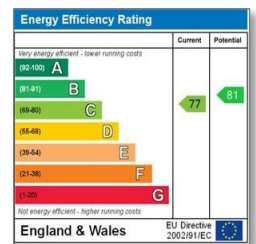




# Bath & North East Somerset Local Housing Needs Assessment

Report of Findings  
January 2024 Draft





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# 1. Introducing the Study

## Background to the project

### Introduction

- 1.1 Bath & North East Somerset Council appointed Opinion Research Services (ORS) to prepare a Local Housing Needs Assessment (LHNA).
- 1.2 The latest National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) sets out how Local Plans should provide for objectively assessed needs for housing (including affordable housing). The LHNA provides robust evidence about the need for housing over the 20-year period 2022-2042.

### Government Policy

- 1.3 NPPF Paragraph 60 identifies that Local Plans should support the Government's objective of significantly boosting the supply of homes. Paragraphs 61 and 63 state that:

*61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area. There may be exceptional circumstances, including relating to the particular demographic characteristics of an area which justify an alternative approach to assessing housing need; in which case the alternative approach should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*

*63. Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing; families with children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.*

**NPPF December 2023**

- 1.4 The "standard method in national planning guidance" sets out a formulaic approach to determine the minimum Local Housing Need (LHN) figure and prescribes the use of specific data for the calculation. Therefore, whilst the responsibility for establishing housing need continues to rest with the local planning authority, this is constrained to a minimum figure that is determined centrally by the Government.

- <sup>1.5</sup> When considering the need for affordable housing, it is important to recognise that the 2018 iteration of the NPPF introduced a new definition. Whilst affordable housing was previously for households *“whose needs are not met by the market”*, the current definition also includes *“housing that provides a subsidised route to home ownership and/or is for essential local workers”*. This has led to a specific change in the Planning Practice Guidance (PPG) for assessing affordable housing need, which states that assessments must now include the needs of *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [ID 2a-020-20190220]. On this basis, households able to afford market rent who aspire to but are unable to afford homeownership are now counted as being in affordable housing need.

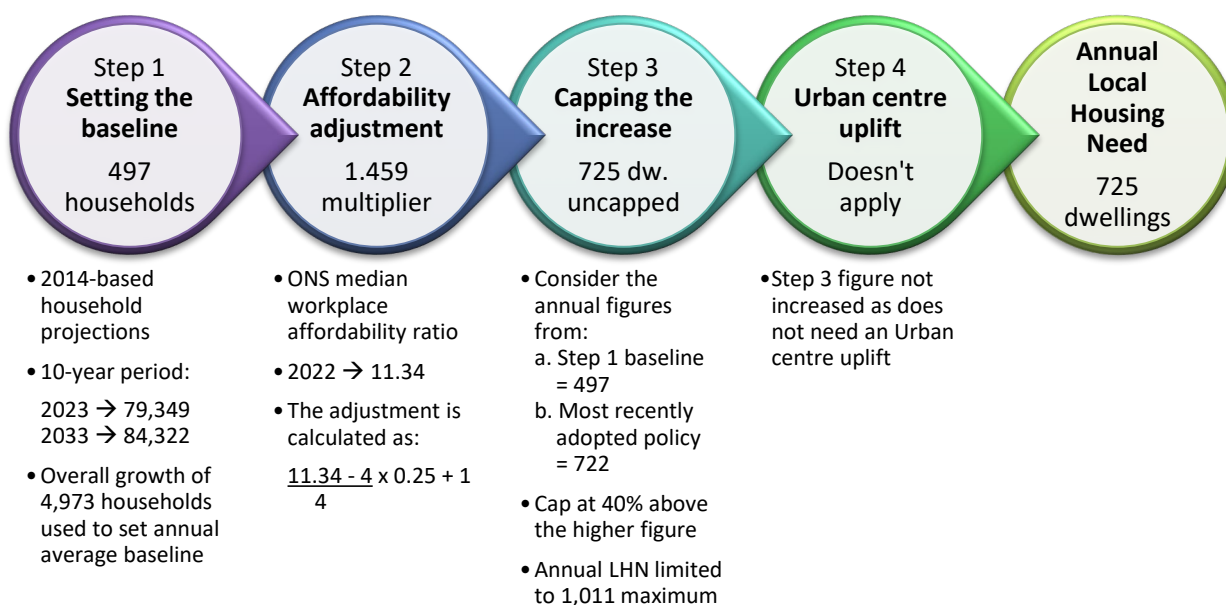
## 2. Establishing Local Housing Need

### Standard Method in National Planning Guidance

#### Introduction

- 2.1 The NPPF confirms that planning authorities should normally use the standard methodology to establish a minimum Local Housing Need (LHN) figure. Using the process set out in Planning Practice Guidance for Housing Need Assessment [ID 2a-004-20201216] the minimum annual Local Housing Need figure can be established as follows.
- 2.2 Based on the Government's standard method calculation, the figure for Bath & North East Somerset (B&NES) is currently 725 dwellings per year uncapped.

Figure 1: Annual Local Housing Need for Bath & North East Somerset based on the Government's standard method calculation



#### Setting the Standard Method Local Housing Need in Context

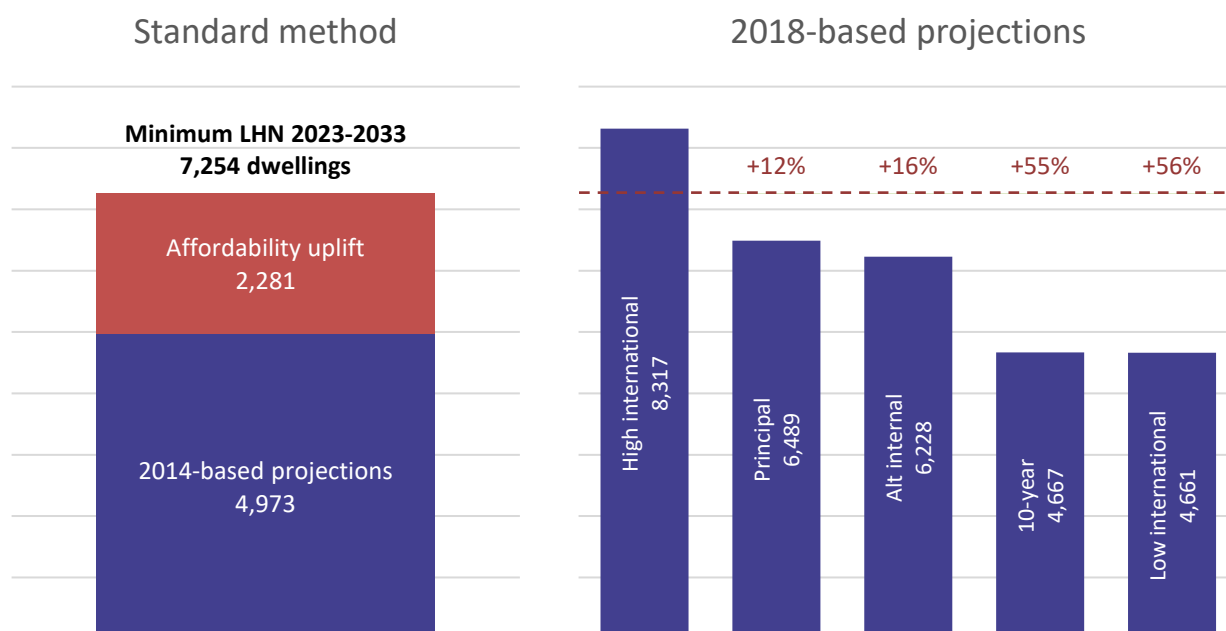
- 2.3 The minimum Local Housing Need figure that the Government's standard method calculation identifies for Bath & North East Somerset can be set in the context of the current and future demographic trends.
- 2.4 The latest figures published by the ONS are the 2018-based household projections, informed by the 2018-based sub-national population projections. The Office for Statistics Regulation (OSR) has designated both publications as National Statistics, which means that they are fully compliant with the Code of Practice for Statistics and meet the highest standards of trustworthiness, quality and value.
- 2.5 There is often debate around how many years of data should be used to inform the projected population change at local level. In general, the ONS uses five years of data, but just two years of data was used for internal migration in the 2018-based principal population projection as only two years of data was available using the current method.

2.6 The ONS also published a range of variant projections:

- » High international migration variant
- » Low international migration variant
- » Alternative internal migration variant
- » 10-year migration variant.

2.7 The high and low international migration variants assume either higher or lower levels of net international migration to England as a whole, but the proportional distribution at local authority level remains the same. The alternative internal migration variant uses five years of data for internal migration (two using the new method and three using the old method); and the 10-year migration variant uses 10 years of data for all migration trends (internal, cross-border and international).

**Figure 2: Comparing the standard method figure with the official household projections for Bath & North East Somerset 2023-2033 (Source: 2014-based household projections, CLG; 2018-based household projections, ONS)**



2.8 For the 10-year period 2023-2033, the latest official projections identify a growth of between 4,661 and 8,317 households for Bath & North East Somerset, based on the low international and the high international migration variant projections respectively. On this basis, the Local Housing Need figure identified by the Government's standard method calculation would not meet the household growth identified by the highest projection yet represents an uplift of 56% of the growth identified by the lowest scenario.

2.9 Considering the other projections:

- » The principal projection identifies a growth of 6,489 households (based on 2-year trends for internal migration) and the standard method figure represents an uplift of 12%
- » The alternative internal migration variant identifies a growth of 6,228 households (based on 5 years of data for all migration trends) and the standard method figure represents an uplift of 16%
- » The 10-year migration trend variant identifies a growth of 4,667 households, and the standard method figure represents an uplift of 55%.



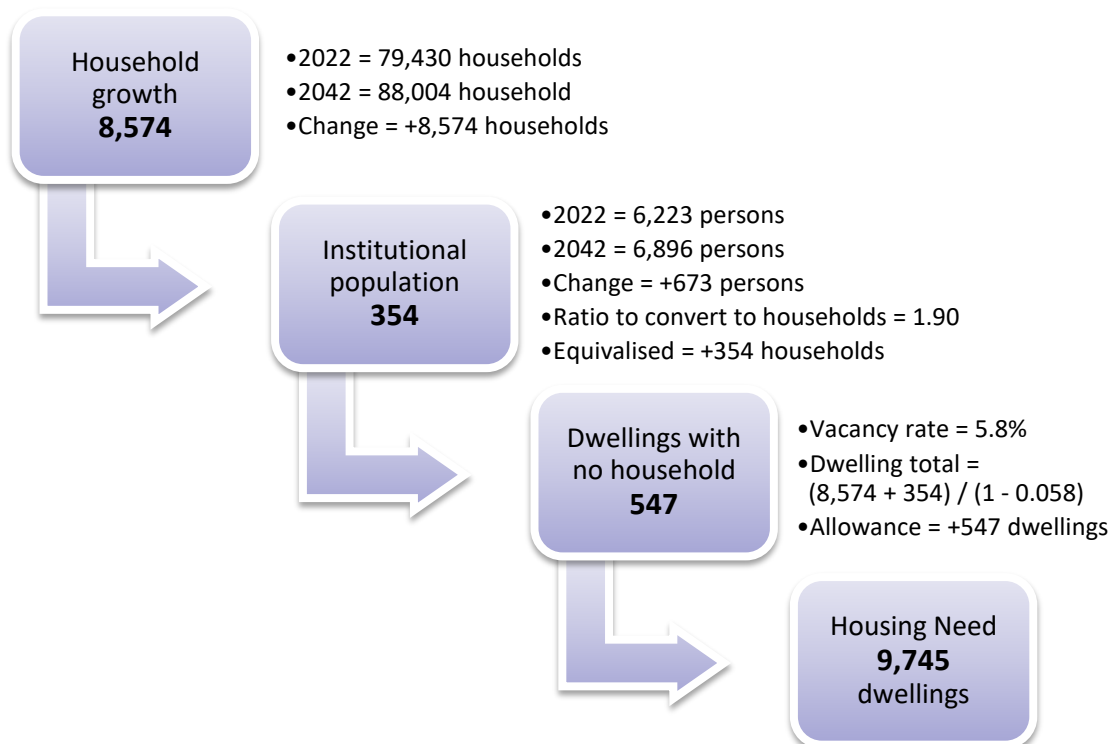
## Household Projection-based Housing Need

- 2.10 Paragraph 61 of the current Framework states that any departure from the standard method needs to “*justify an alternative approach which **also** reflects current and future demographic trends and market signals*” (emphasis added). Given that an alternative approach must “also” reflect demographic trends and market signals, we can conclude that the standard method must reflect these factors too. Similarly, PPG confirms that the standard method calculation “*addresses projected household growth and historic under-supply*” [ID 2a-002-20190220].
- 2.11 On this basis, we can conclude that (consistent with the original version of the Framework) the two fundamental elements for assessing housing needs are still:
- » Projected household growth, which reflects current and future demographic trends
  - » Market signals, which address historic under-supply.
- 2.12 For the purposes of assessing housing need, ORS would normally take a 10-year migration trend for projecting population and household growth, as this typically provides a more stable projection for plan-making. This was the approach that was recommended by the Strategic Housing Market Assessment (SHMA) that ORS produced for the West of England before the Government’s standard method was introduced.
- 2.13 Based on the latest official projections for Bath & North East Somerset, the 10-year migration variant represents the lowest projected growth. Nevertheless, when planning for housing, we would normally expect this scenario to give a more appropriate basis for understanding current and future demographic trends than the principal projection (based on 2-year trends for internal migration).
- 2.14 The Office for Statistics Regulation “*Review of population estimates and projections produced by the Office for National Statistics*” was published in May 2021.<sup>1</sup> In considering the number of years used for the base period for internal migration, the review noted (paragraphs 2.32-2.33):
- To illustrate, a projection that has been produced using 5 years of past trend data will be less suitable for making planning decisions for the forthcoming 15 to 25 years than one that has 10 years or even 25 years of historical trend. The more years of past trend data that are included, the more stable the projection for future local planning needs ... The pros and cons of switching from a 5-year to 2-year base for the principal projections are likely to vary depending on the use to which they are put.*
- 2.15 Although the review concluded that “*more years of past trend data*” would generally provide a “*more stable projection for future local planning needs*”, it also acknowledged that “*those involved in local planning decisions lack the confidence to use the variant projections as they are not seen as carrying the same weight as the principal projection*” (paragraph 2.34).
- 2.16 It is important to recognise that each of the variant scenarios are official projections and it is therefore necessary to consider which scenario has the assumptions that are most likely to be appropriate for the purposes of assessing housing need.
- 2.17 Given this context, the LHNA has considered the 10-year migration variant scenario as the basis for a household projection-based estimate of local housing need.

