

**Barrow in Furness Borough**  
**Strategic Housing Market Assessment**  
**2016 Update**

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Barrow in Furness Borough Council

Final Report  
August 2016

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## Table of Contents

Executive Summary .....	9
Introduction.....	9
Housing market context.....	9
Objectively Assessed Housing Need.....	10
Affordable housing.....	11
Market demand.....	12
Overall dwelling mix.....	12
Older people .....	13
1. Introduction.....	14
Background and objectives .....	14
National Planning Policy Framework (NPPF) requirements .....	14
Planning Practice Guidance .....	15
Definitions.....	16
Geography.....	17
Research methodology.....	20
Presentation of data .....	21
Report structure.....	21
2. Policy and strategic review .....	23
Introduction.....	23
Local strategic priorities.....	23
Concluding comments .....	24
3. Defining the Housing Market Area.....	26
Introduction.....	26
House prices and rates of change in house prices .....	27
Relative affordability .....	30
Household migration and search patterns .....	31
Travel to work trends .....	35
Estate agent views on housing market dynamics .....	37
Concluding comments .....	39
4. Establishing an objectively assessed need for housing.....	40
Introduction.....	40
Trends in population, households and dwellings .....	41
Demographic Starting Point.....	42
Adjusting household projection-based estimates: demography.....	44
Summary .....	44
5. Linking demographic and economic growth to Objectively Assessed Need .....	46
Introduction.....	46
6. Barrow in Furness Borough Housing Market Review .....	48

Introduction.....	48
Estimates of current dwellings in terms of size, type, condition, tenure.....	48
Relative affordability of housing options .....	57
Concluding comments .....	60
7. Market signals and past trends in development.....	62
Introduction.....	62
Market Signals.....	62
Past trends in housing delivery.....	63
8. Establishing an OAN and Housing Requirement.....	65
Introduction.....	65
Development of an OAN.....	65
Housing requirement .....	69
9. Understanding the future housing market in Barrow in Furness Borough .....	70
Introduction.....	70
Key market drivers.....	70
Suggested future development profile of market dwellings .....	72
Concluding comments .....	77
10. The need for all types of housing.....	79
Introduction.....	79
Overall dwelling mix.....	79
Current households in need.....	80
Affordable housing requirements.....	83
Summary .....	100
11. Conclusion: policy and strategic issues .....	102
The Housing Market Area.....	102
The current housing market.....	102
Housing markets and mobility.....	103
Future housing market.....	103
Objectively assessed need for housing and housing requirement.....	103
Housing need and demand .....	104
NPPF requirements.....	106
Final comments .....	106
Introduction to Technical Appendices.....	108
Technical Appendix A: Research Methodology .....	109
Overall approach .....	109
Baseline dwelling stock information and survey sample errors .....	109
Technical Appendix B: Policy Review .....	111
Introduction.....	111
Legislative and policy background.....	111

Emerging policy and legislation .....	113
Overview of housing policy themes .....	116
National housing reviews.....	123
Technical Appendix C: Housing need calculations.....	124
Summary of contents.....	124
Introduction.....	125
Stage 1: Current need .....	127
Stage 2: Future Need (needs to be formatted as heading 2).....	130
Stage 3: Affordable housing supply .....	130
Stage 4: Estimate of annual housing need .....	132
Technical Appendix D: Monitoring and updating .....	137
A framework for updating the housing needs model and assessment of affordable housing requirements .....	137
Introduction.....	137
Updating of baseline housing needs and affordable housing requirements ...	137
Concluding comments .....	138
Technical Appendix E: National Planning Policy Framework and Planning Practice Guidance Checklist.....	140
National Planning Policy Framework .....	140
Planning Practice Guidance .....	140

## List of Tables

Table ES1	Net annual affordable housing imbalance by sub-area, property size and designation 2016/17 to 2020/21.....	12
Table ES2	Overall market mix 2012-2031 (20 years).....	13
Table 3.1	Comparative house price change 2000-2015 with neighbouring Districts, the North West and England.....	27
Table 3.2	Comparative private sector rent (average and lower quartile) 2010- 2015 by sub-area.....	30
Table 3.3	Relative affordability of lower quartile (LQ) prices by district (residence based) .....	31
Table 3.4	Relative affordability of median prices by district (residence base).....	31
Table 3.5	Origin of moving households .....	32
Table 3.6	Origin of moving households in the preceding five years.....	32
Table 3.7	Residential mobility – movement between different tenures .....	34
Table 3.8	Residential mobility – profile of properties moved into by type and size .....	34
Table 3.9	First choice destination of households planning to move in next five years.....	35
Table 3.10	Place of residence (by sub-area) and place of work .....	37

Table 4.1	Change in dwelling stock and households 1991-2011 .....	42
Table 4.2	2012-based household projections – Number of households .....	42
Table 4.3	Population projections – total population under 2012-based and 2014-based projections.....	43
Table 4.4	Projected population change, 2012 to 2037.....	43
Table 6.1	Property type and size of occupied dwellings in Barrow in Furness Borough .....	49
Table 6.2	Property type and size by sub-area .....	50
Table 6.3	Dissatisfaction with state of repair by property tenure, age and type.....	51
Table 6.4	Lower Quartile and median house price and income required to be affordable.....	54
Table 6.5	Cost of alternative tenure options for Barrow in Furness Borough.....	59
Table 6.6	Assumptions in assessing income required for alternative tenure options .....	60
Table 7.1	Housing delivery and housing requirement.....	64
Table 8.1	Summary of OAN components and outputs.....	67
Table 8.2	OAN Calculation assumptions .....	68
Table 9.1	Primary market drivers.....	70
Table 9.2	Projected population change, 2015 to 2037.....	71
Table 9.3	Market preferences of existing households planning to move in the next five years.....	73
Table 9.4	Property type and size expectations by household type .....	75
Table 9.5	Household expectations based on newly-forming households .....	76
Table 9.6	Comparison between current dwelling stock and market aspirations ....	77
Table 10.1	Overall market mix 2012-2031 (20 years).....	80
Table 10.2	Housing need in Barrow in Furness Borough .....	81
Table 10.3	Households in need by sub-area .....	82
Table 10.4	Housing need by tenure.....	82
Table 10.5	Housing need by household type.....	83
Table 10.6	Gross annual affordable housing requirement by property size and designation 2016/17 to 2020/21.....	84
Table 10.7	Net annual affordable housing requirement by property size and designation 2016/17 to 2020/21.....	84
Table 10.8	Tenure preferences of existing households in need and newly- forming households requiring affordable housing .....	85
Table 10.9	Property type preferences.....	85
Table 10.10	High income household dwelling aspirations and expectations .....	88
Table 10.11	Property type preferences (Market housing) – Families.....	91

Table 10.12	Tenure preferences – Younger People .....	92
Table 10.13	Property type preferences –Younger People .....	92
Table 10.14	Older persons’ housing options .....	94
Table 10.15	Dwelling aspirations and expectations of households containing a head of household aged 65 or over .....	95
Table 10.16	Future housing choices (upsizing/downsizing).....	96
Table 10.17	Type of assistance required either now or in next 5 years by age group.....	96
Table 10.18	Adaptations required either now or in next 5 years by age group .....	97
Table 10.19	Home improvements required either now or in next 5 years by age group.....	98
Table 10.20	Client groups accommodated in social/affordable sector in Barrow in Furness Borough 2010/11 to 2012/13.....	98
Table 10.21	Homeless decisions and acceptances 2009/10 to 2014/15 .....	99
Table 10.22	Characteristics of households previously homeless .....	100
Table A1	Households surveyed, response rates and sample errors .....	109
Table C1	Summary of housing needs analysis by sub-area .....	126
Table C2	Summary of current housing need across Barrow in Furness .....	127
Table C3	Homeless decisions and acceptances 2012/13 to 2014/15 .....	128
Table C4	Lower quartile house prices by sub-area (2015).....	129
Table C5	Gross annual affordable shortfall 2016/17 to 2020/21 .....	134
Table C6	Net annual affordable shortfall 2016/17 to 2020/21 .....	134
Table C7	Affordable tenure preferences .....	134
Table C8	Ability of existing households in need and newly-forming households requiring affordable housing to afford intermediate tenure dwellings.....	135
Table C9	Property type preferences.....	136

## List of Figures

Figure 3.1	Median house price trends 2000 to 2015: Barrow in Furness Borough, the North West and England .....	28
Figure 4.1	Population change in Barrow-in-Furness Borough 1991 to 2011.....	41
Figure 6.1	Barrow in Furness Borough: tenure profile .....	52
Figure 6.2	Barrow in Furness Borough tenure profile by sub-area .....	53

## List of Maps

Map 1.1	Barrow in Furness Borough context.....	18
Map 1.2	Barrow in Furness Borough sub areas.....	19
Map 3.1	Median house prices 2015 by ward .....	29

Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column 'total' due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.

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# Executive Summary

## Introduction

The Barrow in Furness Borough Strategic Housing Market Assessment (SHMA) 2016 Update provides the latest available evidence to help to shape the future planning and housing policies of the area. The SHMA 2016 Update will help inform the production of the Council's Local Plan and Housing Strategy. The research provides an up-to-date analysis of the social, economic, housing and demographic situation across the area. In particular, the SHMA 2016 Update considers the Housing Market Area of Barrow in Furness Borough and the Objectively Assessed Housing Need (OAN).

The 2016 SHMA Update is based on:

- A review of up-to-date secondary data;
- A major Household Survey carried out in 2013 which was completed by 1,692 households, representing a 17.5% response rate;
- An online survey of stakeholders; and
- Interviews with estate and letting agents.

The findings from the study provide an up-to-date, robust and defensible evidence base for policy development which supports Government's National Planning Policy Framework (NPPF) and National Planning Practice Guidance (PPG) requirements.

## Housing market context

### House prices

Median house prices in Barrow in Furness Borough have generally tracked slightly lower than those for the North West region and England. House prices in Barrow in Furness Borough have tended to reflect regional trends between 2000 and 2015.

During 2015, median prices across Barrow in Furness Borough were £122,751 and lower quartile prices were £72,000. There are marked variations within Barrow in Furness Borough, in particular higher prices in Barrow Outer sub-area.

### Dwelling stock

2015 Council Tax data records a total of 33,470 dwellings in Barrow in Furness Borough, with 1,717 vacant properties and 909 second homes which results in a total of 30,844 occupied households.

Overall, the 2013 Household Survey shows that:

- 78.0% of properties are houses, 10.8% are flats/maisonettes, 9.8% are bungalows and around 1.5% are other property types (e.g. caravans);
- 8.5% have one bedroom/studio, 37.6% have two bedrooms, 42.7% have three bedrooms and 11.2% have four or more bedrooms;
- A majority of properties (52.4%) were built before 1945, a further 33.8% were built between 1945 and 1984 and the remainder (13.7%) built since 1985; and

- 74.2% of properties are owner-occupied, 15.8% are private rented (or tied accommodation) and 10.0% are affordable (social/affordable rented or shared ownership).

## Demographic drivers

The population of Barrow in Furness Borough is estimated to be 67,500 in 2015<sup>1</sup> and this is projected to decrease by -3.6% to 65,100 by 2037<sup>2</sup>. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 37.1% from 14,000 in 2015 to 19,200 in 2037<sup>3</sup>.

## Economic drivers

The 2013 Household Survey found that, across Barrow in Furness Borough, 28.6% of households receive less than £15,600 per annum, 30.1% receive between £15,600 and £26,000 per annum and 41.3% receive at least £26,000 per annum.

Overall, 47.7% of heads of household are economically active and are in employment according to the 2013 Household Survey; a further 33.1% are retired; 8.4% are permanently sick/disabled; 5.0% are either looking after the home or provide full-time care; and 4.7% are unemployed and available for work.

## Market areas

An analysis of 2011 Census migration data suggests that 86.2% of moving households in the preceding year originated from within Barrow in Furness Borough. In terms of travel to work, the 2011 Census indicates that 84.7% of residents in employment work in the Borough. Barrow in Furness Borough can therefore be described as a 'self-contained' housing market area as thresholds for migration and travel to work exceed 70% which has historically been recognised as a benchmark for defining market areas.

## Objectively Assessed Housing Need

The National Planning Policy Framework requires that local planning authorities identify Objectively Assessed Housing Need and that Local Plans translate those needs into land provision targets. Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, taking account migration and demographic change; meets the need for all types of housing including affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand.

An OAN should be based on reasonable assumptions which take into baseline demography, adjustments to reflect local demographic trends, market signals, future jobs and other local circumstances: the SHMA has explored these factors in detail.

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<sup>1</sup> ONS 2012-based population projections

<sup>2</sup> ONS 2012-based population projections

<sup>3</sup> ONS 2012-based population projections

PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a provision target.

Research carried out by the Council to establish an Objectively Assessed Need for housing concludes that the most realistic objectively assessed need figure of 105 dwellings each year over the plan period 2012 to 2031. In terms of the 5 year housing land requirement, as the Council has not met this target since 2012, the shortfall against the annual requirement of 105 dwellings and a 20% buffer is applied to give a 5 year requirement of 810 dwellings (equating to 162 net additional dwellings each year).

The BBHLS July 2016 concludes that the housing requirement set in the emerging Local Plan is the same as OAN Option 8, i.e. a minimum of 1,995 dwellings over period 2012 to 2031 or a minimum of 105 net additional dwellings each year.

## Affordable housing

National Planning Practice Guidance sets out that plan-makers “*will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.*”<sup>4</sup> A key element of the study is to explore the scale of housing need and the extent to which additional affordable housing is needed.

Affordable housing is defined as either social/affordable rented or intermediate housing which is provided and made available to eligible households (i.e. those who lack their own housing or live in unsuitable housing) who cannot afford to meet their needs through the market. Intermediate affordable housing is housing at prices and rents above those of social rents, but below market prices or rents.

The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households across Barrow in Furness Borough and comparing this with the supply of affordable (social/affordable rent and intermediate tenure dwellings). Modelling suggests a net shortfall of 101 affordable dwellings each year across Barrow in Furness Borough. This excludes any potential pipeline provision which would help offset the imbalances identified but does include 102 dwellings in Inner Barrow earmarked for redevelopment for affordable housing. The gross shortfall is 324 affordable dwellings which illustrates where there are absolute shortfalls by property size and type which can get masked by the net figures. In terms of the size of affordable housing required, the gross need is split by general needs one/two-bedroom (75.4%), general needs three or more bedroom (15.8%) and older person (8.7%). It is therefore appropriate for the continued delivery of affordable housing to reflect underlying need. In terms of the split between social/affordable rented and intermediate tenure products, the household survey identified tenure preferences of existing and newly-forming households. This suggests a tenure split of 72.4% affordable (social) rented and 27.6% intermediate tenure. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 49.3%

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<sup>4</sup> DCLG Planning Practice Guidance, *Housing and economic development needs assessments* (last updated April 2016)

stating an expectation of moving to a house), followed by flats/apartments (36.4%) and bungalows (14.3%).

**Table ES1 Net annual affordable housing imbalance by sub-area, property size and designation 2016/17 to 2020/21**

Designation	No. Bedrooms	Sub Area				Total
		Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	
General Needs	1	55	-15	6	4	48
	2	16	-16	9	7	16
	3	-6	7	4	-1	5
	4+	5	1	6	2	14
Older person	1	8	7	-2	4	16
	2+	1	1	0	1	2
<b>Total</b>		<b>78</b>	<b>-16</b>	<b>23</b>	<b>18</b>	<b>101</b>

Sources: 2013 Household Survey; RP CORE Lettings and Sales

## Market demand

Households intending to move in the open market were asked what type and size of property they would like and expect to move to. Of households moving, most would like to move to a house (68.1%), 20.7% would like to move to a bungalow and 10.3% to move to a flat. This compares with 71.8% who expect to move to a house, 16.1% to a bungalow and 12.1% to a flat. A much higher proportion would like to move to a detached house (39.2%) but 17.0% expect to. In contrast, higher proportions expect to move to a semi-detached house (31.7%) than would prefer to (21.9%).

In terms of property size, the majority of respondents expect to move to a property with two (28.8%), three (53.3%) or four or more (11.8%) bedrooms. A higher proportion of households would like a property with four or more bedrooms (22.7%).

Future development should focus on delivering to address identified mismatches and reflect household aspirations.

## Overall dwelling mix

Table ES2 considers the range of dwellings required across the Borough based on an OAN of 1,990 over the plan period 2012-2031 and future market expectations and affordable need. Analysis indicates that there are three key dwelling types particularly required across Barrow in Furness Borough: 3 bedroom houses, 1-2 bedroom houses, bungalows, flats and four bedroom houses, in addition to ongoing development of other property types and sizes.

Table ES2 Overall market mix 2012-2031 (20 years)				
Dwelling type	OAN/ Housing Requirement	Tenure		
	1,990	Market	Affordable	Total
		90%	10%	
1-2 Bed House	298	240	58	298
3 Bed House	846	834	12	846
4+ Bed House	223	212	10	223
1-2 Bed Bungalow	177	167	10	177
3+ Bed bungalow	122	121	1	122
Flat/Apartment	325	217	108	325
Other	0	0	0	0
Total	1990	1791	199	1990
Overall market mix 2012-2031 (20 years) % data				
Dwelling type	OAN/ Housing Requirement	Tenure		
	1,990	Market	Affordable	Base
		90%	10%	
1-2 Bed House	15.0	13.4	29.1	298
3 Bed House	42.5	46.5	6.1	846
4+ Bed House	11.2	11.8	5.3	223
1-2 Bed Bungalow	8.9	9.3	5.0	177
3+ Bed bungalow	6.1	6.8	0.5	122
Flat/Apartment	16.3	12.1	54.1	325
Other	0.0	0.0	0.0	0
Total	100.0	100.0	100.0	1990

## Older people

The majority of older people (89.7%) want to stay in their own homes with help and support when needed. However, a range of other options were considered. 13.1% would consider sheltered accommodation, 9.1% would consider renting extra care and around 7% would consider residential care and co-housing. This evidence suggests a need to continue to diversify the range of older persons' housing provision. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation.

# 1. Introduction

## Background and objectives

- 1.1 This Strategic Housing Market Assessment (SHMA) 2016 Update for Barrow in Furness Borough Council (the Council) has been commissioned to provide an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.
- 1.2 The SHMA 2016 Update satisfies the requirements of the National Planning Policy Framework (NPPF, March 2012) and Planning Practice Guidance, *Housing and economic development needs assessments* (last updated April 2016) which replace previous guidance including the DCLG *Strategic Housing Market Assessment Practice Guidance* (Version 2, 2007).
- 1.3 The SHMA 2016 Update also includes a review of the Housing Market Area definition, Objectively Assessed Housing Need (OAN), Housing Market Signals and Duty to Co-operate matters. It provides an up-to-date analysis of these topics based on an up-to-date review of secondary data and demographic and dwelling forecasts alongside the primary research undertaken for the SHMA 2014, which was also prepared by arc<sup>4</sup> (Final Report, May 2014).

## National Planning Policy Framework (NPPF) requirements

- 1.4 The NPPF provides the planning policy context for this SHMA Update. The key sections of the NPPF which need to be taken into account in the SHMA are now summarised.
- 1.5 Paragraph 159 of the NPPF states that "*Local Planning Authorities should have a clear understanding of housing needs in their area and they should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:*
  - *Meets household and population projections, taking account of migration and demographic change;*
  - *Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
  - *Caters for housing demand and the scale of housing supply necessary to meet this demand.*"
- 1.6 Paragraph 47 of the NPPF makes it clear that local planning authorities should "*use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing*". The SHMA will provide robust evidence to help the Council "*plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community*" and should "*identify the size, type tenure and range*

*of housing that is required in particular locations, reflecting local demand"* (NPPF paragraph 50).

- 1.7 Paragraph 173 of the NPPF states that *"in order to ensure both viability and the deliverability of development, careful attention to viability and costs in plan-making and decision-taking is required."*
- 1.8 Moreover, the NPPF and the Localism Act 2011 both introduced the 'Duty to Co-operate' as a replacement for Regional Spatial Strategy. Section 110 of the Localism Act requires local authorities to co-operate with other local authorities in maximising the effectiveness with which strategic matters within development plan documents are prepared. The provision of housing development is a strategic priority and the Council will have to ensure that they are legally compliant with the Localism Act at Examination. The Duty to Co-operate applies to all local planning authorities, working with neighbouring authorities and other bodies, including Local Enterprise Partnerships, on strategic priorities. It also means collaborating on the evidence critical to understanding the needs of the area, and the wider economic and housing market areas, including through the preparation of a Strategic Housing Market Assessment.
- 1.9 Technical Appendix E provides a checklist of how the SHMA 2016 Update satisfies the requirements of the National Planning Policy Framework and National Planning Practice Guidance.

## Planning Practice Guidance

- 1.10 Planning Practice Guidance, *Housing and economic development needs assessments* (last updated 1st April 2016) provides guidance for local authorities in how to assess their housing and economic development needs.
- 1.11 With regards to housing need, the Guidance sets out:
- The approach to assessing need (paragraphs 1-7);
  - Scope of assessments (paragraphs 8-13);
  - Methodology: Assessing Housing Need (paragraphs 14-29); and
  - Core outputs and monitoring (paragraphs 35-37).
- 1.12 The Guidance sets out that *"the assessment of housing and economic development needs includes the Strategic Housing Market Assessment requirement as set out in the National Planning Policy Framework"*<sup>5</sup>. It explains that the primary objective of identifying need (for housing) is to identify the future quantity of housing needed, including a breakdown by type, tenure and size.<sup>6</sup>
- 1.13 The Guidance also states that *"the assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development historic under-performance, ability, infrastructure or environmental constraints. However,*

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<sup>5</sup> Paragraph: 001 Reference ID: 2a-001-20140306

<sup>6</sup> Paragraph: 002 Reference ID: 2a-002-20140306

*these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”<sup>7</sup>*

- 1.14 The Guidance states that housing needs should be assessed in relation to the relevant functional area, i.e. Housing Market Area, and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It states that is also important to recognise that there are 'market segments', i.e. not all housing types have the same appeal to different occupants. However, it notes that in some cases Housing Market Areas and Functional Economic Areas may be the same.<sup>8</sup>
- 1.15 The Guidance sets out that a Housing Market Area is “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work”. It explains that it might be the case that housing market areas overlap and the extent of the housing market areas identified will vary; many will in practice cut across various local planning authority administrative boundaries<sup>9</sup>.
- 1.16 The Guidance sets out three different sources of information for defining Housing Market Areas:
- House prices and rates of change in house prices;
  - Household migration and search patterns; and
  - Contextual data (for example, travel to work area boundaries, retail and school catchment areas)<sup>10</sup>.
- 1.17 This SHMA Update document signposts relevant paragraphs of the Guidance, where appropriate.

## Definitions

- 1.18 Planning Practice Guidance, *Housing and economic development needs assessments*, defines need for housing at paragraph 4:
- “Need for housing in the context of the guidance refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.”*
- 1.19 For the purposes of this study, the term housing need refers to “the housing that households are willing and able to buy or rent, either from their own resources or with assistance from the state”<sup>11</sup>.
- 1.20 Definitions relating to affordable housing have been revised in the National Planning Policy Framework (March 2012, Annex 2: Glossary):

<sup>7</sup> Paragraph: 004 Reference ID: 2a-004-20140306

<sup>8</sup> Paragraph: 008 Reference ID: 2a-008-20140306

<sup>9</sup> Paragraph: 010 Reference ID: 2a-010-20140306

<sup>10</sup> Paragraph: 011 Reference ID: 2a-011-20140306

<sup>11</sup> Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note June 2014



- **Affordable Housing:** Social/affordable, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.
  - **Social/affordable** housing is owned by local authorities and private Registered Providers (as defined in Section 80 of the Housing and Regeneration Act 2008), for which guideline target rents are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.
  - **Affordable Rented** housing is let by local authorities or private Registered Providers of social housing to households who are eligible for social/affordable housing. Affordable rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).
  - **Intermediate Housing** is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the affordable housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as “*low cost market*” housing, may not be considered as affordable housing for planning.
- 1.21 Note that these definitions are subject to change, particularly in the light of the requirement to provide **Starter Homes** under the provisions of the Housing and Planning Act 2016.

## Geography

- 1.22 Map 1.1 illustrates the geographical context of Barrow in Furness Borough Council and its neighbouring authorities.
- 1.23 Household survey data has been presented for the following four sub-areas, as illustrated in Map 1.2:
- **Barrow Inner** – including Central, Barrow Island, Risedale, Parkside and Hindpool;
  - **Barrow Outer** – including Ormsgill, Hawcoat, Newbarns and Roosecote;
  - **Dalton, Askam and Lindel** – including Dalton North and Dalton South, and
  - **Walney** – including Walney North and Walney South.

### Map 1.1 Barrow in Furness Borough context



**Map 1.2 Barrow in Furness Borough sub areas**



## Research methodology

- 1.24 Regarding the overall methodological approach to assessing housing need, Planning Practice Guidance (*Housing and economic development needs assessments*) states that *“there is no one methodology approach or use of a particular dataset(s) that will provide a definitive assessment of development need. But the use of this standard methodology set out in this guidance is strongly recommended because it will ensure that the assessment findings are transparently prepared. Local planning authorities may consider departing from the methodology, but they should explain why their particular local circumstances have led them to adopt a different approach where this is the case. The assessment should be thorough but proportionate, building where possible on existing information sources outlined within the guidance.”*<sup>12</sup>
- 1.25 Planning Practice Guidance further comments that *“establishing future need for housing is not an exact science. No single approach will provide a definitive answer. Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings), as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance.”*<sup>13</sup>
- 1.26 To deliver the SHMA 2016 Update, a multi-method approach was adopted, which comprised:
- A review of relevant up-to-date secondary data including the 2011 Census, house price data, private rental data, Housing Association CORE lettings data, CLG Statistics and Housing Register information;
  - A sample survey of households across the Barrow in Furness Borough Council area. Undertaken in 2013 to inform the 2014 SHMA, a total of 9,667 households were contacted and 1,692 responses were achieved and used in data analysis. This represents a 17.5% response rate overall;
  - An online survey of key stakeholders. As part of the 2014 SHMA, stakeholders were invited to participate in an online survey to help ascertain their views on the current housing market and the key strategic housing issues for Barrow in Furness Borough. Some telephone interviews were also undertaken. Engagement with key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords/Registered Providers (RPs), estate agents, lettings agents, developers and Supporting People representatives has taken place. The analysis is included in relevant sections of the report; and
  - Interviews with estate and letting agents operating within the Borough. This was also undertaken as part of the 2014 SHMA and the analysis is included in relevant sections of the report.
- 1.27 Further information on the research methodology is presented at Appendix A.

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<sup>12</sup> Paragraph: 005 Reference ID: 2a-005-20140306

<sup>13</sup> Paragraph: 014 Reference ID: 2a-014-20140306

## Presentation of data

- 1.28 Data presented in this report is based on the 2013 Household Survey carried out as part of the 2014 SHMA, unless otherwise stated.
- 1.29 It is important to note that survey responses have been weighted to correct for response bias and then grossed up to reflect the total number of households and this process is explained in Appendix A. The 1,692 responses were therefore weighted and grossed up to 31,967<sup>14</sup> occupied dwellings. All survey information presented in this report is for weighted and grossed responses which are rounded up where appropriate.

## Report structure

- 1.30 The Barrow in Furness Borough SHMA 2016 Update report is structured as follows:
- **Chapter 2** reviews the national and regional policy context within which the research needs to be positioned;
  - **Chapter 3** considers the definition of the Housing Market Area;
  - **Chapter 4** sets out the demographic projections which inform the Objectively Assessed Need (OAN) calculations;
  - **Chapter 5** links demographic and economic growth to Objectively Assessed Need ;
  - **Chapter 6** reviews the current housing market and provides a detailed analysis of the main tenures;
  - **Chapter 7** reviews market signals and past trends in development;
  - **Chapter 8** establishes an OAN and housing requirement for Barrow in Furness Borough;
  - **Chapter 9** reflects upon the future housing market in Barrow in Furness Borough;
  - **Chapter 10** considers the need for all types of housing including households in need and a consideration of household groups with particular housing requirements; and
  - **Chapter 11** concludes the report with a summary of findings and a consideration of strategic issues.
- 1.31 The report includes a substantial technical appendix, which provides detailed material that underpins the core outputs of the SHMA 2016 Update. The technical appendix material includes:
- General methodology (Appendix A);
  - National policy review (Appendix B)

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<sup>14</sup> 2011 Census

- Housing need (Appendix C);
- Monitoring and updating (Appendix D); and
- Summary of conformity to National Planning Policy Guidance and Planning Practice Guidance (Appendix E).

## 2. Policy and strategic review

### Introduction

- 2.1 The purpose of this chapter is to set out the policy and strategic context for housing delivery in Barrow in Furness Borough.
- 2.2 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- 2.3 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The recent passing of the Housing and Planning Act 2016 has put in place the legislation for some of the Government's key policies, including Starter Homes, restrictions on lifetime tenancies and 'Pay to Stay'.
- 2.4 A detailed national policy review is presented at Appendix B.

### Local strategic priorities

- 2.5 The current Cumbria Housing Strategy, 'A shared vision, a single voice for housing in Cumbria: The Cumbria Housing Strategy and Investment Plan 2011 to 2015', was published in October 2011. The key themes of the Strategy are:
  - Housing growth, affordability and community sustainability;
  - Vulnerable people, supporting independence; and
  - Housing market renewal: using stock more effectively.
- 2.6 The Strategy clearly positions itself within the context of economic growth and the priorities of the Local Enterprise Partnership, and seeks to make connections accordingly – in particular linking in with the development of the Energy Coast as a key driver of economic growth. Tackling issues associated with existing homes, and addressing the continued priorities of housing market renewal, are also identified as particular priorities for Barrow.
- 2.7 The Cumbria Sustainable Community Strategy (2008-2028) agreed a series of development priorities to ensure appropriate and sustainable development across the County; for Barrow this includes focusing major development on its regeneration areas.
- 2.8 The Local Growth White Paper (October 2010) set out the Government's vision for empowering locally driven economic growth, encouraging business investment and promoting economic development. The paper highlighted a series of measures aimed at stimulating growth including the Regional Growth Fund. The Paper also established 24 Local Enterprise Partnerships aimed at overseeing economic growth and job creation.
- 2.9 These public/private partnerships are now the focal point for economic growth and development. The Cumbria LEP was established in 2011 and seeks to

*'create one of the fastest growing economies in the UK, in an energised and healthy environment.'* The LEP aims to develop Cumbria's economy while maintaining its uniqueness in terms of landscape, culture and quality of life.

