4.1. The inclusion of this scenario here will help tie these labour force led forecasts to the population and dwelling led forecasts from stage 4.1.

To keep things relatively simple and in recognition of the potential increase in margins of error when transferring the results of one model into the inputs to another, it has been assumed that in all scenarios economic activity (the percentage of people economically active within the working age population) remains constant across the time period modelled. In reality, however, any new job may actually be filled by someone within the indigenous population who has been out of work (thereby increasing economic activity) but who nevertheless already lives within the area and so would not necessarily require a new house. It is therefore recognised that future refinements to the scenarios presented here could forecast what effect a 1 or 2% increase to economic activity may have on the demand for dwellings.

It is also worth rehearsing the general caveat already outlined above in section 4.2. Econometric (and demographic) modelling is inherently based upon the observation of past events and the extrapolation of baseline trends from the past into the future. As such, any forecasting model relies upon an accurate baseline from which any scenarios manually inputted by a user subsequently depart. Whereas demographic trends are reasonably predictable from one year to the next; volatility in economic trends are much more difficult to predict. Unfortunately no systems yet exist which can accurately predict external shocks to the economy and as such the results of this, and indeed any, scenario modelling, should be treated with an element of caution. This is true at any time, but the issue is particularly acute at the time of writing due to the degree of instability in the current macroeconomic climate.

The forecasts of population and dwelling requirements provided below must, therefore, be taken with this same element of caution as they are posited upon economic trends which do not yet take into account the downturn in the UK (and

World) economy which began to emerge in 2008 and which is predicted to last well into 2010 or beyond. Nevertheless, as long term forecasts, the scenarios contribute to any discussion of future housing demand in the county by providing an insight into the possible demand associated with a baseline and aspirational vision for employment growth on the one hand and, on the other, the potential effects on the housing market of the downturn in the Cumbrian and wider economy if the worst were to happen.

Scenario 1: Labour Force Led, No Change

This scenario uses the labour force as a constraint and forecasts what the population, household and dwellings requirement would need to be to satisfy specified job levels. In this case, it is assumed that the net gain in jobs, year on year, is nil. Prior to 2006 actual population is used as a constraint.

(Table 51) Carlisle District	2006	2008	2010	2012	2014	2016
Population	103,313	104,056	106,150	107,857	109,044	109,562
Households	46,339	47,207	48,747	50,154	51,338	52,265
Dwellings	48,472	49,379	50,991	52,462	53,701	54,671
Annualised Dwelling Requirement		454	806	736	619	485
Average Annualised Dwelling Requirement	620					

Source: Experian, pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Scenario 2: Labour Force Led, Experian Baseline

This scenario uses the labour force as a constraint and forecasts what the population, household and dwellings requirement would need to be to satisfy specified job levels. In this case, we have specified a net annual change in number of jobs by district which is based on information from the Experian model baseline forecast provided by Cumbria Vision. Prior to 2006 actual population is used as a constraint.

(Table 52) Carlisle District	2006	2008	2010	2012	2014	2016
Population	103,313	103,980	107,040	109,010	110,314	111,186
Households	46,339	47,176	49,114	50,640	51,883	52,968
Dwellings	48,472	49,347	51,375	52,971	54,271	55,406
Annualised Dwelling Requirement		438	1,014	798	650	567
Average Annualised Dwelling Requirement	693					

Source: Experian, pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Scenario 3: Labour Force Led, Aspirational Growth

This scenario uses the labour force as a constraint and forecasts what the population, household and dwellings requirement would need to be to satisfy specified job levels. In this case, we have specified a net annual change in number of jobs by district which is based on information from the aspirational growth scenario provided by Cumbria Vision. Prior to 2006 actual population is used as a constraint.

(Table 53) Carlisle District	2006	2008	2010	2012	2014	2016
Population	103,313	104,102	107,638	110,340	112,753	115,240
Households	46,339	47,225	49,361	51,201	52,923	54,715
Dwellings	48,472	49,399	51,633	53,558	55,359	57,233
Annualised Dwelling Requirement		464	1,117	962	900	937
Average Annualised Dwelling Requirement	876					

Source: Experian, pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Scenario 4: Labour Force Led, Worst Case Scenario

This scenario uses the labour force as a constraint and forecasts what the population, household and dwellings requirement would need to be to satisfy specified job levels. In this case, we have specified a net annual change in number of jobs by district which is based on information from the worst case scenario provided by Cumbria Vision. Prior to 2006 actual population is used as a constraint.

(Table 54) Carlisle District	2006	2008	2010	2012	2014	2016
Population	103,313	103,980	101,996	100,335	103,124	105,972
Households	46,339	47,176	47,037	46,989	48,779	50,689
Dwellings	48,472	49,347	49,202	49,152	51,024	53,022
Annualised Dwelling Requirement		438	-73	-25	936	999
Average Annualised Dwelling Requirement	455					

Source: Experian, pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Scenario 5: Migration Led, Labour Force Impact

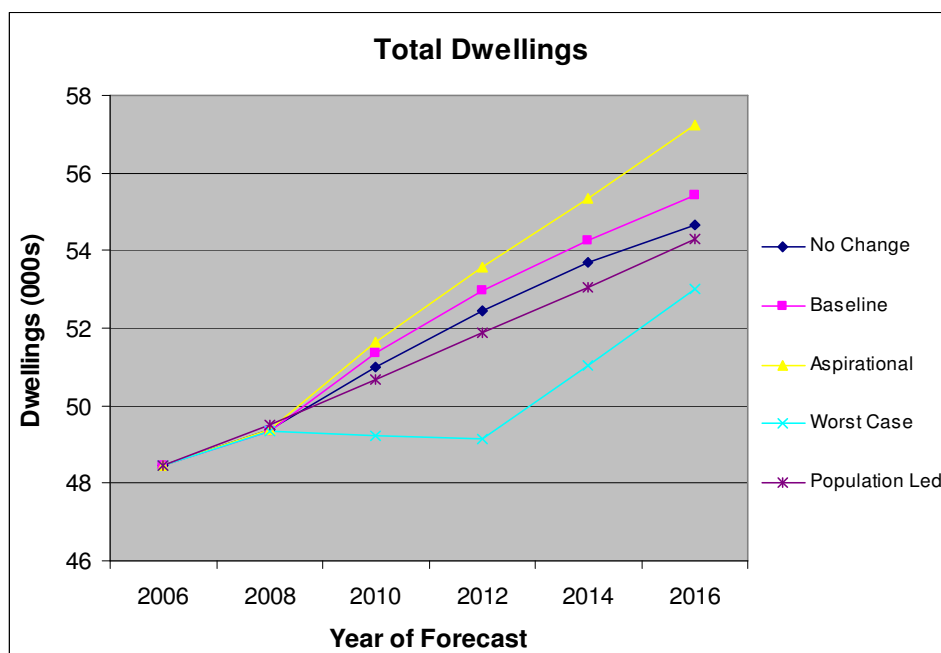
This scenario uses population as a constraint and is consistent with the 5 year migration forecast provided in stage 4.1. The scenario shows the number of households and dwellings required to satisfy the growing population.

(Table 55) Carlisle District	2006	2008	2010	2012	2014	2016
Population	103,313	104,371	105,391	106,488	107,610	108,741
Households	46,339	47,334	48,435	49,579	50,721	51,907
Dwellings	48,472	49,513	50,665	51,861	53,056	54,296
Annualised Dwelling Requirement		521	576	598	598	620
Average Annualised Dwelling Requirement	582					

Source: Experian, pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

The graph below shows the growth in the number of dwellings required by the population under each of the five scenarios above.

Graph 5: No. Of Dwellings Required by the Population



Source: Experian, pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Cumbria-wide Figures.

Using the same methodology as outlined above, Cumbria-wide figures have also been produced for each scenario. These are shown in the table below.

(Table 56) Cumbria	2006	2008	2010	2012	2014	2016
Labour Force Led, No Change						
Population	496,151	498,138	505,151	509,417	511,205	514,143
Households	218,447	222,294	228,554	233,795	238,252	242,993
Dwellings	233,627	237,736	244,428	250,033	254,801	259,878
Annualised Dwelling Requirement		2,054	3,346	2,803	2,384	2,539
Average Annualised Dwelling Requirement	2,625					
Labour Force Led, Experian Baseline						
Population	496,151	499,313	510,382	514,564	515,339	518,516
Households	218,447	222,763	230,663	235,879	239,900	244,716
Dwellings	233,627	238,244	246,701	252,285	256,587	261,749
Annualised Dwelling Requirement		2,308	4,229	2,792	2,151	2,581
Average Annualised Dwelling Requirement	2,812					
Labour Force Led, Aspirational Growth						
Population	496,151	500,176	514,579	523,866	532,191	546,385
Households	218,447	223,118	232,409	239,820	247,126	256,778
Dwellings	233,627	238,623	248,568	256,496	264,309	274,640
Annualised Dwelling Requirement		2,498	4,972	3,964	3,906	5,165
Average Annualised Dwelling Requirement	4,101					
Labour Force Led, Worst Case Scenario						
Population	496,151	499,313	492,178	483,736	490,678	501,752
Households	218,447	222,763	223,231	223,058	229,381	237,474
Dwellings	233,627	238,244	238,754	238,575	245,338	254,002
Annualised Dwelling Requirement		2,308	255	-89	3,382	4,332
Average Annualised Dwelling Requirement	2,038					
Migration Led, Labour Force Impact						
Population	496,151	498,598	501,576	504,704	507,786	510,864
Households	218,447	222,474	227,058	231,773	236,707	241,507
Dwellings	233,627	237,930	242,835	247,877	253,155	258,289
Annualised Dwelling Requirement		2,152	2,452	2,521	2,639	2,567
Average Annualised Dwelling Requirement	2,466					

Source: Experian, pop-group population forecast software – Cumbria County Council, Cumbria Vision 2008

Stage 3: Future affordability

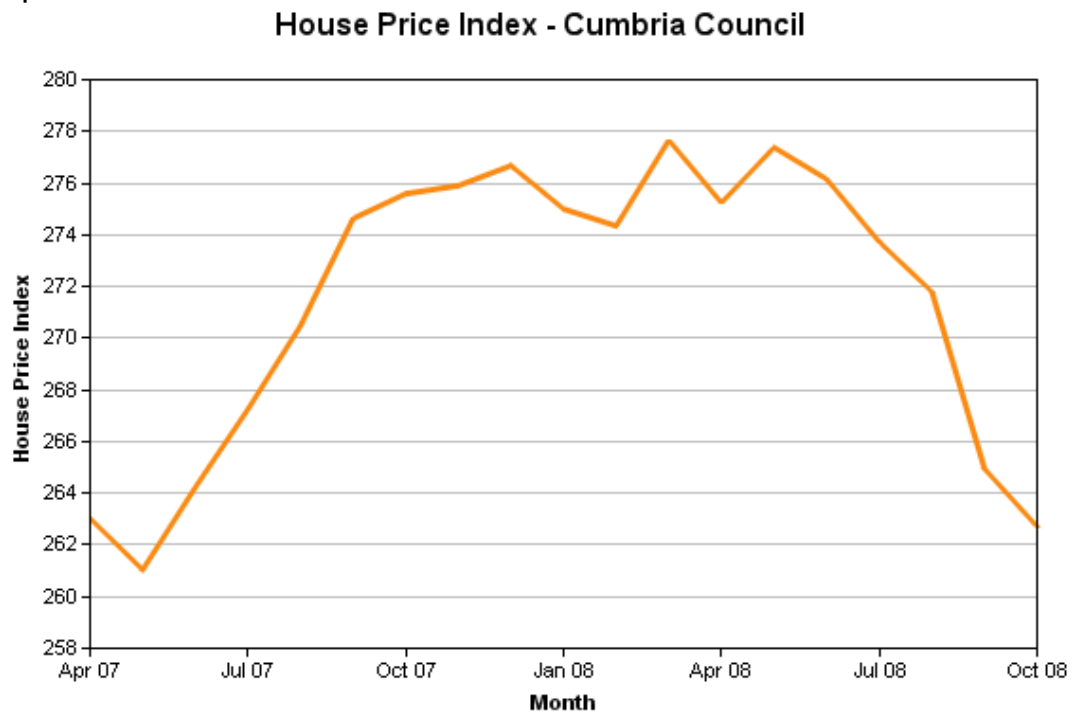
Table 57 (source: Pop-group population forecast software, Cumbria County Council) on page 68 outlines a range of scenarios based upon house prices increasing or decreasing +/- up to 50% until 2016.

The Land Registry Price Index shows an annual decrease of 10.1% as at October 2008 nationally. Local estate agents confirm a downturn in sales and

decreasing prices. In Cumbria prices have fallen by 4.7% from April 2007 to October 2008.

The graph below shows the downturn in price paid.

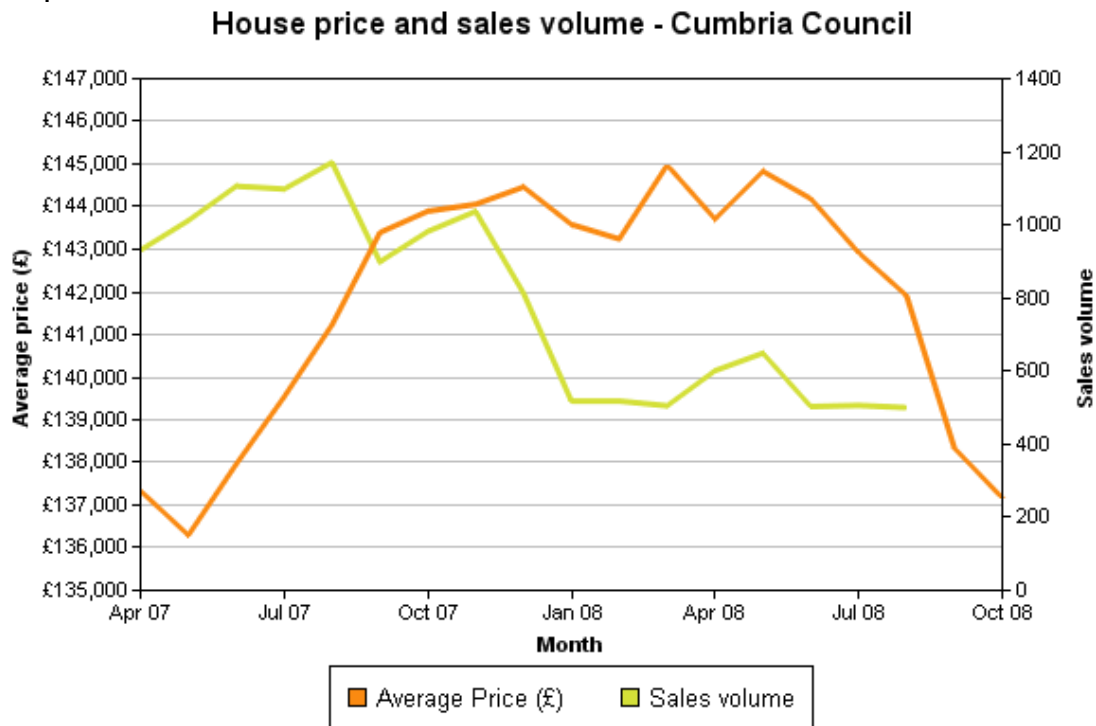
Graph 6



(Source: Land Registry)

The graph below shows the fall in house prices in Cumbria compared to volume of sales. Many reports indicate that prices are set to fall further next year.