<sup>1</sup> <https://osr.statisticsauthority.gov.uk/publication/review-of-population-estimates-and-projections-produced-by-the-office-for-national-statistics/>

- 2.18 Although the household projections are an important input when establishing overall housing need, there are a number of other factors that must also be considered. These include the projected growth in residents living in communal establishments (such as nursing homes and care homes) and the need to take account of dwellings without a usually resident household (including vacant homes and second or holiday homes).
- 2.19 Communal establishment residents are not included within the household population (those that live as household in a dwelling); but do form part of the total population – so it is important to take account of any change. The Housing Delivery Test measurement rule book includes additional bedspaces provided in communal accommodation as part of the overall housing supply on an equivalised basis, using the average number of adults per household based on Census data (or the average number of students per household for student bedspaces).<sup>2</sup> The calculation used to establish the local housing need uses the same factor, which was 1.90 persons for Bath & North East Somerset.
- 2.20 Figure 3 sets out the separate elements that contribute to housing need, which include:
- » Household growth over the 20-year period calculated on trend-based projections;
  - » Institutional population growth over the 20-year period for communal establishment residents;
  - » Dwellings without a usually resident household (either vacant homes or second homes).
- 2.21 On this basis, we can conclude that the household projection-based housing need is 9,745 dwellings over the 20-year period 2022-2042, equivalent to an average of 487 dwellings per annum.

**Figure 3: Elements of housing need (Source: CLG, ONS, ORS; Note: All figures presented unrounded for transparency)**



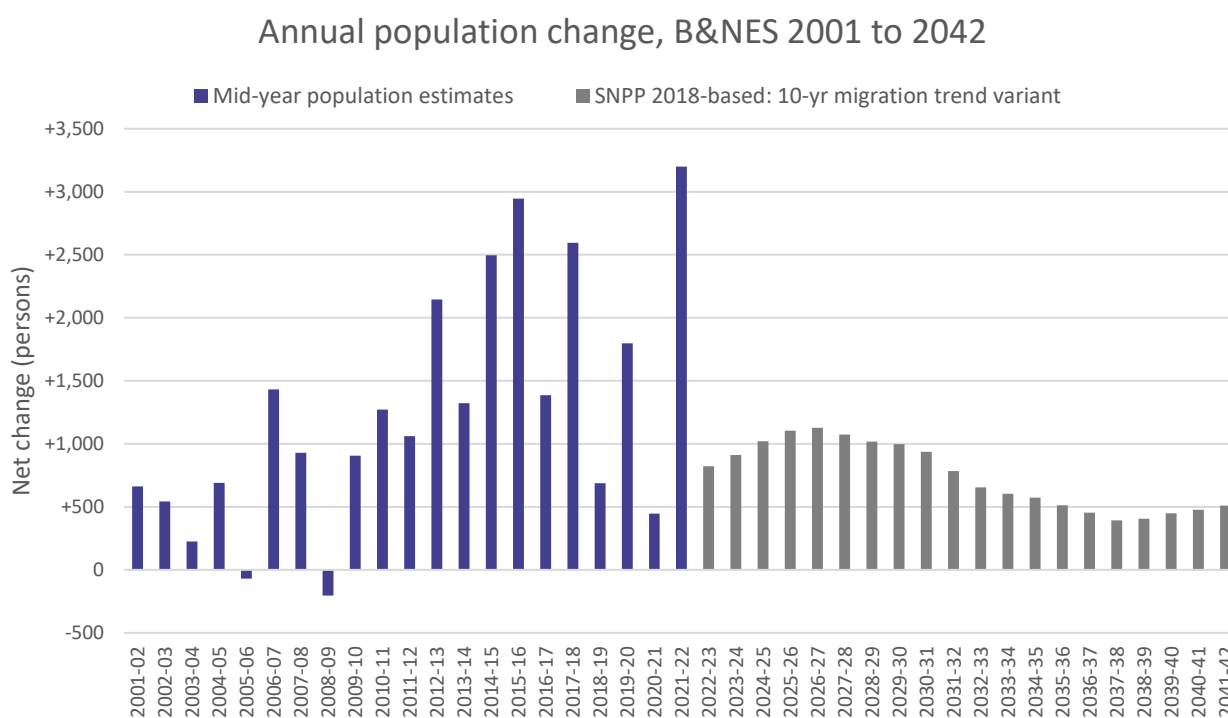
- 2.22 It is evident that the latest official projections identify a need to provide 487 dwellings per year on average over the 20-year period 2022-2042. This is considerably lower than Local Housing Need of 725 dwellings identified by the Government's standard method: a difference of 238 dwellings annually, which represents an uplift of 49% to the household projection-based need.

<sup>2</sup> <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

## Establishing an Evidence-based Local Housing Need

- 2.23 The Government's standard method calculation establishes a Local Housing Need of 7,254 dwellings for the 10-year period 2023-2033, and this will provide 2,587 dwellings in addition to the 4,667 needed for the projected household growth based on official projections. Considering the period 2022-2042, the official projections identify a growth of 8,574 households which yields a household projection-based housing need figure of 9,745 dwellings. The standard method calculation assumes that the average rate of annual housing need will be sustained over the 20-year plan period, yielding an overall need for 14,508 dwellings.
- 2.24 Based on this analysis, we can conclude that providing the additional homes that the standard method identifies would either result in the same population living in many more households, with a smaller average household size; or the population growing with a higher rate of migration than identified by the official household projections. Although the official projections are based on past trends, it is important to consider the projected growth in the context of estimates for previous years.
- 2.25 Figure 4 identifies the estimated annual population change from 2001 to 2022 and compares this to the annual change projected by the 2018-based projections 10-year migration trend variant scenario.

**Figure 4: Estimated and projected annual population change for B&NES 2001 to 2042, ONS estimates and projections based on past-trends (Source: Mid-Year Population Estimates, ONS; 2018-based Household Projections, ONS)**

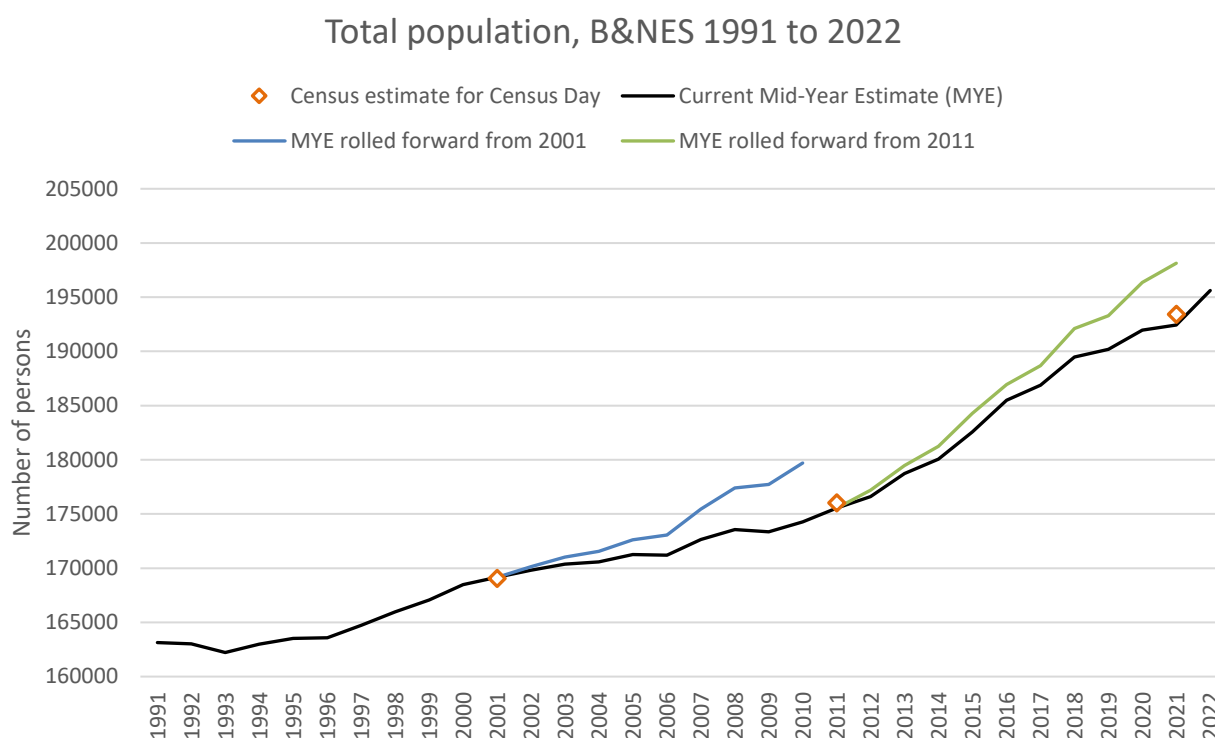


- 2.26 Despite the projections being trend-based, it is clear that the projected growth is notably lower than recorded in recent years. It is therefore apparent that the local housing need will need to be higher than the household growth identified by the 10-year migration variant scenario if previous rates of migration are to be sustained.
- 2.27 If the level of household growth was in line with the standard method figure and average household sizes continued to change as projected, then annual population growth would average around 1,420 persons each year over the 20-year period 2022-2042, almost double the growth projected by the 2018-based projections for the same period (around 740 persons annually on average). It also represents a 10% increase on the estimated growth for the previous 20-year period (estimated to be around 1,290 persons).

2.28 Having considered the relevant data, it is apparent that it would not be appropriate to base the LHN figure on the official projections as these suggest a much lower rate of population growth than previously recorded. The ONS 2018-based sub-national population projections are trend-based, with rates of migration informed by detailed data from the ONS mid-year population estimates (MYE). Unfortunately, the MYE data has not proved to be reliable for Bath & North East Somerset.

2.29 Figure 5 shows the total population for the area over the period 1991 to 2022 based on Census estimates and both current and superseded MYE. The original estimate for mid-2021 was reduced by 5,715 persons following the 2021 Census; and similarly, the estimate for mid-2010 was reduced by 5,437 persons following the 2011 Census.

**Figure 5: Bath & North East Somerset official population estimates for the period 1991-2022 (Source: UK Census of Population and ONS Mid-Year Estimates, including data since superseded)**



2.30 The methodology used by the ONS for producing the mid-year estimates has consistently overstated population growth, typically failing to capture students leaving the area at the end of their studies resulting in the size of the resident population aged 20-34 being overestimated. As a consequence, the detailed data that would typically inform local demographic projections cannot be relied upon in this area.

2.31 Following detailed review of the ONS mid-year population estimates (MYE) for Bath & North East Somerset, ORS has concluded that this data does not provide a reliable basis for the projections. That is consistent with our conclusions when the data was reviewed for the previous Bath SHMA Update (2018) and the original Bath SHMA (2013). Both assessments concluded that the mid-year population estimates for the area could not be relied upon uncritically.

2.32 Given this context, the LHNA projections have taken the 2021 Census estimate as a starting population and projected this forward to 2022. Future population growth over the 20-year projection period has been based on intercensal population change, as this provides a robust basis that accurately reflects the local population without artificially inflating the number of students assumed to stay in the area after completing their studies.

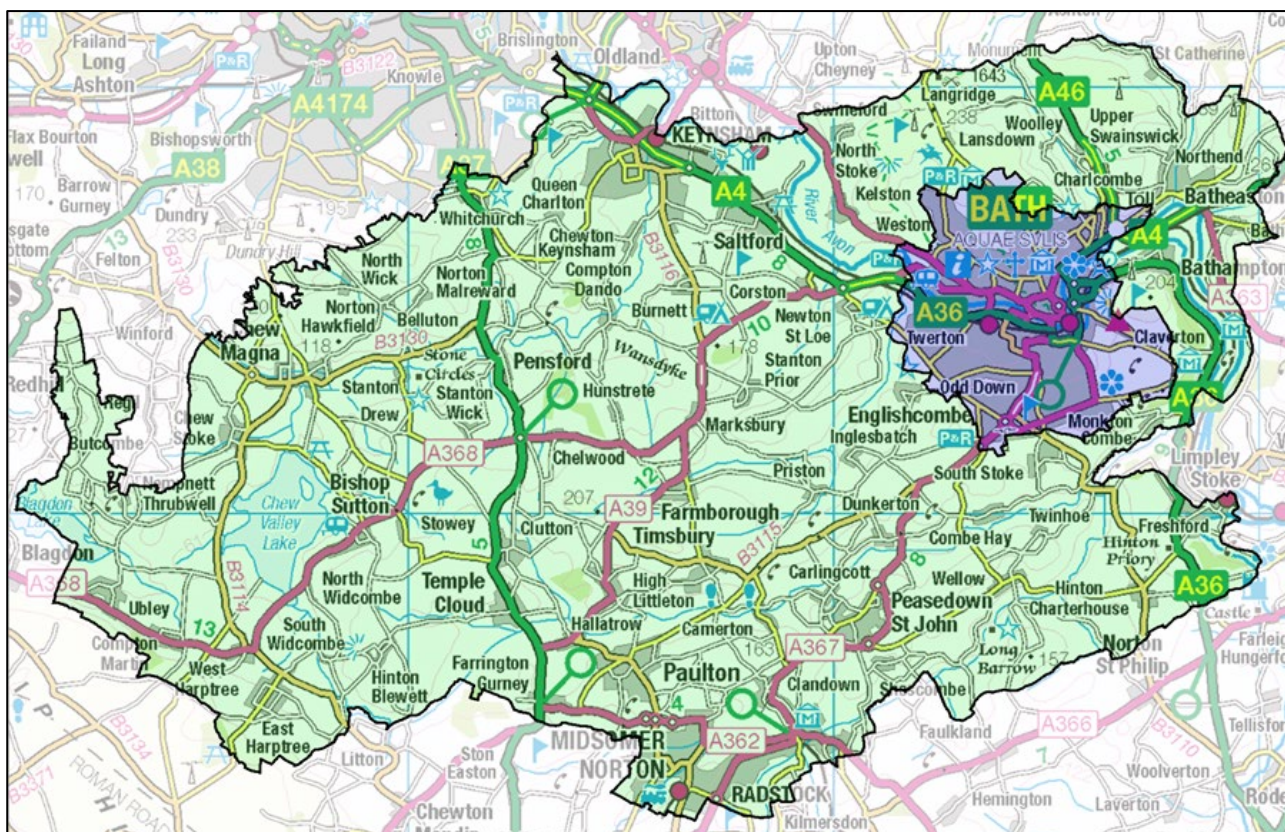
2.33 Whilst recent trends continue to provide the starting point, the LHNA projections seek to establish robust estimates of household growth through aggregating key assumptions:

- » The starting population is the 2021 Census estimate, projected forward to 2022 based on the detailed modelling data from the ONS 2018-based sub-national population projections;
- » Population growth is established for the 20-year plan period 2022-2042 using trend-based projections informed by the 2001-2011 and 2011-2021 intercensal population change;
- » Institutional population growth needing communal accommodation over the 20-year plan period is established using rates from the 2021 Census;
- » Dwellings without a usually resident household either vacant homes, second homes or holiday lets are estimated based on rates from the 2021 Census. This includes any properties which are temporarily vacant due to households moving out before a new household moves in, as well as properties which have no usual resident due to them being second homes or holiday lets; and
- » Household formation rates are based on rates from the 2021 Census, but higher formation rates are also tested with each age group assumed to return to peak of all rates recorded since 2001.