## Cumbria Local Enterprise Partnership

- 2.10 The abolition of regional development agencies and the creation of local enterprise partnerships were announced as part of the June 2010 Government Budget. Local authorities and business leaders were invited to submit proposals to replace regional development agencies in their areas with Local Enterprise Partnerships (LEPs). In October 2010, 24 bids were announced, establishing LEPs aimed at overseeing economic growth and job-creation in their relevant areas. Whilst the LEPs have no statutory land use planning powers, they are responsible for determining local economic priorities and undertaking activities to drive economic growth and local job creation.
- 2.11 Barrow in Furness Borough lies within the Cumbria Local Enterprise Partnership. The LEP is a business-led partnership that seeks to bring together the public and private sectors to drive economic growth and create jobs. To this end, the Cumbria LEP's vision is: *"to create one of the fastest growing economies in the UK, in an energised and healthy environment"*.
- 2.12 The four stated priorities of the LEP are:
- Advanced manufacturing growth;
  - Nuclear and energy excellence;
  - Vibrant rural and visitor economy; and
  - Strategic connectivity of the M6 corridor.
- 2.13 These priorities are underpinned by interventions in four economic drivers:
- Business support;
  - Skills development;
  - Infrastructure improvements; and
  - Environmental sustainability.
- 2.14 The Cumbria LEP has announced the *Cumbria Skills Investment Plan*, seeking to improve skill levels, increase the county's workforce and assist employers. The Plan sets out the employment and skills gap currently faced and the actions that the LEP is proposing to meet the challenges.
- 2.15 In addition, work is underway on a study looking at connectivity on a number of strategic routes west of the M6, particularly the A590, A595 and the A66 (*West of M6 Strategic Connectivity Study*).

## Concluding comments

- 2.16 The main purpose of this chapter has been to consider the general policy and strategic context within which this research needs to be positioned. The previous coalition Government had established its housing and planning priorities within the context of local decision making and accountability, reduced



capital expenditure on housing, fundamental changes to welfare, a changing role for social/affordable housing, and a need for future housing investment to support economic growth. It is likely that this direction of travel will continue, with the Government's legislative programme prioritising measures to increase access to home ownership, further reduce welfare spending, control immigration and assist devolution to cities.

- 2.17 The importance of having robust and up-to-date information to help inform decision making at local authority level is evermore essential. In a challenging economic climate, this SHMA 2016 Update provides the Council with an excellent range of material to inform policy debate and the Local Plan process, help influence strategic responses, and shape local and sub-regional strategic housing priorities to inform future investment decisions.

## 3. Defining the Housing Market Area

### Introduction

- 3.1 PPG Paragraph 2a-008 states that *'housing needs should be assessed in relation to the relevant functional area i.e. Housing Market Area and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.'*
- 3.2 PPG Paragraph 2a-010 defines a Housing Market Area as *"a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap"*. PPG Paragraph 2a-010 suggests that Housing Market Areas (HMAs) can be broadly defined by using three different sources of information as follows:
- House prices and rates of change in house prices;
  - Household migration and search patterns;
  - Contextual data (for example travel to work area boundaries, retail and school catchment areas).
- 3.3 With reference to household migration and search patterns, the PPG Paragraph 2a-011 states:
- "Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools."*
- 3.4 Barrow in Furness Borough is located within Cumbria in the North West of England. The resident population of Barrow in Furness Borough is 69,056<sup>15</sup>. The Borough is situated at the tip of the Furness peninsula on the northwestern edge of Morecambe Bay, south of the Duddon Estuary and east of the Irish Sea. Barrow in Furness Borough lies to the south of the Lake District. Barrow forms the main settlement, with its suburbs extending north and east and onto Walney Island. Other significant settlements within the Borough include Dalton in Furness and Askam in Furness.
- 3.5 In establishing the extent to which Barrow in Furness Borough is a Housing Market Area house price, migration, travel to work and contextual data have been assembled in line with Planning Practice Guidance.

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<sup>15</sup> 2011 Census

## House prices and rates of change in house prices

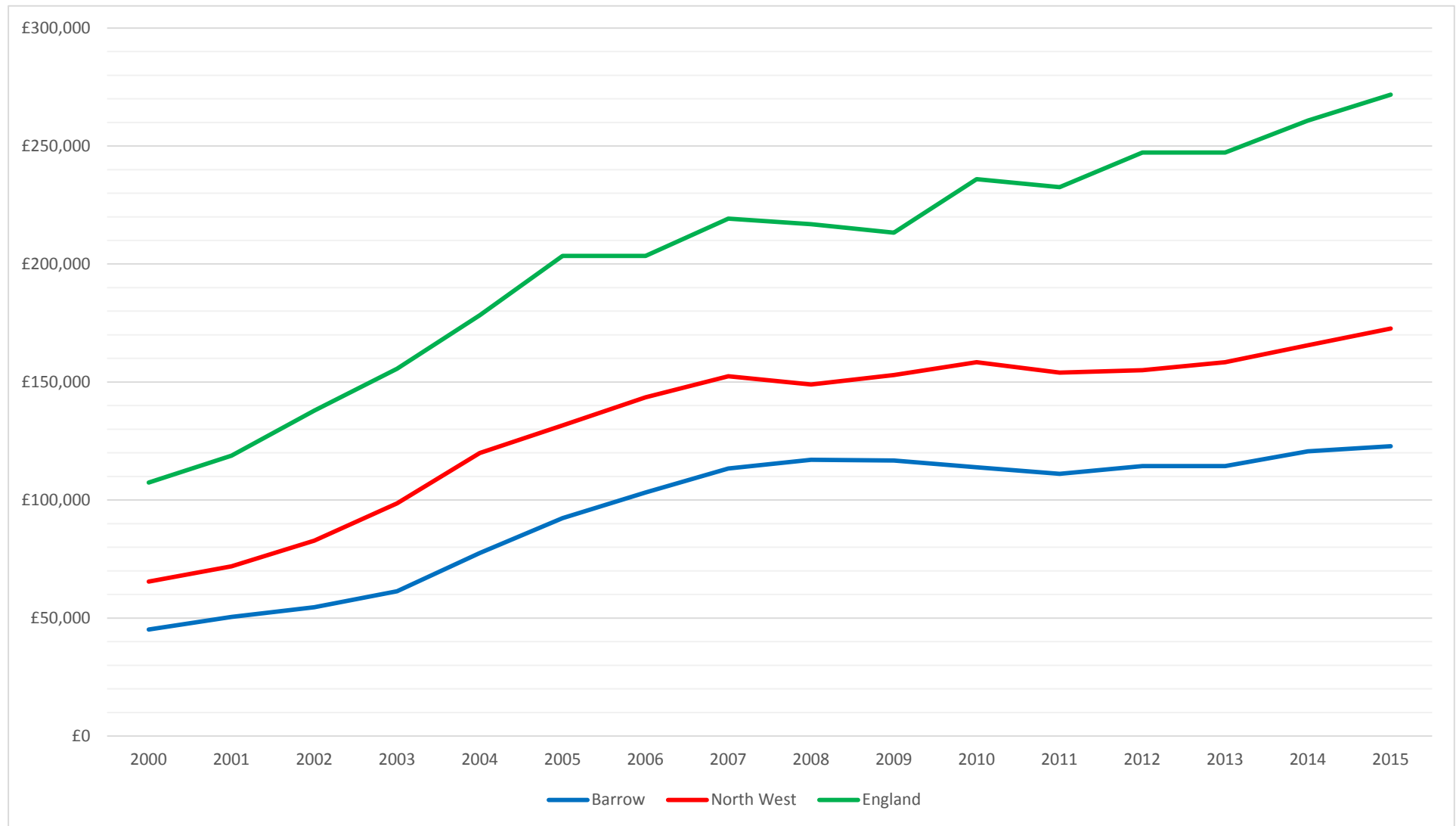
- 3.6 Figure 3.1 shows how house prices across the area have changed over the period 2000 to 2015. Median prices in Barrow in Furness Borough have been consistently lower than median prices for the North West, which are well below those for England as a whole. Overall, prices have increased from £45,097 in 2000 to £122,751 in 2015, an increase of 172.2%. Prices peaked at £117,047 in 2008 before dropping slightly to a low of £111,109 in 2011. Since 2012 there has been a recovery, with prices rising above the level of the 2008 peak since 2014.
- 3.7 Table 3.1 compares median house price change in Barrow in Furness Borough with surrounding areas, the North West and England over the period 2000 to 2015. This indicates that Borough-wide price change has been ahead of most of the neighbouring districts, just behind that of the North West region.

Location	Median price by year (£)		% change 2000-2015
	2000	2015	
North West	£56,200	£171,309	205%
<b>Barrow in Furness</b>	<b>£36,500</b>	<b>£105,000</b>	<b>188%</b>
Copeland	£43,000	£117,000	172%
South Lakeland	£79,500	£210,000	164%
Eden	£71,000	£185,000	161%
Allerdale	£56,000	£140,000	150%
England	£82,000	£202,000	146%
Carlisle	£52,500	£125,000	138%

Source: Land Registry Price Paid data

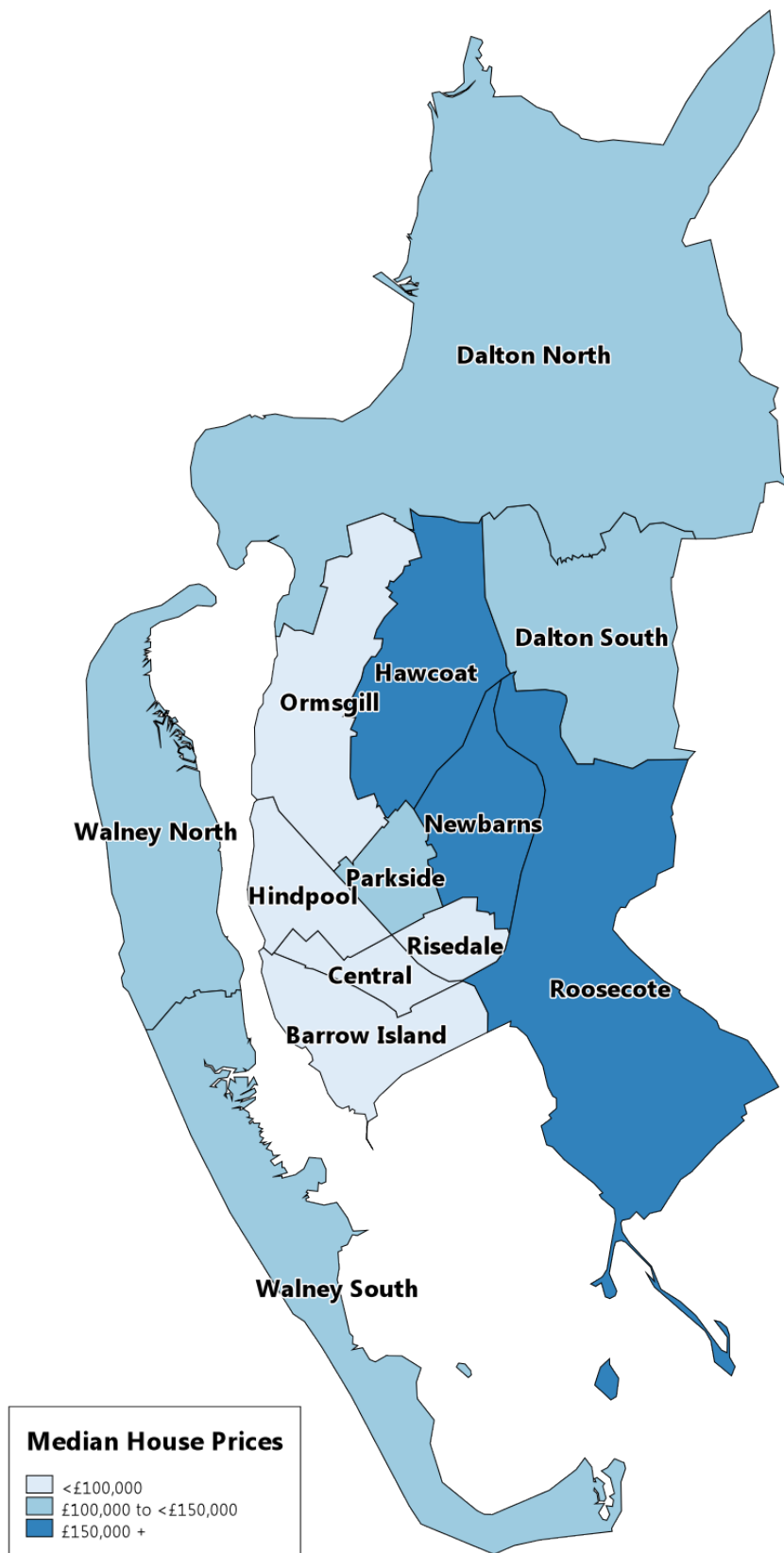
- 3.8 During 2015, median prices across Barrow in Furness Borough were £122,751 and lower quartile prices were £72,000. The distribution of median house prices by ward during 2015 is illustrated in Map 3.1 and indicates relatively lower prices in the Barrow Inner area and relatively higher prices in Barrow Outer.

**Figure 3.1 Median house price trends 2000 to 2015: Barrow in Furness Borough, the North West and England**



Source: DCLG; Land Registry

**Map 3.1 Median house prices 2015 by ward**



Source: Land Registry House Price Data 1 Jan 2015 to 31 Dec 2015

- 3.9 Table 3.2 summarises average and lower quartile private sector rents by sub-area during 2010 and 2015 and sets out the percentage change during this period. This shows that private sector rental growth was seen in all four sub-areas, with a 4.9% increase in lower quartile rents and a 6.3% increase in average rents across Barrow in Furness Borough. The highest rates of private rented sector growth during 2010-2015 were experienced in the Walney sub-area, at 19.5% (lower quartile rent) and 17.0% (average rent).

**Table 3.2 Comparative private sector rent (average and lower quartile) 2010-2015 by sub-area**

Sub-Area	Average				Lower Quartile			
	2010	2015	change	%	2010	2015	change	%
Barrow Inner	£470	£502	32.0	6.8	£390	416	26.0	6.7
Barrow Outer	£636	£656	20.0	3.1	£472	£516	44.0	9.3
Dalton, Askam & Lindal	£528	566	38.0	7.2	£446	£451	5.0	1.1
Walney	£488	£571	83.0	17.0	£399	477	78.0	19.5
<b>Total</b>	<b>£524</b>	<b>£557</b>	<b>33.0</b>	<b>6.3</b>	<b>£425</b>	<b>£446</b>	<b>21.0</b>	<b>4.9</b>

Source: Land Registry Price Paid data

## Relative affordability

- 3.10 The relative affordability of open market dwellings in Barrow in Furness Borough is compared with the other local authorities in the County in Table 3.3. Table 3.3 presents lower quartile house prices, lower quartile gross earnings of full-time workers and a ratio of lower quartile earnings to house prices.
- 3.11 In terms of relative affordability, Barrow in Furness Borough is the second most affordable of the Cumbrian local authorities, with a lower quartile house price to income ratio of 4.0, i.e. lower quartile house prices are 4.0 times lower quartile gross earnings. This compares with the regional average of 5.3 for the North West region as a whole. It is worth noting the significant variation in affordability across the County, with a lower quartile house price to income ratio of 2.6 in Copeland compared to a ratio of 8.3 in South Lakeland.

**Table 3.3 Relative affordability of lower quartile (LQ) prices by district (residence based)**

District	Lower Quartile House Price	LQ Gross Earnings per week	Annual Gross Earnings	LQ Income to House Price ratio
South Lakeland	£150,000	£345	£17,967	8.3
Eden	£137,000	£319	£16,642	8.2
North West	£98,250	£359	£18,565	5.3
Allerdale	£93,000	£372	£18,523	5.0
Carlisle	£89,000	£334	£18,234	4.9
<b>Barrow in Furness</b>	<b>£72,000</b>	<b>£351</b>	<b>£17,938</b>	<b>4.0</b>
Copeland	£75,000	£460	£29,128	2.6

Sources: Land Registry Price Paid 2015; Annual Survey of Hours and Earnings 2015

3.12 In terms of relative affordability based on median prices, Barrow in Furness Borough is again the second most affordable out of six districts in Cumbria, with a median income to house price ratio of 4.1, as illustrated on Table 3.4. Barrow in Furness Borough also compares more favourably with affordability across the North West region as a whole, where the median income to house price ratio is 6.7 (compared with 4.1 in Barrow in Furness Borough).

**Table 3.4 Relative affordability of median prices by district (residence base)**

District	Median House Price	Median Gross Income per week	Annual Gross Income	Median Income to House Price ratio
South Lakeland	£210,000	£518	£25,717	8.2
Eden	£185,000	£457	£23,699	7.8
North West	£171,309	£492	£25,721	6.7
Carlisle	£125,000	£428	£23,012	5.4
Allerdale	£140,000	£533	£26,325	5.3
<b>Barrow in Furness</b>	<b>£105,000</b>	<b>£493</b>	<b>£25,905</b>	<b>4.1</b>
Copeland	£117,000	£714	£40,040	2.9

Source: Land Registry Price Paid 2015; Annual Survey of Hours and Earnings 2015

## Household migration and search patterns

3.13 Data reported in the 2011 Census suggests that around 86.2% of households who moved in the year preceding the Census originated from within Barrow in Furness Borough and on the basis of a 70% self-containment threshold Barrow in Furness Borough can be described as self-contained.

3.14 Table 3.5 summarises the origins of households based on 2011 Census data. Of the 5,303 households moving in Barrow in Furness Borough, 13.8% originated from outside of Barrow in Furness Borough with 6.8% moving from South Lakeland and 1.5% from Allerdale.

Origin of moving household	Number	%
Barrow in Furness	4571	86.2
South Lakeland	358	6.8
Allerdale	80	1.5
Lancaster	73	1.4
Copeland	58	1.1
Carlisle	49	0.9
Preston	33	0.6
Liverpool	31	0.6
Manchester	28	0.5
Eden	22	0.4
Total	5303	100

Source: 2011 Census, moves in the preceding year

- 3.15 Data from the 2013 Household Survey indicated that around 8,506 households had moved home in the preceding five years. Of these households 79.6% originated within Barrow in Furness Borough and 20.4% originated from outside the area.

### Characteristics of in-migrant households

- 3.16 The Household Survey identified around 1,641 households who had moved into Barrow in Furness Borough in the preceding five years. Table 3.6 shows the origins of these households.

Origin of moving household	Number	%
South Lakeland	491	29.9
Elsewhere Cumbria	166	10.1
Lancashire	94	5.7
Elsewhere North West	129	7.8
Elsewhere UK	616	37.6
Outside UK	144	8.8
Total	1641	100.0

Source: 2013 Household Survey

- 3.17 Information from the Household Survey relating to in-migrant households includes:



- Most moved into a house, predominantly terraced houses (47.4%), followed by flats/apartments (21.1%), detached houses (13.1%), semi-detached houses (9.5%), bungalows (7.8%) and caravans/park homes (1.1%);
  - 61.5% moved into smaller properties with one (10.2%) and two (51.3%) bedrooms; 22.1% moved into a three bedroom property and 16.4% into a property with four or more bedrooms;
  - 41.0% moved into owner occupied properties; 56.6% into private renting (of which 28.1% unfurnished, 16.2% furnished and 12.3% tied accommodation) and 2.3% moved into affordable (social rented or intermediate tenure) dwellings;
  - Singles (under 60) accounted for 47.3% of in-migrant households; couples (no children) 11.9%; couples with children 19.8%; lone parent families 6.5%; older singles and couples 11.4%; and 3.0% were other household types;
  - 41.7% of in-migrant household reference people (Heads of Household) were aged 16-39, a further 48.0% were aged 40-59 and 10.2% were aged 60 or over;
  - The majority of Heads of Household of in-migrant households were in employment (71.7%, of which 66.4% were full-time and 5.3% were part-time), with a further 13.2% wholly retired from work, 11.2% unemployed and 3.9% permanently sick/disabled;
  - 46.6% of households had a weekly income of at least £500 (with 23.7% receiving at least £800 each week); a further 18.1% received between £300 and £500 each week and 35.2% received less than £300 each week; and
  - The main reasons for moving were to be closer to work/new job (39.0%) and because they wanted to own their own home/live independently (11.5%).
- 3.18 In summary, the 2013 Household Survey found that around 20.4% of households moving in the past five years originated from outside Barrow in Furness Borough. Of this number, 29.9% were from South Lakeland and 10.1% from elsewhere in Cumbria. Most moved into either private rented accommodation (56.6%) or owner occupation (41.0%), with only 2.3% moving into affordable housing. 41.7% of in-migrant households had a Head of Household aged between 16 and 39, with a further 48.0% aged 40-59. Overall 71.7% were in employment and 46.6% had an income (of Head of Household and partner) of at least £500 each week.

### Residential mobility within Barrow in Furness Borough

- 3.19 The 2013 Household Survey identified that over three-quarters (79.6%) of households moving within the preceding five years had moved within the Barrow in Furness Borough area (around 6,770 households).
- 3.20 Households moving within the Barrow in Furness Borough area were doing so for a variety of reasons. Those most frequently reported were moving to a larger/better property (27.3%), wanting their own home/to live independently (12.5%) and being forced to move (10.1%).
- 3.21 Table 3.7 reviews the tenure choices of households moving within the Barrow in Furness Borough area. The majority of households remained within the same

tenure, with owner occupiers being the most likely to remain in the same tenure (85.6%), followed by those in affordable accommodation (81.4%) and those in private rented accommodation (76.4%). Respondents who had previously lived with family and friends (i.e. newly forming households) were most likely to move to either owner occupation (46.6%) or private rented accommodation (44.8%), with only 8.6% going into affordable housing.

**Table 3.7 Residential mobility – movement between different tenures**

Current Tenure	Previous Tenure					Total
	Owned	Private Rented	Affordable	Previously living with family/friends	Other	
Owned	85.6	8.3	9.1	46.6	21.9	44.0
Private Rented	9.2	76.4	9.5	44.8	0.0	38.9
Affordable	5.2	15.3	81.4	8.6	78.1	17.1
Total	100.0	100.0	100.0	100.0	100.0	100.0
Base	2237	2110	549	1023	64	5983

Source: 2013 Household Survey

3.22 Table 3.8 considers the profile of dwellings being moved into by households moving within the Barrow in Furness Borough area. Households are moving into a variety of dwelling types and sizes, most notably to: two (44.3%) and three (32.4%) bedroom dwellings; terraced houses/town houses (42.3%), semi-detached houses (22.0%) and flats/apartments/maisonettes (21.4%).

**Table 3.8 Residential mobility – profile of properties moved into by type and size**

No. Bedrooms	Property type (%)						Total
	Detached house	Semi-detached house	Terraced house / town house	Bungalow	Flat/ Apartment	Other	
One	0.0	0.0	0.0	0.7	13.6	0.1	<b>14.5</b>
Two	0.8	5.9	27.0	2.6	6.7	1.2	<b>44.3</b>
Three	2.1	13.5	12.2	3.3	1.1	0.2	<b>32.4</b>
Four	2.1	2.2	3.2	0.0	0.0	0.0	<b>7.4</b>
Five or more	1.0	0.4	0.0	0.0	0.0	0.0	<b>1.4</b>
Total	<b>6.0</b>	<b>22.0</b>	<b>42.3</b>	<b>6.7</b>	<b>21.4</b>	<b>1.6</b>	<b>100.0</b>
Total Responses	6,165						

Source: 2013 Household Survey

### Households planning to move

3.23 The 2013 Household Survey found that around 5,500 households planned to move in the next five years. Table 3.9 summarises the moving intentions of households based on the first preference they stated. Overall, 60.8% of

households intend on remaining in Barrow in Furness Borough and 39.2% intend to move out of the area. The latter include Ulverston (8.2%), South Lakeland (3.6%), elsewhere in Cumbria (2.3%) and elsewhere in the North West (2.9%), with 15.3% stating elsewhere in the UK and 3.5% overseas.

**Table 3.9 First choice destination of households planning to move in next five years**

Destination	% stating as first preference
<b>Within Barrow in Furness Borough:</b>	
Dalton, Askham and Lindal	7.6
Barrow Outer (Hawcoat, Newbarns, Ormsgill, Roosecote wards)	34.6
Barrow Inner (Barrow Island, Central, Hindpool, Parkside, Risedale wards)	10.9
Walney (Walney North, Walney South)	7.7
Total Within	60.8
<b>Outside Barrow in Furness Borough:</b>	
Millom	1.3
Ulverston	8.2
Elsewhere in South Lakeland	3.6
Elsewhere in Cumbria	2.3
Lancashire	2.0
Elsewhere in North West	2.9
Elsewhere in the UK	15.3
Outside the UK	3.5
Total Outside	39.2
Grand Total	100.0
<i>Base (Valid responses)</i>	5314

Source: 2013 Household Survey

- 3.24 The Household Survey found that the main reason why households plan to move out of Barrow in Furness Borough is to be closer to work/new job (16.5%), to be in a better neighbourhood or more pleasant area (15.5%), to have a larger property or one that is better in some way (10.9%) and to be closer to family/friends to give/receive support (10.8%).

## Travel to work trends

- 3.25 The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Barrow in Furness Borough travel to other areas together with details of how many people commute into the Borough. The 2011 Census data captures all places of work areas but some are a very small proportion of the commuting total. Therefore, highlighted below are the main commuting areas identified in the 2011 Census.

- 3.26 In terms of living in Barrow in Furness Borough a total of 31,004 economically active individuals were identified. 1,673 had no fixed place of work so were excluded from the analysis. Of the remaining 29,064 people:
- 24,619 (84.7%) lived and worked in Barrow in Furness Borough (including 2,029 who work at home);
  - 4,445 (15.3%) lived in Barrow in Furness Borough but commuted out of the Borough for work, the main areas being South Lakeland (9.3%) and Copeland (2.4%).
- 3.27 In terms of working in Barrow in Furness Borough, a total of 27,769 economically active individuals were identified and of those:
- 22,590 (81.3%) lived and worked in Barrow in Furness Borough;
  - 5,179 (around 18.7%) commuted into Barrow in Furness Borough for work (but lived outside the Borough);
  - The main areas where these individuals resided included South Lakeland (12.0%), Copeland (1.9%), Allerdale (1.0%) and Lancaster (0.7%).
- 3.28 2013 Household Survey found that 80.8% of employees work within Barrow in Furness Borough and 19.2% commute to other areas, most notably to South Lakeland (11.7%), Copeland (2.7%), and elsewhere in Cumbria (2.4%). Table 3.10 summarises the relationship between place of residence and workplace. It indicates that almost half (40.1%) of residents in Barrow Inner live and work in this same spatial area. There are some clear linkages between spatial areas and localities outside of Barrow in Furness Borough, for instance between Dalton, Askam & Lindal and South Lakeland.

Workplace	Place of residence by sub-area (Column %)				
	Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	Total
<b>Within Barrow in Furness</b>					
Barrow Inner	40.1	34.3	21.5	33.5	34.1
Barrow Outer	5.4	15.8	10.1	10.3	10.0
Dalton, Askam & Lindal	0.8	1.2	14.0	0.4	3.2
Walney	1.1	2.4	0.9	9.9	2.8
Barrow (unspecified)	32.3	30.7	20.6	39.1	30.7
<b>Total within Barrow in Furness</b>	<b>79.7</b>	<b>84.4</b>	<b>67.1</b>	<b>93.1</b>	<b>80.8</b>
<b>Outside Barrow in Furness</b>					
Copeland	2.9	2.3	5.5	0.0	2.7
South Lakeland	13.8	7.9	19.8	3.9	11.7
Elsewhere Cumbria	2.1	1.8	5.0	1.4	2.4
Elsewhere North West	0.0	1.2	1.1	0.8	0.7
Elsewhere UK	0.8	2.4	0.0	0.8	1.1
Outside UK	0.0	0.0	0.9	0.0	0.2
Not specified	0.8	0.0	0.6	0.0	0.4
<b>Total outside Barrow in Furness</b>	<b>20.3</b>	<b>15.6</b>	<b>32.9</b>	<b>6.9</b>	<b>19.2</b>
Total	100	100	100	100	100
Base	5271	4030	2474	2089	13864

Source: 2013 Household Survey; based on workplace of household reference person

- 3.29 On the basis of workplace data from both the 2011 Census and the 2013 Household Survey, Barrow in Furness Borough can be seen to be self-contained.

### Estate agent views on housing market dynamics

- 3.30 The estate and letting agents interviewed as part of the 2014 SHMA were asked what they thought the main drivers of housing demand were in the area. Two of the agents mentioned BAE Systems and the developing wind farm industry as being key drivers with one agent stating that they did a lot of letting business with BAE employees whereas another agent reported that the graduate programme at BAE had generated some first time buyer sales but of three bed semi-detached houses in more desirable areas rather than the traditional first time buyer homes of terraced properties in the town. One agent mentioned the availability of 95% mortgages as another driver pushing demand and another agent referred to the continuing demand for two bed properties for rent because of the high benefit dependant population in the area and the impact of the bedroom tax making two bed homes more desirable than three bed properties.
- 3.31 Agents were asked what impact they expected changes in the economy would have on housing demand over the short, medium and long term. All agents were very cautious over this question with all expecting the rental market to remain buoyant (at least over the short and medium term) but all 'hoping' that

- sales demand will continue to increase as the economy improves, rather than necessarily expecting it to happen.
- 3.32 When asked about house price trends in the area all agents agreed that prices had remained static and they did not anticipate significant rises in the near future but all did agree that there was more activity in the market now than there had been for a few years. With regards to the availability of mortgage finance, there was a mixed response with two agents believing that recent easing of the availability of mortgages was having a positive impact on local demand and that that would continue whereas another agent still felt that deposit requirements remained too high that they also reported a significant number of people 'giving up' on their mortgage applications because too much information was required.
- 3.33 In terms of affordability, all agents agreed that affordability was an issue in the area and that there is demand for affordable home ownership. One agent pointed out that the town centre already has affordable homes to buy but that these are not popular with potential owner occupiers who prefer to seek more desirable areas away from the town centre. All agents agreed that that there is also demand from older households looking to downsize.
- 3.34 Agents were asked if they were aware of any new development taking place currently. Two agents said that they were not aware of any whilst one agent was aware of a scheme on Friars Lane but did not know if it was for sale or renting (this is a development by Accent Foundation for rent through choice based lettings, total of 27 new units). Agents were also asked if demand for new development came from people already living in the area or from people looking to move into the area. Not unsurprisingly this was a difficult question to answer given the apparent lack of new development. One agent did point again to BAE Systems and the wind farm industry as being a key draw for people from outside the area with many people benefitting from relocation packages from their employer. Most tend to rent in the first instance but some do buy property. One agent did mention the stalled Marina development scheme which, whilst it was being promoted, did generate a lot of enquiries from outside the area. When asked where new development should take place all agents agreed that Barrow town centre should be the priority.
- 3.35 The agents were asked about the current role of 'buy to let' in the local market. All agents said that buy to let continued to have a big role in the local market, particularly with terraced property in the town centre with roughly half of buy to let investors coming from outside the area. One agent believed there was slightly less demand from investors than a few years ago because of availability of mortgages whereas another agent believed that demand would remain strong whilst bank savings rates remain low.
- 3.36 Finally, agents were asked what key messages for the housing market they would like to see within the Strategic Housing Market Assessment. One agent said that they would like to see the Council being more proactive with regard to financial assistance for those people struggling to find deposits for rental properties and they cited South Lakeland Council as being more active in this area. Another agent said that the housing offer in the town needed to be diversified as it was dominated by "chimney pot houses" which gave the area a low-at-heel look and feel. However they did acknowledge that the 'bedroom tax' works against this as people on benefits increasingly look to smaller properties

in order to preserve benefit levels. The continued regeneration of the town centre was a key priority for all agents with the resurrection of the Marina scheme being particularly important.