Graph 7



(Source: Land Registry)

Whilst this is good news for purchasers who can access finance it still does not resolve the problem of first time buyers in particular who are having difficulties obtaining mortgages without at least a 20% deposit. Given the relatively low incomes in Cumbria compared to high house prices outlined under Chapter 3 - The Current Housing Market – Affordability, the issues of affordability still remains and whilst house prices have dropped this has not made a significant difference to affordability.

Buyers for low cost home ownership products are likely to be affected by the lack of mortgage finance and with 9955 unsold shared ownership properties nationally there is likely to be a local impact (Figure source: Housing Corporation Housing Association Financial Health report). It is therefore, likely that housing associations will need to use low cost home ownership stock for social and intermediate rent in future. The majority of local parish needs survey undertaken reveal that the majority of need is for rent with a minority of households being able to afford low cost home ownership such as shared equity/ownership.

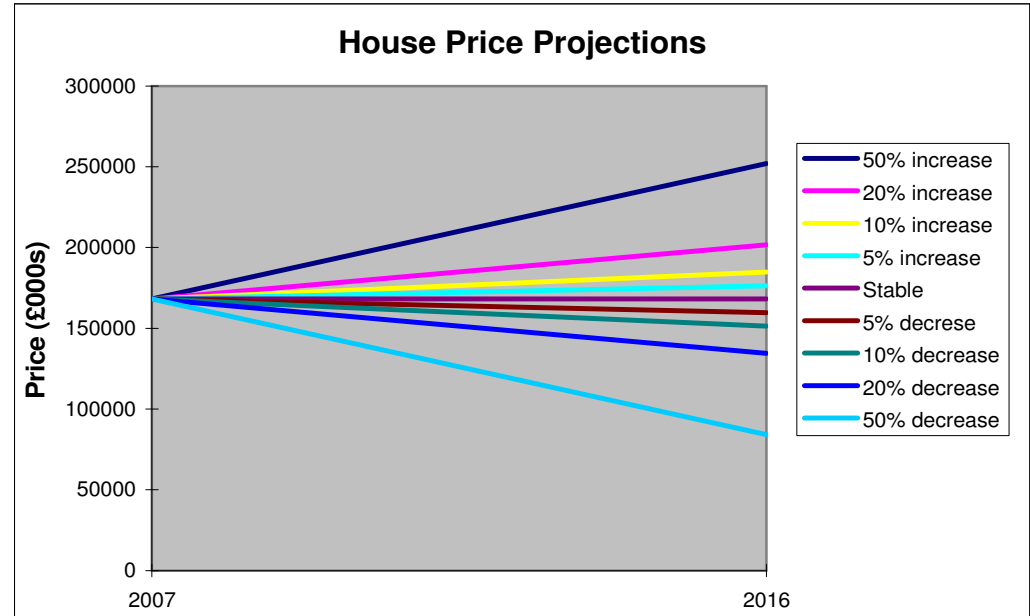
Select HMA: Carlisle Rural East

Change in House Prices	Lower Quartile House Prices	
	2007	2016
50% increase	168000	252000
20% increase	168000	201600
10% increase	168000	184800
5% increase	168000	176400
Stable	168000	168000
5% decrease	168000	159600
10% decrease	168000	151200
20% decrease	168000	134400
50% decrease	168000	84000

Annual % Salary Increase	Lower Quartile Household Income										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
1%	18180	18362	18545	18731	18918	19107	19298	19491	19686	19883	
2%	18180	18544	18914	19293	19679	20072	20474	20883	21301	21727	
3%	18180	18725	19287	19866	20462	21076	21708	22359	23030	23721	
4%	18180	18907	19663	20450	21268	22119	23003	23924	24881	25876	
5%	18180	19089	20043	21046	22098	23203	24363	25581	26860	28203	

Affordability Matrix

Change in House Prices	2007 Baseline	Annual salary increase to 2016				
		1%	2%	3%	4%	5%
50% increase	9.24	12.67	11.60	10.62	9.74	8.94
20% increase	9.24	10.14	9.28	8.50	7.79	7.15
10% increase	9.24	9.29	8.51	7.79	7.14	6.55
5% increase	9.24	8.87	8.12	7.44	6.82	6.25
Stable	9.24	8.45	7.73	7.08	6.49	5.96
5% decrease	9.24	8.03	7.35	6.73	6.17	5.66
10% decrease	9.24	7.60	6.96	6.37	5.84	5.36
20% decrease	9.24	6.76	6.19	5.67	5.19	4.77
50% decrease	9.24	4.22	3.87	3.54	3.25	2.98



Stage 4: Bringing the Evidence Together

- The District Economic Strategy as well as the range of PopGroup scenarios (detailed in stage 4.2) project the population of Carlisle to increase – although there is a wide range of variation within these projected increases. An increasing population will have implications for the level of housing required (including affordable housing) as well as employment, infrastructure and services.
- There is already an above average elderly population in Carlisle and there is expected to be a significant increase in the elderly population, which will again have a major impact on housing and related support services. Based on 2004 predictions, the proportion of people who are over age 65 is anticipated to rise from 19% to 21% by 2014 and to 27% by 2029, compared with predicted rises of 16% to 18% by 2014 and to 22% by 2029 for England and Wales. Carlisle City Council is also in the lowest one-fifth of local authorities in England for four of five given health and deprivation indicators – indicating that for many people this increased life expectancy will not necessarily be enjoyed in good health. (Source: PCT Public Health Information, 2008).
- There is an increasing tendency towards smaller households and people living alone – although in many cases these people may have access to children following a relationship breakdown and require more than one bedroom.
- Cumbrian house prices have fallen less than the national average since the recession (see Chapter 3, stage 4.1), and the decrease has not helped people onto the housing ladder due to significantly higher deposits required and the lack of available credit. This has increased the social polarisation in the first-time buyer market, as it has hit would-be first-time buyers whose parents are not in a position to help them out with a contribution towards a large deposit.
- The credit crunch has not just impacted on the private market, but also on the intermediate market, with many RSLs withdrawing from new shared ownership schemes due to the current market conditions. This has led to the requirement to consider short to medium-term options such as letting properties built for the shared ownership market at intermediate rents (i.e. above a social rent but less than a market rent – usually 80% of market rent) until the market picks up, for people who would previously have chosen intermediate housing but are not in a position to get a mortgage at present.
- Recent economic performance and the effects of the ‘credit crunch’ may have a negative effect on people’s willingness to pay for housing, thus placing further pressure on affordable housing supply. There is also expected to be a weakened GVA growth in construction at least in the short term.
- Carlisle’s Growth Point status (target 600 new homes p.a.), along with Carlisle Renaissance, represents an opportunity to meet the population growth target identified as beneficial to boost the local economy in the District Economic Strategy.

- Threats to delivering this economic prosperity to the Carlisle district include: the supply of suitable sites for housing and commerce, an aging population, and pockets of urban and rural deprivation. Supply of labour is an important issue and it is important to provide a readily available supply of housing (including affordable housing) to attract and retain the local workforce. The relatively low paid economy and job losses or threats of job losses due to the current recession is also problematic. Key issues remain the acute decline in the working age population, and lack of affordable housing for younger families required to prevent out-migration and achieve sustainable economic growth.
- Property prices (including entry level prices) remain significantly higher in Carlisle's rural HMAs, with the availability of affordable housing much lower.

5. Housing Need (affordable housing)

The requirement for affordable housing is based on the 2006 Housing Needs Survey. This presents data at Housing Market Area level. For Planning and development purposes further evidence may be required at a lower area level, for example based on parish or settlement needs. This data may be available for local authorities or from Cumbria Rural Housing Trust.

Stage 1 & 2: Updated housing requirements

Affordable housing requirements

The following table summarises the results of the 2006 District Housing Needs survey.

(Table 58) Market Area	Tenure	Annual Affordable Housing Requirement				Total
		General		Older		
Carlisle Rural East		Smaller 0-2 Beds	Larger 3+ Beds	1 Bed	2+ beds	
	Intermediate	14	29	3	2	48
	Social Rent	7	55	(17)	13	58
	Total	21	84	(14)	15	106
	5 Year Requirement					530

(Based on DCLG Housing Needs and Market Assessment Model)

- The housing need figure is higher in Carlisle's 2 rural HMAs, as entry level house prices are significantly higher, and there is a greater shortage of existing affordable housing (e.g. RSL housing).

The 2006 Housing Needs Survey gave housing requirements for the next 5 years. Government Guidance suggests that a comprehensive assessment exercise should not be required within this period, but that updating should be undertaken 'regularly'. The table below uses the past trends on household increases derived from the 'PopGroup' analysis to update previous estimates of affordable housing need. The table overleaf representing a percentage increase in households from 2006 – 2011, based on the '5 year migration led run' has been used to give an average annual increase. This calculation gives an annual increase across the Carlisle district of 0.051%. This has also been applied to the figures for overall demand which will later be used to update market led housing.

The 'overall demand' figure shows the number of respondents to the original 2006 Housing Needs Survey indicating that they wished to move within five years. This includes a proportion of people who were deemed to be in 'unsuitable housing' (overcrowded, requiring disabled access etc.) of which some could afford their own housing solution on the open market while others required affordable housing. This stage of the analysis does not include supply side figures as the purpose here is to give

an overall gross annual needs figure that can be worked towards before deductions are made for new build or social re-lets to give a net housing requirement.

The analysis shows the updated gross requirement for affordable housing in the District as a whole as **222 units per annum**. The analysis is then split down into housing market area using the same methodology. For Carlisle Rural East the requirement for affordable housing remains the same as **106 units per annum**. (Please note these figures are over and above those affordable housing units which were already in the pipeline at the time of the 2006 District Housing Survey).

(Table 59) Updated housing demand, unsuitable housed and affordable housing need			
	Total (Existing, emerging and h'holds falling into need)	Popgroup migration run: add 0.51% annual h'hold inc. (2006-2011)	Annual total requirements
Overall housing demand (gross)			
Carlisle City	833	5	838
Rural Carlisle East	195	1	196
Rural Carlisle West	59	0	59
District Total	1087	6	1093
Of which those in unsuitable housing (gross)			
Carlisle City	469	2	471
Rural Carlisle East	96	1	97
Rural Carlisle West	31	0	31
District Total	596	3	599
Of which require affordable housing need (gross)			
Carlisle City	72	0	72
Rural Carlisle East	106	1	107
Rural Carlisle West	43	0	43
District Total (gross)	221	1	222

Source: Housing Needs Survey 2006 (HNS), Pop-group population forecast software - Cumbria County Council

The above analysis uses the original 2006 Survey as a starting point and applies a percentage increase in households to update housing requirements. By comparison the data contained in Chapter 4 stages 1 and 2 used PopGroup and Experian uses data on actual household formation trends and the effects of job levels. It then used modelling techniques to estimate the number of dwellings required as a result of, for example, immigration, to derive an average annualised total dwelling requirement (gross). This does not therefore include those in unsuitable housing 'in-situ'. However the PopGroup and Experian analysis gives an alternative methodology, gauging the effects of household formation and employment growth on gross dwelling requirements.

This does not include a split between market-led and affordable housing but an estimate can be made by applying the percentages derived from the updated 2006 Housing Need

Survey results above to the additional household formation from Chapter 4, stage 2 as follows:

Carlisle District – Affordable/ Market Requirement

This table demonstrates what the affordable and market housing requirement would be in the case of each of these PopGroup/ Experian projections.

(Table 60) Requirements based on population growth, household formation, and economic forecasts	Average annualised dwelling requirement 2006 - 2016	Market led estimate	Annualised Affordable housing estimate based on updated 2006 HNS
Scenario 1: Labour force led – no change (control)	620	397	223
Scenario 2: Labour force led – using Experian baseline job levels	693	470	223
Scenario 3: Labour force led – Aspirational growth	876	652	224
Scenario 4: Labour force led – worst case scenario	455	235	220
Scenario 5: Migration led, labour force impact	582	360	222

Source: Housing Needs Survey 2006 (HNS), Pop-group population forecast software - Cumbria County Council

The slight variation in the affordable estimate is based on multiplying the annual population percentage increase within each model by the district housing need figure.

In reality the need for affordable housing would probably be significantly higher in the case of scenarios based on increased in-migration, as the affordable need data is based on a major survey of existing residents only.

POPGROUP and Experian data are not available at housing market level, and is currently unable to break down the affordable housing element from the total no. required. It has therefore been necessary to use the housing need figures from the 2006 Housing Need Survey alongside the POP.GROUP scenarios. It is intended that a more integrated methodology be used in future research (please refer to table 56 in each of the SHMAs for a breakdown of the affordable housing units by type and tenure to HMA level).

Stage 3: Affordable housing supply

Permissions & Completions - Carlisle Rural East & West (combined)

The first two tables (below) show completions and permissions for all housing tenures including affordable housing. The following table looks specifically at affordable housing permissions and completions.

(Table 61) Total Housing Planning Permissions	2008-09 @ March 09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	Total	Annual Rate
TOTAL	52	173	58	2	6	86	141	518	74

Source: Carlisle CC Planning Department

- The sharp drop in planning permissions during the middle of the decade – particularly 2004-05 and 2005-06 was due to a moratorium in Carlisle’s rural areas, due to the high level of outstanding permission.

(Table 62) Total Housing Completions	2008-09 @ March 09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	Total	Annual Rate
TOTAL	116	107	81	102	120	78	115	719	103

Source: Carlisle CC Planning Department

- Affordable Housing only - permissions and completions**

(Table 63) Development of affordable housing units	2008-09 @ March 09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	Total	Annual Rate
Total number of affordable housing units granted planning permission	5	8	29	2	6	0	0	50	7
Affordable Housing as % of total new dwellings granted planning permission	9.6%	4.6%	50%	*100%	*100%	0%	0%	N/A	9.6%
Total number of affordable housing units completed	3	0	9	0	0	0	No info	N/A	N/A
Affordable Housing as % of total new dwellings completed	2.6%	-	11.1%	-	-	-	N/A	N/A	N/A

Source: Carlisle CC Planning Department

*Due to rural moratorium.