2.34 The use of Census data has also enabled the LHNA to consider growth of the student population aged 18-23 likely to require Purpose Built Student Accommodation (PBSA) separately from other residents. In addition, the availability of detailed Census data for small areas has allowed separate trend-based projections to be prepared for Bath City and for the Rest of B&NES.

2.35 Figure 6 illustrates the boundaries for the two sub-market areas.

Figure 6: Map of sub-market boundaries



## Census-based Population Projections

2.36 Figure 7 shows the projected population by 5-year age band for the 20-year period 2022-2042 based on the assumptions set out above. Based on the trend-based analysis, it is evident that there is growth across most age groups, but the largest increases relate to the population aged 15-29 and those aged 75 or over.

Figure 7: Projected population for Bath & North East Somerset 2022-2042 by 5-year age group (Source: LHNA modelling, ORS)

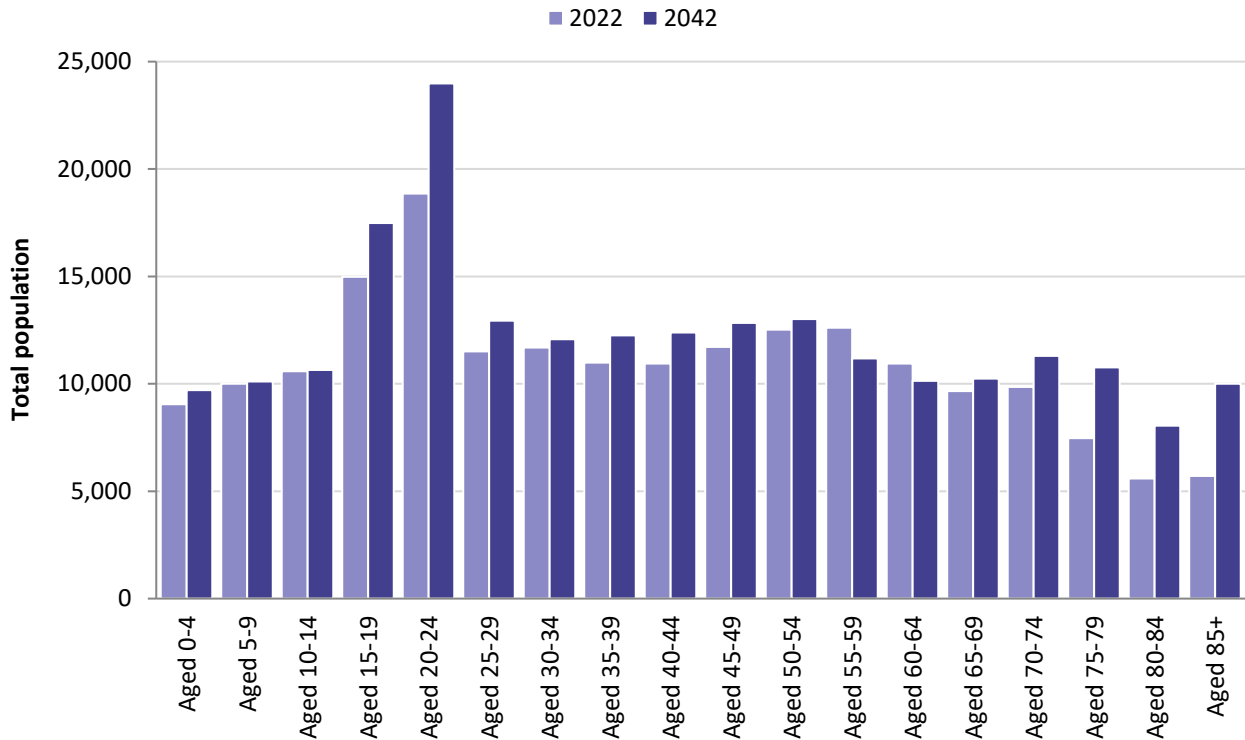
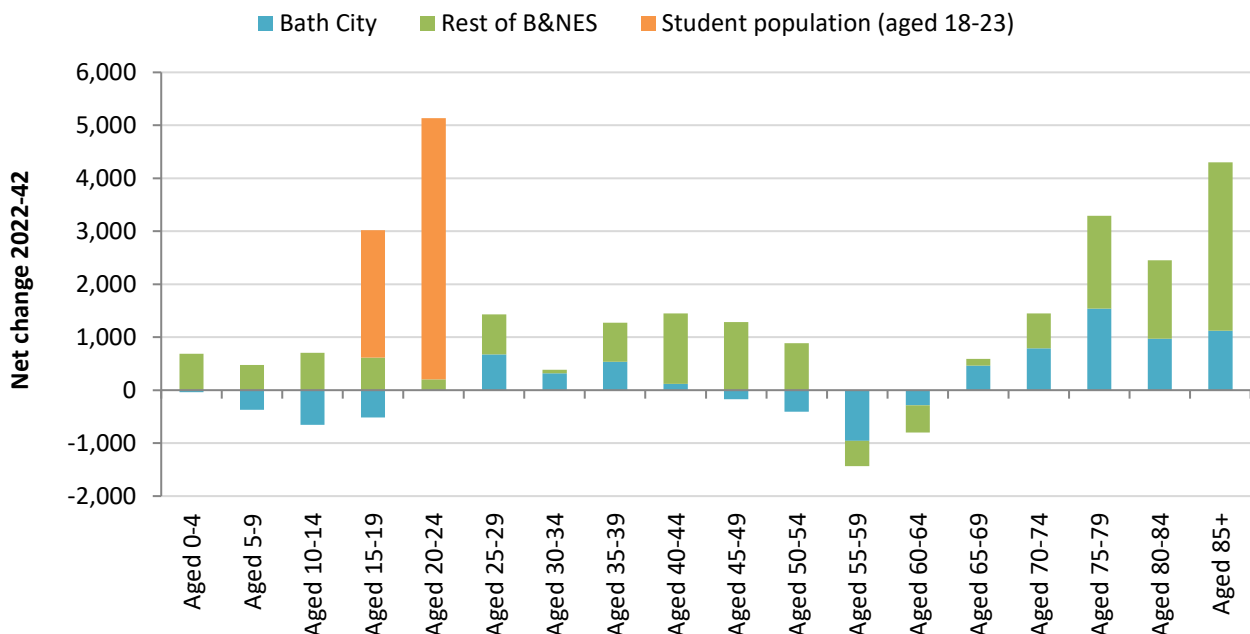


Figure 8: Projected population change 2022-2042 by 5-year age and population sub-group (Source: LHNA modelling, ORS)



**Figure 9: Summary of population change 2022-2042 by 5-year age and population sub-group (Source: LHNA modelling, ORS)**

Age Group	Bath City	Rest of B&NES	General Population	Students Aged 18-23	TOTAL
Aged 0-4	-37	+689	+653	-	+653
Aged 5-9	-372	+478	+106	-	+106
Aged 10-14	-655	+706	+51	-	+51
Aged 15-19	-518	+614	+96	+2,406	+2,501
Aged 20-24	-13	+202	+190	+4,933	+5,123
Aged 25-29	+675	+757	+1,432	-	+1,432
Aged 30-34	+317	+69	+386	-	+386
Aged 35-39	+539	+733	+1,271	-	+1,271
Aged 40-44	+122	+1,330	+1,452	-	+1,452
Aged 45-49	-168	+1,289	+1,120	-	+1,120
Aged 50-54	-404	+888	+484	-	+484
Aged 55-59	-957	-478	-1,435	-	-1,435
Aged 60-64	-285	-514	-799	-	-799
Aged 65-69	+463	+126	+588	-	+588
Aged 70-74	+791	+660	+1,450	-	+1,450
Aged 75-79	+1,537	+1,755	+3,292	-	+3,292
Aged 80-84	+971	+1,481	+2,452	-	+2,452
Aged 85+	+1,124	+3,178	+4,301	-	+4,301
<b>TOTAL</b>	<b>+3,129</b>	<b>+13,961</b>	<b>+17,090</b>	<b>+7,339</b>	<b>+24,428</b>

- 2.37 When considering the identified population growth by type of population and area, it is evident that the increase in population aged 15-19 and 20-24 is primarily driven by the student population aged 18-23 which has a projected growth of around 7,300 persons over the 20-year period (an average of around 370 per year). This reflects the sustained growth experienced by the University of Bath and Bath Spa University during the period since 2001.
- 2.38 Whilst it is appropriate to consider the projected growth of student population based on long-term trends when establishing overall housing need, it will also be important to ensure that this aligns with the future growth plans of the two main universities – and should the planned growth either be higher or lower than the long-term projections, then clearly this will need to be factored in when establishing the appropriate targets for additional student accommodation.
- 2.39 Growth of the general population represents around 17,100 persons over the 20-year period, which comprises 3,100 persons in Bath City and 14,000 in the Rest of B&NES. As the projections are trend-based, this distribution is largely due to the patterns of recent population growth. Although the trends identify that the overall population in Bath City has increased substantially, the majority of the student population increases have been in this area which has resulted in the general population increasing less. There have been larger increases in the general population living in the Rest of B&NES given the number of new homes provided outside the city.
- 2.40 It is important to recognise that a considerable proportion of the overall population growth in Bath City and the Rest of B&NES is driven by net inward migration, therefore there is inevitably some circularity between the projected population growth and the previous distribution of new homes. It will therefore be important to consider whether this balance remains appropriate when considering the distribution of new homes.

## Household Formation

- 2.41 The same population projections can result in a larger or smaller number of households, depending on the assumptions taken about household formation and the resulting average household sizes. In other words, the same number of homes could accommodate fewer people living in smaller households, or more people as larger households.
- 2.42 It is often argued that if more housing had been delivered over the period since 2001 at a price that was sufficiently affordable for local residents, more young people would have been able to form new households and average household sizes would have continued to fall. However, there are many socio-economic factors driving the change in household formation.
- » Increased participation rates for higher education mean that many young adults will no longer seek a job when they leave school; and whilst youngsters entering employment would often leave home permanently at that time and many would not return, far more tend to return to their family home after completing university – especially those that have yet to secure employment after graduating
  - » Young couples are now less likely to form lifetime partnerships in their late teens and early twenties than had been the norm for previous generations; and the absence of such long-term relationships inevitably leads to fewer couples choosing to get married or otherwise cohabit
  - » There are different cultural approaches to young adults living independently, with some groups choosing to live as extended families, so changes in the ethnic mix of the population over time has also impacted on household formation.
- 2.43 On this basis, it is clear that housing supply and affordability is one of many drivers affecting household formation – but when establishing housing need, it is important to also take account of any historic under-supply which could have resulted in higher numbers of multi-adult and multi-family households and more young adults living with their parents.
- 2.44 The LHNA projections are based on increased household formation for residents aged under 45, assuming that household representative rates are no lower than the rates recorded in 2001 for each age group. Whilst it is not possible to directly influence household formation, ensuring that sufficient housing is provided will help enable young households to form should they choose to do so.
- 2.45 The household projections do not include the identified growth of student population aged 18-23 given the specific characteristics of this group. The adopted Core Strategy identified a separate requirement for student accommodation, and that has been used to monitor the provision of additional student bedspaces. On this basis, the LHNA has considered the housing needs of the additional student population separately from the needs of the general population, which will enable the Council to consider separate housing targets for the two groups.
- 2.46 The additional student housing needs have been based on the identified population growth, on the assumption that an additional student bedspace would need to be provided for each additional student on a one-for-one basis. Although it would be necessary to provide a limited number of additional bedspaces to allow for some vacancies, it is important to acknowledge that some of the additional students would continue to live with their parents and would not require any bedspaces to be provided. As both considerations would represent only a small proportion of the overall growth, it is reasonable to assume that they would offset against each other.



## Census-based Household Projections

2.47 Figure 10 summarises the total number of households in Bath & North East Somerset in 2022 and 2042 in terms of the age of household representatives (the eldest economically active person in the household) together with the change in the number of households in each age group over the period 2022-42.