## Concluding comments

- 3.37 The purpose of this chapter has been to consider the general housing market context of Barrow in Furness Borough and its inter-relationships with other areas. By reviewing house prices, migration and travel to work patterns, a picture of the market dynamics of Barrow in Furness Borough emerges.
- 3.38 The Department of Communities and Local Government (DCLG) suggests that a housing market is self-contained if upwards of 70% of moves (migration and travel to work) take place within a defined area. An analysis of 2011 Census migration data suggests that 86.2% of households move within Barrow in Furness Borough and 84.7% of residents in employment work within the Borough.
- 3.39 The 2013 Household Survey found that 79.6% of those who had moved in the previous five years came from within Barrow in Furness Borough. It found that of those planning to move in the following five years, 60.8% of households intend to move within Barrow in Furness Borough.
- 3.40 Barrow in Furness Borough can be described as a self-contained housing market on the basis of migration flows and travel to work patterns.

## 4. Establishing an objectively assessed need for housing

### Introduction

- 4.1 Objectively Assessed Housing Need (OAN) is defined in a Planning Advisory Service advice note as *'the housing that households are willing and able to buy or rent, either from their own resources or from the State'*.<sup>16</sup>
- 4.2 NPPF Paragraph 159 recognises that the objective assessment of housing need must be one that meets household and population projections, taking account of migration and demographic change; meets the need for all types of housing including affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand.
- 4.3 NPPF Paragraph 47 makes it clear that local planning authorities should *"use their evidence base to ensure that their Local Plan meets the full objectively assessed needs for market and affordable housing"*. A SHMA was published in 2014 which accorded with the requirements of the NPPF. The SHMA provided robust evidence to help the Council *"plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community"* and *"identify the size, type, tenure and range of housing that is required in particular locations, reflecting local demand"* (NPPF paragraph 50).
- 4.4 The OAN presented in the 2014 SHMA was updated by the Council in June 2016 using the most up-to-date (2012-based) demographic data available.
- 4.5 In order to establish Objectively Assessed Need, Planning Practice Guidance (PPG) identifies a series of steps:
  - A. Defining the Housing Market Area;
  - B. Using DCLG household projections as a starting point to establishing the need for housing; and
  - C. Adjusting projections to take account of local demography, employment trends; and market signals relating to price and quantity of housing and past delivery.
- 4.6 Chapter 3 confirmed that Barrow in Furness Borough is an appropriate Housing Market Area for the purposes of establishing an Objectively Assessed Need (OAN) for housing. The OAN element of the strategic housing evidence base was updated by the Council and presented in the Barrow Borough Housing Land Statement (BBHLS) published in July 2016.

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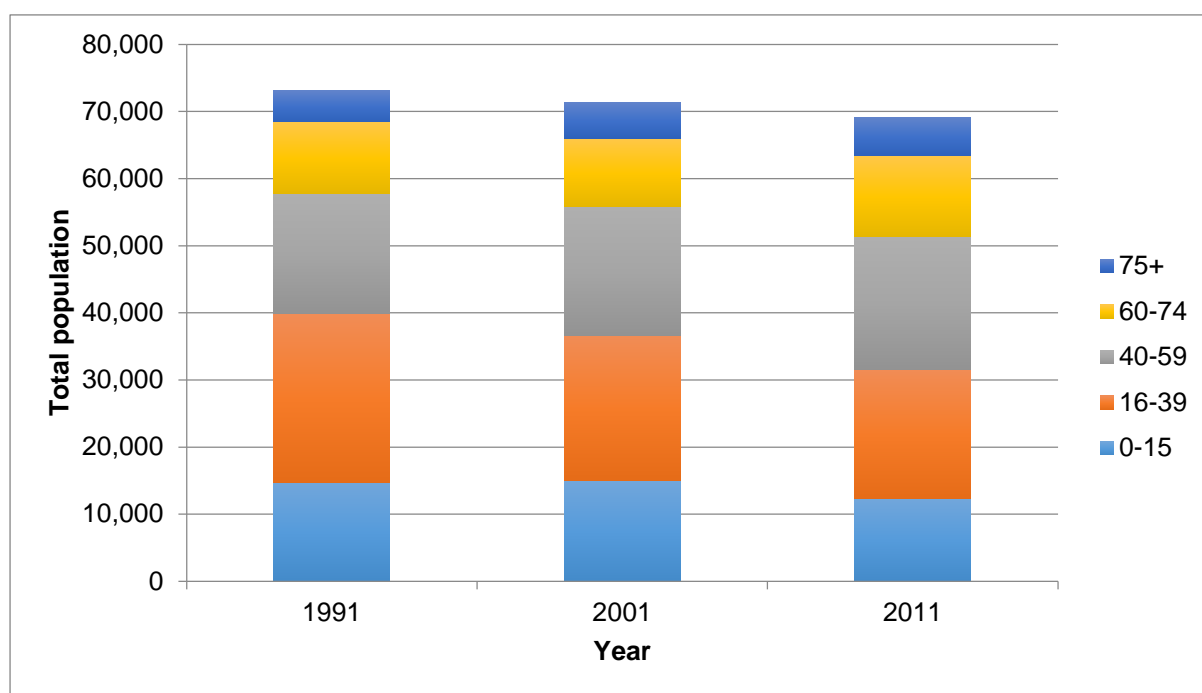
<sup>16</sup> Planning Advisory Service, Objectively Assessed Need and Housing Targets (Technical Advice Note), Second Edition, July 2015, Paragraph 3.3



## Trends in population, households and dwellings

- 4.1 The longer-term demographic context provides a useful background to the assessment of Objectively Assessed Need. Over the period 1991 to 2011, the total population of Barrow in Furness Borough has declined and aged as illustrated in Figure 4.1. Over this period, the population has declined by 5.5% and it has also been aging, with increasing proportions of the population in older age groups and this is projected to continue. 2012-based population projections indicate that over the period 2012-31, there is expected to be a further population reduction (3.7%) and population losses across most age groups: aged 0-14 (population reduction of 8.8%), 16-39 (of 8.7%) and 40-59 (of 18.3%), with an increase in the 65 and over age group (of 34.6%).
- 4.2 Despite overall population losses, reduction in household size has resulted in an increase in the total number of dwellings (6%) and households (5.4%) over the period 1991 to 2011 (Table 4.1). That said, the scale of increase in both these measures has been below that experienced in neighbouring districts and across Cumbria and the North West.

**Figure 4.1 Population change in Barrow-in-Furness Borough 1991 to 2011**



Source: Census data

Location	1991-2011			Total population change (%)
	% change in stock	% change in households	Annual average net change in dwelling stock	
Barrow in Furness	6.0	5.4	93	-5.5
South Lakeland	15.4	17.1	356	6.5
Copeland	9.5	10.0	140	-1.0
Cumbria	14.7	14.5	1540	3.3
North West	11.4	13.1	16119	4.6

Source: Census data

## Demographic Starting Point

- 4.7 PPG states that the official DCLG household projections provide the ‘starting point’ in the assessment of housing need as stated in PPG Paragraph 2a-015. The latest official population and household projections will be used in accordance with PPG Paragraph 2a-015.
- 4.8 The BBHLS recognises the need to use up-to-date demographic evidence in the calculation of OAN. At the time of preparation of the BBHLS, 2012-based projections were available and used in analysis. These are summarised in Tables 4.2 and 4.3.
- 4.9 In terms of households, the 2012-based projections suggest an overall increase from 31,193 households in 2011 to 31,442 in 2031, representing an overall increase of 249 households (0.8%) or 12 each year. During the period 2011-31, the number of households is expected to decrease to 2012, followed by a steady increase rising to a peak of 31,546 households in 2024. From 2026 onwards there is a projected further period of decline, with 31,332 households anticipated in 2031.

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>2012-based projections</b>	31193	31080	31113	31197	31248	31299	31358	31402	31457	31480	31519	31539	31532	31546	31534	31536	31534	31508	31502	31469	31442

Source: Live tables 406 – Households and presented in Table 1 of the July 2016 BBHLS

**Table 4.3 Population projections – total population under 2012-based and 2014-based projections**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>2012-based projections</b>	68400	68200	68100	68000	67800	67700	67600	67500	67400	67300	67200	67100	66900	66800	66700	66500	66400	66300	66100	66000
<b>2014-based projections</b>			67600	67300	66900	66600	66300	66000	65800	65500	65300	65000	64700	64500	64200	63900	63700	63400	63200	62900

Source: ONS 2012-based and 2014-based population projections

- 4.10 Further analysis of the 2012-based population projections prepared by arc<sup>4</sup> is presented in Table 4.4. This breaks down future population projections by age group. Over the period 2012 to 2031, the total population is expected to reduce by 3.7% and a reduction across all age groups under 65 is anticipated, particularly the 40-64 age group (which is expected to reduce by 18.3%). In contrast, the number of residents aged 65 and over is expected to increase by 34.6%.
- 4.11 The dramatic ageing of the population is further explored by considering the proportion of residents aged 65 and over and 75 and over. The proportion aged 65 and over is expected to increase from 19.5% in 2012 to 27.2% by 2031. The proportion aged 75 and over is expected to increase from 8.3% in 2012 to 14.6% in 2031.

**Table 4.4 Projected population change, 2012 to 2037**

Age Group	2012	2031	Change	Change 2012-37
0-14	11,300	10,300	-1,000	-8.8
15-39	19,600	17,900	-1,700	-8.7
40-64	24,100	19,700	-4,400	-18.3
65+	13,300	17,900	4,600	34.6
<b>TOTAL</b>	68,300	65,800	-2,500	-3.7
% aged 65+	19.5	27.2		
% aged 75+	8.3	14.6		

Source: ONS 2012-based population projections

- 4.12 In summary, 2012-based population projections indicate that the overall population in Barrow is set to reduce, with losses in all broad age groups with the exception of the 65+ age group.

## Adjusting household projection-based estimates: demography

- 4.13 Whilst the official 2012-based ONS population and DCLG household projections form the 'starting point' of the assessment of housing need, the PPG states that it is appropriate to consider '*alternative assumptions in relation to the underlying demographic projections and household formation rates*' of the local area (PPG Paragraph 2a-017). The PPG also states that the likely change in the number of jobs in an area should be considered, as should the size and structure of the labour force (PPG paragraph 2a-018).
- 4.14 In line with PPG, the Council has reality checked the 2012-based household projections taking into account longer-term demographic trends in the 2016 BBHLS.
- 4.15 The Borough's population has continued to fall since the 2011 census. The greatest loss of population occurred between 2009 and 2012 when the Borough lost 1,400 residents.
- 4.16 2012-based population projections predict a 3.1% population loss over the 2012-2031 period. Population projections are driven by natural change (births minus deaths) and migration (internal, cross-boundary and international). These components of change were considered in the BBHLS July 2016. New 2014-based population projections show an even steeper decline over the plan period, from 67,600 in 2014 to 62,900 in 2031. By 2031, the 2014-population projections are suggesting an additional loss of 3,100 residents compared with the 2012-based projections.
- 4.17 The 2012-based population projections predict an ageing population, with the percentage of people aged over 65 rising from 19.7% in 2012 to 27.1% in 2031. The percentage of residents aged 15-64 is due to fall from 64.2% to 57% of the population. This means there will be 5,900 less people of working age by 2031 unless adjustments are made to bring additional people into the Borough through in-migration.
- 4.18 A review of the components of population change using 2012-based data suggest that natural change (births minus deaths) is expected to have a minimal impact on overall population change. An analysis of migration trends suggests that over the plan period there is expected to be a net loss of around 2,300 people through internal migration. The underpinning migration assumptions in the 2012-based projections are consistent with 5-year and longer-term migration trends evidenced in the BBHLS.

## Summary

- 4.19 In line with the PPG, the Council has used DCLG 2012-based household and 2012-based ONS population projections as a 'benchmark' scenario, with household growth assessed using household headship rate assumptions from the 2012-based DCLG household projection model. This provides the 'starting point' for the assessment of housing need (in line with PPG paragraph 2a-015).
- 4.20 Cumbria County Council has developed a range of demographic scenarios for the Borough, using POPGROUP technology. Variant migration assumptions, dwelling led and labour force assumptions were used. These scenarios were

based on 2011-based interim household projection data and these are due to be updated using 2012-based data in due course.

- 4.21 Given the considerable differences between the 2011 and 2012-based household projection outcomes, the 2012-based POPGROUP scenario analysis is likely to demonstrate a reduction in the scale of housing need under alternative scenarios.

## 5. Linking demographic and economic growth to Objectively Assessed Need

### Introduction

- 5.1 In the assessment of housing need, the PPG paragraphs 2a-018 and 2a-019 state that *“plan makers should make an assessment of the likely change in the number of jobs based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area”* and *“significant weight should be placed on the need to support economic growth through the planning system”*. It continues in paragraph 2a-020 that Local Authorities should *“plan proactively to meet the development needs of business and support an economy fit for the 21<sup>st</sup> Century”*.
- 5.2 The BBHLS July 2016 recognises that Planning Authorities must therefore assess whether the number of people and households predicted under the demographic projections is able to support future economic growth. If not, the number of households must be adjusted upwards, allowing workers to move into the Borough in order to prevent a labour force shortage. Locating housing close to employment also helps prevent unsustainable commuting patterns.
- 5.3 A particular challenge for the Borough is a projected reduction in the working age population. Although an increasing retirement age would have a slight impact in maintaining the workforce, the reduction in the working age population would act as a major constraint on local employers’ ability to access the labour needed to support economic growth.
- 5.4 When considering how much adjustment to make to household numbers, the following needs to be considered:
- Employment projections;
  - Economic activity rates;
  - Population projections; and
  - Commuting patterns.
- 5.5 Key comments in relation to these factors are reported in the BBHLS July 2016 and include:
- Over the period 2001 to 2014 an annual average of 261 jobs have been created across the Borough;
  - Economic activity rates (the percentage of working age population in employment) have ranged between 70.9% and 82.6% over the period 2004 to 2015 and have averaged 68.8%. In 2015, 74.8% of working age residents were economically active;
  - Unemployment rates have ranged between 4.8% and 9.6% over the period 2004 to 2015 and were 6.8% in 2015;
  - In 2015 an estimated 10,900 of the working age population were economically inactive. Of these, only 1,900 wanted a job;

- The BBHLS comments that when adjusting figures to take into account future employment it is important to be realistic about how many new households are required to support economic growth;
  - According to the 2011 census, 5,816 travelled into the Borough to work and 5,952 of residents worked outside the Borough. This equates to a commuting ratio of 1 when rounded up. Overall, 81% of residents in employment work in the Borough;
  - The latest job projections 2016-31 from Cumbria Observatory for the Borough (which use Experian modelling adjusted upwards to take into account known local circumstances) suggest an annual average growth of 195 Full-time Equivalent (FTE) jobs each year. These figures do not take into account the potential impact of nuclear newbuild, Waterfront Business Park or related activity but do incorporate Sellafield and BAE Systems workforce figures.
- 5.6 The OAN modelling prepared by the Council is based on a growth of 3,750 FTE jobs over the plan period (based on 197 additional jobs each year).

## 6. Barrow in Furness Borough Housing Market Review

### Introduction

- 6.1 The purpose of this chapter is to explore the housing market dynamics of Barrow in Furness Borough focusing on the current stock profile, condition and tenure characteristics. This includes a detailed analysis of the major tenures: owner occupation; the private rented sector and affordable accommodation.

### Estimates of current dwellings in terms of size, type, condition, tenure

- 6.2 2015 Council Tax data records a total of 33,470 dwellings in Barrow in Furness Borough, with 1,717 vacant properties and 909 second homes which results in a total of 30,844 occupied households<sup>17</sup>. This implies a vacancy rate of 2.7%, compared with a vacancy rate of 2.6% across England<sup>18</sup>.
- 6.3 Note that the 2013 Household Survey data presented throughout the report is based on a total occupied dwellings figure of 31,967, based on the number of households recorded in the 2011 Census.

### Property size and type

- 6.4 Table 6.1 reviews the profile of dwelling stock by size and type based on 2013 Household Survey. Overall, the vast majority (77.9%) of properties are houses, 10.8% are flats/apartments, 9.8% are bungalows and 1.5% are other types of property including park homes/caravans. Of all occupied properties, 8.5% have one bedroom/bedsit, 37.6% two bedrooms, 42.7% three bedrooms, 9.5% four bedrooms and 1.7% five or more bedrooms.

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<sup>17</sup> 2015 Council Tax data

<sup>18</sup> 2014 CLG Dwelling and Vacancy data



**Table 6.1 Property type and size of occupied dwellings in Barrow in Furness Borough**

Property Type	No. Bedrooms (Table %)					Total
	One/ bedsit	Two	Three	Four	Five or more	
Detached house	0.1	0.4	4.1	3.7	0.8	9.1
Semi-detached house	0.0	3.9	19.1	2.6	0.4	26.1
Terraced house / town house	0.7	24.5	14.6	2.6	0.5	42.7
Bungalow	0.6	4.3	4.3	0.5	0.0	9.8
Flat/Maisonette	7.0	3.4	0.4	0.0	0.0	10.8
Other	0.2	1.1	0.2	0.0	0.0	1.5
<b>Total</b>	8.5	37.6	42.7	9.5	1.7	100.0
<i>Base</i>	31,535					

Source: 2013 Household Survey

6.5 How property type and size varies by sub-area is illustrated in Table 6.2. Notable variations identified by the Household Survey include the relatively high proportion of bungalows and detached houses in Barrow Outer; and the high proportion of terraced houses in Barrow Inner. In terms of size, a high proportion of one- and two-bedroom properties are in Barrow Inner.

**Table 6.2 Property type and size by sub-area**

Property type/size	Sub-Area (%)				Barrow in Furness Total
	Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	
Bungalow 1-2 Bed	2.1	47.5	27.8	22.6	100.0
Bungalow 3+ Beds	5.0	49.4	28.3	17.3	100.0
Flat 1 Bed	63.7	23.1	2.1	11.1	100.0
Flat 2 Beds	43.9	41.7	6.1	8.3	100.0
Flat 3+ Beds	71.5	10.8	17.7	0.0	100.0
Terraced 1-2 bed	62.9	13.1	11.9	12.1	100.0
Terraced 3+ Beds	47.5	14.1	21.5	17.0	100.0
Semi-detached 1-2 Beds	46.3	24.8	14.2	14.7	100.0
Semi-detached 3 Beds	19.3	45.7	16.5	18.5	100.0
Semi-detached 4+ Beds	24.6	46.3	16.1	12.9	100.0
Detached 1-3 Beds	13.0	49.6	27.2	10.1	100.0
Detached 4+ Beds	7.8	56.1	28.7	7.5	100.0
Other	0.0	0.0	14.1	85.9	100.0
Total	38.0	29.5	16.9	15.6	100.0
Base	11982	9312	5325	4916	31535
Missing Cases	171	138	59	64	432
<b>Grand Total</b>	<b>12153</b>	<b>9450</b>	<b>5384</b>	<b>4980</b>	<b>31967</b>

Source: 2013 Household Survey

### Property condition

- 6.6 The 2013 Household Survey reviewed the extent to which households were satisfied with the state of repair of their dwellings. Overall 77.3% of respondents expressed satisfaction (42.0% were satisfied and 35.2% were very satisfied); 15.0% were neither satisfied nor dissatisfied; a total of 7.7% expressed degrees of dissatisfaction, although only 1.3% were very dissatisfied. Table 6.3 explores how the level of dissatisfaction varied by dwelling tenure, age and type.
- 6.7 Data suggests that private renters (particularly tied renters and those in unfurnished accommodation); households living in terraced houses or town houses; and households living in older (pre-1919) properties were most likely to express dissatisfaction with state of repair.

<b>Table 6.3 Dissatisfaction with state of repair by property tenure, age and type</b>		
<b>Tenure</b>	<b>% Dissatisfied</b>	<b>Base</b>
Owned (no mortgage)	4.5	13850
Owned (with mortgage)	7.7	9874
Rented Privately (furnished)	7.2	1915
Rented Privately (unfurnished)	21.5	2879
Rented from Barrow Borough Council	9.1	2434
Rented from a Housing Association	1.9	722
Shared Ownership, Shared Equity etc.	0.0	43
Tied accommodation	27.4	251
<b>Total</b>	<b>7.7</b>	<b>31967</b>
<b>Property Type</b>	<b>% Dissatisfied</b>	<b>Base</b>
Detached house	2.3	2899
Semi-detached house	3.0	8233
Terraced house/town house	13.3	13499
Bungalow	0.9	3083
Flat/Apartment	8.1	3419
Caravan / Park Home	0.0	347
Other	0.0	114
<b>Total</b>	<b>7.6</b>	<b>31593</b>
Missing cases		374
<b>Property Age</b>	<b>% Dissatisfied</b>	<b>Base</b>
Pre 1919	12.5	8521
1919-1944	8.5	6642
1945-1964	8.2	4418
1965-1984	1.2	5362
1985-2004	0.4	3174
2005 on	1.7	793
<b>Total</b>	<b>7.2</b>	<b>28910</b>
Missing cases		3057

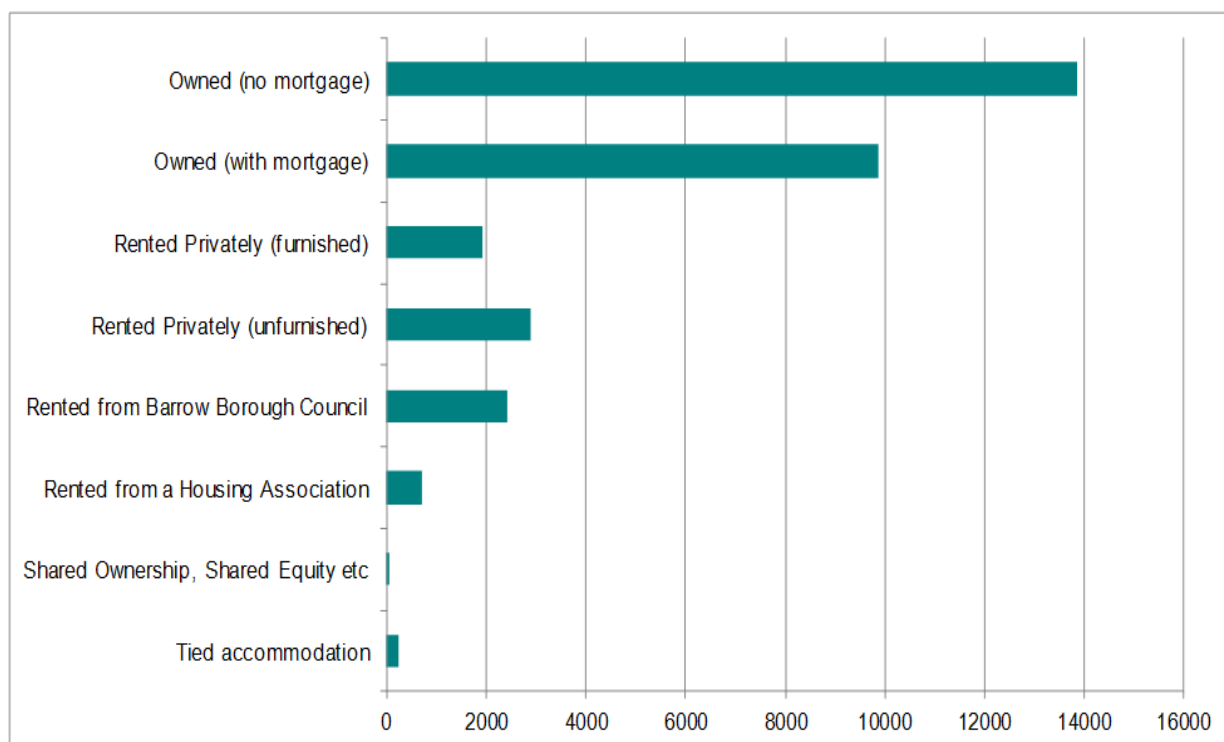
Source: 2013 Household Survey

Note: The baseline position is 7.7% of households dissatisfied, but variances in the overall proportions by type and age are due to missing cases.

## Property tenure

6.8 The tenure profile of Barrow in Furness Borough based on the 2013 Household Survey and 2011 Census data is summarised in Figure 6.1. Overall, 74.2% of occupied dwellings are owner-occupied, 15.8% are private rented and 10.0% are affordable (social/affordable rented and intermediate tenure). These compare with 2001 Census figures of 76.4% owner occupied, 12.3% affordable and 11.3% private rented.

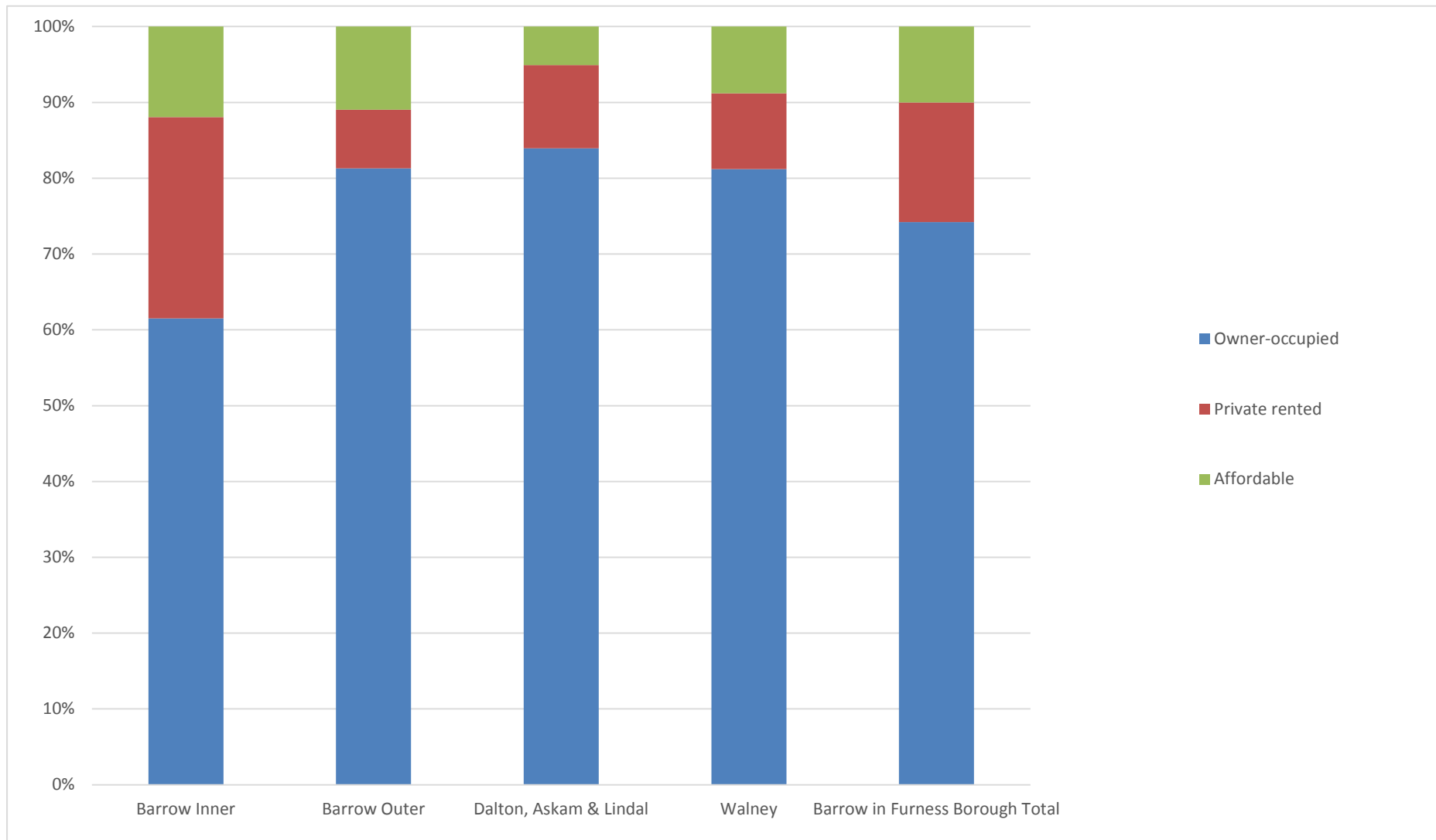
**Figure 6.1 Barrow in Furness Borough: tenure profile**



Source: 2013 Household Survey, 2011 Census

6.9 The tenure profile by sub-area is presented in Figure 6.2. This shows some notable variations in tenure profile, for instance relatively higher proportions of privately renting households in Barrow Inner (26.5%) and lower rates in Barrow Outer (7.7%). It shows higher proportions of owner-occupied households in Dalton, Askam & Lindal (84.0%), with significantly lower proportions of owner occupation in Barrow Inner (61.5%). The proportion of affordable accommodation is notably lower in Dalton, Askam & Lindal (5.1%), and slightly above the overall average in Barrow Inner (11.9%).