- **2006-09 Market led and affordable housing delivery**

Affordable Units by Bedroom size & Gross HMA total – combined Carlisle Rural East & West (unable to break market housing down to bedroom sizes at HMA level)

(Table 64) Housing delivery								Total
District requirement identified through 2006 Housing Needs Survey								221 p.a.
District Targets - Net additional homes (NI 154) - Number of Affordable homes (NI 155)								450 p.a. 19 p.a.
HMA Delivery (Completions) April 06 – March 2009							HMA total	District Total
Tenure & size		1	2	3	4	5+		
Open Market							287	
Affordable housing	Rent	0	2	3	0	0	5	
	LCHO	0	9	6	0	0	15	

*Source: Carlisle CC Planning Department
(inc. 3 units buy to rent funded through the Housing Corporation in 2007/8 not inc. in previous planning completions table).*

District Total (Net)

(Table 65) Housing delivery								Total
District requirement identified through 2006 Housing Needs Survey								221 p.a.
District Targets - Net additional homes (NI 154) - Number of Affordable homes (NI 155)								450 p.a. 19 p.a.
HMA Delivery (Completions) April 06 – March 2009							HMA total	District Total
Tenure & size		1	2	3	4	5+		
Open Market		17	379	262	303	6		**964
Affordable housing	Rent	0	10	34	6	*		50
	LCHO	0	60	40	0	*		100

Source: Carlisle CC Planning Department

* Figures from CCC Planning Services only refer to 4 or more bedroom accommodation – assumed all 4-bed.

**Open market bedroom statistics have had to be apportioned as bedroom data was provided based on new build only – not net completions.

- Despite the high level of identified need in Carlisle’s rural areas, it has proved difficult to deliver any significant level of new affordable housing, largely due to difficulties in securing suitable sites.
- We are hoping the “Call for Sites”, carried out in 2008 as part of the LDF (Local Development Framework) process, will bring forward suitable rural sites, which will include an affordable housing element.
- We are also continuing to work with landowners and local Housing Associations towards delivering rural exception sites.
- As an additional measure to try and alleviate the shortage of rural affordable housing, the City Council tendered a site at Brampton at below market value (in line with the recommendation in the Housing Green Paper that surplus Local Authority sites could be used for affordable housing development). The site will be developed in partnership with Home North West.

Units taken out of management 2006-2009

(Table 66)	Right to buy / Acquire	Demolitions	Conversions	Total loss
Carlisle Urban	74	112	1	187
Carlisle Rural East & West	5	0	0	5
TOTAL	79	112	1	192
ADD BACK 'units to be taken out of management' in 2006 District Survey (all Carlisle Urban)		(65) 47		(65) 127

Combined Rural East & West table as figures from Riverside Carlisle for combined rural areas
Please note: Impact’s Bridge Lane Hostel also demolished 2006/7

- Most family properties have long since been lost to Right to Buy, although there was a further more surge on the remaining stock generated by stock transfer. Levels of RTB have now tailed off – the level of eligible households (secure Council tenants at the time of the 2002 stock transfer) has now dwindled over time.
- The resale value of ex-Right to Buy properties would usually be higher outside the key service centres – pre credit crunch re-sales of ex-Council homes had remained popular.
- The Right to Acquire only applies to Brampton as all other settlements in the Carlisle Rural East market area have a population of less than 3,000.

Stage 4: Housing requirements of households in need

The RSL sector has not been immune from the effects of the credit crunch and the recession:

- One major positive is that our largest RSL - Riverside Carlisle, is renewing its developer role - with initial plans to build 43 units for rent at Barras Close, Morton, followed by plans to continue develop around 50 units p.a. However, once again the threat to future delivery is linked to the wider economy, with warnings that the affordable housing budgets are set to slump due to Government spending cuts – Sir Bob Kerslake, Chief Executive of the HCA,

- warned that the agency's current £5.4 billion housing and regeneration budget is set to halve by 2010/11. This will inevitably mean there will be greater competition for funding for future schemes.
- In the shorter-term, in the 2009 budget the Government has made £400 million available for its 'Kickstart' programme to get stalled schemes moving which could deliver affordable housing.
 - In the RSL factor there are a very limited number of 2-bedroom bungalows, and hardly any 3-bedroom bungalows to meet the needs of households needing carers to stay over, or with one or more disabled members of the household including disabled children.
 - There is an increasing elderly population – to address part of this need a 60 unit Extra Care scheme (Heysham Gardens & Heysham Meadows) is being developed to the West of Carlisle in partnership between the City and County Councils, Eden Housing Association and the PCT. The scheme, funded by the Department of Health, will be the first mixed-tenure scheme in Cumbria (with home for sale, rent and shared ownership), and as well as providing 40 no. 2-bedroom apartments in the core building, there will also be 16 bungalows (including 2 no. 3 beds) and 4 houses with a disability suite for older adults who don't wish to break up the family unit. The scheme will primarily house over 55s, but also some younger physically disabled people.
 - Cumbria Cerebral Palsy's existing facility at Scalesceugh Hall is being decommissioned as it is no longer fit for purpose. It is being replaced by 2 new schemes – Parklands and Lister Court. The second of those schemes adjoins the new Extra Care scheme (Heysham Gardens) and a number of residents will also be accommodated here, as the two new units will not be able to accommodate everyone currently resident at Scalesceugh Hall.
 - The ageing population will place a greater strain on housing resources. Designing new properties to Lifetime Homes standards will enable people to remain in their own homes, along with adaptations (requiring increased funding for DFGs – Disabled Facilities Grants), and increased facilities providing outreach care in the community. Riverside Carlisle are providing £60,000 towards the cost of DFGs across the district during 2008/9.
 - The profile of the housing stock is also an issue. Riverside Carlisle have lost such a large proportion of family homes (particularly on the more popular estates) to Right to Buy sales that over a third of its remaining stock (circa 6000 units) is made up of 1-bedroom flats. This is not a popular property type, and prone to high levels of turnover (they were originally designed for elderly people, but in many areas of the Carlisle district there is now very little demand from the elderly), and indeed the HCA will not usually fund them. Riverside Carlisle have carried out some selected demolition (e.g. Barras Close) of 1-bed flats, with the intention of replacing them with new-build family housing and 2-bedroom bungalows.
 - Increasing levels of floating support to help vulnerable tenants, including young people who have never had a tenancy before would help many of these people to sustain their tenancies – reducing levels of eviction, abandonment, rent arrears, and anti-social behaviour.

Another issue affecting many households in need is fuel poverty:

- A new Cumbria County Council anti-poverty strategy has concluded that Cumbria is the worst off county in the UK for fuel poverty – partly as many rural areas of the county don't have access to gas supplies (e.g. Longtown in our district). Campaigning charity National Energy Action has revealed that over 4,000 residents of the Cumbria's most deprived areas cannot afford fuel to cook and sufficiently heat and light their homes – one in four households in Carlisle's Botcherby, Upperby, and Belle Vue wards are classed as living in fuel poverty ('City Estates in Poverty', East Cumbrian Gazette – April 23, 2009).
- People in parts of Rural Carlisle East are particularly vulnerable to fuel poverty, as areas such as Longtown do not have access to a mains gas supply.

Stage 5: Bringing the evidence together – net affordable housing requirements

Affordable housing requirement. The gross housing requirement (using the 5 year migration led run) has been adjusted to allow for a backlog of requirements. The supply of affordable housing completions since 2006 then deducted to give a net backlog figure. The table exemplifies the inability to deliver the level of housing need identified through the 2006 Housing Need Survey through the planning system – particularly in rural areas.

(Table 67) Net affordable housing requirements							
Affordable housing need (updated)		Requirement 06-09 (x3)	Add back 'pipeline' units inc. in District Survey 2006	Affordable Housing deliveries 06-09	Backlog of requirements	Net loss of affordable housing 06-09	Total backlog requirements (net)
Carlisle City	72	216	84	(130)	170	*122	292
Rural Carlisle East	107}	450	16	(20)	446	5	451
Rural Carlisle West	43}						
District Total	222	666	100	(150)	616	127	743

*Adjusted for 'units to be taken out of management' accounted for in District Survey 2006
Source: Housing Needs Survey 2006, RSL's, Carlisle CC Planning Dept.

Since April 2006 only 150 affordable units have been delivered across the Carlisle District (and nearly all of these in the urban area) leaving a total net backlog of 743 across the district. The situation appears significantly worse in the rural areas, although traditionally Carlisle City has accommodated a lot of the need from people unable to purchase a home in the rural district.

The reasons for the backlog can be apportioned to a number of factors, including:

- The affordable housing target of between 25-30% (since amended to 30% in the urban area) came into force in 2005. However, many of the sites negotiated upon on this basis (including larger sites) have been delayed for a variety of reasons.

- A number of the 'pipeline' RSL schemes identified at the time of the 2006 District Survey never came to fruition due to irresolvable difficulties in securing sites.
- Since 2008 the number of completions has slowed significantly, due to the impact of the credit crunch, which has inevitably had a 'knock-on' effect on the no. of affordable housing units delivered through planning gain via S.106 agreements,
- The largest RSL in the district Riverside Carlisle (formerly CHA) has until recently not been a developing landlord (although this has now changed) – this has inevitably led to a situation where fewer new RSL schemes have come forward compared to other areas where the LSVT landlord has retained its developer status.

It will be a challenge to increase the level of affordable housing delivery until the housing market picks up, however factors which could help to address the affordable backlog issue include:

- Carlisle's Growth Point status will support the delivery of more units once confidence is restored in the housing market.
- In April 2008 the Local Plan inspector increased the affordable housing contribution to 30% on sites over 10 units in the urban area – increased housing numbers, linked to our Growth Point status, will include greater numbers of affordable homes, linked to this increased target.
- The implementation through planning application for the large land allocation for over 800 homes in the west of the City at Morton. Based on a 30% affordable housing contribution this scheme could help to ease the housing shortage.
- Ongoing work on a Strategic Housing Land Availability Assessment has generated interest in around 200 sites which will be evaluated and brought through the Local Development Framework to deliver more housing including affordable housing contribution.
- These developments could also help to meet some of the need identified in our rural HMAs, as they border the countryside – although housing need in more deeply rural areas remains an issue.
- Building more affordable housing in rural areas is a key Government priority – including the Matthew Taylor Review (2008), and the HCA are keen to fund more rural schemes. Local Housing Associations have been looking at a no. of potential rural sites.
- The City Council has agreed to transfer two sites at below market value to be developed for affordable housing. These are - adjoining Low Meadow, in Carlisle West (approx. 30 new homes), and Gelt Rise, Brampton (approx. 15 new homes), to be developed by our RSL partner, Two Castles).

Key issues to be considered in terms of joining up future policy and strategy (based on the preceding chapters) include:

- Continuing high need for affordable housing
- The current economic climate has hit the delivery of both affordable and market housing
- The recession has also affected the tenure mix of RSL accommodation as many RSLs have struggled to sell shared ownership properties.

- There is a requirement for both starter homes – enabling young people to remain in the area – as well as affordable ‘move-on’ family accommodation
- The rise in single person households (although many of them have access to children from former relationships)
- ‘Aspirational’ housing demand for larger 3 or 4 bed accommodation
- The rising elderly population and the affect this will have on the type of accommodation required (e.g. more Extra Care housing, designing new properties to Lifetime Homes standards), as well as increased need for adaptations / care to help people manage in their own homes .

6. Housing Requirements of Specific Household Groups

Homelessness

(Table 68) Homeless Cases	Presentations	Acceptances
2006-07		
April - June	101	70
July - September	85	52
October - December	98	57
January - March	76	54
Total	360	233
2007-08		
April - June	89	62
July - September	85	51
October - December	77	43
January - March	79	50
Total	330	206

(Source: Carlisle City Council Homelessness Service NB District Figures, unable to breakdown to Strategic Housing Market Areas)

(Table 69) Causes of Homelessness for applicant households found to be eligible, unintentionally homeless in priority need	2006-07		2007-08	
	Count	%of total acceptances	Count	%of total acceptances
Parents no longer willing or able to accommodate	48	21%	40	19%
Other relatives or friends no longer willing or able to accommodate	22	9%	14	7%
Non violent breakdown of relationship with partner	31	13.5%	27	13%
Violence inc DV	40	17%	37	18%
Harassment, threats or intimidation	7	3%	3	1.5%
Mortgage arrears (repossession or other loss of home)	9	4%	18	9%
Rent arrears	3	1%	1	.5%
Loss of rented or tied accommodation	58	25%	43	21%
Required to leave National Asylum Support Service accommodation	0	0	0	0
In institution or care	7	3%	12	6%
Other (e.g. homeless in emergency, ex-HM forces, returned from abroad, sleeping rough or in hostel)	8	3.5%	11	5%

(Source: Carlisle City Council Homelessness Service NB District Figures, unable to breakdown to Strategic Housing Market Areas)

2006/07

- 77% of Acceptances were from households with dependant children
- 42% of Acceptances were from young persons aged between 16yrs and 24 yrs
- 2% of Acceptances were from households over the age of 60 yrs

- 11% of Acceptances were from those with mental health issues, 56% of which also had drug or alcohol problems
- 4% of Acceptances were from households in the Longtown area (10 in total)
- 2% of Acceptances were from households in the Brampton area (5 in total)
- 0.8 % of Acceptances were from household in Burgh by Sands (2 in total)

2007/08

- 69.5% of Acceptances were from households with dependant children
- 39% of Acceptances were from young persons aged between 16 yrs and 24 yrs
- 3% of Acceptances were from households over the age of 60 yrs
- 15% of Acceptances were from those with mental health issues, 48% of which also had drug or alcohol problems
- 1% of Acceptances were from households in the Longtown area (2 in total)
- 2.5% of Acceptances were from household in the Brampton area (5 in total)
- These relatively low figures mask the 'hidden' homelessness in rural areas, as many people from rural areas have already drifted or migrated to the City prior to making a homelessness application, so the rural connection may not be known or apparent (during 2005/6, 25 of 326 acceptances related to households from Rural Carlisle East).
- Property prices (purchase and private sector rents) are a cause of homelessness - e.g. mortgage defaults and repossessions, people unable to make their own housing arrangements etc.
- There have been cases where people have attempted to use the homelessness system as a means of 'jumping the queue' – not just exclusively in areas of high demand, although they are normally 'weeded out' by the homelessness team. Part of the reason for this is the move from need to choice-based allocation systems, meaning some applicants who were previously given priority on needs grounds now have to wait longer for accommodation.
- In Rural East there is a chronic shortage of family housing (especially outside the key service centres) for priority homeless households who have a need to be in the Housing Market, due to the impact of Right to Buy sales.