**Figure 10: Total projected households in Bath & North East Somerset for 2022 and 2042 and summary of 20-year change for Bath City and the Rest of B&NES by age of household representative (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)**

Age of Household Representative	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2022	2,000	10,100	11,800	14,200	14,500	11,500	9,100	4,300	77,400
2042	2,000	11,000	13,700	15,000	13,100	12,700	13,000	7,500	87,900
<b>TOTAL CHANGE 2022-42</b>	<b>+0</b>	<b>+900</b>	<b>+1,900</b>	<b>+800</b>	<b>-1,400</b>	<b>+1,300</b>	<b>+3,900</b>	<b>+3,100</b>	<b>+10,500</b>
Bath City	0	+500	+600	-400	-800	+800	+1,800	+900	+3,400
Rest of B&NES	0	+300	+1,400	+1,100	-600	+500	+2,100	+2,300	+7,200

2.48 Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of household types. The increase in households aged 65+ represents over two thirds (70%) of the overall household growth. Nevertheless, many of these older households will already be established and living in existing homes; they will simply get older during the 20-year period. It is therefore also important to consider household growth in relation to age cohorts.

2.49 Figure 11 shows the projected number of households in each cohort, showing their age in 2022 and 2042.

**Figure 11: Total projected households in Bath & North East Somerset for 2022 and 2042 and summary of 20-year change for Bath City and the Rest of B&NES by age cohort of household representative (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)**

Age in 2022	<5	5-14	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Age in 2042	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	
2022	-	-	2,000	10,100	11,800	14,200	14,500	24,800	77,400
2042	2,000	11,000	13,700	15,000	13,100	12,700	13,000	7,500	87,900
<b>TOTAL CHANGE 2022-42</b>	<b>+2,000</b>	<b>+11,000</b>	<b>+11,800</b>	<b>+4,900</b>	<b>+1,300</b>	<b>-1,500</b>	<b>-1,500</b>	<b>-17,400</b>	<b>+10,500</b>
Bath City	+1,300	+6,100	+4,900	+900	+100	-1,000	-1,000	-8,000	+3,400
Rest of B&NES	+700	+4,900	+6,800	+4,000	+1,200	-500	-500	-9,400	+7,200

2.50 Based on the cohort analysis, it is apparent that there will be an overall increase of around 30,900 households aged under 65 (in 2042) over the 20-year period 2022-42. However, this growth is offset against a reduction of 20,400 households aged 65 or over (in 2042) to yield an increase of 10,500 households overall.

2.51 Most of the reduction of older households is due to household dissolution following death, although some may result from net migration:

- » Around 24,800 households were aged 65+ in 2024, who would be aged 85+ by 2042 if they were survive to that age.
- » However, by 2042 the number of households aged 85+ is projected to be around 7,500 (after allowing for deaths) which represents a reduction of around 17,400 households.

2.52 Therefore, although the increase in overall households is largely within the groups aged 65 or over, most of the new households seeking housing will be in their twenties and thirties at the time that they form. However, the overall number of new households will be considerably higher than the net household growth; and it is important to recognise that many new households will buy or rent existing housing, and not all new housing will be occupied by new households.

2.53 When considering future need for different types of housing, it is important to recognise that households of different ages are likely to have different housing needs. Similarly, households of different types (singles, couples and families) within each age group will also have different housing needs. Figure 12 shows the projections by household type, age, and net change for each group. The figure relates to household numbers in Bath & North East Somerset for 2022 and 2042. This is based on the number in each age category rather than the number in each age cohort, as it is assumed that housing needs are more likely to be influenced by the actual age rather than the year of birth.

**Figure 12: Total projected households in Bath & North East Somerset for 2022 and 2042 and summary of 20-year change for Bath City and the Rest of B&NES by household type and age of household representative (Note: Figures may not sum due to rounding. Source: LHNA modelling, ORS)**

Household Type	Year	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
Single person	2022	470	1,850	1,650	2,580	3,530	4,030	4,020	2,730	20,800
Couple without children	2022	440	3,230	1,480	3,670	7,870	6,600	4,520	1,310	29,100
Families with child(ren)	2022	350	3,900	7,750	6,300	1,230	70	20	-	19,600
Other households	2022	710	1,100	930	1,700	1,850	760	500	280	7,800
<b>TOTAL</b>	<b>2022</b>	<b>2,000</b>	<b>10,100</b>	<b>11,800</b>	<b>14,200</b>	<b>14,500</b>	<b>11,500</b>	<b>9,100</b>	<b>4,300</b>	<b>77,400</b>
Single person	2042	510	1,920	1,630	2,610	3,090	4,540	5,230	4,560	24,100
Couple without children	2042	470	3,590	1,700	3,670	6,970	7,230	7,010	2,400	33,100
Families with child(ren)	2042	380	4,290	9,190	6,690	1,140	70	20	-	21,800
Other households	2042	600	1,150	1,230	2,020	1,910	860	710	510	9,000
<b>TOTAL</b>	<b>2042</b>	<b>2,000</b>	<b>11,000</b>	<b>13,700</b>	<b>15,000</b>	<b>13,100</b>	<b>12,700</b>	<b>13,000</b>	<b>7,500</b>	<b>87,900</b>
Single person	Change	+50	+70	-20	+40	-440	+510	+1,210	+1,830	+3,200
Couple without children	Change	+40	+370	+230	+0	-890	+640	+2,490	+1,090	+4,000
Families with child(ren)	Change	+30	+400	+1,440	+390	-80	+0	+0	+0	+2,200
Other households	Change	-110	+50	+300	+320	+50	+100	+220	+230	+1,200
<b>TOTAL</b>	<b>Change</b>	<b>+0</b>	<b>+900</b>	<b>+1,900</b>	<b>+800</b>	<b>-1,400</b>	<b>+1,300</b>	<b>+3,900</b>	<b>+3,100</b>	<b>+10,500</b>
<b>Bath City</b>										
Single person	Change	+20	+50	-50	-110	-250	+310	+560	+480	+1,000
Couple without children	Change	+20	+220	+70	-170	-500	+410	+1,120	+310	+1,500
Families with child(ren)	Change	+20	+240	+460	-130	-50	+0	+0	+0	+500
Other households	Change	-80	+30	+110	+60	+0	+60	+100	+60	+300
<b>TOTAL</b>	<b>Change</b>	<b>+0</b>	<b>+500</b>	<b>+600</b>	<b>-400</b>	<b>-800</b>	<b>+800</b>	<b>+1,800</b>	<b>+900</b>	<b>+3,400</b>
<b>Rest of B&amp;NES</b>										
Single person	Change	+20	+20	+30	+140	-200	+200	+650	+1,350	+2,200
Couple without children	Change	+20	+150	+160	+180	-390	+220	+1,370	+780	+2,500
Families with child(ren)	Change	+20	+160	+980	+520	-30	+0	+0	+0	+1,600
Other households	Change	-30	+20	+180	+260	+60	+40	+120	+160	+800
<b>TOTAL</b>	<b>Change</b>	<b>+0</b>	<b>+300</b>	<b>+1,400</b>	<b>+1,100</b>	<b>-600</b>	<b>+500</b>	<b>+2,100</b>	<b>+2,300</b>	<b>+7,200</b>

2.54 In summary, over the 20-year period 2022-42 for the entirety of Bath & North East Somerset, the projections show (Figure 12):

- » An overall growth of 10,500 households;
- » Couples without dependent children represent the largest proportion of the growth (a net growth of 4,000, 38%) with the vast majority of these being couples aged over 75 (+3,580);
- » The next largest proportion is single persons (+3,200, 30%), again with the vast majority of these being couples aged over 75 (+3,040);
- » Families with dependent children make up over a fifth of the overall household growth (+2,200, 21%);
- » Other types of household contribute a further 1,200 households. These include multi-generation living, student households and Houses in Multiple Occupation (HMOs).

2.55 For Bath City, the projections show (Figure 12):

- » An overall growth of 3,400 households;
- » Couples without dependent children represent the largest proportion of the growth (a net growth of 1,500, 44%) with the vast majority of these being couples aged over 75 (+1,430);
- » Single person households represent the next largest proportion (+1,000).

2.56 For the Rest of Bath & North East Somerset, the projections show (Figure 12):

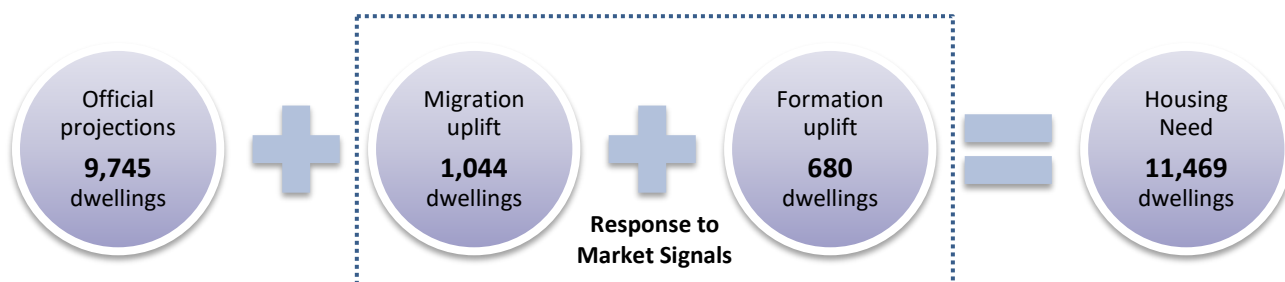
- » An overall growth of 7,200 households;
- » Couples without dependent children represent the largest proportion of the growth (a net growth of 2,200, 44%) with the vast majority of these being couples aged over 75 (+2,000);
- » Single person households represent the next largest proportion (+2,200).

## Summarising the evidence-based Local Housing Need

2.57 Based on the official projections, Figure 3 identified an overall housing need of 9,745 dwellings to provide for the identified household growth and the projected increase in communal establishment residents, and allow for dwellings without any usually resident households.

2.58 Having considered the detailed demographic evidence for the local area, the LHNA has concluded that the official projections are likely to underestimate future rates of net migration and household formation rates should also be increased. However, it is appropriate to consider the student population separately, in order to properly address the needs of this specific group. Figure 13 and Figure 14 summarise the identified housing need for the general population on this basis.

**Figure 13: Components of the evidence-based Local Housing Need figure for Bath & North East Somerset 2022-2042**



**Figure 14: Components of the evidence-based annual Local Housing Need figure for the general population resident in Bath City and the Rest of B&NES**

	TOTAL	Bath City	Rest of B&NES
<b>Projected household growth 2022-2042</b>			
2018-based household projections	8,574 households	-	-
Census-based projection with uplift for migration	9,876 households	3,054 households	6,822 households
<b>Census-based projection with uplifts for migration and household formation</b>	<b>10,517 households</b>	<b>3,363 households</b>	<b>7,154 households</b>
PLUS projected increase of residents living in communal establishment	551 persons → 290 households	207 persons → 109 households	343 persons → 181 households
<b>Total household growth 2022-2042</b>	<b>10,807 households</b>	<b>3,472 households</b>	<b>7,335 households</b>
Allowance for vacant of second homes that do not have any usual residents	663 dwellings	213 dwellings	450 dwellings
<b>Total housing need 2022-2042</b>	<b>11,469 dwellings</b>	<b>3,685 dwellings</b>	<b>7,785 dwellings</b>
Average annual housing need	573 dpa	184 dpa	389 dpa

- 2.59 Whilst the official projections identified an overall housing need of 9,745 dwellings for the entire population (including students) of Bath & North East Somerset over the 20-year period 2022-2042 (487 dpa) the LHNA has concluded that there is a need to provide 11,469 dwellings over the same period (573 dpa) to meet the needs of the general population. This comprises a need for 3,685 dwellings in Bath City (184 dpa) plus 7,785 dwellings in the Rest of B&NES (389 dpa).
- 2.60 Whilst the identified need is lower than the Government's standard method calculation (725 dpa) it is important to recognise that the provision of new student accommodation would also be counted against this figure.
- 2.61 The LHNA has identified a need for 7,339 bedspaces to be provided for the projected growth in the student population aged 18-23 over the 20-year period 2022-2042. The equivalence ratio for student bedspaces identified by the Housing Delivery Test for Bath & North East Somerset is 3.13 bedspaces per dwelling<sup>3</sup>. Therefore, the identified need for 7,339 bedspaces would equate to need for a further 2,345 dwellings in addition to the 11,469 dwellings identified for the general population.
- 2.62 The overall housing need for Bath & North East Somerset (for both the general population and students) totals 13,814 dwellings over the 20-year period 2022-2042. This is equivalent to an average of 691 dpa which is within 5% of the Local Housing Need identified by the Government's standard method.
- 2.63 PPG notes that whilst it is important for authorities to calculate the housing need at the start of the process, the number will need to be kept under review as the inputs are variable and the identified need may change.

*Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process. This number should be kept under review and revised where appropriate. The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities.*

PPG ID 2a-008-20190220

<sup>3</sup><https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/008207ct07732011censusnumberofstudentsinstudentonlyhouseholdationaltoauthoritylevel> - 8,234 students in 2,629 student-only households = 3.13 bedspaces per dwelling.

- 2.64 Given this context, the LHNA evidence is based on the locally derived housing need figure of 13,814 dwellings (691 dpa) but it will be important for the Council to take account of changes to the housing need figure generated using the Government’s standard method throughout the plan-making process in order to ensure that the LHNA evidence remains up-to-date.