**Figure 6.2 Barrow in Furness Borough tenure profile by sub-area**



Source: 2013 Household Survey

## Owner-occupied sector

- 6.10 The 2013 Household Survey identified that 74.2% of households across Barrow in Furness Borough are owner-occupiers. 43.3% of all households own outright and 30.9% of all households have a mortgage.
- 6.11 The Household Survey provides the following information on owner occupied stock:
- Most (85.2%) owner-occupied properties are houses, with 42.5% terraced, 31.3% semi-detached and 11.4% detached; a further 11.6% are bungalows, 1.3% flats/maisonettes and 1.9% other property types including caravans and park homes;
  - 50.8 % of properties have three bedrooms, 33.9% have two bedrooms, 13.9% have four or more bedrooms and 1.3% have one bedroom/bedsit; and
  - 4.5% of households who own their home outright and 7.7% of households who are owner occupiers with a mortgage expressed degrees of dissatisfaction with the state of repair of their accommodation.
- 6.12 Over the period 2000 to 2015, Land Registry data reveals that lower quartile, median and average house prices across Barrow in Furness Borough have increased dramatically. This is summarised in Table 6.4.

Barrow in Furness Borough	House Price (£)		Income to be affordable*	
	2000	2015	2000	2015
Lower Quartile	24,163	72,000	6,904	20,571
Median	45,097	122,751	12,885	35,072

Source: DCLG / Land Registry

\*Assuming a 3.5x income multiple

- 6.13 It is interesting to note that in 2000, a household income of £6,904 was required for a lower quartile price to be affordable; by 2015 this had increased to £20,571. In comparison, an income of £12,885 was required for a median priced property to be affordable in 2000 compared with £35,072 in 2015.
- 6.14 A range of socio-economic and demographic information on residents has been obtained from the 2013 Household Survey. Some interesting observations relating to owner-occupiers include:
- In terms of household type, 46.3% of owner occupiers are older (65 or over) singles and couples; 23.0% are couples with children; 12.0% are singles (under 65); 10.6% are couples (under 65 with no children); 5.8% are lone parents and 2.2% are other household types;
  - 52.7% of heads of household living in owner occupied dwellings are in employment and a further 37.9% are wholly retired from work. The proportion retired is considerably higher for outright owners (60.3%);

- Incomes amongst owner occupiers tend to be high, with 37.1% receiving at least £500 each week and 29.5% receiving at least £950 each week. That said, incomes amongst outright owners tend to be lower than for mortgaged owners, with 49.3% receiving less than £300 each week compared with 19.6% of mortgaged owners. This reflects the different age profile and economic status of outright owners; and
- In terms of length of residency, the majority of owner occupiers (68.5%) have lived in their accommodation for at least 10 years (22.6% between 10 and 20 years and 45.9% for 20 years or more). 82.8% of outright owners have lived in their accommodation for at least 10 years.

## Private rented sector

- 6.15 Nationally, the private rented sector has established itself as an important dimension of the housing market to complement owner occupation and social renting. The sector plays a major role in facilitating labour mobility. The sector is diverse in terms of the range of households it accommodates and the types of properties available.
- 6.16 The report 'The Private Rented Sector: its contribution and potential'<sup>19</sup> identified that the private rented sector is complex and distinct sub-markets include:
- Young professionals;
  - Students, whose needs are increasingly being met by larger, branded, institutional landlords;
  - The housing benefit market, where landlord and tenant behaviour is largely framed by housing benefit administration;
  - Slum rentals at the very bottom of the PRS, where landlords accommodate often vulnerable households in extremely poor quality property;
  - Tied housing, which is a diminishing sub-sector nationally but still has an important role in some rural locations;
  - High-income renters, often in corporate lettings;
  - Immigrants whose most immediate option is private renting;
  - Asylum seekers, housed through contractual agreements with government agencies;
  - Temporary accommodation, financed through specific subsidy from the Department for Work and Pensions; and
  - Regulated tenancies, which are a dwindling portion of the market.
- 6.17 In a recent paper<sup>20</sup>, Rhodes describes how the private rented sector in England contracted in size across much of the twentieth century, from being the majority

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<sup>19</sup> 'The Private Rented Sector: its contribution and potential' Julie Rugg and David Rhodes, Centre for Housing Policy The University of York 2008

<sup>20</sup> 'The fall and rise of the private rented sector in England', David Rhodes, Built Environment Vol. 41, No. 2, pp 258-270

tenure at the start to the smallest by the end. By the late 1980s the private sector was identified as performing a number of specialised roles including:

- Easy access and exit housing, particularly for the young and mobile;
- Traditional housing, often for elderly people who might always have lived in the PRS;
- Employment-linked accommodation, such as for agricultural workers or caretakers;
- A residual role for those who are unable to access owner occupation or social renting; and
- An alternative to social/affordable housing (for instance those wanting to move to a different area).

6.18 However, Rhodes identifies a strong recovery in the private rented sector since the early 1990s. By 2013 there were more than four million privately rented dwellings in England, representing 20% of stock and more people were renting from a private landlord than a social landlord<sup>21</sup>.

6.19 In August 2012, Sir Adrian Montague published the findings of his independent review of the private rented sector<sup>22</sup>. The report acknowledges the rapid growth of the private rented sector in recent years, including an increase in the number of people making long-term homes in the sector. In order to meet housing aspirations and support wider economic growth, an increase in housebuilding is considered essential, including private rented accommodation. While the vast majority of private rented homes in England are managed by individual landlords, the report highlights the potential for investment by professional organisations in the large-scale development of homes built specifically for private rent in order to meet growing demand. The report includes proposals to encourage greater large-scale institutional investment in build-to-let development.

6.20 The 2013 Household Survey indicates that the private rented sector accommodates around 15.8% (5,045) of households across Barrow in Furness Borough. Of these households, 2,879 rent unfurnished properties, 1,915 rent furnished accommodation and 251 rent tied accommodation.

6.21 The Household Survey found that 69.4% of private rented properties are houses (of which 57.5% are terraced, 9.2% are semi-detached and 2.8% are detached); a further 27.6% are flats/maisonettes, 2.7% are bungalows and 0.3% other property types. 15.8% of privately rented properties have one bedroom/bedsit, 59.3% have two bedrooms, 21.2% have three bedrooms and 3.7% have four or more bedrooms.

6.22 The characteristics of tenants are diverse and the Household Survey revealed that in the private rented sector accommodates singles under 65 (41.0%), older person households (19.0%), couples with children (17.2%), lone parents (12.1%), couples (under 65) with no children (7.0%), and other household types (3.7%).

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<sup>21</sup> 'The fall and rise of the private rented sector in England', David Rhodes, Built Environment Vol. 41, No. 2, pp 258-270

<sup>22</sup> Review of the barriers to institutional investment in private rented homes, DCLG, August 2012



- 6.23 Around 45.9% of private renting households have lived in their accommodation for less than two years and 13.5% have lived there for over 10 years.
- 6.24 In terms of income, the Household Survey found that 60.7% of privately renting households receive less than £300 gross each week, 14.5% receive between £300 and £500 each week and 24.9% receive at least £500 each week, indicating that the private rented sector tends to accommodate lower income households.
- 6.25 Around 48.6% of Heads of Household living in private rented accommodation are employed. 17.4% are unemployed, 14.6% are retired, 8.6% are permanently sick/disabled and 4.7% are looking after the home.

### Affordable sector

- 6.26 The 2013 Household Survey found that there are around 3,199 households who live in an affordable (social/affordable rented or shared ownership) property across Barrow in Furness Borough, accounting for 10.0% of all occupied dwellings. Of these households 7.6% rent from Barrow Borough Council, 2.3% rent from a Housing Association and 0.1% are shared ownership.
- 6.27 The Household Survey identified that flats and apartments account for 56.3% of occupied affordable dwelling stock, 36.8% are houses (of which 21.0% are terraced, 13.4% are semi-detached and 2.4% are detached) and 6.9% are bungalows. Affordable dwellings tend to have one/bedsit (51.2%), two (31.2%) or three (15.4%) bedrooms, with 2.1% having four or more bedrooms.
- 6.28 The Household Survey found that 38.5% of households living in affordable accommodation are older singles and couples, 28.5% are singles (under 65), 13.0% are couples with children, 12.8% are lone parents, 3.3% are couples with no children and 3.9% are other types of household.
- 6.29 8.2% of Heads of Household living in affordable housing are in employment. 37.9% are permanently sick/disabled, 26.6% are wholly retired from work, 9.4% are unemployed, 7.7% are looking after the home and 3.4% are full-time carers/volunteers.
- 6.30 Incomes are generally low, with 87.5% receiving an income of less than £300 gross each week and 64.3% receiving less than £200 gross each week.

### Relative affordability of housing options

- 6.31 The relative cost of alternative housing options across Barrow in Furness Borough by sub-area is explored in Table 6.5. This includes affordable and market rent options, owner occupation and intermediate tenure options, as well as Starter Homes. Table 6.5 also shows the income required for alternative tenure options to be affordable by sub-area. Table 6.6 presents the assumptions underpinning the analysis.
- 6.32 This analysis indicates that for social/affordable rented housing a minimum income of £17,123 is required for social/affordable housing to be affordable (excluding housing benefit) and this rises to £21,404 for affordable renting. For open market housing, at Borough level the minimum income required is £21,408 for lower quartile or entry-level renting and £18,514 for lower quartile

or entry-level house prices. For affordable home ownership, an income of at least £17,929 is required for help-to-buy and £26,591 for 50% shared ownership.

- 6.33 At a sub-area level, the income requirements for lower quartile private renting to be affordable range between £19,968 (Barrow Inner) and £24,768 (Barrow Outer). For lower quartile or entry-level house prices, income requirements range between £13,371 (Barrow Inner) and £27,257 (Barrow Outer).
- 6.34 Further analysis of the requirement for affordable housing is presented in Chapter 10.

**Table 6.5 Cost of alternative tenure options for Barrow in Furness Borough**

Tenure option	Price by sub-area (2015)				Barrow in Furness Borough
	Barrow Inner	Barrow Outer	Dalton, Askam and Lindal	Walney	
Social Rent (average)	£357	£357	£357	£357	£357
Affordable Rent (80% of average private rent)	£402	£525	£453	£457	£446
Market Rent - Lower Quartile	£416	£516	£451	£477	£446
Market Rent - Median	£464	£598	£498	£522	£514
Market Rent - Average	£502	£656	£566	£571	£557
Market Sale - Lower Quartile	£52,000	£106,000	£90,000	£85,000	£72,000
Market Sale - Median	£73,000	£150,000	£120,875	£108,000	£105,000
Market Sale - Average	£99,851	£157,593	£137,142	£118,977	£125,504
Starter Home	£79,881	£126,075	£109,714	£95,181	£100,403
Shared ownership (50%)	£49,926	£78,797	£68,571	£59,488	£62,752
Shared ownership (25%)	£24,963	£39,398	£34,286	£29,744	£31,376
Help to buy	£99,851	£157,593	£137,142	£118,977	£125,504
Tenure option	Income required by sub-area (2015)				Barrow in Furness Borough
	Barrow Inner	Barrow Outer	Dalton, Askam and Lindal	Walney	
Social Rent	£17,123	£17,123	£17,123	£17,123	£17,123
Affordable Rent	£19,286	£25,208	£21,724	£21,933	£21,404
Market Rent - Lower Quartile	£19,968	£24,768	£21,648	£22,896	£21,408
Market Rent - Median	£22,272	£28,704	£23,904	£25,056	£24,648
Market Rent - Average	£24,107	£31,509	£27,155	£27,416	£26,755
Market Sale - Lower Quartile (assumes 10% deposit)	£13,371	£27,257	£23,143	£21,857	£18,514
Market Sale - Median (assumes 10% deposit)	£18,771	£38,571	£31,082	£27,771	£27,000
Market Sale - Average (assumes 10% deposit)	£25,676	£40,524	£35,265	£30,594	£32,273
Starter Home	£20,541	£32,419	£28,212	£24,475	£25,818
Shared ownership (50%)	£21,882	£32,482	£28,727	£25,393	£26,591
Shared ownership (25%)	£18,565	£27,247	£24,172	£21,441	£22,422
Help to buy	£14,264	£22,513	£19,592	£16,997	£17,929

Source: Land Registry, CLG, Zoopla rental data

**Table 6.6 Assumptions in assessing income required for alternative tenure options**

Tenure	Tenure price assumptions	Affordability assumptions
Social rent	Prevailing prices	Affordability 25% of income
Affordable rent	80% of average market rent	Affordability 25% of income
Market Rent - lower quartile	Prevailing prices	Affordability 25% of income
Market Rent – median	Prevailing prices	Affordability 25% of income
Market Rent – average	Prevailing prices	Affordability 25% of income
Market Sale - lower quartile	Prevailing prices	90% LTV, 3.5x income
Market Sale – median	Prevailing prices	90% LTV, 3.5x income
Market Sale – average	Prevailing prices	90% LTV, 3.5x income
Starter Home	20% discount on full value (assumed to be median), 10% deposit on discounted portion, remainder mortgage based on 3.5x income	90% LTV, 3.5x income
Shared ownership (50%)	Total price based on median price and 50% ownership. Mortgage based on 40%. 10% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Shared ownership (25%)	Total price based on median price and 25% ownership. Mortgage based on 20%. 5% deposit required, annual service charge £395, Annual rent based on 2.75% of remaining equity	90% LTV, 3.5x income for equity and 25% of income for rental element
Help to buy	Total price based on median price. Mortgage based on 75% equity. 20% loan and deposit of 5%. Loan fee of 1.75% in year 6 of outstanding equity loan increasing annually from yr7 at RPI+1%	70% LTV, 3.5x income

## Concluding comments

- 6.35 The purpose of this chapter has been to explore the current housing market dynamics affecting and influencing the housing market within Barrow in Furness Borough. This chapter has provided detail on the current profile of dwellings by type, tenure and size along with property condition and property prices.
- 6.36 The 2013 the majority of properties in Barrow in Furness Borough are houses (77.9%), 10.8% are flats/apartments and 9.8% are bungalows. 53.9% of existing properties across the Borough contain three or more bedrooms.

- 6.37 The highest levels of dissatisfaction with current property recorded by the Household Survey were in private rented accommodation, particularly in tied accommodation (27.4%) and those in unfurnished rental accommodation (21.5%).
- 6.38 The 2013 Household Survey identified that 74.2% of all households own their own home. In terms of house prices, Land Registry data shows that there was a period of rapid inflation between 2000 and 2008. House prices fell slightly after 2008, although there has been some recovery since 2012.
- 6.39 The Household Survey found that 15.8% of all households rent privately, while 10.0% live in affordable accommodation (including intermediate tenures).
- 6.40 The relative affordability of alternative tenures was considered and overall a household income of at least £17,123 is required for affordable tenures (excluding housing benefit), at least £21,408 for market renting, £18,514 for open market purchase and at least £17,929 for affordable home ownership (through Help to Buy products).

## 7. Market signals and past trends in development

### Introduction

- 7.1 PPG Paragraph 2a-19 states that *'the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings'*. PPG Paragraph 2a-20 suggest that *'in broad terms, the assessment should take account both of indicators relating to price (such as house prices, rents, affordability ratios) and quantity (such as overcrowding and rates of development).'*

### Market Signals

- 7.2 PPG Paragraph 2a-20 comments that *'market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the Plan period.'*
- 7.3 In line with PPG Paragraph 2a-19, the BBHLS considers a range of housing market signals for Barrow. These include house prices and rents, property sales, affordability vacancies and second homes. Analysis is presented on pages 25 to 42.
- 7.4 Key findings of an analysis of market signals include:
- House prices are consistently lower than county, regional and national data and have been relatively unchanged since 2008;
  - Monthly rents are lower than regional and national data;
  - The level of property sales fell dramatically between 2007 and 2008 and had shown little sign of uplift to 2011;
  - Barrow is ranked the fifth most affordable district in the North West (using 2013/14 Annual Monitoring Report data);
  - Over the period 2003-8, affordability ratios (measuring the relationship between lower quartile incomes to lower quartile house prices) increased, suggesting housing became less affordable. Relative affordability has improved since 2010, suggesting housing in the Borough has become more affordable;
  - According to the 2013 Household Survey which informed the 2013 SHMA, 2.3% of households are overcrowded;
  - 5.3% of dwellings are vacant according to 2015 Council Tax data and the number of longer-term empties and properties undergoing major repair has increased between 2014 and 2015;
  - 2.8% of dwellings in the Borough are second homes.

- 7.5 On the basis of market signal evidence, the Council recommended the following adjustments in the OAN calculation:
- An uplift of 3% to support a level of vacancy to allow the housing market to function effectively;
  - An uplift of 2.8% to reflect the total number of second homes on the assumption that the rate will stay the same over the Plan period.

## Past trends in housing delivery

- 7.6 PPG Paragraph 2a-19 refers to the rate of development as a market signal:
- “Local planning authorities monitor the stock and flows of land allocated, permissions granted, and take-up of those permissions in terms of completions. Supply indicators may include the flow of new permissions expressed as a number of units per year relative to the planned number and the flow of actual completions per year relative to the planned number. A meaningful period should be used to measure supply. If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan.”*
- 7.7 Historic targets for housing delivery had been set in the Regional Spatial Strategy. Between 2008/9 and 2013/14, an average 150 net additional dwellings each year were required but the RSS commented that the requirement figures:
- “are not absolute targets and may be exceeded where justified by evidence of need, demand, affordability and sustainability issues and fit with relevant local and sub-regional strategies...some areas will achieve lower levels in the early years, for example during major housing renewal, which will be compensated later.”*
- 7.8 Following the revocation of the RSS in 2013, the Council set an interim housing target of 202 net additional dwellings based on the 2011 interim household projections and taking into account unmet need/shortfall since the start of the former RSS period. The Council however recognises this may have been overly optimistic given previous build rates. (Page 24 of the BBHLS).
- 7.9 The BBHLS recognises there has been a shortfall in development which has accrued since the 2011 census. Page 33 comments that *“it is proposed that only the shortfall which has accrued since the 2011 census is taken into account as Census information gives an exact picture of the population and number of households in 2011. This therefore seems to be a sensible starting point to calculate OAN from. The BBHLS therefore calculates what the housing requirement was following the 2011 census and compares it to how many dwellings were actually provided. The residual amount will then be added onto the basic OAN figure.”*
- 7.10 Table 16 of the BBHLS presents data relating to under-delivery of housing since the 2011 census using the RSS 150 annual target and a target of 202 for 2014/15. Key data is summarised in Table 7.1. An alternative method would be to calculate shortfall against the baseline OAN figure (the amount of growth in households anticipated in the DCLG projections between 2011 and 2031 with the necessary adjustments). This would significantly reduce the amount of

shortfall and would be in line with PAS guidance which states that *“the now revoked Regional Strategies are no longer relevant to housing need or housing targets”*<sup>23</sup>.

Year	Housing requirement	Net additional dwellings	Performance against target	Running shortfall
2011/12	150	-71	-221	221
2012/13	150	+44	-106	317
2013/14	150	+73	-77	394
2014/15	202	+116	-86	480

- 7.11 The Council considered two options to address this shortfall: to either spread delivery over the Plan period (sometimes termed the ‘Liverpool’ method); or over the first five years (sometimes termed the ‘Sedgefield’ method). As reported in page 35 of the BBHLS, *“the Council has the opportunity to deal with the shortfall sooner rather than later by allocating sites for housing in the Local Plan. It therefore seems sensible to use the Sedgefield method of meeting previous unmet need”*.
- 7.12 A further adjustment is made to counteract the impact of housing market renewal on net completions. This seeks to boost supply as the CLG ‘starting point’ is low and this boosts housing delivery in the longer term in line with past completion trends. Table 13 of the BBHLS summarises total completions, demolitions and net additional dwellings over the period 2003/4 to 2014/15. In summary, this shows an annual average of 89 completions, 27 demolitions and 67 net additional dwellings. A narrative of demolitions is presented on page 28 of the BBHLS *“the number of demolitions per year has a significant effect on the net number of additional dwellings. The Council has demolished a large number of homes as part of its Housing Market Renewal programme, however there are no intentions at present to continue this, therefore the number of demolitions per year will remain relatively stable. If the number of houses demolished through the HMR programme is excluded, the average number of demolitions per year is 3 dwellings”*.
- 7.13 Page 29 of the BBHLS states that *“On average, the number of net additional dwellings per year is 67. If the demolitions associated with housing market renewal were excluded from the calculation, the number of net additional dwellings would have been 86 dwellings”*.

<sup>23</sup> Para 9.29 Objectively Assessed Need and Housing Targets, Planning Advisory Service, 2014



## 8. Establishing an OAN and Housing Requirement

### Introduction

- 8.1 As the Council does not currently have a Local Plan which contains an up-to-date objectively assessed housing needs figure nor a housing requirement, the Council has prepared the BBHLS report. This establishes an Objectively Assessed Need and housing requirement for the Borough. The Council recognises that DCLG household projections are based on demographic trends and do not fully reflect future housing need. In the absence of up-to-date demographic models, the Council has produced a number of possible OAN figures based on the 2012-based household projections, adjusted to take into account future employment. Each of the eight options uses a different set of assumptions therefore some are more reasonable and realistic than others.
- 8.2 The analysis of Objectively Assessed Housing Need as prepared by the Council accords with NPPF and PPG. It uses CLG household projections as a starting point and considers alternative demographic scenarios, economic growth and market signals to derive an OAN. The methodology for identifying OAN has been produced with guidance from Peter Brett Associates who have been acting on behalf of the Planning Advisory Service (PAS) as a 'critical friend' throughout the process.

### Development of an OAN

- 8.3 The 'starting point' for analysis is the latest 2012-based CLG household projections. The Council has developed alternative options which include:
- an allowance for second homes and vacancies;
  - future employment growth, variant assumptions regarding unfilled vacancies and economic activity rates and assumptions regarding commuting ratios and household size; and
  - adjustments relating to past delivery and market signals, with variant assumptions regarding past completions relative to the OAN.
- 8.4 For each option, the Council have calculated what the 5 year requirement over the 5 year period 2016/17 to 2020/21 would be. On top of the basic 5 year requirement is an allowance for any shortfall which has accrued against the OAN figure since 2012 and a 20% buffer.
- 8.5 Regarding shortfalls, the Council have considered any shortfall from the start of the current plan period in line with the CLG household projections used to calculate OAN. In order to deal with the shortfall quickly, the Council are seeking to address it in the first 5 years of the local plan (or the Sedgefield method).
- 8.6 Regarding the 20% buffer, the NPPF paragraph 47 states that local planning authorities should:
- "identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure*

*choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land”.*

- 8.7 Across the Borough, an insufficient number of houses have been built to meet the housing requirement in place at that time. This is considered to represent a ‘record of persistent under delivery’ under the NPPF definition. This is despite an adequate supply of sites and the Council concludes that under delivery has in part been a result of low demand, large scale demolitions and policy restrictions. The extent to which a 20% buffer is therefore required is debatable, but the Council has erred on the side of caution and has added a 20% buffer at the end of the basic requirement after the addition of the historic shortfall to the basic requirement figure.
- 8.8 Table 8.1 summarises the outputs of the options considered in the development of and OAN and Table 8.2 summarises the underlying assumptions for each option.
- 8.9 The BBHLS recognises that if the unadjusted baseline CLG household projection figure was used as an indication of OAN, even as a minimum target, it is likely to lead to an under provision of housing, further population loss, labour shortages and unsustainable commuting patterns; and these issues will be more pronounced due to the fact that the Borough has an ageing population.
- 8.10 The BBHLS then considers each of the eight options and concludes that Option 8 is considered to be the most realistic option for Objectively Assessed Need. With Option 8, the basic requirement exceeds the past average housing completion rate in the Borough of 96 dwellings. The 5 year requirement is higher than previous targets which the Council have never met although significant deliverable sites have been identified which suggests that the option is reasonable. The option is considered to be in the spirit of NPPF which requires authorities to significantly boost the supply of housing. The option also takes into account the Cluster of Empty Homes Scheme which has reduced the historic shortfall by bringing back vacant properties into use.
- 8.11 The BBHLS July 2016 therefore concludes that the most realistic Objectively Assessed Need figure is 105 dwellings each year over the plan period 2012 to 2031. In terms of the 5 year housing land requirement, as the Council has not met this target since 2012, the shortfall against the annual requirement of 105 dwellings and a 20% buffer is applied to give a 5 year requirement of 810 dwellings (equating to 162 net additional dwellings each year).

**Table 8.1 Summary of OAN components and outputs**

		Option and number of dwellings							
		Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
DCLG household 2012-based household projections growth 2012-31		362	362	362	362	362	362	362	362
Allowance for second homes and vacancies		21	21	21	21	21	21	21	21
Adjustments - Future employment		680	1127	948	1607	0	0	1786	1607
Adjustments - past delivery and market signals		0	0	0	0	1311	1824	0	0
Total OAN		1063	1510	1331	1990	1694	2207	2169	1990
Annual OAN (excluding shortfall and NPPF buffer)		56	79	70	105	89	116	114	105
5 year target	Historic shortfall (against OAN)	27	144	97	271	193	376	312	152
	5 year OAN plus shortfall plus 20% buffer	368	650	537	954	766	1153	1052	810
	Annual 5 year target (years 1-5)	74	130	107	191	153	231	210	162
	OAN years 6-15	56	79	70	105	89	116	113	105

Table 8.2 OAN Calculation assumptions									
OAN Calculation	Assumptions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
DCLG household 2012-based household projections growth 2012-31		Growth 2012-31							
OAN Calculation	Assumptions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
Allowance for second homes and vacancies		5.80%							
OAN Calculation	Assumptions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
Adjustments - Future employment	Jobs-growth new FTE jobs	3750				No adjustment		3750	
	Unfilled vacancies	25% of FTE jobs	No deduction	10% of FTE jobs		No adjustment		No deduction	10% of FTE jobs
	Commuting ratio	1 (commuting patterns remain unchanged over plan period)				No adjustment		1 (commuting patterns remain unchanged over plan period)	
	Economic Activity Rate	78% (bringing 2015 economically inactive workforce back into employment)			74.8% (based on 2015 economic activity rate)	No adjustment		74.8% (based on 2015 economic activity rate)	
	Household size ratio	2.1 (projected average size in 2031. Used to convert population required to fill projected jobs to households)				No adjustment		2.1 (projected average size in 2031. Used to convert population required to fill projected jobs to households)	
OAN Calculation	Assumptions	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8
Adjustments - past delivery and market signals		No adjustment				Past completions minus demolitions including housing market renewal	Past completions excluding demolitions	No adjustment	

## Housing requirement

- 8.12 The NPPF and PPG make it clear that an authority's housing provision target, or requirement, does not necessarily equal its Objectively Assessed Need and there is no reason why the authority cannot provide for housing development over and above the assessed need. The OAN is a minimum target, subject to supply constraints; there is no suggestion that it is a maximum (PAS).
- 8.13 Regarding supply capacity, whilst the Borough is constrained on two sides by the sea and the coastal areas are designated for nature conservation, the emerging Local Plan suggests that there are a sufficient number of deliverable and developable sites to meet the preferred OAN figure over the Plan period.
- 8.14 Neighbouring authorities are at different stages of plan production, but none have indicated through the Duty to Cooperate an unmet need in their areas which the Borough should try and accommodate.
- 8.15 The main policy driver for the emerging Local Plan is sustainable growth, both in terms of population and economic growth. The preferred OAN figure allows for sustainable growth. Setting the housing requirement significantly higher than the OAN figure may lead to unsustainable patterns of growth.
- 8.16 Therefore, it is suggested in the BBHLS July 2016 that the housing requirement set in the emerging Local Plan is the same as OAN Option 8, i.e. a minimum of 1,995 dwellings over the period 2012 to 2031 or a minimum of 105 net additional dwellings each year.

## 9. Understanding the future housing market in Barrow in Furness Borough

### Introduction

- 9.1 In order to understand the future housing need and demands for housing, Local Planning Authorities are required to consider a range of data sources and information which identify how key drivers of the local market and underlying trends will impact upon the structure of households and population over a fifteen-year period and beyond.
- 9.2 This Chapter assesses the primary market drivers in Barrow in Furness Borough, namely: population growth and structure; economic change; and housing stock and aspirations.

### Key market drivers

- 9.3 Essentially, there are three key primary drivers influencing the current (and future) housing market: demographic; economic and dwelling stock characteristics, as summarised in Table 9.1.

Primary Driver	Attributes	Impact on overall demand through:
Demography	Changing no. of households, household structure, ethnicity	Natural Change
Economy	Jobs, income, activity rates, unemployment	Economic migration
Housing stock and aspirations	Quality vs. aspirations, relative prices, accessibility, development programmes	Residential migration

Source: arc<sup>4</sup>

### Demography

- 9.4 The following demographic drivers will continue to underpin the housing market in Barrow in Furness Borough:
- An overall decreasing population, with ONS 2012-based population projections (Table 9.2) indicating a decrease of -3.6% from 67,500 in 2015 to 65,100 by 2037;
  - Over the period 2015 to 2037, ONS 2012-based population projections estimate that the number of residents aged under 65 will decrease overall by 13.7% from 55,515 in 2015 to 47,937 in 2037. The number aged over 65 will increase by 37.1% from 14,000 in 2015 to 19,200 in 2037;

- 2012-based CLG household projections suggest that the total number of households in Barrow in Furness Borough is expected to increase very slightly, from 31,247 in 2015 to 31,284 in 2037, an increase of 0.1%;
- The 2013 Household Survey indicates that the following range of household groups currently live in Barrow in Furness Borough: older couples (one or both over 65) (22.7%); singles aged 65 or over (18.6%); singles under 65 (18.1%); couples with children under 18 (12.5%); younger couples (under 65 with no children) (9.3%); couples with adult children (8.6%); lone parents with children under 18 (3.8%); lone parents with adult children (3.7%); and other household types (2.6%).