Homeless Accommodation Available (Cont. on next page)

(Table 70) Homelessness Provision across the Carlisle District			
Project	Client Group	Accommodation/ Service	No. of Places
Carlisle City Council			
London Road	Families	Hostel Old property – H & S issues Mix of singles/ family rooms Fully staffed 24 hour cover	10
John Street	Single men; Offenders, drug/ alcohol problems, mental health	Hostel Fully staffed 24 hour cover Residency < 9 months	21
Homeshare	Single men	7 satellite properties <ul style="list-style-type: none"> • Owned by CCC • Leased by CCC from Riverside Carlisle • Leased from Impact 	22
John Street Annexe	Single men	Shared house	7
Impact Housing Association			
Arnwood House	Single men 18 years +	24 hour cover	16
Aglionby Street	Older men	9-5pm support	5
Lindisfarne Street	16 years +	24 hour cover	10
Close Street	16-25 years, mixed	24 hour cover Move on houses, floating	8 2
Supported Flats (CASS partnership)	Young people	Assisting clients to access employment and education.	10
Women's Refuge	Domestic violence	24 hour cover (plus 4 move on floating support places)	7
James Street	Single men - longer-term move on (up to 2 years)	1 self-contained flat & 6 shared.	7
CASS			
Temporary accommodation	offenders/young people	Quick access	13
Supported tenancies	Ex-offenders	Supported	3
SMART Project (partnership with Croftlands Trust)	Substance misuse	Drug & alcohol housing support	14
Croftlands Trust (referrals are through Community Mental Health team)			
Durranhill Road	Mental health care	Hostel (rehabilitation) Respite (24 hour staff cover) (+ out of hours support service)	9 1
Botcherby Avenue	Mental health care	Supported housing (5 bedsits/ 12 1-bed flats)	17

		Staff cover 9am-9pm	
Carranmore	Mental health care (longer stay residential)	Hostel (24 hour staff cover)	6
Stratheden	Mental health care	Hostel (24 hour staff cover) Supported housing (24 hour satellite cover)	9 4
Dispersed housing	Mental health care	Accommodation based support across Carlisle.	39

(Main Source: Carlisle City Council's Homelessness Team. NB District Figures – data cannot be broken down to Strategic Housing Market Areas)

Homeless Accommodation Available (cont.)

Additional Homeless Services

Floating Support: provided in the district by Riverside Carlisle (vulnerable tenants); Impact HA (young people, domestic violence, teenage pregnancy); CASS (ex-offenders, young people, vulnerable tenants); Glenmore Trust (learning disabilities); Croftlands Trust (mental health clients).

Other Homelessness Services include: Care and Repair (preventative project); Night stop (emergency overnight accommodation for young people), Croftlands projects: Spencer Street day centre & Co-operate (supported employment scheme).

(Main source: Cumbria homelessness strategy 2003-2008 – although some of the information is now out of date so had to be updated based on discussions with service providers. NB district figures).

- Carlisle City Council plans to replace its existing families'/ women's hostel by 2010 with new accommodation and a resource centre at John Street by 2010.
- Carlisle City Council is supporting the YMCA's plans to develop a foyer, providing accommodation and training opportunities for up to 20 young people at Fisher Street. (Planning application anticipated autumn 2008).
- The majority of the homeless acceptances in the district table relate to Carlisle Urban (only 7 of the 206 acceptances in 2007/8 had an explicit connection to Rural East).
- Property prices (purchase and private sector rents) are a cause of homelessness.
- More recently the "credit crunch" has also had an impact as many people have been unable to get mortgages.
- Repossessions have increased significantly, with a 72% increase in the Carlisle area compared to the same period last year, and 156 Cumbrian families living in sheltered accommodation as at August 2008 (source: Shelter North West).
- In some high demand areas there is a shortage of family housing for homeless households who have a need to be in a particular area, due to Right to Buy sales.

Elderly Persons' Needs

Cumbria County Council has developed a capacity plan that 'signals' the future shape of older adult social care services across the county for the next 10 years. The key elements of the plan are set out in *Cumbria Adult Social Care Directorates Commissioning Strategy for Older People and their Carers (2007-16)*

The capacity plan requires substantial growth in the number of Extra Care housing units across Cumbria – with 276 additional Extra Care units required by 2011, and a further 350 units by 2016. In Carlisle the requirement is for a further 80 multi-tenure units in addition to the existing 28 rented units (Burnside Court).

- The mixed tenure scheme in Carlisle West, which is starting on site August 2009, will provide 60 new mixed tenure Extra Care units.
- Many of the existing residential and sheltered schemes in the Carlisle district are no longer fit for purpose.
- The aging population will require a range of initiatives to help older people manage in their existing homes – such as housing design (e.g. Lifetime Homes standards), Disabled Facility Grants, and increased care and support in the community.
- Riverside Carlisle have sheltered schemes for the elderly at West Hill House (Brampton) and Ladyseat (Longtown). Anchor (Union Court) and Housing 21 (Townfoot Court) also have sheltered schemes for the elderly in Brampton – Anchor additionally has 4 supported bungalows at Castle Carrock. Riverside have recently reviewed their sheltered housing provision and Westhill House has been identified as in need of remodelling.

Supported housing

(Table 71) Key priority group	No. of supported housing units	Requirements
Learning disabilities	41	(Currently there are 146 persons in Carlisle with Learning Disability some of these receive Floating Support and some may be in generic services)
Mental health	36	No additional comments made by Supporting People
Young people	38	*
Teenage parents	6	No additional comments made by Supporting People
Substance misuse	12	*
Offenders and ex-offenders	16	Possibly increasing by another 10
Domestic violence	32	Figure may include some floating support
Refugees and asylum seekers	0	0 (awaiting report from the Research and information Group survey currently being carried out by Salford University)
Physical disabilities	14	Further 25 units possibly required
Older people	408	Currently under review

(Source: Supporting People Cumbria, 2006 – unable to break down to Housing Market Area)

* Some people within this client group are in accommodation classed as generic services - although support is given to those within the client groups mentioned, they are not recorded specifically as that particular client group but are classed within the generic services grouping.

- The most vulnerable groups of people are not only more likely to come through the homelessness system, but also more frequently find themselves in the poorest quality private sector accommodation.
- The lack of housing options available to vulnerable people is a result of poverty and low incomes, compounded by the housing benefit system.
- Levels of owner occupation among the most vulnerable groups are very low.
- Support and accommodation for other groups is located in Carlisle urban.
- The lack of support available locally for vulnerable people, as well as the low supply and turnover of social housing means the associated problems become more 'invisible' in areas such as Carlisle Rural East.
- The Government's white paper 'Our health, Our Care, Our Say' (2006) challenges health and social care services to place much more emphasis on prevention, independence, well-being and choice. While 'Improving Life Chances of Disabled People' (Prime Minister's Office national strategy document, 2005) expects all public bodies to improve accessibility and social inclusion, and provide a wide range of opportunities for people to take control of their own lives. These issues are highlighted at a county level in Cumbria County Council's 'Strategy for people with physical disability or sensory impairment and their carers'.

Gypsy and Traveller Accommodation

Cumbria Housing Group commissioned the 'Cumbria Gypsy and Traveller Accommodation Needs Assessment' through SHUSU (Salford University's – Salford Housing & Urban Studies Unit, published May 2008).

The study identified the need for an additional 58 residential pitches and 35 transit pitches up until 2012.

Carlisle City Council made a successful bid to CLG in 2008, and we have secured £1.96 million towards a new site, incorporating 15 pitches as Ghyll Bank near Harker to meet an element of this need.

Blind and Visually Impaired People

The following comments are taken from a response received from Action for Blind People as part of the SHMA consultation:-

With regard to Cumbria, two particular issues are recurring themes among Action's housing clients: difficulty for persons, who require care assistance and possibly a need for a second bedroom, to obtain their first homes from Social Landlords/Housing Associations. On many occasions Housing Associations only offer 1 bed accommodation to a 'single individual.' Another issue relates to payment of the rent - if the individual is not working, as sometimes the Housing Benefit doesn't cover the cost of all the rent, forcing the individual to make up the difference by other means.

In addition, visually impaired clients suffer from an inability to self identify issues effecting them due to the impact of their visual impairment such as hazards, disrepair. There is also a need to educate housing providers in terms of adaptations and minor works, issues such as contrasting colours, changes to lighting, layout and finishes that would be less central to other clients are important to their independence. Typical issues when using contractors - such as home security, cost, concerns about disruption are also exacerbated. Assistive Technology plays a unique role in achieving greater independence

Low Cost Market Housing

PPS3 (Planning Policy Statement 3) removed low cost market housing from the official definition of affordable housing, as re-sales are purely market-driven. However, PPS3 makes it clear that this is still an important element in a balanced housing market: "Local Planning Authorities should plan for the full range of market housing. In particular, they should take account of the need to deliver low-cost market housing as part of the housing mix".

Although there is no mechanism to keep these homes affordable in perpetuity, low cost market housing can help many people, particularly first-time buyers onto the property ladder. There is currently not a great deal of this type of housing in our rural areas, with our rural housing markets featuring a significant number of larger, more expensive detached properties.

Intermediate Affordable Housing

Intermediate housing relates to types of housing between market and social rented. These tenure options are:-

- Shared Ownership: the purchaser buys an initial share in a property (often 50% or 75%) and pays a rent on the remainder of the property they do not own.
- Shared Equity: again the purchaser buys a share of the property, with the other party retaining a share of the equity. The Government's flagship shared equity scheme is *HomeBuy* – there are a range of products: Social *HomeBuy*, to help tenants of social rented housing into owner occupation, New Build *HomeBuy*, and *Open Market HomeBuy* (the "Zone Agent" for the latter product in Cumbria is Eden Housing Association, based in Penrith).
- Discounted Sale: in Carlisle this works on a fixed discount from open market value – 30% on newer schemes – with the vendor passing on the same percentage discount to the new owner, based on the valuation at resale, when they come to sell the property on. This is how discounted sale usually works, although there are schemes where sale prices are linked to local incomes (e.g. South Lakeland).
- Intermediate Rented: homes are provided at rent levels above those of social rents, but below market rents – typically 80% of market rent.

During 2008, the credit crunch has led to a major shake-up in the intermediate housing market. Housing Associations have become increasingly reluctant to deliver shared ownership and shared equity schemes, due to problems people have had in securing mortgages. In relation to discounted sale (a Low Cost Home Ownership register is maintained by the City Council).

In Carlisle Rural East we currently have a portfolio of 34 discounted sale properties, as of January 2009, situated at Longtown, Houghton, Irthington, Cargo and Faugh. District wide, sales of new build houses have remained relatively buoyant, we have struggled to sell apartments. Resales have also been hit by the credit crunch, as many applicants already have existing properties to sell.

Intermediate renting has previously been more prevalent in London and the South East, and has tended to be aimed at key workers – in the Carlisle district the differential between market and social rents has meant this has not previously been significant enough to make this a preferred intermediate tenure option. However, we are now looking at this tenure as a short to medium term measure in the Carlisle district for the first time, as the Homes and Communities Agency have agreed that where Housing Associations are unable to sell shared ownership/ equity homes, they can be let at 80% or market rent for a period of up to 3-years, with incumbent tenants given the right to purchase a share at the end of that period.

7. Report Conclusions – Bringing the Evidence Together

This section considers the evidence in preceding chapters to draw overall conclusions regarding housing needs that will influence the direction of future policy and strategy. (see also *Appendix 5: Balanced Housing Market Indicators*).

Local housing markets across the Carlisle district and Cumbria have faced major changes during 2008 and 2009 due to global forces. The slowdown in the building trade and impact of the credit crunch has hit both open market housing and the RSL sector alike – the current rationing of housing supply could also serve to fuel the next boom.

In terms of the housing market ‘turning the corner’ the evidence is mixed:

- CLG statistics indicate that nationally for the first quarter of 2009 although the no. of seasonally adjusted housing starts (18,340) was up 13% on the previous quarter – this was still 44% lower than the same quarter in 2008 – however, the no. of RSL starts was actually 5% higher than the same period the previous year (*CLG Housing Statistical Release – House Building: March Quarter 2009, England*).
- Shared ownership is the RSL tenure that has borne the brunt of the credit crunch’s bite – with many prospective purchasers being unable to get mortgages – including people who already had mortgages secured finding that those products have since been withdrawn. *Inside Housing* (27 February 2009) reported that the no. of shared ownership homes unsold for more than six months jumped to 4,560 in December – up 20% on the previous quarter. The TSA confirmed that one of the two areas hardest hit has been the North West and that the apartment market has been particularly badly affected (*Tenant Services Authority – Summary Report: Low Cost Home Ownership and the Credit Crunch, 2009*).
- In Carlisle this reflects our empirical findings, in respect of sales of discounted sale properties through our LCHO scheme as we have struggled to sell apartments, but demand has for 2 and 3 bedroom family houses has remained relatively buoyant.
- The credit crunch is also serving to widen inequality in the first-time buyer housing market, as purchasers have become increasingly reliant on parents to contribute towards large deposits. As of May 2009, nationally there were 542 different loans available for people with a 25% deposit, compared to only 4 different deals available for people with just a 5% deposit (source: www.moneyfacts.co.uk). Conversely, it is worth noting that those first-time buyers who are able to get a deposit together, as well as home movers (for those lucky enough to be able to sell in the current market) are benefiting from spending the lowest proportion of their income since June 2004, due to falling property prices and historically low interest rates (*Council of Mortgage Lenders, www.cml.org.uk*). Similarly, demand has not diminished – Northern Rock reported that due to promoting better deals, mortgage applications soared by around 70% between February and March 2009 (www.northernrock.co.uk).
- Despite some optimistic signs of ‘green shoots of recovery’ (Nationwide reported increased property prices of 1.2% in May compared with April – even using the more reliable quarter-on-quarter measure, this revealed prices fell by 0.5% - the lowest drop since January 2008, leaving the annual rate of house price falls at 11.3% in May (source www.nationwide.co.uk) this may just be a temporary fillip due to falling interest rates and that prices could still fall further. Negative factors include

the weakness of the economy, high unemployment – leading to increasing repossessions, and people forced to sell due to negative economy. One estimate is that by 2010 prices could be 28% below their 2007 peak (www.joneslanglasalle.co.uk).

- Locally, Cumberland Estate Agents in Carlisle estimate that double the number of properties were sold during the first 4 months of 2009 than in the last 4 months of 2008, but again this needs to be monitored over a longer period, seasonal variations need to be accounted for, and this is just one estate agent ('House sales doubled as market improves', News & Star, May 28, 2009).
- The private rented sector has an important role to play for people unable to buy since the credit crunch kicked in. However, nationally the buy-to-let market has also been hit by the recession, with buy-to-let mortgages accounting for only 6% of the Market in the first quarter of 2009, compared to 12% a year earlier – (source: *Council of Mortgage Lenders*). But it would seem Carlisle may have 'bucked the trend' in this particular market, with the News & Star reporting that Carlisle had seen a "massive 171 per cent rise in properties to rent, the biggest increase in the country" ('Huge Rise in Rentals – City sees biggest increase in Britain', News & Star, March 26, 2009).

This report has examined recent trends in the Carlisle City Housing Market Area and also considered possible market developments and trends, as well as economic changes within the context of the Carlisle district, as well as the wider implications at countywide, regional and national level. From this an analysis of the type of housing we will require now and into the future has been made, taking into account size, tenure and type, including meeting the needs of specific groups.

The study further characterises the housing markets in Cumbria as follows:

- Generally weak local economies expressed through low incomes, except for those people not dependant on the local labour market for resources
- An aging population fuelled by out-migration of younger people (caused by lack of higher education institutions – hopefully the new University of Cumbria will help to counteract this problem, relatively few graduate employment opportunities, and a lack of quality affordable housing) and continuing in- migration of retirees – particularly in rural areas.
- Long social housing waiting lists, and high proportions of concealed households, brought about not only by high demand from those on low incomes but by a very limited supply.