## Establishing the Housing Target

- 2.65 The LHN provides the starting point for establishing the final housing requirement which will be planned for through strategic policies. This is confirmed by PPG at the outset of the section on assessing housing and economic development needs:

*Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.*

Planning Practice Guidance, ID 2a-001-20190220

- 2.66 It is important to recognise that a considerable proportion of the overall population growth in Bath City and the Rest of B&NES is driven by net inward migration, therefore there is inevitably some circularity between the identified housing need and the previous distribution of new homes. Whilst the trend-based projections may provide an appropriate distribution for future housing need, when establishing the housing requirement for the two areas it will be important to take account of all of the evidence (including any land constraints) and consider whether the identified need for either area would be more appropriately met elsewhere within the local authority area.
- 2.67 In determining the local plan housing target, it will be necessary for the local authority to consider whether, or not, the LHN could be met within the area, taking account of any constraints on land availability. Where local authorities are unable to meet their LHN in full, it is necessary to engage with neighbouring authorities through the Duty to Co-operate (DtC) discussions. This should establish if any of the identified housing need that isn’t able to be delivered locally (the “unmet need”) could be provided for in other areas.
- 2.68 It is important to recognise that the Duty to Co-operate itself constitutes a legal obligation, and failure to comply is likely to result in the Local Plan being found unsound and having to be withdrawn. It is therefore essential for these cross-boundary issues to be properly addressed as part of the plan-making process. However, the PPG also indicates that the housing comprising the 35% housing uplift (which applies to Bristol) is expected to be met within the boundaries of the authority in question (rather than the surrounding areas) and therefore this part of the Local Housing Need figure would be excluded from any DtC discussion relating to unmet need:

### ***Where should the cities and urban centres uplift be met?***

*This increase in the number of homes to be delivered in urban areas is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations...*

Planning Practice Guidance, ID 2a-035-20201216

<sup>2.69</sup> Previously, both the West of England Joint Strategic Plan (JSP) and the West of England Combined Authority (WECA) Spatial Development Strategy (SDS) had planned to deliver a proportion of Bristol City's housing needs across the wider area. Although the SDS is no longer being progressed, the West of England local planning authorities continue to work together under the Duty to Co-operate to consider the extent of any potential unmet housing need for the City of Bristol. This discussion is based on the needs identified at Step 1 to 3 of the standard method calculation, but not the additional needs identified at Step 4 which are not intended to be delivered in surrounding areas.

# 3. Local Housing Market

## Housing market trends in Bath & North East Somerset

### Introduction

3.1 This chapter explores the cost of housing in Bath & North East Somerset and the incomes needed to rent or buy at market prices. It highlights the potential income gaps and seeks to identify where and how people may fall into affordable housing need. This includes consideration of social and affordable rent and access to housing benefit for those in the rental sector as well as the potential impact of help-to-buy policies.

### Housing Tenure Trends

3.2 When considering the local housing market, it is worth noting the historic changes to tenure in Bath & North East Somerset, as recorded by past Censuses. The following figures summarise the changing trends in Bath City and the Rest of B&NES based on detailed Census data:

Figure 15: Number of Households by Tenure in Bath City and the Rest of B&NES 1991-2021 (Source: UK Census of Population)

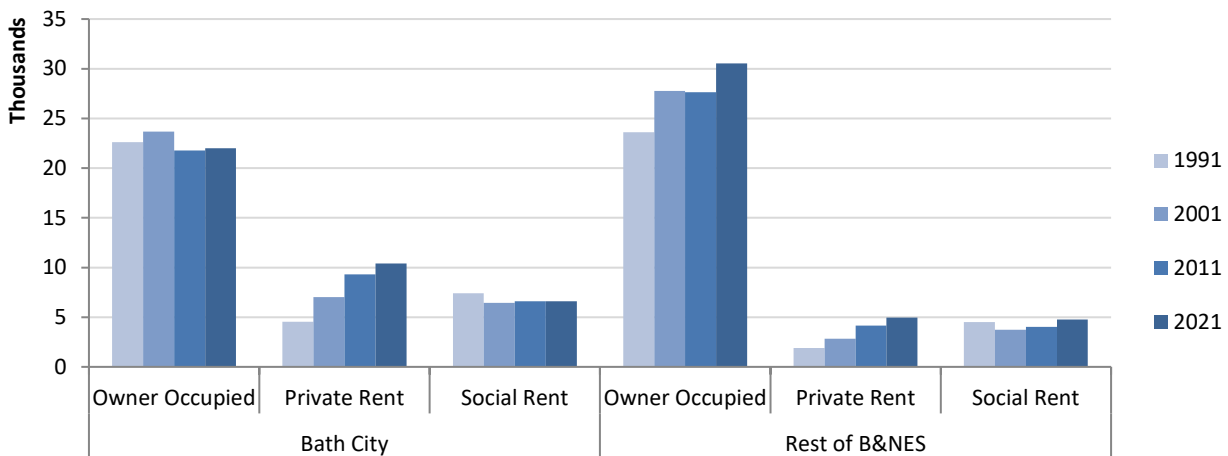


Figure 16: Percentage of Households by Tenure in Bath City and the Rest of B&NES 1991-2011 (Source: UK Census of Population)

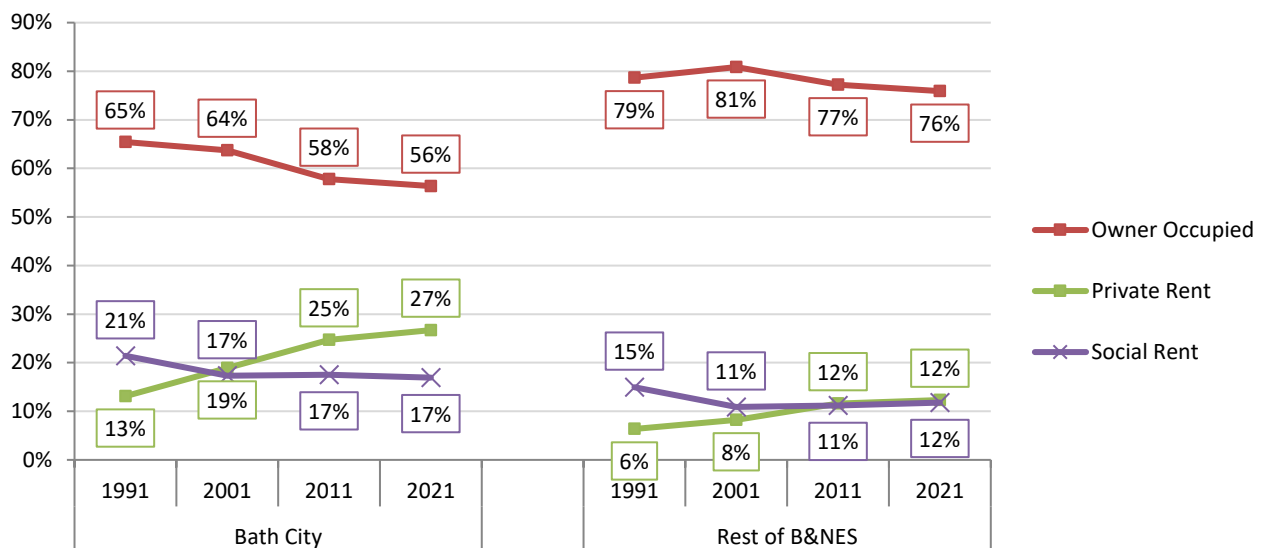


Figure 17: Number of Households in Bath City and the Rest of B&amp;NES by Tenure 1991-2021 (Source: UK Census of Population)

	Number of Households in 1991	Number of Households in 2001	Number of Households in 2011	Number of Households in 2021	Net Change between 1991-2001	Net Change between 2001-2011	Net Change between 2011-2021
<b>BATH CITY</b>							
Owner occupied	22,607	23,666	21,784	21,986	+1,059	-1,882	+202
Private rent	4,539	7,025	9,319	10,419	+2,486	+2,294	+1,100
Social rent	7,401	6,436	6,597	6,606	-965	+161	+9
<b>TOTAL</b>	<b>34,547</b>	<b>37,127</b>	<b>37,700</b>	<b>39,011</b>	<b>+2,580</b>	<b>+573</b>	<b>+1,311</b>
Owner occupied	65.44%	63.74%	57.78%	56.36%	-1.7%	-6.0%	-1.4%
Private rent	13.14%	18.92%	24.72%	26.71%	+5.8%	+5.8%	+2.0%
Social rent	21.42%	17.34%	17.50%	16.93%	-4.1%	+0.2%	-0.6%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>+7.5%</b>	<b>+1.5%</b>	<b>+3.5%</b>
<b>REST OF B&amp;NES</b>							
Owner occupied	23,609	27,775	27,652	30,534	+4,166	-123	+2,882
Private rent	1,910	2,834	4,146	4,943	+924	+1,312	+797
Social rent	4,498	3,744	4,017	4,756	-754	+273	+739
<b>TOTAL</b>	<b>30,017</b>	<b>34,353</b>	<b>35,815</b>	<b>40,233</b>	<b>+4,336</b>	<b>+1,462</b>	<b>+4,418</b>
Owner occupied	78.65%	80.85%	77.21%	75.89%	+2.2%	-3.6%	-1.3%
Private rent	6.36%	8.25%	11.58%	12.29%	+1.9%	+3.3%	+0.7%
Social rent	14.98%	10.90%	11.22%	11.82%	-4.1%	+0.3%	+0.6%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>+14.4%</b>	<b>+4.3%</b>	<b>+12.3%</b>

- 3.3 Over the 30-year period 1991-2021, the number of households resident in Bath City has increased by around 4,500 households (from around 34,500 to 39,000) whereas the number of households in the Rest of B&NES has increased by over 10,000 (from around 30,000 to 40,300) over the same period.
- 3.4 Notably, over the last decade, the number of households in social rent has not changed in Bath City but there has been an increase of more than 700 in the Rest of B&NES. There has been an overall increase of around 6,300 owner occupiers since 1991, however this includes a decline of around 600 households in Bath City and also represents a reduction in the proportion of all households. In contrast, private rent has seen a significant growth, with around double the proportion of households living in private rent both in Bath City (increasing from 13.1% in 1991 to 26.7% by 2021) and the Rest of B&NES (from 6.4% to 12.3%).
- 3.5 The PPG recognises the importance of understanding the likely future role of the private rented sector.

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

Planning Practice Guidance, ID 67-002-20190722



- 3.6 Growth in the sector seems likely to continue, driven by a combination of demand and supply factors:
- » Increasing demand from more households;
  - » Recent reductions in incomes (in real terms);
  - » Reducing affordability of owner occupation;
  - » Changing Bank lending practices;
  - » Pension reform: pension drawdowns invested in Buy-to-Let (BTL) property.
- 3.7 The growth of the Sector has been acknowledged as both a growing and long-term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association) forecast that the private rented sector will increase in size to 35% nationally by 2032.<sup>4</sup>
- 3.8 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs without financial support, which can be seen from the expansion of families receiving Housing Benefit in the sector.
- 3.9 Importantly, the Government sees the PRS having an important and long-term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.
- 3.10 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences for the wider housing market as more properties come on to the market; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

### The Future Role of the Private Rented Sector

- 3.11 PRS is an important tenure that has grown since 1991 to house a significant proportion of households in the area. At the same time, young households have been less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Changes to letting policies and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.
- 3.12 There are many households living in the private rented sector in Bath & North East Somerset who aspire to home ownership and if affordable homeownership products were provided for this group it would, potentially, reduce the size of the private rented sector by giving alternative options to renters that aspire to buy, but cannot afford to purchase on the open market.

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<sup>4</sup> <http://news.rla.org.uk/rpi-rent-revolution/>

- 3.13 Further, there have been other changes announced (Right to Buy for housing association tenants and the new First Homes scheme) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contained proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes.
- 3.14 Starter Homes were intended to provide affordable housing for first time buyers by selling newbuild properties at a discount of at least 20% below their market prices. The discount was not in perpetuity, so the buyer of the property stood to gain from buying a home at 80% or less than its market price; but owning 100% of the property. However, Starter Homes regulations that would enable these to be built have not been published. As a result, no Starter Homes have been built, and the Government are now pursuing an alternative policy entitled First Homes<sup>5</sup>.
- 3.15 The consultation for First Homes ran from February to May 2020, with a Government response to the consultation published in April 2021. First Homes will be newbuild properties built as part of wider housing developments which will be sold with a discount of at least 30%, but this could be higher if a local need can be demonstrated.
- 3.16 Local authorities can prioritise these homes for local people and/or key workers, as required locally. The reduction of at least 30% will remain in perpetuity when the property is sold on the second-hand market, so the buyer will not own more than 70% of the property's open market value at the time of purchase. When the property is to be sold, the home will be independently valued and sold to eligible purchasers with the discount being applied, to ensure the property always remains below local house prices. There will be restrictions on the use of First Homes so that they cannot be used as buy to let or holiday homes.
- 3.17 However, if the new supply of affordable homes changes to include a large proportion of First Homes or other affordable to own properties, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock sold under RTB) then demand for PRS stock may continue or increase further – as households in need for whom First Homes remain out of reach have few other options than entering the private rented sector.
- 3.18 As a result, much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household. In practice this implies that unless current trends are reversed there will be a further growth in the private rented sector.