**Table 9.2 Projected population change, 2015 to 2037**

Age Group	2015	2037	Change 2015-2037	% Change 2015-2037
0-14	11,000	9,900	-1,100	-10.0%
15-29	11,900	10,400	-1,500	-12.6%
30-44	11,600	11,000	-600	-5.2%
45-64	19,000	14,600	-4,400	-23.2%
65-79	10,600	12,400	1,800	17.0%
80+	3,400	6,800	3,400	100.0%
<b>TOTAL</b>	<b>67,500</b>	<b>65,100</b>	<b>-2,400</b>	<b>-3.6%</b>
Population aged 65+	14,000	19,200	5,200	37.1%
Population aged 80+	3,400	6,800	3,400	100.0%

Source: ONS 2012-based Subnational Population Projections

## Economy

9.5 The following economic drivers underpin the operation of the housing market in Barrow in Furness Borough:

- 47.7% of heads of household are economically active and are in employment according to the 2013 Household Survey; a further 33.1% are retired; 8.4% are permanently sick/disabled; 5.0% are either looking after the home or provide full-time care; and 4.7% are unemployed and available for work;
- According to the 2011 Census, 84.7% of residents in employment work in Barrow in Furness Borough, a further 9.3% in South Lakeland and 2.4% in Copeland;
- According to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings, lower quartile earnings in 2015 across Barrow in Furness Borough were £17,938 each year which compares with £18,565 for the

North West region and £19,719 for England. Median incomes were £25,905, compared with a regional median of £25,721 and a national median of £27,869, and

- The 2013 Household Survey identified considerable income polarisation across Barrow in Furness Borough, with 44.3% of households receiving less than £300 per week, 23.7% receiving between £300 to £500 per week and 32.0% receiving at least £500 per week.

## Housing stock

9.6 In terms of dwelling stock, the 2013 Household Survey reports that, across the Barrow in Furness Borough area:

- 78.0% of properties are houses, 10.8% are flats/maisonettes, 9.8% are bungalows and around 1.5% are other property types (e.g. caravans);
- 8.5% have one bedroom/studio, 37.6% have two bedrooms, 42.7% have three bedrooms and 11.2% have four or more bedrooms;
- A majority of properties (52.4%) were built before 1945, a further 33.8% were built between 1945 and 1984 and the remainder (13.7%) built since 1985;
- 74.2% of properties are owner-occupied, 15.8% are private rented (or tied accommodation) and 10.0% are affordable (social/affordable rented or shared ownership); and
- There is a particularly strong aspiration in the open market for houses.

## Suggested future development profile of market dwellings

9.7 Households intending to move in the open market were asked in the Household Survey what type and size of property they would like and expect to move to. Table 9.3 explores the extent to which household aspirations differ from expectations. It specifically focuses on existing households within Barrow in Furness Borough who are planning to move in the next five years. Of households moving, most would like to move to a house (68.1%), 20.7% would like to move to a bungalow and 10.3% to move to a flat. This compares with 71.8% who expect to move to a house, 16.1% to a bungalow and 12.1% to a flat. A much higher proportion would like to move to a detached house (39.2%) but 17.0% expect to. In contrast, higher proportions expect to move to a semi-detached house (31.7%) than would prefer to (21.9%).

9.8 In terms of property size, the majority of respondents expect to move to a property with two (28.8%), three (53.3%) or four or more (11.8%) bedrooms. A higher proportion of households would like a property with four or more bedrooms (22.7%).



<b>Table 9.3 Market preferences of existing households planning to move in the next five years</b>							
<b>LIKE/ ASPIRATION</b>	<b>Property type (Table %)</b>						
	<b>Detached house</b>	<b>Semi-detached house</b>	<b>Terraced House</b>	<b>Flat</b>	<b>Bungalow</b>	<b>Other</b>	<b>Total</b>
<b>No. Beds</b>							
One	0.2	0.0	1.7	1.1	0.6	0.0	3.6
Two	0.4	1.8	5.9	9.2	10.1	0.8	28.2
Three	15.2	16.7	4.5	0.0	9.2	0.0	45.6
Four	15.9	3.5	1.1	0.0	0.9	0.0	21.4
Five or more	1.3	0.0	0.0	0.0	0.0	0.0	1.3
<b>Total</b>	<b>32.9</b>	<b>21.9</b>	<b>13.3</b>	<b>10.3</b>	<b>20.7</b>	<b>0.8</b>	<b>100.0</b>
<b>Base</b>	<b>4201</b>						
<b>EXPECTATION</b>	<b>Property type (Table %)</b>						
	<b>Detached house</b>	<b>Semi-detached house</b>	<b>Terraced House</b>	<b>Flat</b>	<b>Bungalow</b>	<b>Other</b>	<b>Total</b>
<b>No. Beds</b>							
One	0.0	0.0	0.5	5.6	0.0	0.0	6.1
Two	2.1	2.5	8.4	6.5	9.3	0.0	28.8
Three	9.4	24.8	12.4	0.0	6.8	0.0	53.3
Four	5.6	4.4	1.9	0.0	0.0	0.0	11.8
Five or more	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>17.0</b>	<b>31.7</b>	<b>23.2</b>	<b>12.1</b>	<b>16.1</b>	<b>0.0</b>	<b>100.0</b>
<b>Base</b>	<b>3657</b>						

Source: 2013 Household Survey

9.9 Table 9.4 provides a useful review of how market demand varies by household type. The table shows the percentage of households by household type who expect to move to a particular property type and size. Data indicates that:

- Houses remain the most popular choice for most household types, particularly semi-detached houses and properties with two and three bedrooms;
- Older singles and older couples were more likely to expect to move to a bungalow;
- Singles (under 65) were more likely to expect to move to a flat/apartment, and couples with no children (under 65) into a semi-detached house;
- Overall:
  - One bedroom properties were only expected to be moved to by singles and older singles;
  - two bedroom properties were mainly expected to be moved to by singles, couples, and families (both couples and lone parents) with adult (18+) children living at home;
  - 52.3% of all households expected to move to a three bedroom property and in particular lone parents and couples with 1 or 2 children expected to do so; and

- four bedroom properties were expected to be moved to by couples and lone parents with three or more children.
- 9.10 An important message from this analysis is that although there are some trends in household type and dwelling expectation (for instance older singles considering smaller dwellings) there remains a great diversity in the range of dwellings different household types would expect to move to. Significantly, household size does not necessarily correlate with bedroom requirements. Therefore future housing development should ensure a broad range of new dwellings to satisfy a broad range of requirements.

**Table 9.4 Property type and size expectations by household type**

Property type	Household type (%)											Total
	Single Adult (under 65)	Single Adult (65 or over)	Couple only (both under 65)	Couple only (one or both over 65)	Couple with 1 or 2 child(ren) under 18	Couple with 3 or more child(ren) under 18	Couple with child(ren) aged 18+	Lone parent with 1 or 2 child(ren) under 18	Lone parent with 3 or more child(ren) under 18	Lone parent with child(ren) aged 18+	Other type of household	
Detached house	9.0	0.0	5.0	21.1	32.8	0.0	30.4	21.9	0.0	0.0	0.0	16.5
Semi-detached house	21.9	0.0	54.4	29.8	37.4	0.0	20.6	40.6	0.0	35.7	100.0	32.2
Larger terraced house	19.8	8.1	8.5	4.1	16.1	100.0	27.0	24.6	100.0	0.0	0.0	16.2
Smaller terraced house	9.8	27.3	0.0	1.8	9.6	0.0	0.0	0.0	0.0	0.0	0.0	6.7
Flat/Apartment	33.6	25.6	2.9	5.3	0.0	0.0	6.9	0.0	0.0	0.0	0.0	12.1
Bungalow	5.8	39.0	29.3	37.9	4.0	0.0	15.2	12.8	0.0	64.3	0.0	16.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	1079	172	482	393	954	23	204	187	46	154	63	3757
No. Beds	Household type (%)											Total
	Single Adult (under 65)	Single Adult (65 or over)	Couple only (both under 65)	Couple only (one or both over 65)	Couple with 1 or 2 child(ren) under 18	Couple with 3 or more child(ren) under 18	Couple with child(ren) aged 18+	Lone parent with 1 or 2 child(ren) under 18	Lone parent with 3 or more child(ren) under 18	Lone parent with child(ren) aged 18+	Other type of household	
One	14.7	38.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.9
Two	48.8	34.2	13.7	34.6	9.7	0.0	33.5	0.0	0.0	81.8	34.9	29.2
Three	30.7	27.2	77.8	57.9	68.8	0.0	55.5	78.1	0.0	18.2	65.1	52.3
Four	5.8	0.0	8.5	7.5	21.5	100.0	11.0	21.9	100.0	0.0	0.0	12.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Base	1093	158	481	373	955	23	218	187	46	154	63	3751

Source: 2013 Household Survey

- 9.11 Table 9.5 considers the expectations of newly-forming households by considering the range of dwellings newly-forming households have moved to in the past five years. This shows they mainly moved into terraced houses (with 61.1% of all newly-forming households moving into a two-bedroom terraced house and 74.3% moving to terraced houses overall), with a further 16.9% moving into a semi-detached house, 5.3% into a flat/apartment and 3.4% into a detached house. 5.3% moved into a one-bedroom property, 68.7% a two bedroom, 19.6% a three bedroom and 6.4% into a property with four or more bedrooms.

**Table 9.5 Household expectations based on newly-forming households**

Dwelling type	No. Bedrooms				Total
	One	Two	Three	Four or more	
Detached house	0.0	0.0	0.0	3.4	3.4
Semi-detached house	0.0	7.7	9.2	0.0	16.9
Terraced house/town house	0.0	61.1	10.3	2.9	74.3
Flat/Apartment	5.3	0.0	0.0	0.0	5.3
Total	5.3	68.7	19.6	6.4	100.0
<i>Base (Valid Responses)</i>	1395				

Source: 2013 Household Survey

- 9.12 Table 9.6 considers the current dwelling stock profile of open market dwellings by sub-area and then the extent to which this varies from the stock profile based on the aspirations and expectations of households planning to move (using sub area-level data), based on the findings of the Household Survey. Where cells are colour-coded: a green spot indicates that the current proportion of dwelling stock is greater than the aspiration/expectation for that dwelling stock; a red spot indicates that the proportion of dwelling stock is lower than the aspiration/expectation. Therefore, a red spot suggests there is a lack of that particular type of dwelling type and size in that sub-area.
- 9.13 Analysis would suggest that overall there is a lack of diversity within the housing market within Barrow in Furness overall. Although there are sufficient terraced dwellings across all sub-areas, there are shortfalls of detached houses and bungalows relative to demand across all sub-areas,; and larger semi-detached houses and flats across most sub-areas.

**Table 9.6 Comparison between current dwelling stock and market aspirations****Dwelling stock relative to aspirations**

Dwelling type	Sub-area				
	Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	Total
Detached house/cottage 1-3 Beds	● -14.5	● -7.4	● -8.0	● -12.5	● -11.0
Detached house/cottage 4 or more Beds	● -16.1	● -7.6	● -9.1	● -14.8	● -12.2
Semi-detached house/cottage 1-2 Beds	● 2.7	● 1.4	● 1.4	● 1.7	● 1.9
Semi-detached house/cottage with 3 Beds	● -6.6	● 15.8	● 2.1	● 7.6	● 3.7
Semi-detached house/cottage 4 or more Beds	● -1.2	● 1.9	● -0.4	● -0.7	● -0.1
Terraced house/cottage 1-2 Beds	● 37.3	● 4.0	● 9.9	● 12.1	● 18.7
Terraced house/cottage 3+ Beds	● 18.8	● 2.5	● 17.3	● 14.5	● 13.1
Bungalow	● -19.9	● -3.6	● -5.1	● -8.2	● -10.6
Flat	● 0.3	● -6.2	● -8.6	● -7.7	● -4.4
Other	● -0.8	● -0.8	● 0.5	● 8.0	● 0.8

● Insufficient dwellings available relative to aspiration  
● Sufficient dwellings available relative to aspiration

**Dwelling stock relative to expectations**

Dwelling type	Sub-area				
	Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	Total
Detached house/cottage 1-3 Beds	● -10.1	● -3.0	● -3.6	● -8.1	● -6.6
Detached house/cottage 4 or more Beds	● -4.5	● 4.0	● 2.5	● -3.2	● -0.6
Semi-detached house/cottage 1-2 Beds	● 2.0	● 0.6	● 0.7	● 1.0	● 1.2
Semi-detached house/cottage with 3 Beds	● -14.7	● 7.7	● -6.0	● -0.5	● -4.4
Semi-detached house/cottage 4 or more Beds	● -2.2	● 1.0	● -1.3	● -1.6	● -1.0
Terraced house/cottage 1-2 Beds	● 36.0	● 2.8	● 8.6	● 10.8	● 17.5
Terraced house/cottage 3+ Beds	● 10.1	● -6.2	● 8.6	● 5.9	● 4.4
Bungalow	● -15.2	● 1.1	● -0.4	● -3.6	● -6.0
Flat	● -1.5	● -8.0	● -10.4	● -9.5	● -6.2
Other	● 0.0	● 0.0	● 1.3	● 8.8	● 1.6

● Insufficient dwellings available relative to expectation  
● Sufficient dwellings available relative to expectation

## Concluding comments

- 9.14 The purpose of this chapter has been to explore how key drivers of the local market and underlying trends impact upon the structure of households and population moving forward.
- 9.15 This chapter has therefore considered the following three key primary drivers influencing the current and future housing market:
- demographic information;
  - economic information; and
  - dwelling stock information.

- 9.16 In line with Government 2012-based population projections, Barrow in Furness Borough is forecast to see population decline of -3.6% over the period 2015 to 2037. Within this forecast, there will be significant growth (+37.1%) in older age groups (65+ years).
- 9.17 The rate of employment in Barrow in Furness Borough is around 47.7% and 33.1% of households are wholly retired from work (2013 Household Survey). There is however a noticeable degree of polarisation within earnings, with 44.3% of all households receiving less than £300 per week and 32.0% receiving at least £500 per week.
- 9.18 According to the ONS Annual Survey of Hours and Earnings, lower quartile incomes in Barrow in Furness Borough are slightly lower than the regional and national averages, but median incomes in Barrow in Furness Borough are above the average for the North West.

## 10. The need for all types of housing

### Introduction

- 10.1 PPG Paragraph 2a-021 considers how the needs for all types of housing should be addressed. The SHMA has evidenced the range of market and affordable housing requirements across the district. The PPG also suggests planning authorities consider the need for certain types of housing and the needs of different groups, including the private rented sector, people wishing to build their own homes, family housing, housing for older people, households with specific needs and student housing.
- 10.2 This chapter begins with an analysis of the mix of dwellings by type and size over the plan period and then considers affordable housing need as a component of future dwelling requirements.

### Overall dwelling mix

- 10.3 NPPF paragraph 159 states that local authorities should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the Plan Period.
- 10.4 Having reflected upon the objectively assessed need for housing and housing requirement, this section considers the overall dwelling mix which is appropriate for consideration by the Council.
- 10.5 In order to determine the potential range of new dwelling stock appropriate for Barrow in Furness, analysis has considered:
- Current stock profile by type and size by the age of Household Reference Person (HRP);
  - The future expectations of households moving in the market and the range of affordable need apportioned by dwelling type based on the profile of current social/affordable rented stock;
  - Future requirements for dwelling types and sizes based on the OAN figure of 1,990 over the Plan period to 2031 and assuming a 90% market and 210% affordable dwelling split.
- 10.6 Table 10.1 summarises the range of dwellings by type, size and tenure based on the OAN of 1,990 over the plan period. The analysis indicates that there are three key dwelling types particularly required across Barrow in Furness Borough: 3 bedroom houses, 1-2 bedroom houses, bungalows, flats and four bedroom houses, in addition to ongoing development of other property types and sizes as illustrated in Table 10.1.

Table 10.1 Overall market mix 2012-2031 (20 years)				
Dwelling type	OUAN/ Housing Requirement	Tenure		
	1,990	Market	Affordable	Total
		90%	10%	
1-2 Bed House	298	240	58	298
3 Bed House	846	834	12	846
4+ Bed House	223	212	10	223
1-2 Bed Bungalow	177	167	10	177
3+ Bed bungalow	122	121	1	122
Flat/Apartment	325	217	108	325
Other	0	0	0	0
Total	1990	1791	199	1990
Overall market mix 2012-2031 (20 years) % data				
Dwelling type	OUAN/ Housing Requirement	Tenure		
	1,990	Market	Affordable	Base
		90%	10%	
1-2 Bed House	15.0	13.4	29.1	298
3 Bed House	42.5	46.5	6.1	846
4+ Bed House	11.2	11.8	5.3	223
1-2 Bed Bungalow	8.9	9.3	5.0	177
3+ Bed bungalow	6.1	6.8	0.5	122
Flat/Apartment	16.3	12.1	54.1	325
Other	0.0	0.0	0.0	0
Total	100.0	100.0	100.0	1990

## Current households in need

10.7 A robust and defensible assessment of housing need is essential for the development of affordable housing policies. Housing need can be defined as:

*'The quantity of housing required for households who are unable to access suitable housing without financial assistance'<sup>24</sup>.*

10.8 The 2013 Household Survey and a range of secondary data provide the robust and transparent evidence base required to assess housing need across the Barrow in Furness Borough area. This is presented in detail at Appendix C of this report and follows CLG modelling guidance.

10.9 Across Barrow in Furness Borough there are 2,466 existing households in need which represents 7.7% of all households (this is before a test of whether the

<sup>24</sup> DCLG Planning Policy Statement 3 and DCLG Estimating housing need 2010



household can or cannot afford open market prices or rents). Reasons for housing need are summarised in Table 10.2.

<b>Table 10.2 Housing need in Barrow in Furness Borough</b>		
<b>Category</b>	<b>Factor</b>	<b>Barrow in Furness Borough</b>
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	115
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	206
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	733
	N4 Too difficult to maintain	473
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	248
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	759
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	108
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	195
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	186
<b>Total no. households in need (with one or more housing needs)</b>		<b>2,465</b>
Total Households		31,967
<b>% households in need</b>		<b>7.7%</b>

**Note:** A household may have more than one housing need.

Source: 2013 Household Survey

10.10 Table 10.3 summarises overall housing need (before further analysis to test the extent to which households can afford open market provision to offset their need) by sub-area and the extent to which housing need varies across Barrow in Furness Borough. The proportion of households in need is highest in Barrow Inner (9.2%) followed by Barrow Outer (7.9 %), Dalton, Askam and Lindal (7.4%) and Walney (4.1%).

<b>Table 10.3 Households in need by sub-area</b>			
<b>Sub-Area</b>	<b>No. H'holds in need</b>	<b>% H'holds in need</b>	<b>Total no. households</b>
Barrow Inner	1114	12153	9.2
Barrow Outer	751	9450	7.9
Dalton, Askam & Lindal	399	5384	7.4
Walney	202	4980	4.1
<b>Barrow in Furness Borough Total (All households in need)</b>	<b>2466</b>	<b>31967</b>	<b>7.7</b>

Source: 2013 Household Survey

10.11 Tables 10.4 and 10.5 demonstrate how the proportion of households in housing need varies by tenure and household type for Barrow in Furness Borough. Private renters are more likely to be in housing need, at 14.2% of households, followed by those in affordable housing at 11.8% of households.

10.12 Housing need alongside household composition data shows that 'other' types of households are most in need (25.9%), followed by couples with three or more children (13.8%) and couples with adult children (10.4%).

<b>Table 10.4 Housing need by tenure</b>			
<b>Tenure</b>	<b>No. H'holds in need</b>	<b>% H'holds in need</b>	<b>Total no. households</b>
Owner Occupier	1373	23724	5.8
Private Rented	715	5044	14.2
Affordable	378	3199	11.8
<b>Barrow in Furness Borough Total (All households in need)</b>	<b>2466</b>	<b>31967</b>	<b>7.7</b>

Source: 2013 Household Survey

Household Type	No. H'holds in need	% H'holds in need	Total no. households
Single Adult (under 65)	446	5735	7.8
Single Adult (65 or over)	272	5897	4.6
Couple only (both under 65)	89	2956	3.0
Couple only (one or both over 65)	429	7169	6.0
Couple with 1 or 2 child(ren) under 18	320	3589	8.9
Couple with 3 or more children under 18	51	372	13.8
Couple with child(ren) aged 18+	281	2712	10.4
Lone parent with 1 or 2 child(ren) under 18	49	1034	4.7
Lone parent with 3 or more children under 18	0	160	0.0
Lone parent with child(ren) aged 18+	73	1182	6.2
Other type of household	212	820	25.9
Total	2221	31626	7.0
Missing cases	245	0	0
<b>Barrow in Furness Borough Total (All households in need)</b>	<b>2466</b>	<b>31967</b>	<b>7.7</b>

Source: 2013 Household Survey

## Affordable housing requirements

10.13 A detailed analysis of the following factors determines overall affordable housing requirements:

- Households currently in housing which is unsuitable for their use and who are unable to afford to buy or rent in the market (backlog need);
- New households forming who cannot afford to buy or rent in the market;
- Existing households expected to fall into need;
- The supply of affordable housing through social renting and intermediate tenure stock.

10.14 The needs assessment model advocated by the CLG has been used and detailed analysis of each stage of the model is presented at Appendix C.

10.15 In addition to establishing the overall affordable housing requirements, analysis considers the supply/demand variations by sub-area, property designation (i.e. general needs and older person) and property size (number of bedrooms). Analysis provides a gross figure (absolute shortfalls in affordable provision) and a net figure (which takes into account supply of existing affordable accommodation). The gross shortfall is 324 affordable dwellings (Table 10.6) which illustrates where there are absolute shortfalls by property size and type which can get masked by the net figures. Modelling suggests a net shortfall of 101 affordable dwellings each year across Barrow in Furness Borough as shown in Table 10.7. This excludes any potential pipeline provision which would help offset the imbalances identified but does include 102 dwellings in Inner Barrow earmarked for redevelopment for affordable housing. The Council has been allocated £3.4 million from the Clusters of Empty Homes Fund to bring empty properties back into use. This fund was set up to deal with

neighbourhoods where more than 10% of properties are empty and where at least 100 homes can be brought back into use. Barrow Island was selected as the only area in Barrow that met that criteria and a successful bid was submitted to bring 229 Barrow Island flats back into residential use. The scheme has been successful with 119 flats being brought back into use in 15/16, thus reducing the shortfall against the OAN that year.

10.16 In terms of the size of affordable housing required, the gross need is split by general needs one/two-bedroom (75.4%), general needs three or more bedroom (15.8%) and older person (8.7%). It is therefore appropriate for the continued delivery of affordable housing to reflect underlying need.

10.17 Analysis is based on the next five years and in the absence of any updated information this should be extrapolated forward to the Local Plan period.

**Table 10.6 Gross annual affordable housing requirement by property size and designation 2016/17 to 2020/21**

Designation	No. Bedrooms	Sub-Area				Total
		Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	
General Needs	1	104	37	9	14	164
	2	45	15	11	10	80
	3	8	17	6	3	34
	4+	8	1	6	2	17
Older person	1	13	8	0	5	26
	2+	1	1	0	1	2
<b>Total</b>		<b>178</b>	<b>78</b>	<b>32</b>	<b>36</b>	<b>324</b>

Sources: 2013 Household Survey; RP CORE Lettings and Sales

**Table 10.7 Net annual affordable housing requirement by property size and designation 2016/17 to 2020/21**

Designation	No. Bedrooms	Sub-Area				Total
		Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	
General Needs	1	55	-15	6	4	48
	2	16	-16	9	7	16
	3	-6	7	4	-1	5
	4+	5	1	6	2	14
Older person	1	8	7	-2	4	16
	2+	1	1	0	1	2
<b>Total</b>		<b>78</b>	<b>-16</b>	<b>23</b>	<b>18</b>	<b>101</b>

Sources: 2013 Household Survey; RP CORE Lettings and Sales

## Tenure split

10.18 In terms of the split between social/affordable rented and intermediate tenure products, the household survey identified tenure preferences of existing and

newly-forming households. This suggests a tenure split of 72.4% affordable (social) rented and 27.6% intermediate tenure. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 49.3% stating an expectation of moving to a house), followed by flats/apartments (36.4%) and bungalows (14.3%).

10.19 Table 10.8 reviews the tenures that existing households in need and newly-forming households would consider. Overall, existing households had a strong preference for social/affordable rented accommodation. Overall, newly-forming households also preferred social/affordable rented accommodation; however, they had a stronger preference for intermediate tenure options (including shared ownership, low-cost home ownership and shared ownership) than existing households in need.

**Table 10.8 Tenure preferences of existing households in need and newly-forming households requiring affordable housing**

Tenure	Existing households in need (%)	Newly-forming (%)	Total (%)
Social/Affordable Rented	81.4	67.8	72.4
Intermediate Tenure	18.6	32.2	27.6
<b>Total</b>	100	100	100
<i>Base</i>	105	220	325

Source: 2013 Household Survey

10.20 Overall, analysis would suggest a tenure split based around 72.4% social/affordable rent and 27.6% intermediate tenure based on household preferences.

### Property type preferences

10.21 Analysis of property type preferences (Table 10.9 suggests that, primarily, delivery of houses is a priority (with 49.3% stating an expectation of moving to a house), followed by flats/apartments (36.4%) and bungalows (14.3%).

**Table 10.9 Property type preferences**

Type preferences	Existing (%)	Newly-forming (%)	Total (%)
House	33.5	56.9	49.3
Flat	36.7	36.2	36.4
Bungalow	29.8	6.9	14.3
<b>Total</b>	100.0	100.0	100.0
<i>Total existing and newly-forming need</i>	105	220	325

Based on expectations of existing households in need and what newly-formed households have moved to in the past 5 years

Source: 2013 Household Survey

## Affordable housing policy

- 10.22 Policy H14 of the Local Plan sets out the Council's Affordable Housing policy. This states that proposals for housing development will be assessed according to how well they meet the identified needs and aspirations of the Borough's housing market area as set out in the most up-to-date Strategic Housing Market Assessment. 10% of dwellings on sites of 10 units or over must be affordable as defined by the NPPF (or any document which replaces it). A lower proportion may be permitted where it can be clearly demonstrated by way of a financial appraisal that the development would not otherwise be financially viable. Early dialogue with the Council on this matter is essential. It is not acceptable to subdivide a site and purposely design a scheme to avoid making affordable housing contributions.
- 10.23 The justification for this policy is that the NPPF states that in order to deliver a wide choice of high quality homes, local planning authorities should use an evidence base to ensure that the Local Plan meets the full, objectively assessed needs for market and affordable housing.
- 10.24 The Council, in order to ensure viability and deliverability, must be sure that requiring an element of affordable housing on all sites, or even sites over a certain size will not jeopardise the development of that site.

## Starter Homes

- 10.25 The Government has introduced the concept of Starter Homes to help meet the housing needs of young first time buyers by offering properties to buy at below their open market value. The NPPF outlines the key characteristics of Starter Homes<sup>25</sup>. They are to be well-designed and suitable for young first time buyers (between 23 and under 40 years of age). Starter Homes area also available to ex-Armed Forces personnel of any age. Starter Homes are not expected to be priced, after the discount, significantly more than the average price paid by a first time buyer. This means the discounted price should be no more than £250,000 outside London.
- 10.26 The 2016 Household Survey identified a total of 1,615 households who have a Head of Household aged between 23 and under 40 and currently not living in owner occupation. Of these households, 793 plan to move in the next five years. When asked their tenure choices, 63.3% (or 502) of these households said that they would consider owner occupation.
- 10.27 Analysis indicates that a Starter Home price would be around £100,400 based on a 20% discount on the Barrow in Furness Borough average house price. However, prices vary within the Borough, with the lowest prices (based on 80% of average price) in Barrow Inner (£79,881) and Barrow Outer (£126,075).
- 10.28 An analysis of the household incomes of households who would be eligible for Starter Homes (households where the survey respondent is aged between 23 and under 40 and not living in owner occupation) compared with indicative

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<sup>25</sup> National Planning Policy Framework, paragraph 002, Reference ID 55-002-20150318

Starter Home prices (based on 80% of average prices) indicates that 50.2% of all eligible households could afford the Borough-wide Starter Home price of £100,400 which equates to around 252 households (based on those who are considering buying a property over the next 5 years or 50 each year). Analysis therefore suggests that around half of existing households who qualify for Starter Homes could afford to buy one.

- 10.29 In terms of newly-forming households, housing needs analysis (see Appendix B of the SHMA report) indicates that there are a total of 279 emerging households each year across Barrow in Furness Borough. The household survey found that 52.9% of newly-forming households would consider owner occupation as a tenure choice which could be achieved through the Starter Home initiative.
- 10.30 The affordability thresholds of newly-forming households have been tested against Starter Home prices (set at 80% of average house prices) and this analysis suggests that 27.7% of the emerging households each year could afford Starter Homes or 77 each year.
- 10.31 Taking into account both existing and newly-forming households who qualify for Starter Homes, the analysis suggests a total potential market for Starter Homes of 127 each year.

### Executive housing

- 10.32 Although it is difficult to define executive housing, distinctive features include:
- High property values linked to desirable locations, with high incomes/ equity required to support the purchase; and
  - High quality construction including exterior and interior fittings.
- 10.33 This SHMA Update has sought to investigate the requirements for executive housing through a review of existing provision, stakeholder discussions and analysis of Household Survey evidence. Overall, in Barrow in Furness Borough, executive housing provision will have a role in response to the need for diversification and expansion of the sub-regional economy and in contributing towards achieving wider population and economic growth objectives for the Region.
- 10.34 The Household Survey can be used to explore the housing options being considered by higher income groups (with a weekly income of at least £800). Although the executive housing market is a niche market, reviewing the housing aspirations of high income groups is an appropriate way of investigating the potential demand for executive housing.
- 10.35 The Household Survey identifies 969 households with an income of at least £800 each week and who are planning to move in the next five years. Of this group of high income households, 54.3% stated a first preference location within Barrow in Furness Borough, with Barrow Outer (Hawcoat, Newbarns, Ormsgill, Roosecote) mentioned by 43.2%.
- 10.36 In terms of dwelling preferences, likes and expectations are summarised in Table 10.10. This indicates a strong aspiration towards detached houses with two or three bedrooms (55.1% of households). In reality, 7.8% expect to move to a detached property with two or three bedrooms, although 17.0% expect to move into a detached house with four bedrooms. 42.2% of households expect

to move into a semi-detached property with three bedrooms. Indeed, while only 18.2% of respondents aspire to move to a semi-detached house, 49.2% expect to move into a semi-detached property.

- 10.37 In terms of reasons for moving, most frequently mentioned are wanting a larger property/one that is better in some way (43.5%) and to be closer to work/new job (10.5%). A key message is that there is demand for higher specification properties from households currently living in Barrow in Furness Borough and who have stated a preference to remain in the Borough.