Current trends across the North West point to a continuing fall in house prices which may continue for the next two to three years. House prices in Cumbria have not fallen quite as much as the national average. However, even with a reduction of just over 10% since prices peaked, entry level prices remain unaffordable to people on lower incomes. Furthermore, in areas where the property market has been strong and stable in the past, people are reluctant to sell at a reduced value and are tending to 'sit out' the current economic climate – the picture here is one of a static rather than falling housing market. This may change if people need to sell urgently to move for employment opportunities, but this is unlikely to impact sufficiently on the supply of affordable housing and in the short term the effects of the 'credit crunch' will impact negatively on people unable to access finance and therefore increase the immediate pressure on the social and private rented stock.

The extent of the current economic climate on investors and property developers in the Carlisle area is uncertain but it is possible that speculative investors may take advantage of reduced prices. This makes it harder for those on lower incomes to enter home ownership, and therefore face longer period in private and social rented sectors or intermediate housing if this is an option. In addition Carlisle may feel the effects of the University expansion which may further reduce the availability of low cost private rental.

In the longer term there are clear linkages between housing supply and economic development, as highlighted in our Economic Strategy. The Strategy highlights that the economy needs a sufficient workforce in order to support our growth target, which in turn requires suitable levels of accommodation – including affordable housing. In this sense economic development and housing are mutually supportive.

An insufficient workforce to maximise full economic growth opportunities is likely to be compounded by out migration of younger people and an aging workforce. While this may be mitigated by better pay awards to encourage residents to work here (unlikely in the current economic climate) and some people exercising the choice to continue working past retirement age, the extent and long-term effect of these factors are not yet known.

In the immediate future affordable housing for people on low incomes wishing to remain in Cumbria and start families is required to discourage further out-migration. At present, social rented housing may be the best tenure option for many people in need of affordable housing, as the difficulties many households have experienced in obtaining credit also extend to the shared ownership market. However, if RSLs retreat from this market to too great an extent, there is a danger this could lead to shortages in the intermediate housing sector once the market has recovered.

The population is due to age significantly over the next two decades with crucial implications for specialised housing and services. Property that is or can be adapted to enable independent living is required in locations that are accessible. It has been noted above that the rise in one person households is in part due to the aging population through the death of a partner but also through increasing levels of separation and divorce. However assumptions regarding the size of units for these households is predominantly for more sustainable two-bed properties, which can accommodate carers and visitors (particularly in the case of elderly residents) and overnight stays by children (in the case of a marriage or relationship break-up).

It will be necessary for policy makers to adopt a holistic approach to maximizing the potential of Carlisle's housing markets, through meeting immediate pressures caused by the credit crunch, while not taking our eye off our longer-term housing requirements beyond the immediate recession. It will be necessary to deliver the right number, type and tenure of homes to produce balanced housing markets. Carlisle's housing offer will need to: support our economic growth targets; deliver an adequate supply of affordable housing for the local workforce – to rent and buy; meet the needs of an aging population; and support the most vulnerable groups in society.

Tackling shortages of affordable housing in Carlisle's rural housing markets and supporting the rural economy will be fundamental to this process.

Monitoring and updating of the assessment

The SHMA Guidance recommends that partnerships undertake a comprehensive assessment no more than every five years but that trends and activities in the market areas should be monitored regularly against policy aims. In addition the information contained in the SHMAs should be updated. This will be carried out in conjunction with planning departments/authorities. To achieve this aim and provide a framework for updating SHMAs a set of indicators have been developed listed in appendices 2, 3 and 4. A comprehensive assessment and updated housing needs survey is planned for 2010/11.

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Appendix 1: Definition and types of affordable housing

Excerpt from Delivering Affordable Housing, Annex B: Definition and types of affordable housing, Communities and Local Government, November 2006

Definitions

30. **Affordable housing** includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:
- meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices; and
 - include provisions for:
 - (i) the home to be retained for future eligible households; *or*
 - (ii) if these restrictions are lifted, for any subsidy to be recycled for alternative affordable housing provision.
31. **Social rented** housing is rented housing owned and managed by local authorities and RSLs, for which guideline target rents are determined through the national rent regime. The proposals set out in the Three Year Review of Rent Restructuring (July 2004) were implemented as policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant.
32. **Intermediate affordable** housing is housing at prices and rents above those of social rent but below market price or rents, and which meet the criteria set out above. These can include shared equity (e.g. HomeBuy) and other low cost homes for sale, and intermediate rent.

Context of the definitions

33. The definitions above replace the guidance given in *PPG 3 Housing* (2000) and *Circular 6/98 Planning and Affordable Housing*. They are set out in Annex B of *Planning Policy Statement 3 (PPS3): Housing*.
34. The Government has adopted this definition of affordable housing because it wishes to ensure that developer contributions are used to help provide genuinely affordable housing for households in need over the long term. The definition includes homes owned or managed by private sector bodies and provided without Government grant, and new models of affordable housing. It is not essential that all affordable homes are offered under identical conditions.

Social rented housing

35. Normally, only households on local authority and RSL registers are eligible for social rented housing. Target rents are set under a national rent regime; are well below market levels; and, are normally based on relative property values, local earning levels and property size. When a household ceases to occupy a social rented home, it is normally made available to other households eligible for social rented housing. Social rented homes are normally owned and/or managed by a RSL (or other body agreed by the Housing Corporation), and will be required by regulation or contract to meet the criteria.
36. Some tenants have the legal right to purchase at a discount the social rented home in which they live, e.g. RSL tenants with a Right to Acquire and local authority

tenants with Right to Buy. Where these rights are exercised the home itself ceases to be affordable, but procedures are in place to reuse receipts. Receipts from Right to Acquire sales are recycled to provide more social rented housing to help other eligible households. Receipts from Right to Buy are partly (25 per cent) retained by the local authority for use however the authority chooses; the remaining 75 per cent is kept by Government to be reinvested in new supply.

37. Local authority homes which are let in connection with the tenant's employment, or are particularly suitable for occupation by disabled or elderly persons are exempted from Right to Buy. Publicly funded housing in small rural settlements⁴ is exempt from Right to Acquire, as replacing them with other affordable homes would be extremely difficult. (It is not exempt from the Right to Buy, but the landlord may require that properties sold under that scheme can only be resold to people who live or work locally). Landlords will also usually have a right of first refusal to buy back any homes sold under the Right to Acquire and Right to Buy, if they are resold within ten years.

Intermediate affordable housing

38. Types of housing between market and social rented housing include:
- **Intermediate rented** homes are provided at rent levels above those of social rented but below private rented. The Government offers these to some key workers who do not wish to buy.
 - **Discounted sale** homes have a simple discount for the purchaser on its market price, so the purchaser buys the whole home at a reduced rate.
 - **Shared equity** is where more than one party has an interest in the value of the home e.g. an equity loan arrangement or a shared ownership lease. There may be a charge on the loan, and restrictions on price, access and resale.
 - **Shared ownership** is a form of shared equity under which the purchaser buys an initial share in a home from a housing provider, who retains the remainder and may charge a rent. The purchaser may buy additional shares ('staircasing'), and this payment should be 'recycled' for more affordable housing. In most cases, a purchaser may buy the final share ('staircase out') and own the whole home, though this may be restricted in some rural areas.
39. Homes of any of these types should only be considered intermediate **affordable** housing if they meet the criteria in the definition. If they do not, even if offered at less than market price, they should be considered 'low cost market housing', outside the definition of affordable housing.
40. For example, a shared ownership home is likely to be affordable if access is restricted to households from a target group at a price they can afford. The purchaser may staircase out, but there should be secure arrangements for subsidy to be recycled to provide more affordable homes or buy back the home if needed.
41. Low cost market housing is not part of the Government's definition of affordable housing although it can play an important role in meeting housing demand. Local authorities should consider the potential to provide low cost market housing as part of their approach to achieving a mix of housing (PPS3, paragraph 26).

Small rural settlements have been designated for enfranchisement and right to acquire purposes (under Section 17 of the *Housing Act 1996*) by SI 1997/620-25 inclusive and 1999/1307).

**Appendix 2: Local Housing Assessment: A practice guide
Discussion Draft – March 2005**

**Summary of the discussion document, tied in with the Cumbria
Rural Housing Trust Rural housing Needs Toolkit**

1. Identifying the spatial extent of local housing markets and
developing local housing partnerships

Data sources for defining housing market boundaries

Potential Data Sources	Interrogation of Data	Strengths and Weaknesses
<i>Formal boundaries</i>		
Administrative boundary maps	Compare local authority boundaries with other policy boundaries (e.g. health)	Useful to compare different areas of operation
Other formal boundaries: census output geography; local authority and registered social landlord management areas; school catchment areas; urban regeneration areas, etc	Indicate overlapping and nested areas for which a variety of data sources may exist	May not be consistently available. Policies and their boundaries may be subject to change over time. Census output geographies allow aggregation up to different spatial scales
<i>Functional boundaries</i>		
Census of Population – migration and special workplace statistics	Examine migration and commuting (travel to work) data	Only produced every 10 years. Limited questions but detailed nested geography down to output areas, allowing census output areas to be aggregated.

Potential Data Sources	Interrogation of Data	Strengths and Weaknesses
NHS GP Re-registration Statistics	Alternative measure of migration based upon re-registrations in GP practices	This is the only sub-LA measure of migration that is available continuously but is subject to lags (especially among men) in re-registering.
Bespoke or official surveys containing questions on migration, commuting and housing choice	Analysis of origins and destinations, mobility and preferences	Useful in inter-censal years but could be costly

In addition: info from retailers & other service providers – origin of shoppers and service users, estate agents, housebuilders & developers; distribution of local newspapers.

2. Identifying key objectives and methodology

Table 3.1: Key policy documents and intelligence sources

<ul style="list-style-type: none"> • regional and sub-regional economic strategies; • regional housing statements and sub-regional housing strategies; • regional spatial strategies and sub-regional strategies; • regional transport statements and specific sub-regional studies; • local housing strategies; • local development frameworks; • community strategies; • neighbourhood renewal strategies; • economic development strategies; • local transport plans; • area based regeneration strategies and initiatives; • CORE (In England) and local authority data on lettings; • local authority housing register; and • miscellaneous policy documents and research, including local authority corporate plans, best value reports, house condition surveys, social care and health strategies, fuel poverty strategies, crime and disorder strategies and energy efficiency strategies.

3. Assessing current local housing markets

Stage 1 – Factors affecting the current housing system

Components of stage 1			
Factors influencing housing requirements	Principal data sources	Outputs	Component of CRHT Health Check
1.1 Impact of national and regional economic policy	Local economic experts, local authority economic development teams, regional development agencies and regional observatories	Interest rate trends, Government funding for regeneration etc	
1.2 Demographic structure	Census data	Numbers of households broken down by type (couple, lone parent, etc.), age of head, gender of head, ethnicity, economic status and tenure	Population and number of households/dwellings – shows whether community contains a balance of households. www.statistics.gov.uk Parish profiles – www.cumbria.gov.uk
1.3 Size and structure of the local labour force	Labour Force Survey Annual Business Inquiry	Numbers of employees in each industrial sector (SIC), numbers of employees by occupational classification	
1.4 Local incomes	Inland Revenue personal incomes Other income sources e.g. CACI Paycheck , Experion; CORE, Local housing survey , New Earnings Survey	Proportions / numbers of households / individuals in each income band	Average weekly manual wage for the county – shows whether households on average incomes can afford a mortgage locally. New earnings survey (full time), www.statistics.gov.uk
1.5 The cost of buying or renting a property and how this has changed	Land Registry Estate & Letting	Prices and rents for different types and	Local house prices for the last two quarters, average for

over time	Agents Rent Service HSSA	sizes of dwellings in different locations. Price and rents data can be translated into the weekly cost of buying or renting in each tenure, in each location	each category and overall – shows whether households can afford to buy. Land registry or estate agent survey if land registry postcode sector is not representative. www.landreg.gov.uk
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Stage 2 – Assessing the current stock of housing

Components of stage 2			Component of CRHT health check
Step	Principal data sources	Outputs	
2.1 Total number of dwellings	Census Council tax register	Total number of dwellings in the area including second homes	
2.2 Tenure	Census Council tax register	Total number of dwellings in each tenure	Council and housing association homes for rent and shared ownership as a % of all homes-shows opportunities to rent or buy at below market value. Source, Cumbria rural Housing Trust, www.crht.org.uk

2.3 House size/type	Census Stock condition survey Local Housing Survey	Number of dwellings by size and by type (number of bedrooms, whether detached, semi-detached, terraced house or flat)	
2.4 Condition of stock	Local survey data Decent Homes information Census data on amenities Stock condition survey	Condition of stock (unfit, in need of major / minor repairs) by tenure (and location if using stock condition or local housing survey)	
2.5 Shared housing and communal establishments	Census Student accommodation services Voluntary sector and key informants Local Housing Survey	Estimated numbers of households living in shared houses and communal establishments	
Second and holiday homes as a % of all homes	National statistics website: www.statsitics.gov.uk Cumbria County Council parish profiles www.cumbria.gov.uk	High levels of second and holiday homes generally mean high house prices, particularly for smaller properties, and fewer opportunities to rent privately.	CRHT data requirement

Stage 3 – Indicators of housing demand, pressure and potential housing supply

Components of stage 3		
Step	Principal data sources	Outputs
3.1 Relative house prices and rents by size, type and location	Output of table 4.1	House prices and rents by size, type and location within the area
3.2: Affordability of	Output of table 4.1	Mapping of which areas and property

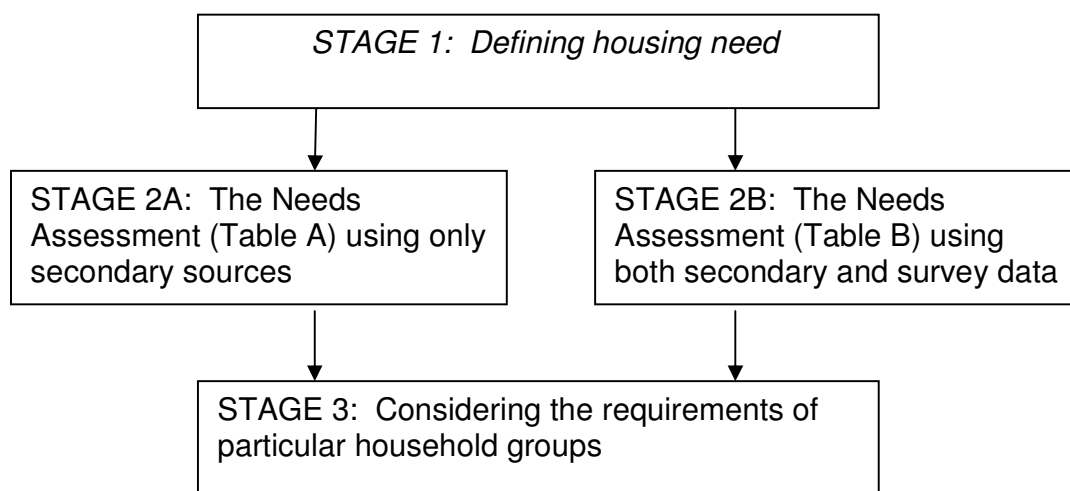
housing		types are most and least affordable
3.3 Overcrowding or under-occupation - Dwelling size and household size - Degree of overcrowding and under-occupancy - Concealed households	Census Local Housing Survey	Census allows a measure of overcrowding by comparing household composition to number of rooms. Surveys provide evidence of overcrowding or under-occupation when household composition is compared to number of bedrooms. Surveys can provide details as to whether concealed households behaviour reflects necessity or choice.
3.4: Vacancy rates	Census HSSA returns (In England) Council tax register LA/HA records	Vacancy rates by tenure (and by size, type and location if using local survey data)
3.5: Turnover or 'churn'.	Land Registry transactions LA/HA records Estate Agents Survey of Mortgage Lenders	Transactions data, turnover and 'churn' relating to different types of property / locations
3.5: An indication of available supply by tenure	Estate and letting agents LA and HA re-lets	An indication of available supply by tenure and house type / size / location