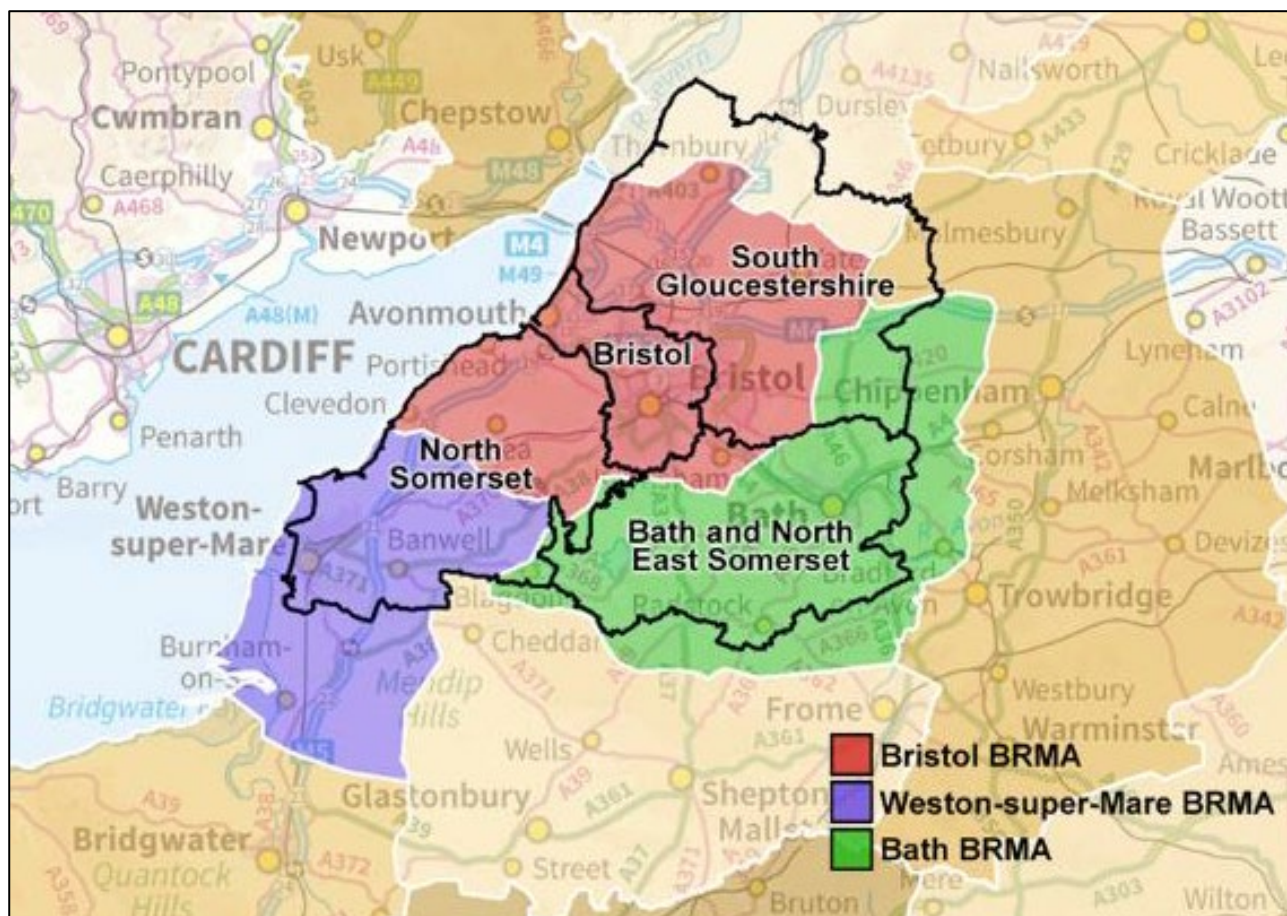
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<sup>5</sup> <https://www.gov.uk/government/consultations/first-homes>

## Cost of Renting

- 3.19 When considering renting in Bath & North East Somerset it is important to reflect on the range of rental options available together with the impact of the housing benefit levels in the area. There are a number of rates to consider. There are four key definitions to consider when looking at the cost of renting in the area:
- » Median private rent;
  - » Lower quartile private rent;
  - » Local Housing Allowance (LHA) in the applicable BRMA;
  - » Affordable rent; based on average rents charged for existing dwellings.
- 3.20 The Local Housing Allowance (LHA) is the maximum payment for claimants in receipt of housing benefit. These are based on broad rental market areas (BRMAs). The LHA was previously calculated on the 30<sup>th</sup> percentile private rent, however more recent increases have been based on CPI and rates were frozen in the July 2015 budget. The rates were increased back to the 30<sup>th</sup> percentile in April 2020, and the Government have indicated that they will be frozen at their current level (in cash terms) from 2021/22 onwards<sup>6</sup>.
- 3.21 The BRMA deemed appropriate to use for the purposes of this study is the Bath BRMA, which covers all of Bath City and most of the Rest of B&NES (though Keynsham is covered by the Bristol BRMA).

Figure 18: Broad Rental Market Areas in the West of England (Source: VOA. Note: BRMA = white border, LA = black border)



<sup>6</sup> Office of Budgetary Responsibility – Economic and Fiscal Outlook (November 2020) – page 179: [http://cdn.obr.uk/CCS1020397650-001\\_OBR-November2020-EFO-v2-Web-accessible.pdf](http://cdn.obr.uk/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf)

- 3.22 Figure 19 sets out the median weekly rents for different property sizes in Bath City and the Rest of B&NES together with the local housing allowances and the calculated affordable rent rates. It may be noted that there are local variations in rental costs, and those presented below are representative of the Bath BRMA as a whole.

Figure 19: Weekly rent thresholds in Bath City and the Rest of B&NES (Source: Valuation Office Agency 2021-22; SDR 2022<sup>7</sup>)

	Median Private Rent	Lower Quartile Private Rent	Local Housing Allowance (Bath BRMA)	Affordable Rent
<b>BATH CITY</b>				
1 bedroom	£218.91	£195.67	£159.95	£133.34
2 bedrooms	£277.69	£229.39	£189.86	£151.84
3 bedrooms	£343.76	£282.38	£218.63	£167.22
4+ bedrooms	£568.07	£473.79	£304.93	£226.19
<b>REST OF B&amp;NES</b>				
1 bedroom	£150.71	£134.71	£159.95	£91.80
2 bedrooms	£242.11	£200.00	£189.86	£132.39
3 bedrooms	£297.31	£244.22	£218.63	£144.62
4+ bedrooms	£489.59	£408.33	£304.93	£194.94

- 3.23 Across all property sizes in Bath City, and all but 1-bedroom properties in the Rest of B&NES, the median and lower quartile private rents are higher than the maximum LHA. This means that those solely on housing benefit cannot afford properties of median or lower quartile rent.
- 3.24 Affordable rent is consistently lower than the maximum LHA rate for the equivalent property. This means that households would currently be able to claim sufficient housing benefit to cover the full cost of affordable rent (where they were entitled to do so).
- 3.25 Households claiming out-of-work benefits are subject to a cap of £423.46 per week for lone parents and couples or £283.71 per week for single people (outside of London). This could affect the amount of housing benefit received by some households (especially those with larger families needing larger properties). However, it is important to recognise that the benefit cap does not apply to working households (i.e. those eligible for Working Tax Credit, even if the eligibility amount is £0; and those on Universal Credit with monthly earnings varying up to £722 or more, depending on age and status) or to households that receive various disability related benefits or armed forces pensions. Given that these households are exempt from the cap, they would be able to claim housing benefit up to the Local Housing Allowance for the size of property that they need in their BRMA.

### Income Needed to Rent Housing

- 3.26 The income needed to rent housing will depend on the monthly rent together with the income multiplier allowed for housing costs. The previous CLG Strategic Housing Market Assessments Practice Guidance (Version 2, August 2007)<sup>8</sup> stated:

*“A household can be considered able to afford market house renting in cases where the rent payable was up to 25 per cent of their **gross** household income” (page 42)*

<sup>7</sup> SDR = Statistical Data Return

<sup>8</sup> <https://www.gov.uk/government/publications/strategic-housing-market-assessments-practice-guidance>

- 3.27 However, this previous Guidance was rescinded in March 2014 following the publication of the NPPF and the launch of national Planning Practice Guidance (PPG). The PPG does not propose a specific multiplier for assessing housing costs; however, it notes that “care should be taken ... to include only those households who cannot afford to access suitable housing in the market” (ID 2a-024).
- 3.28 The English Housing Survey (EHS) 2015-16<sup>9</sup> provides information about the percentage of gross household income that households spend on their housing costs<sup>10</sup>:
- » For the total gross income (including housing benefit) of the Household Reference Person and partner, households renting privately spent on average 41% of their income on rent, whilst the average was 31% for households in social rent;
  - » For the total gross income (excluding housing benefit) of the Household Reference Person and partner, households renting privately spent on average 48% of their income on rent, whilst the average was 40% for households in social rent;
  - » For the total gross income (including housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 35% of their income on rent, whilst the average was 28% for those in social rent;
  - » For the total gross income (excluding housing benefit) from all income earners in the household, irrespective of whether they contribute to the housing cost, households renting privately spent on average 41% of their income on rent, whilst the average was 37% for those in social rent.
- 3.29 The EHS demonstrates that many households in both private and social rented properties pay considerably more than 25% of gross household income on their housing costs. Whilst it is arguable that some households pay too much for their rent, it is unrealistic to suggest that all households paying more than 25% are unable to afford suitable housing in the market.
- 3.30 The proportion of household income allocated to housing costs is necessarily based on a judgement. At the lower end of the range, the previous CLG Practice Guidance sets out a percentage of 25%. However, as the EHS identifies that households renting privately spend 41% of their gross income on average, there must be many households spending more than 41% of their income on housing costs (which will be offset against others spending lower proportions).
- 3.31 On this basis, it would be reasonable to assume that the proportion of household income allocated to housing costs was at least 25% but no more than 45% of gross income. This leads to our judgement that **35% of income** provides a reasonable basis for assessing the maximum that households should reasonably expect to pay for their housing costs. Whilst this is notably higher than the 25% proposed by the previous guidance, it is still lower than the 41% average that households renting privately actually pay.
- 3.32 As an illustrative example, we can establish the income needed to rent a 1-bedroom property in the private rented sector in Bath & North East Somerset based on a 35% income multiplier:
- » The median weekly rent recorded in Bath City was £219.81; and across the rest of B&NES it was £150.71.
  - » Based on a 35% (of gross) income multiplier, in Bath City a weekly income of £625.45 would be needed, which equates to a gross annual income of £32,635. Across the rest of B&NES a weekly income of £430.60 would be needed, which equates to a gross annual income of £22,468.

<sup>9</sup> <https://www.gov.uk/government/statistics/english-housing-survey-2015-to-2016-headline-report>

<sup>10</sup> “Annex Table 1.13: Mortgage/rent as a proportion of household income (including and excluding housing benefit) by tenure, 2010-11 to 2015-16”

- 3.33 To rent the same property based on a 25% income multiplier in Bath City would increase the gross income required to £45,877 per year whereas households with an annual income of £20,000 per year could afford the rent if 57% of their income was allocated to housing costs. To rent the same property across the rest of B&NES a 25% income multiplier would increase the gross income required to £31,455 per year whereas households with an annual income of £20,000 per year could afford the rent if 39% of their income was allocated to housing costs.
- 3.34 Figure 20 shows the gross household incomes needed to afford median and lower quartile private rent, affordable rent and social rent if 35% is spent on housing.

**Figure 20: Annual income required to afford to rent properties at the lower quartile and median price based on 35% income multiplier by property size in Bath City and the Rest of B&NES (Source: ORS based on Valuation Office Agency data October 2021 to September 2022; SDR 2022)**

	Median Private Rent	Lower Quartile Private Rent	Affordable Rent (SDR 2019)	Social Rent
<b>BATH CITY</b>				
1 bedroom	£32,635	£29,171	£19,879	£15,191
2 bedrooms	£41,398	£34,198	£22,637	£16,711
3 bedrooms	£51,249	£42,097	£24,930	£18,123
4+ bedrooms	£84,689	£70,633	£33,721	£19,376
<b>REST OF B&amp;NES</b>				
1 bedroom	£22,468	£20,083	£13,686	£10,458
2 bedrooms	£36,094	£29,817	£19,737	£14,570
3 bedrooms	£44,323	£36,408	£21,561	£15,674
4+ bedrooms	£72,989	£60,875	£29,062	£16,699

- 3.35 Although a rental income multiplier is helpful for benchmark purposes, it does not take account of the disposable income available to households after their housing costs have been paid; and it is *“housing that is too expensive compared to disposable income”* that the PPG references in the context of assessing the need for affordable housing (ID 2a-023).
- 3.36 Considering some examples of disposable income:
- » A single person household with a gross income of £20,000 from employment would have £17,622 (£339 per week) after income tax and national insurance contributions. Housing costs at 35% of gross income would represent 39.7% of their net income and would leave £204 per week as disposable income to cover their other living expenses.
  - » A couple with two children with a gross income of £44,000 from employment would have up to £37,965 (£730 per week) after income tax and national insurance contributions (assuming both earned £22,000). Therefore, housing costs at 35% of gross income would represent 40.5% of their net income and would leave £550 per week as disposable income to cover their other living expenses.

3.37 We should also consider the differing potential levels of housing benefit.

- » The maximum amount of weekly income that a single person household can receive before their income starts to affect their housing benefit is currently £74.70 for those aged 25 or over and £59.20 for those aged 16-24.
- » The maximum amount of weekly income that a couple with two children can receive before their income starts to affect their housing benefit is currently £254.60 (if one or both are aged 18 or over).

3.38 When assessing affordable housing need, it is not appropriate to adopt a simplistic income multiplier as this does not take into account different household circumstances. It is better to consider housing benefit eligibility criteria set by the Department for Work and Pensions, which take full account of the different amounts of disposable income for various types of household on different incomes, based on the rents for suitable housing.