Table 10.10 High income household dwelling aspirations and expectations						
Like/Aspiration						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced house	Flat	Bungalow	
Two	20.0	0.0	0.0	15.1	1.5	36.7
Three	35.1	14.8	0.0	0.0	6.7	56.6
Four	3.4	3.4	0.0	0.0	0.0	6.8
Five or more	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	58.5	18.2	0.0	15.1	8.2	100
<i>Base 914</i>						
Expectation						
No. Beds	Property type (Table %)					Total
	Detached house	Semi-detached house	Terraced house	Flat	Bungalow	
Two	0.0	0.0	0.0	16.1	4.3	20.4
Three	7.8	42.2	1.6	0.0	4.2	55.7
Four	17.0	7.0	0.0	0.0	0.0	24.0
Five or more	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	24.7	49.2	1.6	16.1	8.4	100.0
<i>Base 890</i>						

Source: 2013 Household Survey

## Self-build

- 10.38 The Government made clear in its Housing Strategy for England *Laying the Foundations* that it wished to unlock the growth potential of the custom homes market and double its size over the next decade. It has defined the main critical barriers to custom build in this country as access to suitable plots to build on; access to development finance to enable the purchase of land and start of construction; and the hurdles that many custom builders face when they engage with the regulatory regimes that govern the development process.



- 10.39 As part of this agenda the Government has enacted new legislation, the Self - Build and Custom Housebuilding Act 2015, requiring authorities to keep a register of individuals and associations of individuals who wish to acquire serviced plots of land to bring forward self-build and custom house building projects. Local authorities are under a duty to have regard to these registers in carrying out their planning function. The regulations setting out the scope of these registers are yet to be approved. The Government also intend to enact further legislation in the next Parliament strengthening the role of local planning authorities in making plots of land available for custom and self build. Their current intention is that prospective custom and self builders will have a right to a plot of land from their local council to build their home.
- 10.40 The NPPG (para 021 Reference ID 2a-021-20150326) states that the Government wants to enable more people to build their own homes and wants to make this form of housing a mainstream housing option.
- 10.41 The 2013 Household Survey identified that there is an interest in self-build from households planning to move in the next five years. A total of 493 respondents planning to move (5.1%) were interested in self-build which is defined as *'when an individual obtains a building plot and then builds their own home on that plot. The self-builder's input into this process varies from undertaking the actual building work to contracting out all of the work to an architect or building company'*.
- 10.42 Fewer households were interested in community self-build, defined as a *'group of people in housing need who join forces and become involved in the planning, design and building of their own homes'*. This was an option considered by 293 respondents (3.0%). Overall, however, no households contacted thought that they are most likely to move to a self-build or community self-build property.
- 10.43 The level of demand for self/custom build should be monitored closely by the Council and in particular the proportion of completions on plots for one or two houses, with this type of modest development likely to be self/custom build.

### Family housing

- 10.44 The 2013 Household Survey found that families (that is couples and lone parents with dependent children) account for around 16.3% of households across Barrow in Furness Borough. A further 12.3% are couples and lone parents with adult children (aged 18 or over) living with them. The analysis assumes therefore a total of 28.6% of households who are families (including those with adult children still living at home).
- 10.45 The market aspirations of families, as identified in the Household Survey, are summarised in Table 9.4 in the previous chapter. This suggests:
- Couples with children had a strong preference for houses, particularly detached, semi-detached and larger terraced houses; and households were most likely to consider properties with three or more bedrooms;
  - Lone Parent families were most likely to consider semi-detached and larger terraced houses and properties with three or four bedrooms;
  - Couples with non-dependent (adult) children were likely to consider detached, semi-detached and larger terraced houses; amongst lone parents

with non-dependent children there was a strong preference for bungalows, followed by semi-detached houses; in terms of house size, there was a preference for three bedrooms (couples) and two bedrooms (lone parents).

- 10.46 The current dwelling profile and market aspirations of families are summarised in Table 10.11. This suggests a strong aspiration from families for houses with either three bedrooms or four or more bedrooms, with slightly more expecting to move to houses with three bedrooms than would like to and slightly less moving into houses with four or more bedrooms than would prefer to. More expect to move into houses with one or two bedrooms than would aspire to, and less expect to move into bungalows than would like this type of housing.
- 10.47 Analysis of affordable housing requirements suggests there is an ongoing need for a range of dwelling types including dwellings with two, three and four bedrooms to address the needs of families. It is important that particular care is taken to ensure that properties are built to reflect the demand from families and in the interests of long-term community sustainability.
- 10.48 In terms of housing need (refer back to Table 10.5), compared with the overall proportion of households in need of 7.7%, 8.6% of all families are in housing need. Overall, 8.1% of families with children under 18 are in housing need. The proportion of households in need is highest amongst couples with three or more children under 18 (13.8%) and couples with adult children (10.4%). By comparison, lone parents are less likely to be in housing need, at 5.1% of all lone parent households.
- 10.49 Modelling of affordable housing requirements suggests that a range of affordable dwellings are required including two and three-bedroom dwellings which will help to address the needs of families.

<b>Table 10.11 Property type preferences (Market housing) – Families</b>			
<b>Dwelling type</b>	<b>Current dwellings (%)</b>	<b>Like (%)</b>	<b>Expect (%)</b>
Detached house/cottage 1-2 Beds	0	0	0
Detached house/cottage 3 Beds	5.3	8.8	16.3
Detached house/cottage 4+ Beds	9.0	30.1	10.9
Semi-detached house/cottage 1-2 Beds	1.7	0.0	3.6
Semi-detached house/cottage with 3 Beds	24.2	23.8	24.4
Semi-detached house/cottage 4+ Beds	8.2	4.4	4.2
Terraced house/cottage 1-2 Beds	18.2	4.1	5.4
Terraced house/cottage 3 Beds	22.5	7.2	17.2
Terraced house/cottage 4+ Beds	4.6	2.7	4.5
Bungalow 1-2 Beds	1.7	9.8	9.1
Bungalow 3 Beds	2.3	8.2	3.4
Bungalow 4+ Beds	0.6	0	0.0
Flat/Apartment 1 Bed	0.0	0	0
Flat/Apartment 2 Beds	0.5	0.8	0.9
Flat/Apartment 3+ Beds	1.1	0	0
Other 1-2 beds Bed	0.2	0	0
Other 3 beds	0	0	0
Other 4+ Beds	0	0	0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total households</b>	<b>8236</b>	<b>1676</b>	1532
<b>Summary</b>			
Houses 1/2 Beds	19.9	4.1	9.0
Houses 3 Beds	52.0	39.7	57.9
Houses 4+ Beds	21.8	37.3	19.6
Bungalow	4.6	18.0	12.5
Flat	1.6	0.8	0.9
Other	0.2	0.0	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total households</b>	<b>8236</b>	<b>1676</b>	<b>1532</b>

Source: 2013 Household Survey

## Younger People

10.50 Across Barrow in Furness Borough, there are around 11,900 younger people, that is people aged 15-29 who represent 17.6% of the total population. The household survey identifies a total of 2,029 households with a Household Reference Person aged 16 to 29. Of these households:

- Half (29.4%) are private renters, 42.5% are owner occupiers and 8.1% live in social/affordable rented dwellings;
- 37.5% of households receive a gross income of less than £300 each week, 24.2% receive between £300 and £500 and 38.3% receive at least £500;

- 71% are in employment, 6.9% are unemployed and 22.1% are not economically active;
- 1.2% are in housing need (compared with an overall proportion of 7.7% of households) and this was due to households living in accommodation which was unsuitable for them due to a mobility impairment or other special need.

10.51 Almost half (43%) of younger people intend to move in the next five years. A majority of these households would consider owner occupation and 44.4% stated this was the most likely tenure they would move to (Table 10.12). Private renting was considered by 50% of households and 37.3% expect to move to a private rented dwelling. 34.1% would consider social/affordable renting and 18.3% expected to move to that tenure. There was also a degree of interest in intermediate tenure options (12.5% would consider) but none expected to move to that tenure. There was also some interest in self-build (10% of households) but none expected to move into self-build.

Tenure	Would consider (%)	Likely (%)
Owner occupation	63.0	44.4
Private Renting	50.0	37.3
Social/Affordable Rented	34.1	18.3
Intermediate Tenure	12.8	0
Self build	10.0	0
<b>Total</b>		<b>100</b>
<i>Base</i>	856	856

10.52 Table 10.13 considers the type and size preferences of younger people planning to move and compares this with the current profile of dwellings lived in by younger people. In terms of current profile, 56% live in smaller one and two bedroom houses, 37.6% live in larger houses (three or more bedrooms) and 6.4% live in flats. Younger people expressed a particular aspiration for houses, with 58.2% aspiring towards a three bedroom and 18.4% a four or more bedroom dwelling. Most expected to move to a house, but larger proportions expected to move to a smaller house (with one or two bedrooms).

Dwelling type	Current dwelling	Like	Expect
House 1/2 Beds	56.0	5.8	27.7
House 3 Beds	33.5	58.2	50.7
House 4 or more Beds	4.1	18.4	
Bungalow	0.0		
Flat	6.4	17.5	21.6
Other	0.0		
<b>Total</b>	100.0	100.0	100.0
<i>Base</i>	2,029	787	740

## Older people

- 10.53 A major strategic challenge for the Council is to ensure a range of appropriate housing provision, adaptation and support for the area's older population. The number of people across Barrow in Furness Borough area aged 65 or over is projected to increase from 14,000 in 2015 to 19,200 by 2037 (37.1% increase)<sup>26</sup>.
- 10.54 The 2013 Household Survey found that the majority of residents (74.5%) want to stay in their own homes with help and support when needed. When this is broken down by older person age groups, the figure increases to 89.7% of households with a head aged 65 or over. (Table 10.14). 13.1% of older age groups would consider renting sheltered accommodation, 9.1% would consider renting extra care housing and around 7% would consider residential care and co-housing. The range of options considered varies to some extent by age group, with 65-74 heads of households more likely to consider renting sheltered accommodation for rent and 85+ heads of household more likely to consider residential care.
- 10.55 This evidence suggests a need to continue to provide a range of older persons' housing options. Additionally, providing a wider range of older persons' accommodation has the potential to free-up larger family accommodation

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<sup>26</sup> ONS 2012-based Population Projections

**Table 10.14 Older persons' housing options**

Housing option	% would consider				
	65 to 74	75 to 84	85+	Total Older age groups	All households responding
Continue to live in current home with support when needed	86.6	93.1	94.6	89.7	74.5
Buying a property on the open market	6.4	3.5	1.1	4.8	13.4
Rent a property from a private landlord	2.2	0.8	0.0	1.5	10.3
Rent from Housing Association	5.4	4.2	0.0	4.4	12.2
Sheltered accommodation - To Rent	14.2	11.7	12.4	13.1	13.6
Sheltered accommodation - To Buy	7.2	3.1	0.0	5.0	5.2
Sheltered accommodation - Part Rent/Buy (shared ownership)	4.5	0.8	1.2	2.9	3.5
Extra care housing - To Rent	9.1	8.4	11.1	9.1	9.8
Extra care housing - To Buy	6.5	2.0	2.2	4.5	4.4
Extra care housing - Part Rent/Buy (shared ownership)	2.7	1.2	1.2	2.0	2.4
Residential care home	3.4	9.6	18.4	7.2	5.6
Co-housing	7.8	7.1	6.8	7.5	7.9
Base (Valid Responses)	4,964	2,883	964	8,810	24,375
Base (Households responding)	3,186	1,979	647	5,811	14,972

Source: 2013 Household Survey

10.56 Of all older person households, 10.5% would like to move in the next five years, 3.8% would like to move but are unable to and 85.7% do not want to move. Of households with a head of household aged 65 and over and planning to move, the Household Survey found that the main reasons for moving were a need for smaller property (30.1%), need for housing suitable for an older/disabled person (31.2%) and to be closer to family/friends for support/social reasons (16.4%).

10.57 Table 10.15 summarises the dwelling type and size aspirations and expectations of households containing an older person, as identified by the 2013 Household Survey.

**Table 10.15 Dwelling aspirations and expectations of households containing a head of household aged 65 or over**

Dwelling type	Current dwellings (%)	Like (%)	Expect (%)
Detached house/cottage 1-2 Beds	0.6	2.8	1.9
Detached house/cottage 3 Beds	3.8	1.3	7.0
Detached house/cottage 4+ Beds	3.6	1.3	0.0
Semi-detached house/cottage 1-2 Beds	4.7	8.6	0.0
Semi-detached house/cottage with 3 Beds	17.6	4.1	5.8
Semi-detached house/cottage 4+ Beds	1.7	0.0	0.0
Terraced house/cottage 1-2 Beds	20.4	0.0	1.7
Terraced house/cottage 3 Beds	13.8	3.0	3.9
Terraced house/cottage 4+ Beds	0.9	0.0	0.0
Bungalow 1-2 Beds	11.8	29.0	36.2
Bungalow 3 Beds	7.3	18.4	13.6
Bungalow 4+ Beds	0.9	3.0	0.0
Flat/Apartment 1 Bed	6.9	8.6	22.3
Flat/Apartment 2 Beds	3.3	13.8	7.5
Flat/Apartment 3+ Beds	0.5		0.0
Other 1-2 beds Bed	2.2	6.3	
Other 3 beds	0.2		
Other 4+ Beds			
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total households</b>	<b>8258</b>	<b>538</b>	<b>412</b>
<b>Summary (dwelling type)</b>			
Houses 1/2 Beds	25.7	11.3	3.6
Houses 3 Beds	35.1	8.4	16.7
Houses 4+ Beds	6.2	1.3	0.0
Bungalow	20.0	50.4	49.8
Flat	10.6	22.3	29.9
Other	2.4	6.3	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total households</b>	<b>8258</b>	<b>538</b>	<b>412</b>
<b>Summary (no. bedrooms)</b>			
1-2	49.8	69.0	69.7
3	43.1	26.8	30.3
4	7.0	4.3	0.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total households</b>	<b>8258</b>	<b>538</b>	<b>412</b>

Source: 2013 Household Survey

- 10.58 Aspirations and expectations tended to be similar and the majority of households aspired towards and expected to move to houses and bungalows. Aspirations and expectations of dwelling size tended to be similar, with just under 70% of households aspiring and expecting to move to a property with 1 or 2 bedrooms.
- 10.59 Table 10.16 considers the future housing choices being considered by households with a Head of household aged 65 or over with reference to the number of bedrooms aspired towards and expected to move to. This shows that 59% of households expected to downsize (i.e. move to a property with fewer bedrooms), although households were slightly more likely to aspire to moving to a property with the same or larger number of bedrooms.

Housing choice	Aspiration (%)	Expectation (%)
Downsizing (moving to a smaller property)	47.0	59.0
Staying same	38.6	32.7
Moving to larger property	14.5	8.3
TOTAL	100.0	100.0
Total households	560	480

Source: 2013 Household Survey

### Assistance in the home

- 10.60 The range of assistance required from all households including older person households is explored in Table 10.15. Particularly noted across both age groups and in particular by older people (65+ years) is the need for help with gardening and cleaning and other practical tasks. 26.5% of older people said that they needed assistance with gardening, 12.6% with cleaning and 19.2% with practical help.
- 10.61 Table 10.17 considers the extent to which households require assistance now or within the next five years.

Assistance required	Age group (% of households)		
	Under 65 years	65+ years	Total
Help with gardening	9.5	26.5	14.3
Help with other practical tasks	4.3	19.2	8.5
Help with personal care	5.6	10.0	6.9
Help with cleaning home	3.5	12.6	6.1
Want company / friendship	4.8	6.8	5.4
Help with gardening	9.5	26.5	14.3
<b>Total households</b>	22931	9036	31967

Source: 2013 Household Survey



## Adaptations

- 10.62 The 2013 Household Survey asked whether adaptations were required by households (Table 10.18). The most frequently mentioned overall were adaptations to bathrooms and security alarms. In the 65+ age group, adaptations to bathroom were mentioned by 13.0% of respondents and security alarm by 5.1%.
- 10.63 Resources for aids and adaptations remain tight, particularly for households in the private sector. Alternative sources of funding, such as equity loans, should be considered to finance remedial measures required by older person households.

**Table 10.18 Adaptations required either now or in next 5 years by age group**

Adaptation required	Age group (% of households)		Total
	Under 65 years	65+ years	
Adaptations to Bathroom	8.8	13.0	10.0
Security alarm	9.1	5.1	8.0
Adaptations to kitchen	8.7	3.2	7.1
Internal handrails	6.0	9.4	7.0
Downstairs WC	6.6	6.1	6.5
External handrails	5.5	6.2	5.7
Stair lift / vertical lift	4.4	7.0	5.1
Community alarm service	3.6	5.6	4.1
Wheelchair adaptations	3.6	2.5	3.3
Lever door handles	2.4	0.6	1.9
<b>Total households</b>	22931	9036	31967

Source: 2013 Household Survey

## Home improvements

- 10.64 The Household Survey found that in terms of home improvements (Table 10.19) the most frequently mentioned were repairs and maintenance, better heating, more insulation and double glazing. Amongst older households, there was particular emphasis on repair and maintenance (32.4%) and amongst under 65 age groups, better heating (19.3%).

**Table 10.19 Home improvements required either now or in next 5 years by age group**

Home improvement required	Age group (% of households)		
	Under 65 years	65+ years	Total
Help with repair and maintenance of home	19.3	32.4	23.0
Better heating	19.9	10.4	17.2
More insulation	18.3	7.0	15.1
Double glazing	16.7	8.8	14.5
Increase the size of property	9.0	0.8	6.7
Improvements to access	3.2	3.5	3.3
Room for a carer	2.3	2.4	2.3
<b>Total households</b>	22931	9036	31967

Source: 2013 Household Survey

### Current level of adapted properties

10.65 The 2013 Household Survey found that overall 7% of all properties across Barrow in Furness Borough had been adapted or purpose built for a person with a long-term illness, health problem or disability. This varied by tenure, from 2.9% in private rented properties, 5.8% in owner occupied and 22.4% in affordable accommodation. 9.2% of households said they required care or support to enable them to stay in their current home. 59.5% of households stated that there was sufficient space for a carer to stay overnight if this was needed – although across the affordable sector this fell to 28.4%.

### Specialist support requirements

10.66 A range of specialist client groups are supported across Barrow in Furness Borough. Based on Supported CORE Lettings data, Table 10.20 summarises the type of client groups accommodated in social/affordable housing across Barrow in Furness Borough area over the three-year period 2010/11 to 2012/13. Data indicates that a range of groups are accommodated in RP specialist provision, most notably older people with support needs and single homeless people with support needs

**Table 10.20 Client groups accommodated in social/affordable sector in Barrow in Furness Borough 2010/11 to 2012/13**

Client group	Total Number over 3 years	Annual Average
People with mental health problems	37	12.3
Offenders and people at risk of offending	3	1
Older people with support needs	156	52
Single homeless people with support needs	80	26.7
<b>Total</b>	<b>276</b>	<b>92.3</b>

Source: Supported CORE Lettings data (excludes 1 missing case)

## Homeless households

10.67 CLG Homelessness Statistics for 2014/15<sup>27</sup> indicate that a total of 75 decisions were made on households declaring themselves as homeless across Barrow in Furness Borough (Table 10.21). Of these households, 17 were classified as homeless and in priority need. Over the six years 2009/10 to 2014/15, an annual average of 131 decisions were made across Barrow in Furness Borough and an average of 27 households each year were declared as homeless and in priority need.

**Table 10.21 Homeless decisions and acceptances 2009/10 to 2014/15**

Year	Decisions made	Accepted as homeless
2009/10	226	40
2010/11	152	26
2011/12	126	29
2012/13	116	29
2013/14	88	19
2014/15	75	17
Total	783	160
Annual Average	131	27

Source: CLG Homelessness Statistics

## Households previously homeless

10.68 The 2013 Household Survey identified 403 households who had been previously homeless or living in temporary accommodation and had moved to their present accommodation in the past five years.

10.69 Table 10.22 presents a range of information relating to the characteristics of previously homeless households and the dwelling choices that they have made. 79.6% of households previously homeless have moved into private rented accommodation, 18.4% have moved into the social/affordable sector and 2% into owner occupied dwellings. 57.8% of previously homeless households have moved into houses, 40.2% into flats and 2% into bungalows.

10.70 The incomes of previously homeless households are generally low with 65.4% receiving a gross income of under £200 each week and none of the households previously homeless receiving more than £300 each week. 62.6% are single adults under 65 and 29.8% are lone parents with 1 or 2 children.

<sup>27</sup> DCLG Homeless Statistics Table 784

<b>Table 10.22 Characteristics of households previously homeless</b>			
<b>Household Type</b>	<b>%</b>	<b>Property Type</b>	<b>%</b>
Single Adult (under 65)	62.6	House	57.8
Single Adult (65 or over)	2.0	Bungalow	2.0
Couple with child(ren) 18+	5.7	Flat	40.2
Lone parent with 1 or 2 child(ren)	29.8		
<b>Total</b>	100.0		100.0
<b>Current tenure</b>	<b>%</b>	<b>Origin</b>	<b>%</b>
Owner Occupied	2.0	Within Barrow in Furness Borough	46.2
Private Rented	79.6	Outside Barrow in Furness Borough	53.8
Social/affordable/Affordable	18.4		
<b>Total</b>	100.0	<b>Total</b>	<b>100</b>
<b>Current income (Gross annual)</b>	<b>%</b>	<b>Property size</b>	<b>%</b>
<200	65.4	0/1 Bed	36.2
200-250	23.1	2 Beds	57.8
250-300	11.4	3 or more Beds	6.0
<b>Total</b>	100.0	<b>Total</b>	<b>100.0</b>

Base: 403 households previously homeless

Source: 2013 Household Survey

## Black, Asian and Minority Ethnic households (BAME)

- 10.71 The 2013 Household Survey indicates that 96.9% of heads of household describe themselves as 'White British'; 1.9% were from other White groups, 0.2% were mixed or multiple ethnic group and 1.0% were Asian/Black/other.
- 10.72 Overall, 7.0% of Black, Asian and Minority Ethnic (BAME) households were in some form of housing need which compares with 7.7% for the overall population. The reason cited for being in need in all of these cases was that the household contained people with mobility impairment or other special needs who were living in unsuitable accommodation.
- 10.73 The needs of Gypsies and Travellers has been assessed as part of a Cumbria-wide study published in late 2013. This identified a current supply of 22 Gypsy and Traveller pitches across Barrow in Furness Borough, a shortfall of 2 permanent pitches over the period 2013/14 to 2017/18 and 4 over the period 2018/19 to 2027/28, resulting in a total shortfall of 6 pitches over the period 2013/14 to 2027/28. The study also recommended the provision of up to 7 transit pitches in Barrow town.

## Summary

- 10.74 This Chapter and the associated Appendices provides a clear definition of housing need and affordable housing required, along with a step-by-step explanation of the SHMA Update model.

- 10.75 Analysis has identified a total of 2,465 households in housing need, representing 7.7% of all households across Barrow in Furness Borough. Assessment reveals that there is a net annual imbalance of 101 affordable dwellings across Barrow in Furness Borough.
- 10.76 Overall, analysis would suggest a tenure split of around 72.4% social/affordable rented and 27.6% intermediate tenure based on household preferences.
- 10.77 In terms of the size of affordable housing required, the analysis indicates a need for a range of dwelling sizes, with 75.4% of gross need for smaller one and two-bedroom general needs, 15.8% three or more bedroom general needs and 8.7% older person dwellings.
- 10.78 In terms of intermediate affordable housing for sale the analysis reveals that around 37.6% all households in need can afford an intermediate affordable house at around the £80,000 level or below and 23.1% could afford up to £120,000.
- 10.79 Whilst only 5.4% of older households (singles and couples over 65 years) are in housing need, older households represent around 30% all households in need.
- 10.80 It is evident that the vast majority of older people wish to stay within their existing homes. For most, this is an informed and appropriate choice where current and future housing needs can be addressed through in situ solutions (including adaptations). However, there is some notable concern regarding a lack of choice within the market especially for owner-occupiers who are unable to find suitable downsizing properties and options.
- 10.81 Whilst this concern falls outside of the strict definition of housing need, the impact and influence of this potential lack of fluidity within the market has repercussions upon the overall operation of the housing market and the ability of households to trade up into properties released by older people.
- 10.82 For those older person households wishing to remain in their own homes but requiring assistance and adaptations the most frequently mentioned are help with repair/maintenance, better heating, adaptations to bathroom and internal handrails.

## 11. Conclusion: policy and strategic issues

- 11.1 This document has been prepared to equip the Council and their partners with robust, defensible and transparent information to help inform strategic decision-making and the formulation of appropriate housing and planning policies. The work also takes account of the National Planning Policy Framework which came into effect in March 2012 and Planning Practice Guidance, *Housing and economic development needs assessments* (last updated February 2016).
- 11.2 The SHMA 2016 Update will help the Council plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Specifically, the SHMA 2016 Update identifies the size, type and tenure of housing required by considering current market demand relative to supply; and also identifies a continued affordable housing imbalance across Barrow in Furness Borough.
- 11.3 This concluding chapter summarises key messages from the research findings, structured around a commentary on the current and future housing markets; the interactions of Barrow in Furness Borough with other areas; and relates findings to key local strategic issues.

### The Housing Market Area

- 11.4 An analysis of 2011 Census migration data suggests that 86.2% of households move within Barrow in Furness Borough and 84.7% of residents in employment work within the Borough. The 2013 Household Survey found that 79.6% of those who had moved in the previous five years came from within Barrow in Furness Borough and that 80.8% of employees work within the Borough.
- 11.5 Former Government guidance suggested that housing markets are self-contained if at least 70% of moves take place within the area and Planning Practice Guidance also refers to this threshold in relation to the definition of an appropriate HMA.
- 11.6 Barrow in Furness Borough can be described as a self-contained housing market on the basis of migration flows and travel to work patterns.

### The current housing market

- 11.7 This study provides up to date information on the housing stock in the Council area and how the stock profile varies by market area is presented in data tabulations accompanying this report.
- 11.8 2015 Council Tax data records a total of 33,470 dwellings in Barrow in Furness Borough, with 1,717 vacant properties and 909 second homes which results in a total of 30,844 occupied households<sup>28</sup>. This implies a vacancy rate of 2.7%, compared with a vacancy rate of 2.6% across England<sup>29</sup>.

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<sup>28</sup> 2015 Council Tax data

<sup>29</sup> 2014 CLG Dwelling and Vacancy data

11.9 The 2013 Household Survey shows that:

- 77.9% of properties are houses, 10.8% are flats/apartments, 9.8% are bungalows and 1.5% are other types of property including park homes/caravans;
- 58.5% have one bedroom/bedsit, 37.6% two bedrooms, 42.7% three bedrooms, 9.5% four bedrooms and 1.7% five or more bedrooms;
- A majority of properties (52.4%) were built before 1945, a further 33.8% were built between 1945 and 1984 and the remainder (13.7%) built since 1985; and
- 74.2% of properties are owner-occupied, 15.8% are private rented (or tied accommodation) and 10.0% are affordable (social/affordable rented or shared ownership).

## Housing markets and mobility

11.10 A range of material has been gathered to help identify market drivers and the characteristics of the Barrow in Furness Borough Housing Market Area and linkages with other areas.

11.11 An analysis of household mobility using 2013 Household Survey data suggests that of households moving in the past five years, households 79.6% originated within Barrow in Furness Borough and 20.4% originated from outside the area. Most in-migrants to Barrow in Furness Borough moved into the private housing sector, with around 41.0% moving into owner occupation and 56.6% into private renting. Moving to be closer to work/new job and to own their own home/live independently were key migration drivers. 89.7% of in-migrant households had a Household aged under 65 and 10.2% were aged 65 and over; overall 71.7% were in employment and 46.6% had an income of at least £500 each week.

## Future housing market

11.12 The population of Barrow in Furness Borough is estimated to be 67,500 in 2015<sup>30</sup> and this is projected to decrease by -3.6% to 65,100 by 2037<sup>31</sup>. Over the next few decades, there will be a marked increase in the number and proportion of residents aged 65 and over which is expected to increase by 37.1% from 14,000 in 2015 to 19,200 in 2037.

## Objectively assessed need for housing and housing requirement

11.13 The BBHLS July 2016 concludes that the most realistic objectively assessed need figure of 105 dwellings each year over the plan period 2012 to 2031. In terms of the 5 year housing land requirement, as the Council has not met this

<sup>30</sup> ONS 2012-based population projections

<sup>31</sup> ONS 2012-based population projections

target since 2012, the shortfall against the annual requirement of 105 dwellings and a 20% buffer is applied to give a 5 year requirement of 810 dwellings (equating to 162 net additional dwellings each year).

- 11.14 The BBHLS July 2016 concludes that the housing requirement set in the emerging Local Plan is the same as OAN option 8 i.e. a minimum of 1.995 dwellings over period 2012 to 2031 or a minimum of 105 net additional dwellings each year.

## Housing need and demand

### Delivering new housing

- 11.15 Households intending to move in the open market were asked in the 2013 Household Survey what type and size of property they would like and expect to move to. Of households moving, most would like to move to a house (68.1%), 20.7% would like to move to a bungalow and 10.3% to move to a flat. This compares with 71.8% who expect to move to a house, 16.1% to a bungalow and 12.1% to a flat. A much higher proportion would like to move to a detached house (39.2%) but 17.0% expect to. In contrast, higher proportions expect to move to a semi-detached house (31.7%) than would prefer to (21.9%). In terms of property size, the majority of respondents expect to move to a property with two (28.8%), three (53.3%) or four or more (11.8%) bedrooms. A higher proportion of households would like a property with four or more bedrooms (22.7%).
- 11.16 Future development should focus on delivering accommodation to address identified mismatches and reflect household aspirations.
- 11.17 The scale of affordable requirements has been assessed by taking into account the annual need from existing and newly-forming households and comparing this with the supply of affordable (social/affordable rent and intermediate tenure dwellings). Modelling suggests a net shortfall of 101 affordable dwellings each year across Barrow in Furness Borough. This excludes any potential pipeline provision which would help offset the imbalances identified but does include 102 dwellings in Inner Barrow earmarked for redevelopment for affordable housing.
- 11.18 In terms of the size of affordable housing required, the analysis indicates a need for a range of dwelling sizes, with 75.4% of gross need for smaller one and two bedroom general needs, 15.8% for three or more bedroom general needs and 8.7% for older person dwellings. It is therefore appropriate for the continued delivery of affordable housing to reflect underlying need.
- 11.19 A tenure split of around 72.4% social/affordable rented and 27.6% intermediate tenure is suggested based on household aspirations.
- 11.20 In summary, key drivers in determining the tenure and type of future development include:
- The need to continue open market development to satisfy household aspirations, in particular the development of three and four-bedroom houses (particularly detached) and three-bedroom bungalows;



- Developing an increasing range of housing and support products for older people;
- Delivering additional affordable housing to help offset the identified net shortfalls; and diversifying the range of affordable options by developing intermediate tenure dwellings and products; and
- The economic viability of delivering affordable housing on sites across Barrow in Furness Borough.