. Assessing future change in household numbers

Simple Approach to projecting future household change

	Principal data sources	Outputs
Population and household composition	Chapter 4 step 1.2	Current numbers of households by type, age, gender and ethnicity
Projecting future change in household numbers	Official population and household projections (updated using the National Health Service Central Register)	Future number of households by type (i.e. married couple, cohabiting couple, lone parent, other multi-person and single person household) age, gender and ethnicity

5. Assessing housing need



NEEDS ASSESSMENT TABLE VERSION A (USING ONLY SECONDARY DATA): STEPS AND SOURCES

Element and step in calculation	Data sources
C: CURRENT NEED	
1. Existing households in need of alternative housing.	Housing Register
2. <i>plus</i> current non-households in need	Housing Register Priority homeless in temporary accommodation; Hostel move-on needs; Homeless agencies data.
3. <i>minus</i> cases where they can afford to meet their needs in the market	Housing Register

4. <i>equals</i> Total current housing need	1+ 2 – 3
A: AVAILABLE STOCK TO OFFSET NEED	
5. Current occupiers of affordable housing in need.	Local Authority transfer list
6. <i>plus</i> surplus stock	Local Authority records.
7. <i>plus</i> committed supply of new affordable units.	Development programmes of LAs and HAs, including conversions and intermediate housing products. Regeneration\Pathfinder Schemes.
8. <i>minus</i> planned units to be taken out of management	Demolition and conversions programmes of LAs, HAs, Regeneration\Pathfinder Schemes.
9. <i>equals</i> Total available stock to meet current need	5 + 6 + 7 – 8
10. <i>equals</i> Total Current need	4 – 9
11. <i>times</i> quota progressively to reduce level of current need	Policy judgement.
12. <i>equals</i> annual need to reduce level of current need	10 x 11
N: NEWLY ARISING NEED	
13. New household formation (gross p.a.)	Output of chapter 5
14. <i>times</i> proportion unable to buy or rent in the market	Secondary data sources on household incomes and income proxies; Output from chapter 4, establishing entry level rents and property prices [i.e. step 3.2 of Chp 4.
15. <i>plus</i> existing households falling into need	Numbers joined housing register within last year who were already householders LA data on households recently housed outside normal housing register, or where entered register within last year.
16. <i>minus</i> potential out-migrants unable to afford market housing.	Census data as a proxy

17. <i>plus</i> in-migrants unable to afford market housing.	Census data as a proxy
18. <i>equals</i> Newly arising need	$(13 \times 14) + 15 + 16 + 17$
S: SUPPLY OF AFFORDABLE UNITS per year	
19. Net supply of social re-lets	Lettings/voids system for LA and HAs; CORE data for HAs. HSSA data
20. <i>plus</i> supply of intermediate housing available for relet or resale at sub market levels	LA and HA Lettings/voids system and data on resales of sub-market LCHO or shared equity schemes.
21. <i>equals</i> affordable supply	$19 + 20$
NET SHORTFALL OR SURPLUS	
22. Overall shortfall or surplus	$12 + 18 - 21$

NEEDS ASSESSMENT TABLE VERSION B (USING SURVEY DATA AND SECONDARY DATA): STEPS AND SOURCES

Element and step in calculation	Data sources	Component of CRHT housing need survey
C: CURRENT NEED		
1. Existing households in need of alternative accommodation	Local housing survey.	Yes
2. <i>plus</i> Current non-households in need of affordable housing	Local housing survey Priority homeless in temporary accommodation;	Yes

	Hostel move on needs; Homeless agencies data;	
3. <i>minus</i> cases where they can afford to meet their needs in the market	Local housing survey.	Yes
4. <i>equals</i> Total current housing need	1 + 2 – 3	
A: AVAILABLE STOCK TO OFFSET NEED		
5. Current occupiers of affordable housing in need.	LHS	No
6. <i>plus</i> surplus stock	Local Authority records.	No
7. <i>plus</i> committed supply of new affordable units.	Development programmes of LAs and HAs, including conversions and intermediate housing products. Regeneration\pathfinder schemes	No
8. <i>minus</i> planned units to be taken out of management	LAs and HAs demolition and conversions programmes.	No
9. <i>equals</i> Total available stock to meet current need	5 + 6 + 7 – 8	No
10. <i>equals</i> Total Current need	4 – 9	
11. <i>times</i> quota progressively to reduce level of current need	Policy judgement.	No
12. <i>equals</i> annual need to reduce level of current need	10 x 11	No
N: NEWLY ARISING NEED		
13. New household formation (gross p.a.)	LHS new hidden homeless households/year; LHS recent moves not previous households.	No
14. <i>times</i> proportion of newly arising households unable to buy or rent in the market	LHS incomes of hidden homeless households and recent new households; Output from chapter 4, establishing entry level rents and property prices [i.e. step 3.2 of chapter 4]	Yes
15. <i>plus</i> existing households falling into need and unable to afford market housing	LHS – Households recently fallen into need; LHS – New social tenants who fell into	Yes

	need within the last year. LA data on households recently housed outside normal housing register, or where entered register within last year.	
16. <i>minus</i> potential out-migrants unable to afford market housing.	LHS – people intending to move;	Yes
17. <i>plus</i> in-migrants unable to afford market housing.	LHS - recent migrants profile.	No
18. <i>equals</i> Newly arising need	(13 x 14) + 15 + 16 + 17	No
S: SUPPLY OF AFFORDABLE UNITS per year		
19. Net supply of social re-lets	Lettings/voids system for LA and HAs; CORE data for HAs. HSSA data	No
20. <i>plus</i> supply of intermediate housing available for relet or resale at sub market levels	LA and HA Lettings/voids system and data on resales of sub-market LCHO or shared equity schemes.	No
21. <i>equals</i> affordable supply	19 + 20	No
NET SHORTFALL OR SURPLUS		
22. Overall shortfall or surplus	12 + 18 – 21	No

CRHT Housing Needs Survey Components

Stage 1 – collects basic information:

- Type of housing
- Numbers and ages of people living in housing
- How long the household has lived in the village
- Where the household moved from
- Asks for respondents views on need for affordable housing and what future

Covered in Step 3: Assessing current local housing markets.

}

developments should be.

Stage 2 – designed for people wanting to find another home in the community in the next few years:

- Income
 - Capital
 - Employment
- } Covered in Step 3: Assessing current local housing markets
- Type of housing required
 - Special needs – retirement housing, housing adapted for disabled people etc. (Requirement of PPG 3, housing needs of specific groups should be identified. For example, elderly, disabled, students, rough sleepers, key workers, travelers and occupiers of mobile homes and houseboats)



Survey report should tell you:

- Number and type of households needing to find another home
- How many would need to rent and how many could afford low cost ownership
- The type of housing require.

Additionally, good survey should give information about:

- Population details
 - Study of the Local Housing market
- } Covered in Step 3 and CRHT Health Check
- Trends in migration – movements into and out of the village, important indicator of changes in demand and competition, and can predict future make up of community.
 - Local Services and employment – take into account basic services such as shops, health care and public transport.

6. Bringing together a robust evidence base

Table 7.3: Variables and data sources for updating local housing assessments

Variable	Data source
External impacts	Mid year population and household estimates

on housing market	<p>Census; Registrar general Labour market changes- working population and economic activity rates; unemployment NOMIS website Interest rates HM Treasury website Income and earnings changes New earnings survey, Inland Revenue, CACI Paycheck. Experian</p>
Housing stock changes	<p>New build completions ODPM website (HSSA data) Affordable housing delivery through S106 agreements RSL completions and acquisitions RSR general report Outstanding housing planning permissions</p>
Affordability changes	<p>House prices Land Registry Private sector rents Surveys of local estate agents CORE, local authorities Evidence of changes in household incomes</p>

Appendix 3:

CUMBRIA STRATEGIC HOUSING MARKET ASSESSMENT

PROJECT BRIEF

Background & Context

National Government planning guidance contained in Planning Policy Statement PPS3 - Housing – issued in December 2007 sets out the national planning policy framework for delivering the Government’s housing objectives. PPS3 has been developed in response to recommendations in the Barker Review of Housing Supply in March 2004. The PPS reflects the Government’s commitment to improving affordability and supply of housing in all communities, including rural areas, informed by the findings of the Affordable Rural Housing Commission.

PPS3 requires Local Planning Authorities to carry out Strategic Housing Market Assessments (SHMAs) as part of the evidence base in the preparation of their Local Development Documents (LDDs) to support the level of housing required in an area. PPS3 states that Local Development Documents and Regional Spatial Strategy policies should be informed by a robust, shared evidence base, in particular, of housing need and demand, through a Strategic Housing Market Assessment and land availability, through a Strategic Housing Land Availability Assessment.

Annex C to PPS 3 states that Strategic Housing Market Assessments [and Strategic Land Availability Assessments] are an important part of the policy process. They provide information on the level of need and demand for housing and the opportunities that exist to meet it. Assessments should be prepared collaboratively with stakeholders. Where two or more Local Planning Authorities form a housing market area, Local Planning Authorities should work together either by preparing joint assessments or by ensuring consistency in methodology.

Paragraph 22 of PPS3 states that based on the findings of the Strategic Housing Market Assessment and other local evidence, LPAs should set out in LDDs:

- The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing;
- The likely profile of household types requiring market housing e.g. multi-person, including families and children (x%), single persons (y%), couples (z%);
- The size and type of affordable housing required.

Developers are required to bring forward proposals for market housing, which reflect demand and the profile of households requiring market housing, in order to sustain mixed communities. Proposals for affordable housing should reflect the size and type of affordable housing required.

In determining the local, sub-regional and regional level of housing provision, Local Planning Authorities and Regional Planning Bodies working together, should take into account:

Evidence of current and future levels of need and demand for housing and affordability based upon:

- Local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments and other relevant market information such as long term house prices;
- Advice from the National Housing and Planning Advice Unit (NHPAU) on the impact of the proposals for affordability in the region;
- The Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts.

Regional Spatial Strategies should set out the level of overall housing provision for the region, broadly illustrated in a housing delivery trajectory, for a sufficient period to enable Local Planning authorities to plan for housing over a period of at least 15 years. This should be distributed amongst constituent housing market and Local Planning Authority areas.

Local Development Documents (LDDs) should set out a strategy for the planned location of new housing which contributes to the achievement of sustainable development, including identifying broad locations and specific sites that will enable continuous delivery of housing for at least 15 years from the date of adoption, taking account of the level of housing provision set out in the Regional Spatial Strategy.

To ensure that there is a continuous five year supply of deliverable sites available for housing, Local Planning Authorities should monitor the supply of deliverable sites on an annual basis, linked to Annual Monitoring Report review process, including:

..... considering whether it is necessary to update the housing market and land availability evidence bases and initiate a review of relevant Local Development Documents in order to be able to continue to maintain an up-to-date five year supply of deliverable sites.

What is required?

A Strategic Housing Market Assessment should:

- Estimate housing need and demand in terms of affordable and market housing;
- Determine how the distribution of need and demands varies across the plan area, for example, as between the urban and rural areas;
- Consider future demographic trends and identify the accommodation requirements of specific groups such as homeless households, Black and Minority Ethnic Groups, first time buyers, disabled people, older people, Gypsy & Travellers and occupational groups such as key workers, students and operational defence personnel.

Detailed guidance on the preparation of Strategic Housing Market Assessments is provided in the DCLG Practice Guidance Version 2 (August 2007).

The Practice Guidance acknowledges that housing markets are dynamic and complex. Because of this, Strategic Housing Market Assessments will not provide definitive examples of housing need, demand and market conditions. However, they can provide valuable insights into how housing markets operate both now and in the future. As a minimum, a Strategic Housing Market Assessment should provide all the Core Outputs and meet the requirements of all of the Process Criteria contained in Figures 1.1 and 1.2 in the Practice Guidance.

The Core Outputs are identified as:

1. estimates of current dwellings in terms of size, type, condition, tenure;
2. analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market;
3. estimate of total future number of households, broken down by age, and type where possible;
4. estimate of current number of households in housing need;
5. estimate of future households that will require affordable housing;
6. estimate of future households requiring market housing;
7. estimate of the size of affordable housing required;
8. estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minorities ethnic groups, disabled people, young people, etc.

The Process Checklist includes:

1. Approach to identifying housing market areas is consistent with other approaches to identifying housing market areas within the region
2. housing market conditions are assessed within the context of the housing market area
3. involves key stakeholders, including house builders

4. contains a full technical explanation of the methods employed, with any limitations noted;
5. assumptions, judgements and findings are fully justified and presented in an open and transparent manner;
6. uses and reports up[on effective quality control mechanisms
7. explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken.

Who will carry out the Cumbria Strategic Housing Market Assessment?

The Practice Guidance indicates that on the basis of identified housing market areas, constituent local authorities are encouraged to undertake the Strategic Housing Market Assessment together and set up a housing market partnership. Under the leadership of either the local authorities, regional body, or other appropriate bodies, the housing market partnership should be a multi-disciplinary team including housing, planning, economic development and regeneration expertise.

Table 2.1 in the Practice Guidance identifies core members who could include: local authorities (housing, planning economic development, corporate strategy, county councils, the Housing Corporation, regional housing and planning bodies, house builders, estate agents, registered social landlords and research and intelligence experts. Other organisations with relevant expertise include: government offices, English Partnerships, regional development agencies, local strategic partnerships, and other local authority teams, such as Supporting People, and Gypsy & Traveller teams.

It was proposed that the current Research & Information Group (a themed sub-group of the Cumbria Housing Group) is ideally placed and should act as the basis of the housing market partnership to undertake this work. It is recommended that in order to carry out the economic aspects, Cumbria Vision should be included in the housing market partnership. It is also recommended that a representative from each of the following should be invited to participate in the Group: the Housing Corporation, regional housing and planning bodies (NWRA & GONW), the Home Builders Federation, and estate agent.