3.39 Eligibility for housing benefit will differ based on the type of household and the number of bedrooms needed. Figure 21 sets out the maximum incomes for housing benefit eligibility for different types of households in the Bath BRMA:

**Figure 21: Maximum income for households in receipt of housing benefit support by household type**  
(Source: ORS based on Department for Work and Pensions data; Valuation Office Agency data)

		Bath BRMA
<b>ROOM ONLY</b>	Single person aged 16-24	£10,739
<b>ROOM ONLY</b>	Single person aged 25-34	£11,657
<b>1 BEDROOM</b>	Single person aged 35+	£17,265
<b>1 BEDROOM</b>	Couple (both aged under 18)	£18,136
<b>1 BEDROOM</b>	Couple (one or both aged 18 or over)	£19,795
<b>2 BEDROOMS</b>	Lone parent (aged 18 or over) with 1 child	£23,724
<b>2 BEDROOMS</b>	Lone parent (aged 18 or over) with 2 children	£27,783
<b>2 BEDROOMS</b>	Couple (aged 18 or over) with 1 child	£26,255
<b>2 BEDROOMS</b>	Couple (aged 18 or over) with 2 children	£30,313

## Build to Rent

3.40 There are a variety of housing options potentially available for Bath & North East Somerset, including Build to Rent options. Build to Rent is defined by the NPPF Glossary as:

**Build to Rent:** Purpose built housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership and management control.

National Planning Policy Framework, December 2023 (Glossary)

- 3.41 The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided in the form of affordable private rent. The PPG offers a “generally suitable” benchmark that 20% of any given build to rent scheme should be provided as affordable rent (maintained in perpetuity). In terms of setting affordable rent levels, national affordable housing policy requires a rent discount of at least 20% for affordable private rent homes relative to local market rents (inclusive of service charges).
- 3.42 However, the affordability of these affordable Build to Rent options is highly dependent on the rent being discounted. Research by JLL<sup>11</sup> shows that the average Build to Rent option is 9.3% more expensive than the median rent. If it is assumed that these rent levels were to be the case in Bath & North East Somerset, and a discount of 20% were to be applied to these rents (as is suggested by the NPPF/PPG) for the affordable units, then the range of rental costs available would be as Figure 22:

**Figure 22: Weekly rent thresholds in Bath City and the Rest of B&NES (Source: Valuation Office Agency 2021-22; SDR 2022, JLL. Note: cells highlighted in red indicates Affordable Build to Rent is higher than equivalent lower quartile rent)**

	Build to Rent (Median +9.3%)	Median Private Rent	Affordable Build to Rent (B2R – 20%)	Lower Quartile Private Rent	Local Housing Allowance	Affordable Rent
<b>BATH CITY</b>						
1 bedroom	£239.27	£218.91	£191.41	£195.67	£166.85	£133.34
2 bedrooms	£303.51	£277.69	£242.81	£229.39	£195.62	£151.84
3 bedrooms	£375.73	£343.76	£300.59	£282.83	£228.99	£167.22
4+ bedrooms	£620.90	£568.07	£496.72	£473.79	£402.74	£305.69
<b>REST OF B&amp;NES</b>						
1 bedroom	£164.73	£150.71	£131.78	£134.71	£166.85	£91.80
2 bedrooms	£264.62	£242.11	£211.70	£200.00	£195.62	£132.39
3 bedrooms	£324.96	£297.31	£259.97	£244.22	£228.99	£144.62
4+ bedrooms	£535.12	£489.59	£428.10	£408.33	£402.74	£263.45

- 3.43 The illustrative rents in Figure 22 identify that the costs of affordable build to rent are likely to be higher than those of lower quartile private rents for properties with two or more bedrooms (shown in red). In the case of one-bedroom properties in both areas, the costs of affordable build to rent will be marginally lower, and it should also be noted that the local housing allowance is less than the cost of lower quartile rent and affordable build to rent in all cases.
- 3.44 On this basis, there will be a very limited number of prospective tenants that could access affordable build to rent options depending on their circumstance. Therefore, while the promotion of build to rent by local authorities could be a potentially useful mechanism for bringing forward affordable housing options, the level of rent discount suggested by the NPPF renders such options of limited utility in servicing the housing needs of the localities, as in almost all cases the tenant could afford a lower quartile rented property at a lower price. To mitigate this, larger discounts than the suggested 20% would need to be sought by the authority, or the Build to Rent basic rent pre-discount would need to be meaningfully lower.

<sup>11</sup> <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/jll-residential-insight-build-to-rent.pdf>

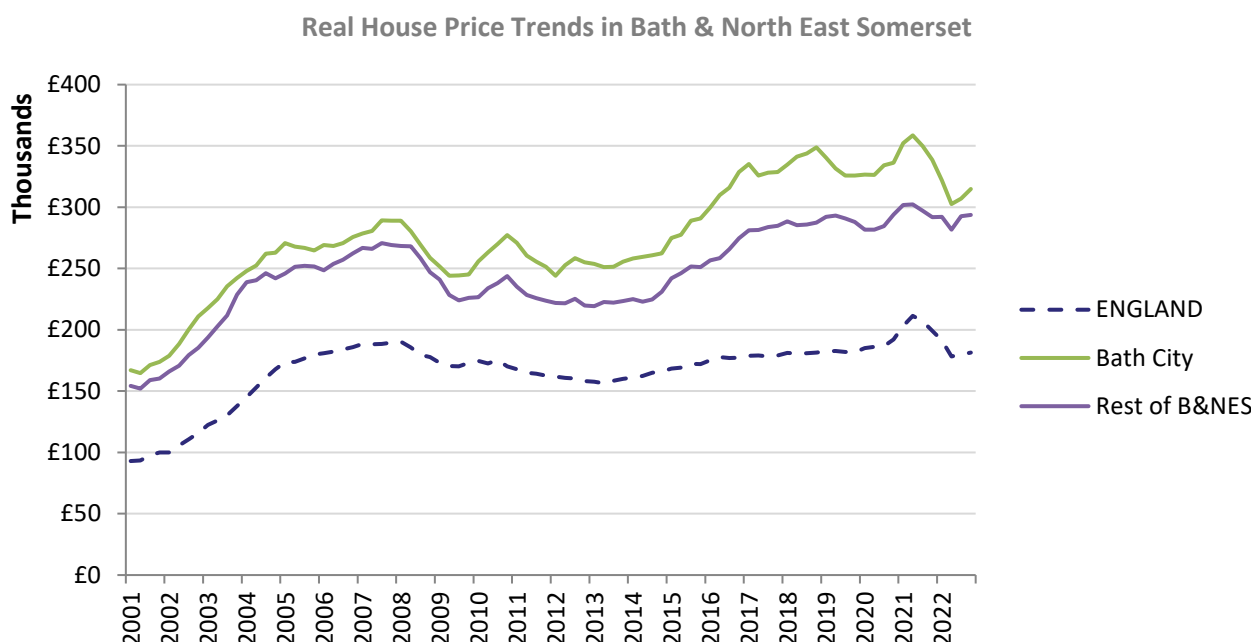


## Cost of Home Ownership

3.45 When considering home ownership, it is worth reflecting on house prices during the past twenty years. House price trends (2001-2022) are shown in Figure 23. This is based on lower quartile prices and data is adjusted for inflation so that values reflect real changes in house prices since 2001.

3.46 Real house prices in Bath & North East Somerset, whilst somewhat higher, have historically mirrored those in England as a whole. However, a notable upward divergence from the England average can be seen in Bath & North East Somerset beginning in 2013/14. Overall prices increased substantially in the period 2001-2008. Values then reduced from the beginning of 2008 and fell to their low point in late 2013, since when they have grown steadily. As of 2020, prices in Bath & North East Somerset exceeded their previous peak prices in 2008, reaching their highest point in mid-2021, since which there has been a modest decline. However, it should be noted that there is considerable local variability in house prices across the authority.

**Figure 23: Real House Price Trends: Lower Quartile Prices adjusted to September 2022 values using CPI (Source: ONS; Bank of England)**

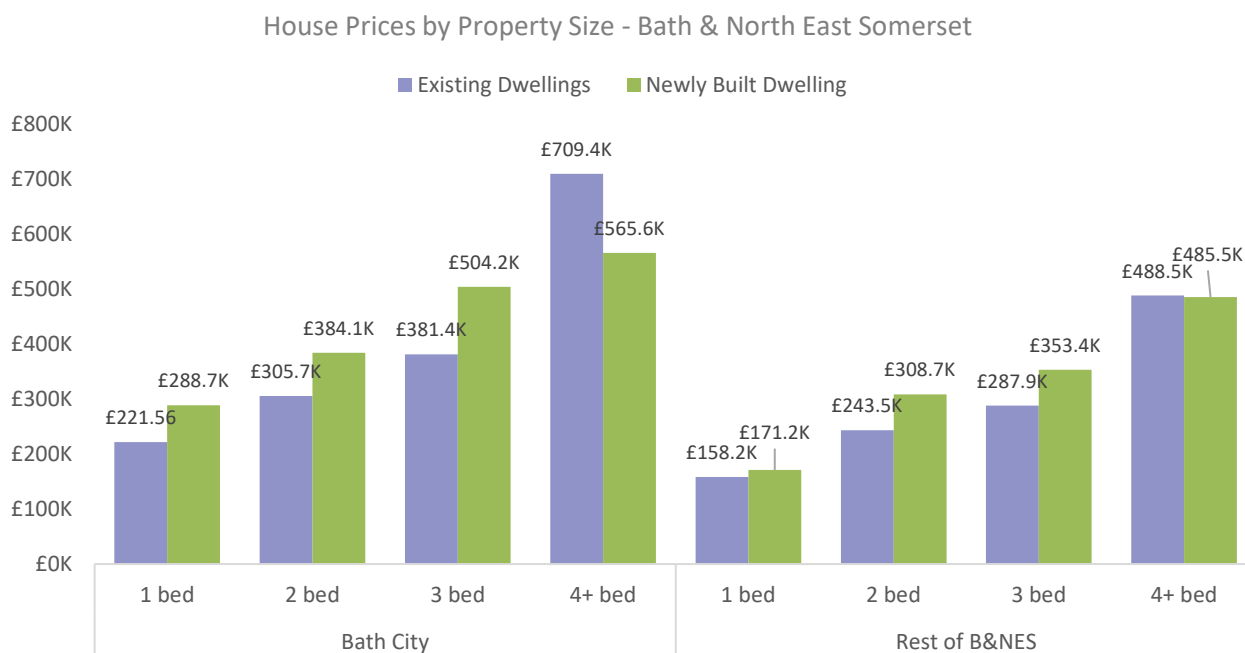


3.47 House prices clearly vary in accordance with a range of factors. An important component is the size of the property, with the number of bedrooms being key.

3.48 Figure 24 shows lower quartile house prices in Bath & North East Somerset by bedroom size. There is also a difference between existing properties and newbuild dwellings. New dwellings in the area generally attract a premium, and it is only four-bedroom properties where newly built dwellings are not more expensive than the equivalent existing dwellings. The difference in values between newbuild and existing properties is likely to be down to a range of factors which include the location of newbuild housing, the relative size of properties, gardens, the availability of parking, comparative quality and condition of existing stock, and other intangible issues such as character.

3.49 These differences in value are relevant if we are considering the affordability of the overall housing stock alongside the affordability of new build estates. First time buyers are particularly likely to be newly forming households and seeking one and two bed properties.

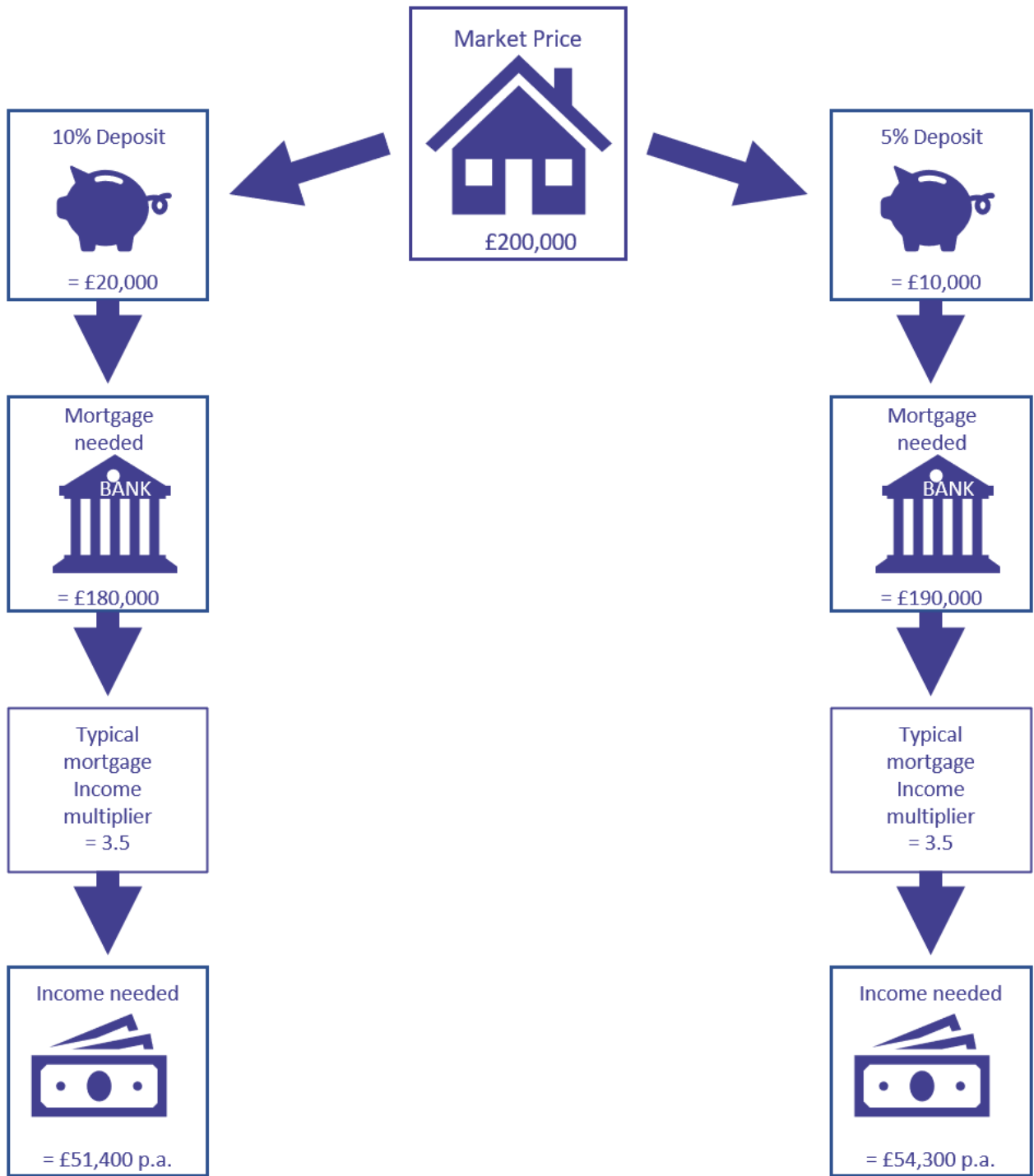
**Figure 24: Bath & North East Somerset - Lower quartile prices (adjusted by CPI) (Apr 2021-Mar 23) by property size (Source: ORS based on ONS House Price Statistics, Bank of England, Valuation Office Agency and Land Registry Price Paid Data)**



### Income Needed for Home Ownership

- 3.50 The income needed to purchase market housing will depend on the house price together with the mortgage income multiplier and the available deposit (or percentage loan to value).
- 3.51 For example, if we consider a property costing £200,000, and assume the buyer could afford a deposit of 10%. The outstanding mortgage requirement would be £180,000. Using a typical income multiple of 3.5 we can calculate an income of just over £51,400 would be needed ( $51,429 \times 3.5 = £180,000$ ). If the buyer could only afford a 5% deposit (£10,000) then a larger mortgage and larger income would be needed.
- 3.52 Whilst some households will have higher deposits available and others will seek to extend their borrowing as far as possible, the initial assumptions of a 10% deposit and a 3.5 x mortgage multiplier provides a reasonable indication of the income that first-time buyer households are likely to need in order to buy a home in the area. Based on these assumptions, Figure 26 shows the household income levels needed to buy 1 and 2-bedroom properties in terms of both existing and newly built properties. When purchasing larger homes, households will typically have larger deposits available, often include equity from the sale of another property. On this basis, it is relatively artificial to consider incomes in isolation for larger properties.