### Improving the quality of existing stock

11.21 Strategic challenges include reducing the level of vacant dwellings and improving the quality of existing dwellings through better energy efficiency and modernisation.

### Vacant stock

11.22 There are an estimated 1,717 (2.7%)<sup>32</sup> vacant properties across Barrow in Furness Borough and these are mainly in the private sector. Properties can be empty for a variety of reasons which include: the properties are too difficult to repair or are in the process of being repaired; they are in the process of being sold; they have been bought for capital investment; or they are in probate.

11.23 The Council should continue to consider identifying the reasons why properties are empty and identify mechanisms for bringing them back into use. Mechanisms could include:

- Financial/professional help for repairs and improvements in the form of equity loans; grant aid for renovation and subsequent leasing to a Housing Association for a fixed term; a professional service to manage repairs or full renovation; and
- Assistance with letting management or the sale of a property.

### Satisfaction and repair

11.24 Although the vast majority of households (77.3%) are satisfied with the condition of their dwellings, 7.7% of households were dissatisfied or very dissatisfied. Levels of dissatisfaction were highest amongst those in privately rented accommodation, households living in terraced houses and those living in older properties.

11.25 Improving the energy efficiency of dwellings and modernisation of stock is an important driver to improving the quality of existing stock and extends beyond those households expressing dissatisfaction. Given the need to reduce energy consumption, improve thermal comfort and future proof households from spikes in energy prices, retrofitting stock with improved insulation, heating systems and solar panels is likely to become a significant strategic issue.

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<sup>32</sup> 2015 Council Tax data

## The ageing population and addressing the needs of vulnerable people

- 11.26 A key challenge for the Council is to ensure a greater diversity of support services are made available to older people wanting to stay in their own home and develop funding mechanisms to achieve this. Particularly noted is the need for help with gardening, cleaning and other practical tasks.
- 11.27 Additionally, the range of housing options available to older people needs to be diversified, for instance through the development of open market housing marketed at older people and the development of sheltered housing, Extra Care accommodation and co-housing.

## NPPF requirements

- 11.28 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should:
- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
    - Meets household and population projections, taking account of migration and demographic change;
    - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
    - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 11.29 The material in this SHMA 2016 Update provides an evidence base to inform strategic decision making and has:
- evidenced the scale of affordable housing need and the specific affordable requirements necessary to offset the imbalance between supply and need;
  - reviewed market demand and the range of dwellings required to satisfy household expectations and aspirations; and
  - reflected upon the needs of different groups of the population, in particular older people and those requiring specialist support requirements.

## Final comments

- 11.30 Appropriate housing and planning policies have a fundamental role to play in the delivery of thriving, inclusive and sustainable areas. These policies need to be underpinned with high quality data. This study has provided a wealth of up-to-date social, economic, demographic and housing data for Barrow in Furness Borough.

This research has reflected upon the housing market attributes of Barrow in Furness Borough and interactions with other areas. The report signposts future strategic challenges which include the ongoing delivery of new market and affordable housing to address need and support economic growth; diversifying the range of affordable tenures available to local residents; improving the condition and energy efficiency of existing stock; and addressing the requirements of older people and vulnerable groups.

## Introduction to Technical Appendices

- Technical Appendix A: Research methodology
- Technical Appendix B: Policy review
- Technical Appendix C: Housing need
- Technical Appendix D: Monitoring and updating
- Technical Appendix E: NPPF and PPG Checklist

## Technical Appendix A: Research Methodology

### Overall approach

- A.1 A multi-method approach was adopted in order to prepare a robust and credible SHMA Update for Barrow in Furness Borough Council:
- A review of relevant up-to-date secondary data including the 2011 Census, house price data, private rental data, Housing Association CORE lettings data, CLG Statistics and Housing Register information;
  - A sample survey of households across the Barrow in Furness Borough Council area. Undertaken in 2013 to inform the 2014 SHMA, a total of 9,667 households were contacted and 1,692 responses were achieved and used in data analysis. This represents a 17.5% response rate overall;
  - An online survey of key stakeholders. As part of the 2014 SHMA, stakeholders were invited to participate in an online survey to help ascertain their views on the current housing market and the key strategic housing issues for Barrow in Furness Borough. Some telephone interviews were also undertaken. Engagement with key stakeholders including Local Housing and Planning Authority representatives, Registered Social Landlords/Registered Providers (RPs), estate agents, lettings agents, developers and Supporting People representatives has taken place; and
  - Interviews with estate and letting agents operating within the Borough. This was also undertaken as part of the 2014 SHMA.

### Baseline dwelling stock information and survey sample errors

- A.2 Table A1 summarises total dwelling stock and the number of households contacted by survey area, achieved responses and sample errors.

Sub-Area	Total Households Contacted	Total occupied households	Achieved Response	Achieved Response Rate	Achieved Sample Error	
Barrow Inner	3726	12153	355	9.5	±	5.1%
Barrow Outer	2846	9450	484	17.0	±	4.2%
Dalton, Askam & Lindal	1567	5384	455	29.0	±	4.5%
Walney	1528	4980	398	26.0	±	4.7%
<b>Total</b>	<b>9667</b>	<b>31967</b>	<b>1692</b>	<b>17.5</b>	±	<b>2.3%</b>

Source: 2011 Census

1. Where 'sample' is indicated in the column this means that a random sample of households were selected for that area and issued with a survey.
2. Sample error is based on the 95% confidence interval which is the industry standard to establish result accuracy.

## Weighting and grossing

- A.3 In order to proceed with data analysis, it is critical that survey data is weighted to take into account non-response bias and grossed up to reflect the total number of households. Weighting for each survey area was based on:
- **tenure** the proportion of affordable (social/affordable and intermediate tenure) and open market dwellings based on 2011 Census data;
  - **age of household** based on the proportions of heads of household aged under 65 and 65 or over living in affordable and open market provision derived from the 2011 Census.
- A.4 Ultimately, the survey element of the assessment is sufficiently statistically robust to undertake detailed analysis and underpin core outputs of the study down to the survey areas presented in Table A1. Furthermore, the survey findings are enhanced and corroborated through analysis of secondary data and stakeholder consultation.

## Technical Appendix B: Policy Review

- B.1 The purpose of this Appendix is to set out the national policy agenda of relevance to this housing needs assessment.

### Introduction

- B.2 Housing policy in England is managed through the Department for Communities and Local Government (DCLG), but is managed by the devolved governments in Scotland, Wales and Northern Ireland. In addition to policies that apply directly to housing matters, there is significant overlap with a number of other policy areas, including planning, welfare, political devolution and the wider economy.
- B.3 Under the previous Coalition Government, the five years 2010-2015 saw a radical and sustained programme of reform of welfare, housing and planning policy, set within the context of national austerity and an economic policy of deficit reduction and public spending cuts. These reforms championed localism, decentralisation and economic growth.
- B.4 Since the election of a majority Conservative Government in May 2015 further welfare reforms have been accompanied by policies seeking to increase the rate of housebuilding and promoting home ownership as the tenure of choice. The Housing and Planning Act was passed in May 2016, setting out the legislative framework for the Government's flagship Starter Homes scheme and including provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.5 The European Union Referendum of 23<sup>rd</sup> June 2016 will have significant implications on emerging policy, with the 'Brexit' discussions creating particular uncertainty regarding economic issues.

### Legislative and policy background

- B.6 Following the Coalition Agreement of May 2010, the previous Government passed the **Localism Act 2011**, with the express intention of devolving power from central government towards local people. The Localism Act sets out a series of measures to seek a substantial and lasting shift of powers including:
- new freedoms and flexibilities for local government, including directly elected mayors and empowering cities and other local areas;
  - new rights and powers for communities and individuals;
  - reform to make the planning system more democratic and more effective, including the abolition of regional spatial strategies (RSS), the introduction of the 'Duty to Cooperate', neighbourhood planning, Community 'Right to Build', reforming the community infrastructure levy and reforming the Local Plan process; and
  - reform to ensure that decisions about housing are taken locally.

- B.7 In terms of housing reform, the Localism Act reforms aim to enable more decisions about housing to be made at the local level, making the system fairer and more effective. Local authorities have greater freedom to set their own policies about who can qualify to go on the waiting list in their area. In addition, the Act allows for more flexible tenure arrangements for people entering social housing, with social landlords able to grant tenancies for a fixed length of term rather than lifetime tenancies for all. In respect to homelessness, the Act allows local authorities to meet their homelessness duty by providing private rented accommodation, rather than in temporary accommodation until long-term social housing becomes available. The Act also reforms social housing funding, allowing local councils to keep the rent they collect and use it locally to maintain their housing stock. It facilitates a national 'Home Swap' scheme to facilitate house moves between social housing tenants. In addition, the Localism Act reforms the regulation of social housing, promoting tenant panels and changing the way complaints are handled.
- B.8 The National Housing Strategy for England, ***Laying the Foundations: A Housing Strategy for England***, was published in November 2011 under the Coalition Administration and it currently remains in place. The Strategy acknowledges some of the problems within the housing market and sets out the Government's policy response, along the following themes:
- Increasing supply: more homes, stable growth;
  - Social and affordable housing reform;
  - A thriving private rented sector;
  - A strategy for empty homes;
  - Quality of housing experience and support; and
  - Quality, sustainability and design.
- B.9 The measures promote home ownership, including a new-build mortgage indemnity scheme to provide up to 95% loan-to-value mortgages guaranteed by Government and a 'FirstBuy' 20% equity loan scheme for first-time buyers. There is an emphasis on providing new infrastructure, with the announcement of a 'Growing Places' Fund, and the freeing-up of public sector land for development. Community-led planning and design is championed, with financial incentives such as the 'New Homes Bonus' to promote increased housebuilding at the local authority level.
- B.10 The National Housing Strategy acknowledges the importance of social housing and the need for more affordable housing. However, the Government reaffirm their programme to reform this sector, including *"changes to the way people access social housing, the types of tenancies that are provided and the way the homelessness duty is discharged"*<sup>33</sup>. The private rented sector is considered to play *"an essential role in the housing market, offering flexibility and choice to people and supporting economic growth and access to jobs"*<sup>34</sup>. The Government sets out an intention to support the growth of the private rented

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<sup>33</sup> *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 22 para.11

<sup>34</sup> *Laying the Foundations: A Housing Strategy for England* (Nov 2011), page 33 Summary



- sector through innovation and investment, to meet continuing demand for rental properties.
- B.11 The National Housing Strategy reaffirms the Government's commitment to bringing empty homes back into use, using the New Homes Bonus as an incentive. It also set out the objectives of preventing homelessness, protecting the most vulnerable and providing for older people's housing needs. It confirms a radical package of welfare reforms, including a reduction in Housing Benefit, changes to the Local Housing Allowance (Housing Benefit in the private sector) and the introduction of 'Universal Credit' to replace other means-tested working age benefits and tax credits. Finally, the Housing Strategy addresses environmental concerns, with energy efficiency and reduced carbon emissions being required from both new and existing homes in order to promote sustainability.
- B.12 The **National Planning Policy Framework (NPPF)** was published in March 2012. It sets out the Government's planning policies for England and how these are expected to be applied. The NPPF formed a key part of the Coalition Government's planning system reforms, simplifying national guidance (previously contained in multiple Planning Policy Statements and Planning Policy Guidance) and reducing the quantity of policy pages. Fundamentally, it must be taken into account in the preparation of local and neighbourhood plans and is a material consideration in planning decisions. The document states that *"at the heart of the National Planning Policy Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking."*<sup>35</sup>
- B.13 The NPPF sets out 12 core planning principles to underpin both plan-making and decision-taking. It also establishes 13 aspects to achieving sustainable development, which include delivering a wide choice of high quality homes (#6) and promoting healthy communities (#8). The Framework also introduces new definitions of affordable housing covering social rented housing, affordable rented housing and intermediate housing.
- B.14 The NPPF is to be read alongside other national planning policies on Waste, Travellers, Planning for Schools Development, Sustainable Drainage Systems, Parking and Starter Homes<sup>36</sup>. **Planning Practice Guidance** on a range of more detailed topics has been revised and updated and made available through an online system since March 2014<sup>37</sup>. Planning Practice Guidance document topics include Duty to Cooperate, Housing and Economic Development Needs Assessments, Housing and Economic Land Availability Assessment, Housing - Optional Technical Standards, Local Plans, Neighbourhood Planning, Rural Housing, Self-Build and Custom Housebuilding and Starter Homes.

## Emerging policy and legislation

- B.15 Following the election of a majority Conservative Government in May 2015, the Government's **Summer Budget 2015** was presented to Parliament by the

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<sup>35</sup> National Planning Policy Framework (November 2012), para. 14

<sup>36</sup> <http://planningguidance.communities.gov.uk/>

<sup>37</sup> <http://planningguidance.communities.gov.uk/>

Chancellor on 8<sup>th</sup> July 2015. The Budget set out proposed reforms to the welfare system, including a four-year freeze on working-age benefits; a reduction in the household benefit cap; restrictions on Child Tax Credit; and training requirements for those on Universal Credit aged 18 to 21. Alongside these welfare cuts, the Chancellor announced that rents for social housing will be reduced by 1% per year for four years, while tenants on incomes of over £30,000, or £40,000 in London, will be required to pay market rate (or near market rate) rents. A review of 'lifetime tenancies' was confirmed, with a view to limiting their use to ensure the best use of social housing stock. Support for home ownership measures was reiterated with measures such as the extension of the Right to Buy to housing association tenants and the introduction of Help to Buy ISAs.

- B.16 Alongside the Summer Budget the Government published a 'Productivity Plan', ***Fixing the foundations: Creating a more prosperous nation*** (10<sup>th</sup> July 2015). This sets out a 15-point plan that the Government will put into action to boost the UK's productivity growth, centred around two key pillars: encouraging long-term investment and promoting a dynamic economy.
- B.17 Of particular relevance to housing are the following points in the plan:
- Planning freedoms and more houses to buy: In order to increase the rate of housebuilding and enable more people to own their own home, a number of actions are identified including a zonal system to give automatic planning permission on suitable brownfield sites; speeding up local plans and land release, stronger compulsory purchase powers and devolution of planning powers to the Mayors of London and Manchester, extending the Right to Buy to housing association tenants, delivering 200,000 Starter Homes and restricting tax relief to landlords.
  - Resurgent cities, a rebalanced economy and a thriving Northern Powerhouse: In order to rebalance the economy, which is skewed towards London and the South East, the Government is committed to building a Northern Powerhouse through £13 billion of investment in transport in the North of England during this Parliament, backing new science, technology and culture projects, devolving significant powers to an elected Mayor for Manchester, taking steps to enable the Midlands Engine for Growth to reach its full potential and working towards devolution deals with the Sheffield City Region, Liverpool City Region and Leeds, West Yorkshire and partner authorities.
- B.18 The Chancellor of the Exchequer delivered his **Spending Review and Autumn Statement 2015** to Parliament on 25<sup>th</sup> November 2015. Of relevance to housing were:
- An improvement in public finances, so a moderated approach to the reform of Tax Credits/Universal Credit;
  - A new 'Help to Buy Shared Ownership' scheme, removing current restrictions on who can buy shared ownership properties to anyone with a household income of less than £80,000 outside London and £90,000 in London;
  - 'London Help to Buy' – a new equity loan scheme giving buyers 40% of the new home value (as opposed to 20% under the Help to Buy scheme);

- 200,000 ‘Starter Homes’ will be built over the next five years; these are new build homes available at 20% off the market price to first-time buyers under 40, where the discounted price is less than £250,000 outside London and £450,000 in London. £2.3 billion will be given to housebuilders to provide the 20% discount on new homes;
  - From 1<sup>st</sup> April 2016 an extra 3% in stamp duty will be levied on people purchasing additional properties such as buy-to-let properties or second homes;
  - Right to Buy will be extended to housing association tenants during 2016, giving 1.3 million households the chance to become homeowners;
  - £400 million for housing associations and the private sector to build more than 8,000 new ‘specialist’ homes for older people and people with disabilities; and
  - Consulting on reforms to the New Homes Bonus, with a preferred option for savings of at least £800 million which can be used for social care.
- B.19 In November 2015, DCLG announced a review of the Community Infrastructure Levy (CIL), which has been in use since April 2010 and seeks to provide a faster, fairer, more certain and transparent means of collecting developer contributions to infrastructure than individually-negotiated Section 106 planning obligations.
- B.20 In December 2015, DCLG published a **Consultation on proposed changes to national planning policy**, seeking views on some specific changes to NPPF in terms of the following:
- broadening the definition of affordable housing, to expand the range of low cost housing opportunities for those aspiring to own their new home;
  - increasing residential density around commuter hubs, to make more efficient use of land in suitable locations;
  - supporting sustainable new settlements, development on brownfield land and small sites, and delivery of housing allocated in plans; and
  - supporting the delivery of Starter Homes.
- B.21 The **Cities and Local Government Devolution Act 2016** received Royal Assent on 28th January 2016. This Act makes provision for the election of mayors for the areas of, and for conferring additional functions on, combined authorities established under Part 6 of the Local Democracy, Economic Development and Construction Act 2009. It makes provision about local authority governance and functions; to confer power to establish, and to make provision about, sub-national transport bodies; and for connected purposes. This Act is central to the Government’s devolution plans for England, facilitating its vision of a ‘Northern Powerhouse’.
- B.22 The **Welfare Reform and Work Act 2016** received Royal Assent on 16<sup>th</sup> March 2016. The Act makes provisions relating to a range of welfare benefits and employment schemes, including the benefit cap, social security and Tax Credits, loans for mortgage interest, social housing rents and apprenticeships. Secondary legislation (Social Housing Rents Regulations, March 2016) sets out

- that the 1% cut to social housing rents will not apply to households with an income of £60,000 or more.
- B.23 On 16<sup>th</sup> March 2016, the Chancellor presented the **Budget 2016** to Parliament. This continued the policy emphasis on promoting home ownership and facilitating first-time buyers to enter the market. A new 'Lifetime ISA' was announced, extending the principle of the Help to Buy ISA by incentivising saving for under-40s. Of relevance to the private rented sector were stamp duty increases for institutional investors and the withholding of capital gains reductions from companies investing in residential property. In seeking to deliver more homes for ownership, announcements were made of further planning reforms; releasing public land for development; and a £1.2 billion Starter Homes Fund for brownfield remediation. The anticipated 'duty to prevent' homelessness was not announced, but instead the Chancellor committed £115 million to preventing and reducing rough sleeping.
- B.24 A **technical consultation on Starter Homes regulations** was announced by Brandon Lewis on 23<sup>rd</sup> March 2016. Whilst the Housing Minister has ruled out maintaining the 20% initial house price discount in perpetuity, the Government has indicated that they will consider extending the discount period from ten to fifteen years. This issue has been a major topic of discussion in Parliament in relation to the Housing and Planning Act.
- B.25 The **Housing and Planning Act 2016** received Royal Assent on 12th May 2016 after a range of oppositions and amendments by both the House of Lords and the House of Commons. Through this Act, the Government aims to take forward proposals to build more homes that people can afford, give more people the chance to own their own home and ensure housing management is improved. The Act sets out the legislative framework for the Government's flagship Starter Homes scheme and includes provisions relating to other important aspects of housing policy such as Pay to Stay, Right to Buy, high value sales and ending lifetime tenancies.
- B.26 On 18<sup>th</sup> May 2016 the Queen's Speech announced a new **Neighbourhood Planning and Infrastructure Bill**, which will limit the use of pre-commencement planning conditions and reform the compulsory purchase order (CPO) system. It will also strengthen neighbourhood planning by making the making the local authority duty to support neighbourhood planning groups more transparent and improving the process for reviewing and updating local plans.

## Overview of housing policy themes

- B.27 The 'Housing' Policy Area of the Department for Communities and Local Government website states that:

*'The government is helping local councils and developers work with local communities to plan and build better places to live for everyone. This includes building affordable housing, improving the quality of rented housing, helping*

*more people to buy a home, and providing housing support for vulnerable people.*<sup>38</sup>

B.28 Thus the policy focus for Government can be broken down into four areas:

- Building affordable housing;
- Improving the quality of rented housing;
- Helping more people to buy a home; and
- Providing housing support for vulnerable people.

### Building affordable housing

B.29 In line with successive governments, the current Administration continues to seek an increase in the rate of housebuilding, setting a target of delivering one million new homes by 2020. Ongoing reform of the planning system and removing complex regulations are intended to speed up delivery. However, the policy focus is increasingly towards home ownership, with a shift from traditional social rented affordable housing to Starter Homes and shared ownership.

B.30 Following consultation in December 2014, the previous Government launched a national Starter Homes exception site planning policy in March 2015 through a written ministerial statement *“to make it easier for developers to gain planning permission for a new generation of Starter Homes on under-used commercial and industrial land.”*<sup>39</sup> Sites where these homes are to be delivered are exempt from affordable housing requirements and the CIL.

B.31 In January 2016, the Prime Minister announced<sup>40</sup> that the Government will step in and directly commission thousands of new affordable homes, seeking to fast-track housebuilding on publicly-owned land starting with five pilot sites:

- Northstowe, Cambridgeshire;
- Daedalus Waterfront, Hampshire;
- Old Oak Common, London;
- Connaught Barracks, Kent; and
- Lower Graylingwell, Chichester.

B.32 A range of financial incentives to encourage new housing development have been implemented. Since New Year 2016, a £1.2 billion Starter Homes Fund has been announced<sup>41</sup>, designed to prepare brownfield sites for at least 30,000 homes, along with £6.3 million of Housing Zones funding<sup>42</sup> for the 20 Housing Zones designated in March 2015. Together with eight further potential Zones these areas are considered to have the potential to deliver up to 45,000 new homes.

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<sup>38</sup> <https://www.gov.uk/government/topics/housing>

<sup>39</sup> <https://www.gov.uk/government/speeches/housing-and-planning>

<sup>40</sup> <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

<sup>41</sup> <https://www.gov.uk/government/news/pm-the-government-will-directly-build-affordable-homes>

<sup>42</sup> <https://www.gov.uk/government/news/tens-of-thousands-of-homes-supported-by-housing-zone-funding>

B.33 Other projects to help finance housing development include:

- Get Britain Building programme,
- Builders Finance Fund,
- New Homes Bonus,
- Build to Rent Fund,
- Community Right to Build.

B.34 To increase the supply of affordable rented homes the previous Government introduced the affordable rent model<sup>43</sup>, aimed at giving providers greater flexibility on rents and use of assets, whilst at the same time providing affordable housing for people in need. In July 2014 the Homes and Communities Agency announced the Affordable Homes Programme for 2015 to 2018, which aims to invest £1.7 billion in new affordable housing to deliver 165,000 new homes by March 2018.

B.35 In addition to the affordable rent model, the Affordable Homes Guarantee scheme was launched in 2013 to support the building of new affordable homes. The scheme offers a guarantee to providers on debt that they raise to deliver additional new build affordable homes. The guarantee aims to help reduce the borrowing costs of providers thus enabling them to provide more homes. As part of the 2013 budget, £450 million was announced to support the delivery of up to 30,000 affordable homes in this way.

### Improving the quality of rented housing

B.36 The Government have implemented a number of actions to improve the quality and quantity of properties for rent.

### *Social rented housing*

B.37 Since 2010 a series of social housing reforms have been introduced including:

- Allowing local flexibility on waiting lists (allocations) and tenancy arrangements;
- Helping social landlords stop tenant fraud and anti-social behaviour;
- Changing the housing revenue account subsidy system to a locally-controlled system where local authorities are responsible for their housing services;
- Funding local authorities to refurbish their housing stock;
- Introduction of a national home swap scheme for social housing tenants;
- Supporting tenants to play a bigger role in managing their accommodation through the tenant empowerment programme; and

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<sup>43</sup> Allows Registered Providers to charge no more than 80% of local market rent for affordable housing.

- Allowing local authorities to discharge their homelessness duty in the private rented sector.
- B.38 Alongside social housing reform sit reforms to the welfare system, which, with changes to benefit, eligibility and entitlement, impact significantly on housing supply and demand. There have been a number of policy changes with implications for social rented accommodation since the General Election 2015. Many of these are now implemented through the Housing and Planning Act 2016:
- Limiting new secure tenancies (for new council tenants);
  - ‘Pay to Stay’, whereby higher earning households will pay more for their housing. After considerable debate in Parliament, the Government conceded a taper of 15p in the pound for every pound over the threshold of £31,000 (or £40,000 in London) with only taxable income being assessed;
  - Voluntary Right to Buy for housing associations;
  - The Summer Budget 2015 announced a rent cut of 1% per year for social renters with a household income of less than £60,000, for four years from April 2016; and
  - In October 2015, English housing associations were reclassified by ONS as being part of the public sector, adding £60 billion of debt to the national balance sheet. The consequent economic and political implications have led to the Government pledging to repeal the powers in the Housing and Regeneration Act 2008 which caused the reclassification.

### *Private rented housing*

- B.39 The private rented sector has grown significantly in recent years and the Government sees it as playing a vital role in meeting housing needs and supporting economic growth. Measures to promote the private rented sector include:
- The Build to Rent Fund, providing equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these homes;
  - Proposals to ensure tenants receive proper protection from their landlords, including a new model tenancy agreement;
  - £4.1 million funding allocated to 23 local authority areas to tackle rogue landlords and £2.6 million to tackle ‘beds in sheds’; and
  - The Government has also set up a Private Rented Sector Taskforce to improve the quality and choice of rented housing available to tenants nationally. The Taskforce is made up of developers, investors, and housing management bodies.

## Helping more people to buy a home

B.40 The primacy of home ownership remains central to the Government's housing policy approach. A number of measures promote homeownership<sup>44</sup>, including:

- Starter Homes, a major element of the Housing and Planning Act 2016, available to first-time buyers aged under 40 years old. New-build homes will be offered for sale with a 20% discount to eligible households. The maximum cost of a home will be £250,000, or £450,000 inside London. However, the cost for the developer of providing the 20% discount is to be met in lieu of delivering affordable housing on these sites.
- Help to Buy, which includes several current products<sup>45</sup>:
  - Help to Buy ISA – since Autumn 2015 first time buyers can save money towards a new home deposit and the Government will boost the value of their savings by 25%. The minimum bonus is £400 and the maximum is £3,000, meaning individual savers need to save between £1,600 and £12,000 to be eligible. The bonus is available on homes worth up to £250,000, or £450,000 in London.
  - Help to Buy Equity Loan, where the Government lends up to 20% of the value of a new-build home so buyers only need a 5% cash deposit.
  - Help to Buy Mortgage Guarantee, enabling lenders to offer more high-loan-to-value mortgages (80% to 95%).
  - Shared Ownership, where purchasers can buy between 25% and 75% of their home and pay rent on the remaining share. From April 2016, Help to Buy Shared Ownership will lift the existing limits so that anyone with a household income of less than £80,000, or £90,000 in London can buy a shared ownership home, with only military personnel being given priority.
- Discounted Sales, where councils and housing associations build new homes for sale, some may be sold at a 25-50% discount. There are a number of criteria, including some set locally by the relevant council and housing associations who run the scheme. Buyers must usually have a local connection to the area.
- Right to Buy, where council tenants with at least five years' tenancy might be eligible to buy their homes. Maximum discounts have been increased to £77,000, or £102,700 within London. In the case of secure council tenants living in their home when it was transferred to a housing association or similar there is also a 'Preserved' Right to Buy. A smaller discount has also been available under the Right to Acquire.
- Voluntary Right to Buy is a pilot scheme amongst a small number of housing associations, trialling the Conservative Government's flagship policy of extending the Right to Buy to housing associations. The Government plans to extend the Right to Buy beyond those in the pilot scheme but this will have significant funding implications.

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<sup>44</sup> <https://www.ownyourhome.gov.uk/>

<sup>45</sup> <https://www.help Tobuy.gov.uk/>



- Self-Build, where households find a plot of land and build or commission the construction of their own home, or work with a group in a Community Self Build project. The Self-Build and Custom Housebuilding Act 2015 and subsequent Self-Build and Custom Housebuilding (Register) Regulations 2016 require councils to maintain a register of those who have expressed an interest in buying serviced plots.

## Housing for older and vulnerable people

- B.41 The **Care Act 2014** came into effect in April 2015, replacing existing legislation and positioning housing as a key factor in the overhaul of the care system in England. The Act encourages providers to establish and develop services that help drive change, services which:
- Promote people's independence, connections and wellbeing;
  - Prevent or postpone the need for care and support;
  - Put people in control, ensuring that services respond to what people need;
  - Give carers a right to assessment for support; and
  - Promote the integration of health and social care.
- B.42 The NHS Five Year Forward Review (October 2014) recognises the role that housing can play in promoting wellbeing and in particular keeping older people independent and healthy. This provides evidence of the strong and growing links between housing, health and social care.
- B.43 Schemes to support older and vulnerable people in their housing needs include:
- Disabled Facilities Grant, funding adaptations to properties to allow people to live in their homes for longer. This is now part of the Better Care Fund, which aims to better integrate health and adult social services. In 2016/17 there is £394 million funding available and in his Autumn Statement 2015 the Chancellor committed to making a further £500 million available by 2019/20;
  - Care and Support Specialised Housing Fund, to stimulate the market in specialist housing provision. The Government committed an additional £400 million to build 8,000 new specialist homes in the Autumn Statement 2015. The Care and Support Specialised Housing Fund is on track to deliver 4,000 new homes with a further allocation of £155 million expected early in 2016. However wider housing and welfare reforms, including the 1% reduction in social rents, will impact on the financial viability of both existing and proposed supported housing schemes;
  - FirstStop, an independent, impartial and free service offering advice and information to older people, their families and carers about housing and care options for later life;
  - Home Improvement Agencies, providing help and advice to older and disabled people, housing associations and charities; and
  - Handyperson services, delivering small home repairs and adaptations.