Accordingly, preparation of the SHMAs has been jointly managed between Cumbria County Council, the 6 District Councils, Lake District National Park Authority, Cumbria Vision, and other partners (such as the Cumbria Rural Housing Trust) to ensure the SHMA process has been effectively managed in line with CLG guidance. The process has been regularly reviewed and monitored through Research & Information Group meetings.

The work should be carried out in accordance with the Practice Guidance as far as it is reasonably practical, in order for it to be robust and credible in line with Planning Policy Statement PPS12: 'Local Development Frameworks' (Chapter 4)

for the purposes of the independent examination into the soundness of the Development Plan Document.

It is recommended that the existing Cumbria Housing Needs Assessment 2005/2006 is sufficiently up-to-date to be taken forward and should form the basis of the primary survey evidence. Other secondary evidence will therefore need to be collected and analysed in accordance with the step-by-step approach in the Practice Guidance. Much of this secondary evidence base has already been collated as a result of preparing the Cumbria Housing Strategy Housing Market Area Inserts.

Consultation

The stakeholder consultation on the Cumbria-wide Strategic Housing Market Assessments (2009) took place between 31st July 2009 and 11th September 2009 for a period of 6 weeks. A total of 969 individuals and organisations within and outside Cumbria were contacted by personal letter (see Section 12), inviting them to make comment on the draft SHMAs. The list of consultees (see Section 10) included County, District and Parish Councillors, as well as a significant number of estate agents, housing developers, planning advisors and other stakeholders. The consultation exercise covered 19 of the 20 identified SHMAs in Cumbria. The single SHMA for Barrow Borough Council was not completed in time to be included this time round as part of this consultation exercise. It is expected that a separate exercise will be carried out by Barrow Borough Council on their single SHMA at some stage in the future.

Consultees were directed to access the draft SHMAs by logging onto Cumbria County Council's website (see Section 11), using a dedicated web page for the consultation (www.cumbria.gov.uk/shmaconsultation). This web page provided an explanation as to the reasons for preparing the 20 SHMAs in Cumbria, and the means in which to submit comments using two separate on-line forms for either the Executive Summaries or the detailed SHMAs. Relevant District Officer contact details were also provided to assist consultees to make a response. Consultees were asked to respond to a set series of questions (See Section 2) covering each of the Executive Summaries and/or the individual SHMAs.

A total of 44 respondents submitted formal comments, either using the on-line form or by returning a letter/email to the District or County Councils. The respondents names were recorded and given an individual ID number as listed. Their individual comments are set out in the following pages, either as responding to the Executive Summaries, General Comments, and/or by relevant District area (see Sections 3 - 9). The following sections list the comments made by the respondent, the response of the Cumbria Housing Group to that comment, and then the action considered necessary by the Cumbria Housing Group to amend the SHMAs to its satisfaction. The amended SHMAs effectively complete the SHMA exercise until such time as they are revised or updated at some time in future.

Review

The SHMA guidance recommends that partnerships undertake a comprehensive assessment no more than every five years but that trends and activities in the market areas should be monitored regularly against policy aims. In addition, the information contained in the SHMAs should be updated. This will be carried out in conjunction with Planning departments/ authorities. To achieve this aim and provide a framework for updating the SHMAs, a set of indicators has been developed (as set out in *Appendices 2, 3 & 4*).

Author: Graham Hale, Transport & Spatial Planning Unit – November 2007 (as updated December 2009)

Appendix 4: Information and Data Collection Methodology

In order to provide a robust methodology and consistent research basis for the Cumbria Housing Strategy, a Data Collection Task Group was formed consisting of representatives from each District, members of the Northern Housing Consortium and the Cumbria Rural Housing Trust.

This Group was tasked with the following:

- 1) Agree common methodology and data sources to enable following surveys to be undertaken:
 - Local Housing Assessments to include
 - local Housing Needs (affordable, general and special needs clients in a form that also provides evidence for Section 106 agreements
 - Housing Market and Affordability Assessment
 - Interventions to balance housing market
- 2) Review information required and carry out countywide assessments of
 - Household projections
 - Demographic Structure and projections
 - Economic Activity and working patterns
 - Travel to work patterns
- 3) Produce and agree terms and definitions (glossary)
- 4) Any other work to underpin Cumbria Sub Regional Housing Requirement or other themed working groups as advised

The assessment begun in April 2005, at which point the ODPM issued the Local Housing Assessment: A Practice Guide (Draft). Since the assessment began, a further refined, but still draft Housing Market Assessments: Draft Practice Guidance was issued in December, 2005, and as far as possible this has been incorporated this into the methodology.

Following Guidance, Housing Market Areas were identified with regard to functioning housing markets defined as 'the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.' (Maclennan et al, 1998 Cited in LHA, ODPM 2005). A number of considerations were taken into account including:

- Patterns of relocation within local areas and the degree of self-containment
- Travel to work patterns and commuting to centres of employment
- Areas of high and low demand
- Other information such as recent structure plans and local plans
- Group discussion on the appropriate boundaries

Having established Housing Market Areas an assessment of the local housing system was then undertaken, by analysing secondary and primary information within the following stages:

- A. Analysis of local housing system (secondary data)
- B. Assessing future change in household numbers (secondary data)
- C. Assessing housing need, including the Housing Needs Survey (secondary & primary data)
- D. Bringing together a robust evidence base

Secondary data was collated to feed into the first two levels of the assessment. To assess housing need (C) the Data Collection Group worked with the Northern Housing Consortium to develop the Housing Needs Questionnaire to be utilised by Eden DC, Barrow BC, Allerdale BC and Carlisle CC. South Lakes and Barrow commissioned consultants to carry out surveys **due to time constraints** (?). However to ensure consistency all districts used similar formats with corresponding questions and referred to the March and December updated Guidance when analysing the results (see **Appendix**)

These stages are outlined briefly below, and given in more detail in **Appendix**

A. Analysis of local housing system

Stage 1: Factors affecting the current housing system

- Impact of national and regional economic policy
- Demographic structure
- Size and structure of local labour force
- Local incomes
- The cost of buying and renting a property and how this has changed

Output

- *Trends in employment and occupational structure in the local economy over last 10 years*
- *Population and household numbers and household characteristics in their local housing market and how these have changed over the last 10 years*
- *The main trends in local incomes; and*
- *Recent changes in the relative costs of housing in different tenures*

Stage 2: Assessing the current stock of housing

- Total number of dwellings
- Tenure
- House size/type
- Condition of stock by tenure
- Levels of shared housing and communal establishments

Output

- *the nature of the current stock of housing, by size, type, location and tenure*
- *the location of current housing stock; and*
- *how the stock has adjusted over the last decade*

Stage 3 Indicators of housing demand, pressure and potential housing supply

- relative house prices and rents
- affordability of housing
- occupancy by tenure
- vacancy rates by tenure
- turnover or churn
- assessing available housing supply

Stage 4 Bringing evidence together

- understand the balance of the overall stock of dwellings and households and how this has changed in recent years
- provide evidence of the existing housing stock by size, type, tenure and location
- provide evidence of changing house prices and housing demand by size type and location
- indicate the extent to which some areas within the local housing market are less popular and/or raise issues of low demand/over supply and why
- indicate the extent of demand pressure in terms of market and social housing stock
- estimate current affordability by tenure and household incomes; and
- identify other issues including stick condition, churn and over crowding

B. Assessing future change in household numbers

Stage 1: projecting the future change in household numbers: basic method or other methods

Output

An estimate of the projected household change in terms of age, gender, ethnicity and type

A more sophisticated projection that takes account of local differences

C. Assessing housing need

Stage 1 Defining housing need

- what is affordable? *Add in ratios*
- defining unsuitable *Add in standards*
- measuring affordability
- assessing household income

- assessing whether a household can afford to buy a home *Add in example*
- assessing whether a household can afford to rent a home
- assessing whether a household can afford a shared equity property
- assessing where should a household be able to live
- the needs assessment table (quantitative assessment of housing need for affordable housing)

Stage 2 using secondary and survey data

Output

- *estimates of the levels of household need; and*
- *estimates of the shortages or surplus of affordable housing needed in terms of different sized units*

Stage 3 Considering the requirements of particular household groups

- special needs housing
- role of intermediate housing in meeting need

D. Bringing together a robust evidence base

A analysis and summary of the evidence collected above:

Stage 1 key drivers of the housing market

- future economic performance
- future employment structure
- future affordability

Stage 2 Housing aspirations and choice

- assessing future demand for market housing
- assessing demand for affordable housing
- assessing demand for intermediate housing
- analysis and presentation

Stage 3 Updating Local Housing assessments

- Based on Key variables and data sources

LHA: asks you to define HMAs.

New Guidance : laid down in Regional Spatial Strategy

Appendix

Stages of Assessment using Local Housing Assessment Guidance, (ODPM, March 2005)

A. ANALYSIS OF LOCAL HOUSING SYSTEM

Section	Heading	Sub-heading	Data Source	Location/web link	Date of publication	Geographical level
1. FACTORS AFFECTING THE CURRENT HOUSING SYSTEM	1.1 Impact of national and regional economic policy	GDP	HM Treasury, also Cumbria Economic Intelligence Partnership	www.uclan.ac.uk/cred	quarterly	national
		headline annual inflation	Bank of England. Also Cumbria Economic Intelligence Partnership	www.uclan.ac.uk/cred	monthly	national
		underlying annual inflation	Bank of England. Also Cumbria Economic Intelligence Partnership	www.uclan.ac.uk/cred	monthly	national
		Base (Repo) interest rate	Bank of England. Also Cumbria Economic Intelligence Partnership	www.uclan.ac.uk/cred	monthly	national

		unemployment claimant count/rate	ONS, also Cumbria Economic Intelligence Partnership	www.uclan.ac.uk/cred	monthly	UK/NW/Cumbria/LA/ward
		Notified Job Vacancies	Nomis also Cumbria Economic Intelligence Partnership		monthly	TTWA
		Indices of Deprivation	ONS, also Cumbria Economic Intelligence Partnership/Cumbria CC		2004	District/SOA (Not produced for wards but methodology used to create districts also available and ward info available at CEIP- see Cumbria Economic Bulletin Sep 2004)
		Halifax House Prices			monthly	national/county
	1.2 Demographic structure	Household type	Census	Ness/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
		Age of Head	Census	NOMIS (CAS 003)	2001	C, LA, ward, OA
		Gender of Head	Census	NOMIS (CAS 003)	2001	C, LA, ward, OA
		Ethnicity	Census	Ness/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
		Economic Status - all people	Census	Ness/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA

		Economic Status - Head	Census	NOMIS (CAS 013)	2001	C, LA, ward, OA
		Tenure	Census	Ness/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
	1.3 Size & Structure of Labour force	No. employees in each industrial sector	Census	Ness/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
		No. of employees by occupational classification	Census	Ness/NOMIS		Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
		Occupation by Industry	Census	NeSS/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
	1.4 Local Incomes	Proportions/ numbers of Households in each income band	CACI Paycheck, supplied by Cumbria County Council	www.statistics.gov.uk/StatBase/Product.asp?vlnk=13101	2004	LA
	1.5 Cost of buying or renting a property & changes over time	Property Prices	Land Registry; CACI Street value supplied by Cumbria County Council	www.landreg.gov.uk	quarterly	National/Regional/LA, Postcode Sector

		Rents	Rent Service, Local estate agents	Housing Corporation or Dataspring	2004	LA
2. ASSESSING THE CURRENT STOCK OF HOUSING	2.1 Total number of dwellings	Total dwellings, total occupied dwellings, total second homes, total vacant properties	Census	NeSS/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
	2.2 Tenure	Total number of dwellings in each tenure	Census	NeSS/NOMIS	2001	Admin area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
	2.3 House Size/Type	Number of dwellings by size, by number of bedrooms, whether detached, semi-detached, terraced, house or flat	Census	NeSS/NOMIS	2001	Admin Area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA

	2.4 Condition of Stock	Condition of stock (unfit, in need of major/minor repairs) by tenure and location if using stock condition or local housing survey)	Census; Stock condition surveys	Census - Ness/NOMIS; Stock condition surveys - local data providers to be identified	2001 - Census; various dates - stock condition surveys	Census - Admin Area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA; Stock Condition Surveys variable depending on sample size. (Impact Housing has 100% survey)
	2.5 Shared housing and communal establishments	Estimated number of households living in shared houses and communal establishments.	Census	NeSS/NOMIS	2001	Admin Area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
3. INDICATORS OF HOUSING DEMAND, PRESSURE AND POTENTIAL HOUSING SUPPLY	3.1 Relative house prices and rents by size, type and location	House prices and rents by size, type and location	Output of Section 1			
	3.2 Affordability of Housing		Output of Section 1			
	3.3 Overcrowding or underoccupation	Dwelling size and household size	Census	NeSS/NOMIS	2001	Admin Area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA

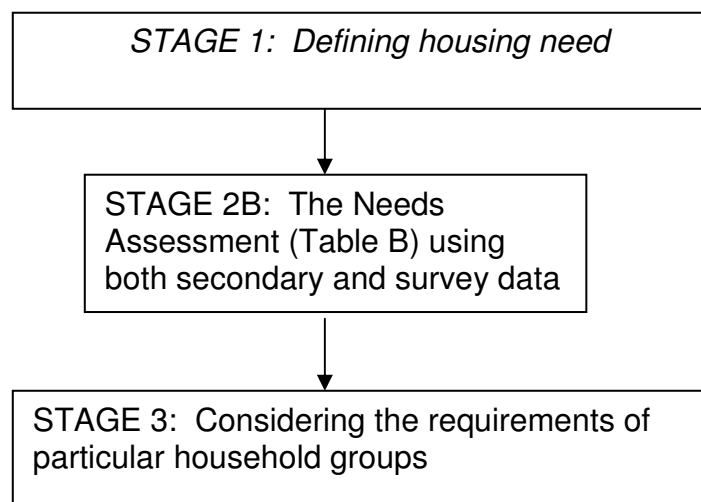
		Degree of overcrowding and under-occupancy	Census	NeSS/NOMIS; Local data providers to be identified	2001	Admin Area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA
		Concealed households	Census, Local Survey Data	Census - NeSS/NOMIS; Local data providers to be identified	2001 (Census), various dates (Local Survey Data)	Admin Area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA; Local survey data variable depending on sample size
	3.4 Vacancy Rates	Vacancy rates by tenure and size	Census, HA/LA records	Census - NeSS/NOMIS; Local data providers to be identified.	2001 - Census; 2005 - HA/LA records	Admin Area: C, LA, ward, OA. NeSS: C, LA, SOA(m) SOA (L) OA: LA/HA records - to be determined
	3.5 Turnover	Turnover by property type and size	Land Registry (owner occupation), LA/HA records (social rented)	www.landreg.gov.uk	2005	Land Reg - National/Regional/LA/Postcode Sector; LA/HA records - to be determined
	3.6 Indication of available supply by tenure	Available supply by tenure, type, size	Estate and Lettings Agents records (owner occupation and private sector), HA/LA records (social rented)	Local data providers to be identified	2005	to be determined

B. ASSESSING FUTURE CHANGE IN HOUSEHOLD NUMBERS

Simple Approach to projecting future household change

	Principal data sources	Outputs
Population and household composition	Section A, 1.2	Current numbers of households by type, age, gender and ethnicity
Projecting future change in household numbers	Official population and household projections (updated using the National Health Service Central Register) available from Cumbria County Council	Future number of households by type (i.e. married couple, cohabiting couple, lone parent, other multi-person and single person household) age, gender and ethnicity

C. ASSESSING HOUSING NEED USING SECONDARY & SURVEY DATA



**NEEDS ASSESSMENT TABLE (SURVEY DATA AND SECONDARY DATA):
STEPS AND SOURCES using Local Housing Assessment Draft Guidance,
March 2005)**

Element and step in calculation	Data sources
1. Existing households in need of alternative accommodation	Local housing survey.
2. <i>plus</i> Current non-households in need of affordable housing	Local housing survey Priority homeless in temporary accommodation; Hostel move on needs; Homeless agencies data;
3. <i>minus</i> cases where they can afford to meet their needs in the market	Local housing survey.
4. <i>equals</i> Total current housing need	1 + 2 – 3
5. Current occupiers of affordable housing in need.	LHS
6. <i>plus</i> surplus stock	Local Authority records.
7. <i>plus</i> committed supply of new affordable units.	Development programmes of LAs and HAs, including conversions and intermediate housing products. Regeneration\pathfinder schemes
8. <i>minus</i> planned units to be taken out of management	LAs and HAs demolition and conversions programmes.
9. <i>equals</i> Total available stock to meet current need	5 + 6 + 7 – 8
10. <i>equals</i> Total Current need	4 – 9
11. <i>times</i> quota progressively to reduce level of current need	Policy judgement.
12. <i>equals</i> annual need to reduce level of current need	10 x 11
13. New household formation (gross p.a.)	LHS new hidden homeless households/year; LHS recent moves not previous households.
14. <i>times</i> proportion of newly arising households unable to buy or rent in the market	LHS incomes of hidden homeless households and recent new households; Output from chapter 4, establishing entry level rents and property prices

	[i.e. step 3.2 of chapter 4]
15. <i>plus</i> existing households falling into need and unable to afford market housing	LHS – Households recently fallen into need; LHS – New social tenants who fell into need within the last year. LA data on households recently housed outside normal housing register, or where entered register within last year.
16. <i>minus</i> potential out-migrants unable to afford market housing.	LHS – people intending to move;
17. <i>plus</i> in-migrants unable to afford market housing.	LHS - recent migrants profile.
18. <i>equals</i> Newly arising need	$(13 \times 14) + 15 + 16 + 17$
19. Net supply of social re-lets	Lettings/voids system for LA and HAs; CORE data for HAs. HSSA data
20. <i>plus</i> supply of intermediate housing available for relet or resale at sub market levels	LA and HA Lettings/voids system and data on resales of sub-market LCHO or shared equity schemes.
21. <i>equals</i> affordable supply	$19 + 20$
NET SHORTFALL OR SURPLUS	
22. Overall shortfall or surplus	$12 + 18 - 21$

**NEEDS ASSESSMENT TABLE (SURVEY DATA AND SECONDARY DATA):
STEPS AND SOURCES using Housing Market Assessments Draft, December
2005.**

Step	Stage 1: CURRENT NEED	
1.1	Current occupiers of affordable housing in need	Local Housing survey
1.2	<i>plus</i> Households from other tenures in need	Local housing survey; Housing register, homeless agencies etc
1.3	<i>plus</i> Households without self-contained accommodation	Priority homeless in temporary accommodation;
1.4	<i>equals</i> Total current housing need (gross)	1.1 + 1.2 + 1.3
	<i>Number who cannot afford market prices</i>	
	Stage 2: AVAILABLE STOCK TO OFFSET NEED	
2.1	Current occupiers of affordable housing in need	Local housing survey
2.2	<i>plus</i> Surplus stock	LA and RSL records
2.3	<i>plus</i> Committed supply of new affordable units	LA, RSL, Pathfinder Development programmes
2.4	<i>minus</i> Units to be taken out of management	LA, RSL, Pathfinder conversions/demolition
2.5	<i>equals</i> Total stock available to meet current need	2.1 + 2.2 + 2.3 – 2.4
2.6	<i>equals</i> Total current unmet housing need	1.4 – 2.5
2.7	<i>Times</i> annual quota for the reduction of current need	Policy Judgment
2.8	<i>Equals</i> annual requirement of units to reduce current need	2.6 x 2.7
	Stage 3: NEWLY ARISING NEED	
3.1	New household formation (gross per year)	Local housing survey
3.2	<i>Times</i> Proportion of new households unable to buy or rent in the market	Local housing survey
3.3	<i>plus</i> Existing households falling into need	Local housing survey
3.4	<i>equals</i> Total newly arising housing need	(3.1 x 3.2) + 3.3
	Stage 4: FUTURE SUPPLY OF AFFORDABLE UNITS	
4.1	Annual supply of social re-lets (net)	Lettings/ voids
4.2	<i>plus</i> Annual supply of intermediate housing available for re-let or resale at sub-market levels	CORE
4.3	<i>equals</i> Annual supply of affordable units	4.1 + 4.2
	NET SHORTFALL OR SURPLUS OF AFFORDABLE UNITS	2.8 + 3.6 – 4.3

D.BRINGING TOGETHER A ROBUST EVIDENCE BASE

Stage 1. Key drivers of the housing market

Step	Principal data sources	Outputs
1.1 Future economic performance	Bank of England Treasury Inland Revenue Commissioned economic forecasts	Interest rates GDP\GNP Incomes and income distribution Forecast of local economic performance
1.2 Future employment structure	Local major employers Studies undertaken by local economic development units Commissioned economic forecasts	Plans to expand or to reduce employment Likely future changes in employment structure
1.3 Future affordability	Land Registry Estate and Letting Agents Commissioned economic forecasts	House prices by type and location House prices and rents by size, type and location Future growth in incomes

Stage 2 Updating local housing assessments: Key variables and data sources required

Variable	Data source
External impacts on housing market	Mid year population and household estimates Census; Registrar general Labour market changes- working population and economic activity rates; unemployment NOMIS website Interest rates HM Treasury website Income and earnings changes New earnings survey, Inland Revenue, CACI Paycheck. Experian
Housing stock changes	New build completions ODPM website (HSSA data) Affordable housing delivery through S106 agreements RSL completions and acquisitions

	RSR general report Outstanding housing planning permissions
Affordability changes	House prices Land Registry Private sector rents Surveys of local estate agents CORE, local authorities Evidence of changes in household incomes

Appendix 5 : Background to the POPGROUP Model

Cumbria Intelligence Observatory has begun to use the POPGROUP suite of population, housing and labour market forecasting tools to generate a range of 'what-if' scenario's for Cumbria's population.

POPGROUP is a family of software products designed to forecast population, households and the labour force for areas and social groups. It is provided by the Centre for Census & Survey Research, University of Manchester, and is based on Excel to build on users' existing spreadsheet skills.

POPGROUP provides a means to make estimates of the current population and forecasts of the future population for national, sub-national and local areas, for the whole population of an area and for sub-populations including ethnic groups. It uses standard demographic methods of cohort component projections, household headship rates and economic activity rates. Its flexibility allows integration of official statistics and ancillary data. It allows users to enter past information and their assumptions about the future for births and fertility, deaths and mortality, and migration.

The forecasting software comprises three separate modules:

POPGROUP – for population projections and forecasts;
HOUSEGROUP – for household projections and forecasts;
LABGROUP - for labour force projections and forecasts.

What does each module do?

For POPGROUP, users enter past information and their assumptions about the future for births and fertility, deaths and mortality, and migration into Excel data sheets. Information from population estimates can also be incorporated. POPGROUP uses a standard cohort component forecasting method to produce forecasts and provides results in Excel sheets with data extraction and chart routines available.

HOUSEGROUP provides a means to make estimates of the number and type of households. Users enter past information and their assumptions about the future for headship rates and the number of people living in communal establishments into Excel data sheets. HOUSEGROUP uses a standard headship rate model to produce forecasts, and may be used independently of POPGROUP or use from POPGROUP.

LABGROUP provides a means to make projections of the future labour force. Users enter past information and their assumptions about future economic activity rates into excel data sheets. LABGROUP uses standard projection methods to produce forecasts. LABGROUP may also be used independently of POPGROUP or use output from POPGROUP.

The need for local information

The ONS population projections methodology does not take account of many local factors, for example if a new housing estate is to be built or demolished, or if a major new contract has been awarded which will result in the creation of a significant number of jobs. They are simply intended to be a representation of what will happen in the future if various trends in births, deaths and migration continue into the future. But it is this sort of information that can make a real difference to the way a population might look in twenty years time. POPGROUP gives us the capability to make assumptions on these variables.

We are able to build into the model assumptions about, for example:

- Local differences in birth/death trends to national/regional figures.
- Implications of planning restrictions/developments.
- Regeneration/growth of local economy and/or the effects of national trends – eg economic downturn – at the local level.

It should be noted that caution must be used when using the results of any population forecasting scenario. Like the ONS population projections, the outputs from the POPGROUP model cannot be relied upon as fact. It may be that what actually occurs is considerably different to what is suggested by the model. However, they are the best available estimates available that take into account what is happening - and is likely to happen – locally.

There are currently over 70 users, mainly public sector planners and those in economic development. For further information on the POPGROUP Model, please follow the following weblink:

<http://www.ccsr.ac.uk/popgroup/>

Appendix 6: Balanced Housing Market Indicators

Theme	Indicator	2006	2008	2010
1. Buying a home	Gross household income (median) to median house price	7.0 x	7.6 x	
2. Renting a home	Weekly rent should equate to no more than 25% of weekly gross household income (private sector)	Less than 25% - see renting trends table	Yes, except 4-bed detached at 25.1% (but need to consider "Health Warning" in Section 3, 3.1 – 3.2)**	
	Social housing rents should be less than private sector rents	Significantly less than private renting	Yes, 11.6% of median income & 56.7% of assumed average private sector rent **	
3. Accessibility of social rented housing	50% of those on the waiting list housed during the year	No – can wait significantly longer – problem compounded by high levels or RTB sales in rural areas	No – can wait much longer (varies significantly by property type & area). Generally longer wait in Carlisle's rural HMAs.	
4. Empty properties	No more than 3% of the housing stock empty for more than 6 months	OK – just under 2% per Council Tax figures	OK – 1.7%	
5. Second homes	No more than 10% of properties	Significantly lower – only 0.9%	Significantly lower – 2.2% (inc. holiday homes)	
6. Housing the homeless	No more than 0.3% of total households in the area accepted as homeless	Within target – just over 0.25%.	OK - only 0.07% of households with direct link to HMA identified.	
7. Creating decent homes	100% of all social housing decent by 2010	On target	On target	
	70% of private sector housing providing homes for vulnerable people to meet Decent Homes Standards by 2010	On target	On target	

**Private rents only provided to district level and no breakdown of no. of lets by property type provided by Rent Service

Appendix 7 - Unemployment & Vacancy Briefing Headlines - February 2009

The January 2009 unemployment and vacancy figures were released by the Office for National Statistics on 11th Feb 2009. The Claimant Count was taken on 8th Jan 2009 and the vacancy count was for the month to 2nd Jan 2009.

The Claimant Count

The claimant count in Cumbria rose by 999 between Dec 2008 and Jan 2009 to reach 7,369 with the count rising in all districts. This is the highest it has been in Cumbria since July 2001. The highest numerical rise was in Carlisle at 286 and the lowest in Eden at 80. In the same month last year, the count in Cumbria rose by 424. Over the year to Jan 2009 the total count rose in Cumbria by 2,360, with rises in all districts. The unemployment rate rose by 0.3 in Cumbria between Dec 2008 and Jan 2009 which is the same as the national increase, the highest increase was in Carlisle at 0.5. Over the year, the unemployment rate in Cumbria rose by 0.8 which is lower than the national increase of 1.2.

	Male		Female		All Persons		All Persons			
	No	Rate	No	Rate	No	Rate	Monthly Change		Annual Change	
							No	Rate	No	Rate
Cumbria	5,614	3.6	1,755	1.3	7,369	2.5	999	0.3	2,360	0.8
North West	126,770	5.7	38,226	1.9	164,996	3.9	15,557	0.4	54,746	1.3
United Kingdom	958,622	4.8	324,023	1.8	1,282,645	3.4	129,317	0.3	452,103	1.2
Allerdale	1,245	4.2	397	1.5	1,642	2.9	203	0.4	584	1.0
Barrow in Furness	1,051	4.6	301	1.5	1,352	3.1	147	0.3	250	0.6
Carlisle	1,382	4.1	444	1.5	1,826	2.9	286	0.5	683	1.1
Copeland	1,114	4.8	308	1.5	1,422	3.3	149	0.3	332	0.8
Eden	294	1.8	96	0.7	390	1.3	80	0.3	169	0.6
South Lakeland	528	1.7	209	0.7	737	1.2	134	0.2	342	0.6

Other Measures of Joblessness

These figures are often quoted by the national press but are not available for local areas. They are provided here for information but should not directly be compared with those above as the methodology used to compile them is different.

The jobless total for the UK (claimants and non claimants looking for work) rose by 146,000 over the quarter ending Dec 2008 and by 369,000 over the year, to reach 1.97 million. The last time the number of unemployed people was higher was in the three months to Aug 1997. The jobless rate was 6.3% for the three months to Dec 2008, up 0.4 over the previous quarter and up 1.1 over the year. Comparative data are not available at local level.

The seasonally adjusted claimant count for the UK was 1,233,000 in Jan 2009, up 73,800 over the previous month and up 438,100 over the year. Comparative data are not available at local level.

Notified Vacancies

The number of new vacancies notified to JobCentre Plus in Cumbria in the month to 2nd Jan 2009 was 929, a fall of 748 compared to the number notified in the previous month. The number fell in all districts except Eden. There were 183 fewer new vacancies notified in the month to 2nd Jan 2009 compared to the same period last year.

	Agriculture & Fishing	Energy & Water	Manufacturing	Construction	Retail, Hotels & Restaurants	Transport & Comms	Banking, Finance etc	Public Administration	Other Services	Total	Monthly Change	Annual Change
Cumbria	3	6	13	109	259	15	379	127	18	929	-748	-183
Allerdale	1	1	0	26	23	10	41	15	1	118	-87	-52
Barrow in Furness	1	0	3	2	20	0	30	4	9	69	-117	-158
Carlisle	0	0	2	29	37	2	82	27	5	184	-295	-153
Copeland	1	0	0	5	14	1	96	15	1	133	-160	68
Eden	0	0	2	0	127	1	80	17	0	227	9	99
South Lakeland	0	5	6	47	38	1	50	49	2	198	-98	13