- B.44 Other projects of relevance to housing include the Prime Minister's Challenge on Dementia. Launched in 2012, the Challenge sought to deliver major improvements in dementia care and research by 2015, including raising awareness of the housing, care and support needs of people living with dementia and their families. In February 2015, the Prime Minister's Challenge on Dementia 2020 was published, highlighting progress and launching the next phase of the work.
- B.45 Also relating to older people's housing is the World Health Organisation's Age Friendly Cities programme, which in 2014 saw Manchester recognised as the UK's first Age Friendly city.
- B.46 In terms of safeguarding vulnerable adults, housing has a strong role to play alongside social services, health, the police and other agencies. The Care Act 2014 set out a new safeguarding power and places a duty on local authorities to respond to safeguarding concerns by making enquiries as necessary to decide on whether, and what, action is needed.
- B.47 From the April 1<sup>st</sup> 2013, Health and Wellbeing Boards (including Directors of Public Health) became statutory committees of local authorities. They are responsible for encouraging integrated working on health and wellbeing issues, including development of Joint Health and Wellbeing Strategies, and Joint Strategic Needs Assessments.
- B.48 In August 2012 the Government published its Homelessness Strategy, ***Making every contact count: A joint approach to preventing homelessness***. The Strategy focuses on prevention and identifies ten local challenges that need to be addressed by local authorities. These include having a Homelessness Strategy setting out a proactive approach; not placing any young person aged 16 or 17 in Bed and Breakfast accommodation; and not placing any families in Bed and Breakfast accommodation, except in an emergency and for no longer than six weeks.
- B.49 In order to prevent and tackle homelessness and rough sleeping, a range of Government funding has been provided in recent years, including:
- The Homelessness Prevention Funding, providing grants for local homelessness services;
  - The Homelessness Transition Fund, supporting 'No Second Night Out'; and
  - The Crisis Private Rented Sector Access Development Programme to help single homeless people find privately rented accommodation.
- B.50 On 17<sup>th</sup> December 2015 the DCLG announced "a radical new package of measures to help tackle homelessness and ensure that there is a strong safety net in place for the most vulnerable people in society"<sup>46</sup>. At the same time, the Communities and Local Government Committee announced a parliamentary inquiry into the causes of homelessness and the approaches taken by national and local government to prevent and tackle homelessness. Ministers are still considering the option of imposing a new legal 'duty to prevent' on local authorities, but this did not feature in the 2016 Budget or the emerging legislation announced in the Queen's Speech.

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<sup>46</sup> <https://www.gov.uk/government/news/radical-package-of-measures-announced-to-tackle-homelessness>

## National housing reviews

- B.51 Over recent years a number of housing reviews have been undertaken to assess the housing situation and recommend ways in which it can be addressed.
- B.52 In October 2014 the **Lyons Housing Review** was published. The review was commissioned by the Labour Party and identified that:
- Insufficient land is being brought forward for new housing and that communities are not able to take responsibility for the homes required, or are using planning powers reactively; and
  - The capacity to build more housing has reduced significantly as it has become concentrated in the hands of a small number of volume house builders, whilst the number of smaller builders has reduced.
  - Overall the report recommended that the delivery of new homes be increased to 200,000 per annum by 2020. It also recommended that capital investment should be made in housing and that housing should be a priority for the new (post-election) Government.
- B.53 The **Elphicke-House Report** (January 2015) reviewed the role of local authorities in increasing housing supply. It recommended that local authorities become housing delivery enablers in their areas, to proactively assess and lead on facilitating new housing development in their areas. To enhance the role of authorities as delivery enablers, the report recommended increased community involvement; clearer housing market assessments; increased housebuilding by reduced bureaucracy and more flexible funding.

## Technical Appendix C: Housing need calculations

### Summary of contents

#### Stage 1: Current housing need (gross backlog)

- Step 1.1 Homeless households and those in temporary accommodation
- Step 1.2 Overcrowding and concealed households
- Step 1.3 Other groups
- Step 1.4 Total current housing need (gross)

#### Stage 2: Future housing need (gross annual estimate)

- Step 2.1 New household formation (gross per year)
- Step 2.2 Proportion of new households unable to buy or rent in the market
- Step 2.3 Existing households falling into need
- Step 2.4 Total newly-arising housing need (gross per year)

#### Stage 3: Affordable housing supply

- Step 3.1 Affordable dwellings occupied by households in need
- Step 3.2 Surplus stock
- Step 3.3 Committed supply of new affordable housing
- Step 3.4 Units to be taken out of management
- Step 3.5 Total affordable housing stock available
- Step 3.6 Total supply of social re-lets (net)
- Step 3.7 Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels
- Step 3.8 Annual supply of affordable housing

#### Stage 4: Estimate of annual housing need

- Step 4.1 Total backlog need
- Step 4.2 Quota to reduce over 5 years (20%)
- Step 4.3 Annual backlog reduction
- Step 4.4 Newly-arising need
- Step 4.5 Total annual affordable need
- Step 4.6 Annual social rented capacity
- Step 4.7 Net Annual Shortfall

## Introduction

- C.1 A working definition of housing need is 'the quantity of housing required for households who are unable to access suitable housing without financial assistance'. The 2013 Household Survey and secondary data provide a robust range of information to quantify housing need in Barrow in Furness Borough and the extent to which additional affordable housing is required.
- C.2 Housing needs analysis and affordable housing modelling has been prepared in accordance with CLG guidance at Borough and Sub-Area level. In summary, the model reviews in a step-wise process:
- Stage 1: Current housing need (gross backlog)
  - Stage 2: Future housing need
  - Stage 3: Affordable housing supply
  - Stage 4: Estimate of annual housing need
- C.3 Table C1 summarises the different steps taken in assessing housing need and evidencing the extent to which there is a surplus or shortfall in affordable housing across Barrow in Furness Borough. Please note that in Stage 1, step 1.4 reports the total number of households in need and avoids double counting as in some cases households have more than one housing need.

**Table C1 Summary of housing needs analysis by sub-area**

Step	Stage and Step description	Calculation	Sub-Area					
			Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	Barrow Borough	
<b>Total households&gt;&gt;&gt;</b>			12153	9450	5384	4980	31967	
<b>Stage 1: CURRENT NEED</b>								
1.1	Homeless households and those in temporary accommodation	Annual requirement	0	70	46	0	115	
1.2	Overcrowding and concealed households	Current need	176	218	233	106	733	
1.3	Other groups	Current need	938	542	173	96	1749	
1.4	Total current housing need (gross)	Total no. of households with one or more needs	1114	751	399	202	2466	
A. TOTAL cannot afford open market (buying or renting)			Total	712	450	196	168	1526
<b>Stage 2: FUTURE NEED</b>								
2.1	New household formation (Gross per year)	based on actual household formation rates	185	47	15	32	279	
2.2	Number of new households requiring affordable housing	Based on actual affordability of households forming	97	28	9	11	146	
2.3	Existing households falling into need	Annual requirement	35	26	4	10	74	
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	132	54	13	20	220	
<b>Stage 3: AFFORDABLE HOUSING SUPPLY</b>								
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	149	208	8	14	378	
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed					0	
3.3	Committed supply of new affordable units	Total annual	102				102	
3.4	Units to be taken out of management	None assumed						
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	251	208	8	14	480	
3.6	Annual supply of social re-lets (net)	Annual Supply (3 yr ave)	100.0	95.0	10.0	19.0	223.0	
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply	0	0	0	0	0	
3.8	Annual supply of affordable housing	3.6+3.7	100	95	10	19	223	
<b>Stage 4: ESTIMATE OF ANNUAL HOUSING NEED</b>								
4.1	Total backlog need	1.4A-3.5	461	243	188	154	1046	
4.2	Quota to reduce over 10 years (10%)							
4.3	Annual backlog reduction	Annual requirement	46	24	19	15	105	
4.4	Newly-arising need	2.4	132	54	13	20	220	
4.5	Total annual affordable need	4.3+4.4	178	78	32	36	324	
4.6	Annual affordable capacity	3.8	100	95	10	19	223	
<b>4.7</b>	<b>Net annual shortfall</b>	<b>4.5-4.6 NET</b>	<b>78</b>	<b>-17</b>	<b>22</b>	<b>17</b>	<b>101</b>	

Source 2013 Household Survey; RP Core Lettings and Sales data

#### IMPORTANT NOTES:

At Stage 1, the figure at 1.4 is not a direct sum of steps 1.1 to 1.3 as some households may have more than one housing need (for instance they may be overcrowded and also have some other need). The figure of 2,466 is the total number of households with one or more housing needs

The basic model reviews overall requirements and includes potential affordable housing delivery through redevelopment.

## Stage 1: Current need

- C.4 A working definition of housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance. The SHMA Guidance suggests types of housing that should be considered unsuitable, as summarised in Table C2.

Table C2 Summary of current housing need across Barrow in Furness		
Category	Factor	No. Households
Homeless households or with insecure tenure	N1 Under notice, real threat of notice or lease coming to an end	115
	N2 Too expensive, and in receipt of housing benefit or in arrears due to expense	206
Mismatch of housing need and dwellings	N3 Overcrowded according to the 'bedroom standard' model	733
	N4 Too difficult to maintain	473
	N5 Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household	248
	N6 Household containing people with mobility impairment or other special needs living in unsuitable accommodation	759
Dwelling amenities and condition	N7 Lacks a bathroom, kitchen or inside WC and household does not have resource to make fit	108
	N8 Subject to major disrepair or unfitness and household does not have resource to make fit	195
Social needs	N9 Harassment or threats of harassment from neighbours or others living in the vicinity which cannot be resolved except through a move	186
Total no. households in need		2,466
Total Households		31,967
% households in need		7.7

**Note:** A household may have more than one housing need.

Source: 2013 Household Survey

## Step 1.1 Homeless households and those in temporary accommodation

- C.5 CLG SHMA guidance suggests that information on homeless households and those in priority need who are currently housed in temporary accommodation should be considered in needs modelling. The scale of need from these types of household can be derived from several sources.
- C.6 Homelessness statistics for 2014/15<sup>47</sup> indicate that a total of 75 decisions were made on households declaring themselves as homeless across Barrow in Furness Borough (Table C3). Of these households, 17 were accepted as homeless and in priority need. Over the three years 2012/13, 2013/14 and 2014/15, an annual average of 93 decisions have been made across Barrow in Furness Borough and 22 households have been declared as homeless and in priority need.

Year	Decisions made	Accepted as homeless
2012/13	116	29
2013/14	88	19
2014/15	75	17
Total	279	65
Annual Average	93	22

Source: CLG Homelessness Statistics

- C.7 The Household Survey identified a total of 115 households who were either under threat of homelessness or were living in temporary accommodation across Barrow in Furness Borough. This figure has been used in needs assessment modelling.

## Step 1.2 Overcrowding and concealed households

- C.8 The extent to which households are overcrowded is measured using the 'bedroom standard'. This allocates a standard number of bedrooms to each household in accordance with its age/sex/marital status composition. A separate bedroom is allocated to each married couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex and each pair of children under 10. Any unpaired person aged 10-20 is paired if possible with a child under 10 of the same sex, or, if that is not possible, is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms (including bedsits) available for the sole use of the household.

<sup>47</sup> CLG Homeless Statistics [Table 627: Local Authorities' action under the homelessness provisions of the 1985 and 1996 Housing Acts, by Sub-Area](#)



- C.9 Analysis identifies 733 households who are currently living in overcrowded accommodation or are concealed households and are intending on moving in the next 5 years.

### Step 1.3 Other groups

- C.10 Table C2 identified a series of households who were in housing need for other reasons including the property is too expensive, difficult to maintain, household containing people with mobility impairment/special need, lacking amenities, disrepair and harassment.
- C.11 A total of 1,749 households across Barrow in Furness Borough were identified to be experiencing one or more of these needs factors and intending to move in the next five years. This figure is taken as the five year backlog of need from other groups.

### Step 1.4 Total current housing need summary

- C.12 Having established the scale of need in Steps 1.1, 1.2 and 1.3, total current housing need from existing households across Barrow in Furness Borough before any analysis of the ability of households to afford open market solutions is 2,466.
- C.13 The extent to which these households could afford open market prices is then considered. An 'affordability threshold' of households is calculated which takes into account household income, equity and savings. The household income component of the affordability threshold on 3.5 x gross annual income of the respondent and partner (if applicable). To this is added any equity and savings information to derive an affordability threshold. Regarding buying on the open market, the affordability threshold is compared with lower quartile property prices. It is possible to afford to buy a property if the affordability threshold is greater than lower quartile property prices. A private rented property is affordable if the rent is no more than 25% of gross household income.
- C.14 Lower quartile prices and rents at sub-area for 2015 which were used in affordable testing were derived using Land Registry and Zoopla rental address-level data (Table C4).

**Table C4 Lower quartile house prices by sub-area (2015)**

Sub-Area	Lower quartile house price (£)	Lower Quartile Private Rent (£)
Barrow Inner	£52,000	£416
Barrow Outer	£106,000	£516
Dalton, Askam & Lindal	£90,000	£451
Walney	£85,000	£477
<b>Total</b>	<b>£72,000</b>	<b>£446</b>

Source: Land Registry and Zoopla

## Stage 2: Future Need (needs to be formatted as heading 2)

### Step 2.1 New household formation (gross per year)

- C.15 The needs analysis assumes a gross household formation rate of 279 each year. This is based on the actual household formation over the past 5 years reported in the 2013 household survey.

### Step 2.2 New households unable to buy or rent in the open market

- C.16 Analysis of lower quartile market prices relative to the income/savings of households who have formed in the past five years suggests that 52.2% overall could not afford lower quartile house prices or private sector rents.
- C.17 Therefore, the total number of newly-forming households who could not afford open market prices or rents across the Borough is calculated to be 146 each year.

### Step 2.3 Existing households expected to fall into need

- C.18 An estimate of the number of existing households falling into need each year has been established by drawing upon the RP lettings data.
- C.19 This suggests that over the three year period 2010/11, 2011/12 and 2012/13, an annual average of 74 households moved into the social rented sector because they had fallen into housing need and were homeless.

### Step 2.4 Total newly arising housing need (gross per year)

- C.20 Total newly arising need is calculated to be 220 households each year across the Borough.

## Stage 3: Affordable housing supply

- C.21 The CLG model reviews the supply of affordable units, taking into account how many households in need are already in affordable accommodation, stock surpluses, committed supply of new affordable dwellings and dwellings being taken out of management (for instance pending demolition or being used for decanting).

### Step 3.1 Affordable dwellings occupied by households in need

- C.22 This is an important consideration in establishing the net levels of housing need as the movement of these households within affordable housing will have a nil effect in terms of housing need<sup>48</sup>.
- C.23 A total of 378 households are current occupiers of affordable housing in need (Table C1). Although the movement of these households within affordable housing will have a nil effect in terms of housing need (i.e. they already live in affordable housing), the types of property they would 'free up' if they moved is considered in modelling.

### Step 3.2 Surplus stock

- C.24 A proportion of vacant properties are needed to allow households to move within housing stock. Across the social rented sector, this proportion is generally recognised as being 2%. Stock above this proportion is usually assumed to be surplus stock. Modelling assumes no surplus social rented stock across Barrow in Furness Borough.

### Step 3.3 Committed supply of new affordable units

- C.25 There is ongoing delivery of affordable housing. Any additional affordable housing will help offset the identified requirements. Additionally, 229 dwellings in the Barrow Inner area have been earmarked by the Council for redevelopment into affordable housing. Of these, 102 are still being developed.

### Step 3.4 Units to be taken out of management

- C.26 The model assumes there will be no social rented units taken out of management over the next five years.

### Step 3.5 Total affordable housing stock available

- C.27 It is assumed that there are **378** social (affordable) rented dwellings available over the 5 year period arising from households moving within the stock plus **102** from the development of new affordable dwellings resulting in a total affordable housing stock available of **480** dwellings.

### Step 3.6 Annual supply of social re-lets

- C.28 The CLG model considers the annual supply of social re-lets. Address-level RP CORE lettings data for the three year period years 2009/10, 2010/11 and 2011/12 was used in the previous 2013 SHMA. Address level data is currently not available for more recent years but this analysis takes account of the total lettings made in 2012/13, 2013/14 and 2014/15 and applies this to the profile of

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<sup>48</sup> Strategic Housing Market Assessment Guidance (CLG, August 2007)

stock let in the period 2009/10 to 2011/12. This information can be used to accurately assess the likely capacity of the social rented sector by location, size of property and designation (whether the property is general needs or older person). For the purposes of analysis, it is important to focus on the ability of households requiring affordable housing to access it. Therefore, the annual supply figures derived from CORE lettings data and used in modelling:

- **Exclude** those moving into accommodation from outside Barrow in Furness Borough and households moving within the social rented stock; and
- **Include** households who moved from within Barrow in Furness Borough into social renting from another tenure; newly-forming households originating in Barrow in Furness Borough and moving in social renting; and households moving from specialist/supporting housing from within Barrow in Furness Borough into affordable housing.

C.29 Analysis suggests that there is an annual average of 223 social rented dwellings let to new tenants i.e. households originating in Barrow in Furness who either moved into social renting from another tenure, were newly-forming households, or who moved from supported/specialist accommodation. Table D4 illustrates how the annual capacity figure is broken down by designation (general needs and older person) and property size.

### Step 3.7 Annual supply of intermediate re-lets/sales

C.30 No intermediate re-lets/sales were reported in Barrow in Furness over the three year period 2012/13, 2013/14 and 2014/15 as recorded in CORE Sales data.

### Summary of Stage 3

C.31 Overall, the model assumes an existing affordable supply of 480 and an annual supply of 223 social/affordable lettings and an annual supply of 0 intermediate tenure lettings/sales.

## Stage 4: Estimate of annual housing need

### Overview

C.32 Analysis has carefully considered how housing need is arising within Barrow in Furness Borough identifying existing households in need (and who cannot afford market solutions), newly-forming households in need and existing households likely to fall into need.

C.33 This has been reconciled with the supply of affordable dwellings which considers location, size and designation (i.e. for general needs or older person). Based on the CLG modelling process, analysis suggests that there is an overall net annual imbalance of **101** dwellings. Any additional newbuild figures would reduce this figure.

C.34 For critical stages of the needs assessment model (Step 1.1, Step 1.4, Step 2.4 and Step 3.8), information is broken down by designation (general needs and

older) and property size. This goes beyond the requirement of the SHMA guidance but allows a detailed assessment of the overall housing requirements of households in need and provides clear affordable requirement information. In turn, this can help identify where there are shortfalls and sufficient capacity of affordable housing, and help to shape policy responses.

- C.35 Stage 4 brings together the individual components of the needs assessment to establish the total net annual shortfall.

#### Step 4.1 Total backlog need

- C.36 Step 4.1 is the total backlog need which is derived from the number of households identified to be in housing need (2,466) who cannot afford open market prices (1,526) minus the total affordable housing stock available (480). An 'affordability threshold' of households is calculated which takes into account household income, equity and savings. The household income component of the affordability threshold is based on 3.5 x gross annual income of the respondent and partner (if applicable).
- C.37 The affordability threshold was then tested against lower quartile property prices and the cost of privately renting. Lower quartile prices at area level for the period 2015 were derived using Land Registry address-level data and Zoopla rental data (Table C5).
- C.38 Overall, 61.9% of households in need could not afford open market prices or rents, resulting in a total of 1,526 existing households in need who wanted to move to offset their need and could not afford open market solutions. After taking into account affordable housing stock available (480) the final figure for total backlog need is 1,046.

#### Steps 4.2 to 4.6

- C.39 Step 4.2 is a quota to reduce the total backlog need which is assumed to be 10% each year. This is at variance with the standard assumption of 20% suggested in the CLG guidance but better reflects the likely scale of development of affordable housing across the Borough.
- C.40 Step 4.3 is the annual backlog reduction based on step 4.2 (105 each year).
- C.41 Step 4.4 is a summary of newly-arising need from both newly forming households and existing households falling into need (220 each year).
- C.42 Step 4.5 is the total annual affordable need based on steps 4.3 and 4.4 (324 each year).
- C.43 Step 4.6 is the annual social rented/intermediate tenure capacity based on step 3.8 (223 each year).

#### Step 4.7 - Total gross and net shortfalls

- C.44 Tables C5 and C6 summarise the overall annual gross and net affordable housing requirements for Barrow in Furness Borough by designation (general needs and older person) and property size.

Table C5 Gross annual affordable shortfall 2016/17 to 2020/21						
Designation	No. Bedrooms	Sub-Area				Total
		Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	
General Needs	1	104	37	9	14	164
	2	45	15	11	10	80
	3	8	17	6	3	34
	4+	8	1	6	2	17
Older person	1	13	8	0	5	26
	2+	1	1	0	1	2
<b>Total</b>		<b>178</b>	<b>78</b>	<b>32</b>	<b>36</b>	<b>324</b>

Sources: 2013 Household Survey; RP CORE Lettings and Sales

Table C6 Net annual affordable shortfall 2016/17 to 2020/21						
Designation	No. Bedrooms	Sub-Area				Total
		Barrow Inner	Barrow Outer	Dalton, Askam & Lindal	Walney	
General Needs	1	55	-15	6	4	48
	2	16	-16	9	7	16
	3	-6	7	4	-1	5
	4+	5	1	6	2	14
Older person	1	8	7	-2	4	16
	2+	1	1	0	1	2
<b>Total</b>		<b>78</b>	<b>-16</b>	<b>23</b>	<b>18</b>	<b>101</b>

### Tenure and dwelling type profile of affordable dwellings

C.45 Affordable housing includes social rented, Affordable Rented and intermediate tenure dwellings. New affordable development by Registered Providers will be Affordable Rented (with rents of up to 80% open market rent) and in order to recommend an appropriate split between social rented and intermediate tenure, the stated preferences of households and the relative affordability of intermediate tenure products is now reviewed.

#### *Household preferences*

C.46 Households were asked to state tenure preferences. Table C7 summarises the preferences of both existing households in need and newly forming households by tenure. Overall, this gives a tenure split of 72.4% social/affordable rented and 27.6% intermediate tenure across Barrow in Furness Borough.

Table C7 Affordable tenure preferences			
Tenure	Existing households	Newly-forming	Total (%)

	in need (%)	households (%)	
Affordable (Social) Rent	81.4	67.8	72.4
Intermediate Tenure	18.6	32.2	27.6
Total	100	100	100
Base (annual requirement)	105	220	325

Source: 2013 Household Survey

C.47 An analysis of the ability of existing households in need and newly-forming households to afford intermediate tenure is summarised in Table C8. Analysis suggests that intermediate tenure options remain relatively affordable to some households in need but more significantly newly-forming households, with 37.6% of both existing and newly-forming households able to afford a property priced at up to £80,000.

**Table C8 Ability of existing households in need and newly-forming households requiring affordable housing to afford intermediate tenure dwellings**

Price	% could afford		
	Existing households in need	Newly-forming households	Total
up to £80,000	36.2	38.3	37.6
up to £100,000	27.6	27.6	27.6
up to £120,000	23.9	22.7	23.1
Base	105	220	325

Source: 2013 Household Survey

### *Dwelling type*

C.48 Table C9 considers the range of affordable property types households would consider, based on the aspirations of existing households in need and newly-forming households requiring affordable accommodation. Analysis of property type preferences suggests that, primarily, delivery of houses is a priority (with 49.3% stating an expectation of moving to a house), followed by flats (36.4%) and bungalows (14.3%).

<b>Table C9 Property type preferences</b>			
<b>Type preferences</b>	<b>Existing (%)</b>	<b>Newly-forming (%)</b>	<b>Total (%)</b>
House	33.5	56.9	49.3
Flat/Apartment	36.7	36.2	36.4
Bungalow	29.8	6.9	14.3
Total	100.0	100.0	100.0
Base	105	220	325

Based on expectations of existing households in need and expectations of households intending on forming in the next five years

Source: 2013 Household Survey



## Technical Appendix D: Monitoring and updating

### A framework for updating the housing needs model and assessment of affordable housing requirements

#### Introduction

- D.1 Having invested considerable resources in obtaining an excellent range of primary and secondary data, it is vital that this information be used to the maximum effect and updated on a regular basis. The purpose of this appendix is to establish a framework for updating the housing needs model and affordable housing requirements. In addition, it recommends the regular monitoring and review of housing market activity and regular reflections on the wider strategic context.

#### Updating of baseline housing needs and affordable housing requirements

- D.2 A baseline assessment of housing need across Barrow in Furness Borough has been derived from the Household Survey. This information should be taken as a baseline from which annual reviews of key aspects of the model proceed. It is recommended that the baseline information has a shelf-life of three to five years (with a recommended refresh of household information after 2018/19 through primary surveying).
- D.3 Key elements of the needs assessment model can be readily updated on an annual basis to reflect:
- changes in house prices and rental costs;
  - capacity of the social/affordable sector;
  - availability of intermediate tenure housing.

#### Changes in house prices and rental costs

- D.4 It is recommended that the annual purchase of address-level house prices to complement the existing dataset continues. This will result in an annual refresh of house price data by survey area and provide an indication of changing lower quartile prices. In turn, these can be applied to **Step 1.4** of the needs assessment model which considers the extent to which households in need can afford open market prices. As part of this analysis, updated information on private rented sector rents needs to be secured. Several websites can provide a snapshot of private rents and help inform this element of the update.
- D.5 Lower quartile prices and private sector rents should also be compared with the income profile of newly-forming households at **Step 2.2** of the needs assessment model.

### Capacity of the social/affordable sector

- D.6 The capacity of the social/affordable sector needs to be reviewed annually using RP CORE lettings data (**Step 3.6**).
- D.7 A dataset has been prepared for RSL CORE data for 2010/11, 2011/12 and 2012/13 as part of this research. This includes some additional variables identifying the characteristics of households (by designation i.e. under 65 or over 65) and previous housing circumstances (from out of area, previously social renter, previously other tenure and from supported/specialist accommodation). The capacity of the social/affordable sector is based on the number of lettings to households from within the Local Authority Borough who were previously living in (non-social/affordable or intermediate) tenure.

### Availability of intermediate tenure housing

- D.8 CORE Sales data can identify the availability of intermediate tenure housing (**Step 3.7**). Data has been assembled for 2010/11, 2011/12 and 2012/13.

### Annual adjustments to affordable requirements

- D.9 Datasets can be provided from which annual reviews of affordable requirements can proceed. This will point to any adjustment in net requirements by survey area, designation and property size.

### Updating of contextual information

- D.10 This report has presented a range of contextual information relating to the economy, demography (including population projections and migration) and dwelling stock. This information should be updated where possible and in particular progression with economic growth and diversification should be carefully monitored.

### Reflections on the general strategic context and emerging issues

- D.11 As part of its strategic housing function, all LAs need to understand the general strategic housing market context and respond to emerging issues. Given the dynamic nature of housing markets, the Central and Local Government policy agenda and bidding for resources, any update of housing needs must be positioned within a wider strategic context.
- D.12 Ongoing stakeholder consultation and engagement with local communities is also vital to maintain up-to-date intelligence on housing market issues.

### Concluding comments

- D.13 It is vital that mechanisms are in place to derive robust, credible and defensible estimates of housing need and affordable requirements across Barrow in Furness Borough. We believe that this study provides a robust evidence base which has the capacity to be updated.

- D.14 Having established a baseline position on affordable housing and advice on open market provision to reflect aspirations, it is essential that housing market activity is regularly monitored. This is highly relevant given current housing market uncertainty. A range of methods have been suggested to ensure that housing need and affordability modelling is revised on an annual basis. Annual reviews should also take into account the changing strategic context and impact on housing market activity.

# Technical Appendix E: National Planning Policy Framework and Planning Practice Guidance Checklist

## National Planning Policy Framework

E.1 Paragraph 159 of the NPPF states that Local Planning Authorities should have a clear understanding of housing needs in their area and they should:

- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where Housing Market Areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period that:
  - Meets household and population projections, taking account of migration and demographic change;
  - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and
  - Caters for housing demand and the scale of housing supply necessary to meet this demand.

E.2 The SHMA has delivered the requirements of the NPPF.

## Planning Practice Guidance

Paragraph (no.)	Response
Methodological Approach (14)	Guidance states that establishing future need is not an exact science and no single approach will provide a definitive answer.  This SHMA has used a multi-method approach involving secondary data analysis, primary household survey data and a review of demographic scenario analysis
Starting point for establishing the need for housing and use of projections (15)	Household projections published by the DCLG have provided the starting point to establish the need for housing. The latest projections (2012-based) have been used
Adjusting household projections (17)	The SHMA has considered sensitivity testing of CLG household projections using alternative assumptions in relation to underlying demographics and household formation rates.
Employment trends (18)	The likely change in jobs numbers using economic forecasts has been considered in Edge Analytics scenario work.

Paragraph (no.)	Response
Market signals (19)	The SHMA has considered market signals relating to dwelling price and quantity. This has included comparative analysis of trends in similar districts, the North East and England
Response to market signals (20)	Market signals have been considered but would suggest no uplift in dwelling delivery is required
Need for all types of housing (21)	The SHMA has considered the range of market and affordable dwellings required for all household types, including family housing, housing for older people, people wanting to build their own homes and households with specific needs. The role of the Private Rented Sector and student housing has also been considered
Calculating affordable housing need (22)	Current unmet need and projected future housing need has been calculated and subtracted from the current supply of affordable housing stock
Households considered to be in need (23)	Analysis has considered the groups specified in guidance, namely: homeless households or insecure tenure; mismatch between need and dwelling; social or physical impairment and living in unsuitable housing; lacking basic facilities; particular social needs
Calculating unmet gross need (24)	This has been calculated using household survey evidence
Newly arising affordable need (25)	Calculations have taken account of the proportion of newly-forming households who cannot afford lower quartile market housing (to buy or rent)
Total affordable supply (26)	Calculations take account of current supply of affordable housing through households in need moving, surplus stock, committed supply and units taken out of management
Future relets and intermediate tenure sales (27)	Calculations take account of the likely level of dwellings being let/sold based on the most recent 3 year trends in lettings and sales
Total affordable need (28)	Annual flow (imbalance) of affordable need has been calculated based on total need from existing households and newly-forming households minus supply. The split between rented and intermediate tenure dwellings has been calculated along with the size (no. beds) and designation (general needs/older person) of affordable dwellings.