Figure 25: Example calculating income needed for home ownership



## Identifying the Gap for Affordable Home Ownership

- 3.53 When identifying the need for Affordable Home Ownership (AHO - this includes First Homes), it is necessary to consider the housing costs for both renting and buying market housing in order to understand the relative incomes required and establish the appropriate income range for AHO products and the associated purchase costs.
- 3.54 Figure 26 summarises the income thresholds for the range of different housing options based on the costs for home ownership and rents which emphasises that owner occupation is much less affordable than renting.

**Figure 26: Annual income thresholds for different housing options in Bath City and the Rest of B&NES, single bedroom and two-bedroom (Source: ORS based on ONS House Price Statistics, Department for Work and Pensions, Valuation Office Agency and Land Registry Price Paid Data. Note: All figures rounded to nearest £100)**

Annual Income Thresholds		Bath City	Rest of B&NES
<b>SINGLE BEDROOM PROPERTIES -</b> Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£74,200	£44,000
<b>SINGLE BEDROOM PROPERTIES -</b> Minimum income needed to own with 10% deposit and 3.5x mortgage	Existing dwelling	£57,000	£40,700
<b>SINGLE BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Median private rent	£32,600	£22,500
<b>SINGLE BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Lower quartile private rent	£29,200	£20,100
<b>SINGLE BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Affordable rent	£19,900	£13,700
<b>SINGLE BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Social rent	£15,200	£10,500
<b>SINGLE BEDROOM PROPERTIES -</b> Maximum income for Housing Benefit support	Upper end of range	£20,300	£20,300
<b>SINGLE BEDROOM PROPERTIES -</b> Maximum income for Housing Benefit support	Lower end of range	£17,800	£17,800
<b>TWO BEDROOM PROPERTIES -</b> Minimum income needed to own with 10% deposit and 3.5x mortgage	Newly built dwelling	£98,800	£79,400
<b>TWO BEDROOM PROPERTIES -</b> Minimum income needed to own with 10% deposit and 3.5x mortgage	Existing dwelling	£78,600	£62,600
<b>TWO BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Median private rent	£41,400	£36,100
<b>TWO BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Lower quartile private rent	£34,200	£29,800
<b>TWO BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Affordable rent	£22,600	£19,700
<b>TWO BEDROOM PROPERTIES -</b> Minimum income needed for rent to be less than 35%	Social rent	£16,700	£14,600
<b>TWO BEDROOM PROPERTIES -</b> Maximum income for Housing Benefit support	Upper end of range	£30,800	£30,800
<b>TWO BEDROOM PROPERTIES -</b> Maximum income for Housing Benefit support	Lower end of range	£24,200	£24,200

- 3.55 For single-bedroom properties, there is large income gap between being able to afford market rent and being able to afford home ownership. Comparing the income required to afford median private rent (where rent = 35% of income) compared to the income required to afford one bed dwellings (based on 10% deposit and 3.5x mortgage), this gap in Bath City for existing properties is approximately £24,400 and for newly built properties it is £41,600. Across the rest of B&NES the gap for existing properties is £18,200 and for newly built properties it is £21,500. In theory, the differences leave a large gap for affordable home ownership housing products. The gap is even wider for two-bedroom properties and wider still if incomes to afford lower quartile rents are compared to home ownership.
- 3.56 AHO products need to be aimed at this income gap, recognising that some households who could afford market rent would prefer to own their own home.

### Shared Ownership

- 3.57 A range of shared ownership products have also been developed to assist households into homeownership. The shared ownership scheme offers households with incomes of below £80,000 per year (£90,000 in London) that cannot afford to buy on the open market a route into home ownership.
- 3.58 Subject to certain eligibility criteria<sup>12</sup>, applicants can purchase a share in a property (usually between 25% and 75%, but it is possible to buy a 10% share on some homes) on a leasehold basis, paying rent to the landlord (i.e. the holder of the retained equity). A larger share in the property can be purchased in the future (known as “staircasing”), with a corresponding reduction in the rent payable to the landlord. In the majority of cases there is the option of staircasing up to 100% (i.e. full ownership) of the value of the home.
- 3.59 The applicant would usually obtain a mortgage on the initially purchased share of the property, typically with a deposit of 5-10% of the value of the share. The flexibility of shared ownership lies in the ability for the applicant to purchase an initial percentage of the property that is within their budget (once rent and service charges etc. are taken into account), and as a consequence, it is a viable option for a range of household incomes.
- 3.60 Figure 27 sets out the weekly costs associated with shared ownership properties of different sizes, taking account of the differential full market prices and based on the following assumptions:
- » 40% equity share purchased by the occupier;
  - » 10% of the equity purchased is available as a deposit;
  - » Mortgage costs based on a 30-year repayment mortgage at 6.25% interest (a typical rate for a shared ownership mortgage);
  - » Rent based on 1.5% of the retained equity paid each year; and
  - » Service charge of £10 per week.

<sup>12</sup> <https://www.gov.uk/shared-ownership-scheme/who-can-apply>

**Figure 27: Shared ownership costs in Bath City and the Rest of B&NES (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week)**

	Lower Quartile Property Value (New)	40% Equity Share	10% Deposit	Weekly Costs – Mortgage	Weekly Costs – Rent	Weekly Costs – Service Charge	Weekly Costs – Total	Weekly Costs – Median Private Rent
<b>BATH CITY</b>								
1 bedroom	£288,722	£115,489	£11,549	£148.71	£49.83	£10.00	£208.55	£218.91
2 bedrooms	£384,055	£153,622	£15,362	£197.81	£66.29	£10.00	£274.10	£277.69
3 bedrooms	£504,242	£201,697	£20,170	£259.72	£87.03	£10.00	£356.75	£343.76
4+ bedrooms	£565,555	£226,222	£22,622	£291.30	£97.62	£10.00	£398.91	£568.07
<b>REST OF B&amp;NES</b>								
1 bedroom	£171,166	£68,466	£6,847	£88.16	£29.54	£10.00	£127.71	£150.71
2 bedrooms	£308,650	£123,460	£12,346	£158.98	£53.27	£10.00	£222.25	£242.11
3 bedrooms	£353,374	£141,350	£14,135	£182.01	£60.99	£10.00	£253.00	£297.31
4+ bedrooms	£485,455	£194,182	£19,418	£250.04	£83.79	£10.00	£343.83	£489.59

3.61 The calculation in Figure 27 demonstrates that the weekly costs for a typical shared ownership product in Bath & North East Somerset are lower than the equivalent median private rent for all property sizes.

3.62 Figure 28 shows the sensitivity of weekly costs to the equity share purchased and presents this relative to the equivalent local rents. This model uses a 6.25% interest rate for modelling purposes, if rates are lower in the future, then shared ownership will be more affordable, conversely higher rates will make it less affordable. As can be seen, for all of the examined equity shares below 50% across all sizes of property, a shared ownership product on this basis proves to be cheaper than median rent for the same size property.

**Figure 28: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 1.5% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)**

	Median Private Rent	Lower Quartile Property Value	10% Equity Share	25% Equity Share	40% Equity Share	50% Equity Share
<b>BATH CITY</b>						
1 bedroom	£218.91	£288,722	£121.93	£165.24	£208.55	£237.42
2 bedrooms	£277.69	£384,055	£158.89	£216.49	£274.10	£312.51
3 bedrooms	£343.76	£504,242	£205.48	£281.12	£356.75	£407.18
4+ bedrooms	£568.07	£565,555	£229.25	£314.08	£398.91	£455.47
<b>REST OF B&amp;NES</b>						
1 bedroom	£150.71	£171,166	£76.36	£102.03	£127.71	£144.82
2 bedrooms	£242.11	£308,650	£129.65	£175.95	£222.25	£253.11
3 bedrooms	£297.31	£353,374	£146.99	£200.00	£253.00	£288.34
4+ bedrooms	£489.59	£485,455	£198.20	£271.01	£343.83	£392.38

3.63 Figure 29 shows the impact of rent based on 2.75% of retained equity in contrast to the 1.5% in Figure 28. If rent was charged at this level, weekly costs in each case would be higher when compared directly with the previous 1.5% example. As a result, all shares above 40% (with the exception of 4+ bedroom properties) would exceed the median rent level, along with 2 and 3-bed properties at a 25% share in Bath City.

**Figure 29: Total weekly costs for shared ownership based on different equity shares (Note: Mortgage costs based on a 30-year repayment mortgage at 6.25% interest. Rent based on 2.75% of the retained equity annually. Service charge assumed to be £10 per week. Cells highlighted in orange are above the equivalent median private rent.)**

	Median Private Rent	Lower Quartile Property Value	10% Equity Share	25% Equity Share	40% Equity Share	50% Equity Share
<b>BATH CITY</b>						
1 bedroom	£218.91	£288,722	£184.22	£217.15	£250.07	£272.02
2 bedrooms	£277.69	£384,055	£241.75	£285.55	£329.34	£358.54
3 bedrooms	£343.76	£504,242	£314.27	£371.78	£429.28	£467.62
4+ bedrooms	£568.07	£565,555	£351.27	£415.77	£480.26	£523.26
<b>REST OF B&amp;NES</b>						
1 bedroom	£150.71	£171,166	£113.29	£132.81	£152.33	£165.34
2 bedrooms	£242.11	£308,650	£196.25	£231.45	£266.64	£290.11
3 bedrooms	£297.31	£353,374	£223.23	£263.53	£303.83	£330.70
4+ bedrooms	£489.59	£485,455	£302.93	£358.30	£413.66	£450.57

## Summary of Low-Cost Home Ownership Options

3.64 This chapter has considered in some detail the relative cost of low-cost home ownership options depending on tenure type and property size based on standardised shared ownership products. However, local authorities have the option of introducing products with alternative discounts where viable. To assist in this, Figure 30 summarises the weekly cost for each property size based on a range of potential shared ownership equity shares, first homes discounts and 20% discounted market sales housing (see 2023 NPPF Glossary – affordable housing).

**Figure 30: Comparison of weekly Shared Ownership/First Homes costs by property size and equity share (Source: VOA 2021-2022, Land Registry, ORS model. Share ownership assumptions as in Figure 29. Figures with an asterisk indicate potential ineligibility as a First Home<sup>13</sup>.)**

	10% Equity Share	25% Equity Share	40% Equity Share	50% Equity Share	50% First Homes	60% First Homes	70% First Homes	Discount LCHO
<b>BATH CITY</b>								
1 bed	£184.22	£217.15	£250.07	£272.02	£171.44	£205.73	£240.02	£274.31
2 bed	£241.75	£285.55	£329.34	£358.54	£228.05	£273.66	£319.27*	£364.88
3 bed	£314.27	£371.78	£429.28	£467.62	£299.42*	£359.30*	£419.19*	£479.07
4+ bed	£351.27	£415.77	£480.26	£523.26	£335.83*	£402.99*	£470.16*	£537.32
<b>REST OF B&amp;NES</b>								
1 bed	£113.29	£132.81	£152.33	£165.34	£101.64	£121.97	£142.29	£162.62
2 bed	£196.25	£231.45	£266.64	£290.11	£183.28	£219.93	£256.59	£293.24
3 bed	£223.23	£263.53	£303.83	£330.70	£209.83	£251.80	£293.77	£335.73
4+ bed	£302.93	£358.30	£413.66	£450.57	£288.26	£345.92*	£403.57*	£461.22

3.65 Figure 30 shows the weekly cost of operating each product for comparison purposes, however it is silent on the financial barriers to entry for each product. It should be noted that whilst weekly costs can be higher for

<sup>13</sup> To be eligible as a First Home, the first sale of a property must be at a price no higher than £250,000 (or £420,000 in Greater London). Based on the lower quartile property prices in Figure 24, the asterisk indicates that the discount would not bring the price under £250,000. This is discussed further at para 4.63.



shared ownership properties due to the impact of rent and service charges, typically a lower income is required to access the necessary mortgage, which has a clear impact on the accessibility of the product.

<sup>3.66</sup> Based on the assumptions of a 3.5 times income multiplier for the mortgage, and no more than 45% of remaining income after the mortgage being spent on any associated rent and service charges for the product in question, the incomes shown in Figure 31 would be necessary in practice to access the products. However, it should be understood that these figures are merely indicative due to real world variations in mortgage multipliers between lenders, ongoing fluctuations in interest rates etc.

**Figure 31: Comparison of income required to access Shared Ownership/First Homes products by property size and equity share** (Source: VOA 2021-2022, Land Registry, ORS model. Shared ownership assumptions as in Figure 29. Figures with an asterisk indicate potential ineligibility as a First Home<sup>14</sup>. Orange cells indicate potential ineligibility for the product due to income levels<sup>15</sup>.)

	10% Equity Share	25% Equity Share	40% Equity Share	50% Equity Share	50% First Homes	60% First Homes	70% First Homes	Discount LCHO
<b>BATH CITY</b>								
1 bed	£25,900	£36,600	£47,300	£54,500	£41,000	£49,200	£57,400	£65,600
2 bed	£34,100	£48,400	£62,600	£72,100	£54,600	£65,500	£76,400*	£87,300
3 bed	£44,400	£63,100	£81,800	£94,300	£71,600*	£86,000*	£100,300*	£114,600
4+ bed	£49,700	£70,700	£91,600	£105,600	£80,400*	£96,400*	£112,500*	£128,600
<b>REST OF B&amp;NES</b>								
1 bed	£15,900	£22,200	£28,500	£32,800	£24,300	£29,200	£34,000	£38,900
2 bed	£27,700	£39,100	£50,500	£58,100	£43,900	£52,600	£61,400	£70,200
3 bed	£31,500	£44,600	£57,700	£66,400	£50,200	£60,300	£70,300	£80,300
4+ bed	£42,800	£60,800	£78,800	£90,800	£69,000	£82,800*	£96,600*	£110,400

<sup>14</sup> Ibid.

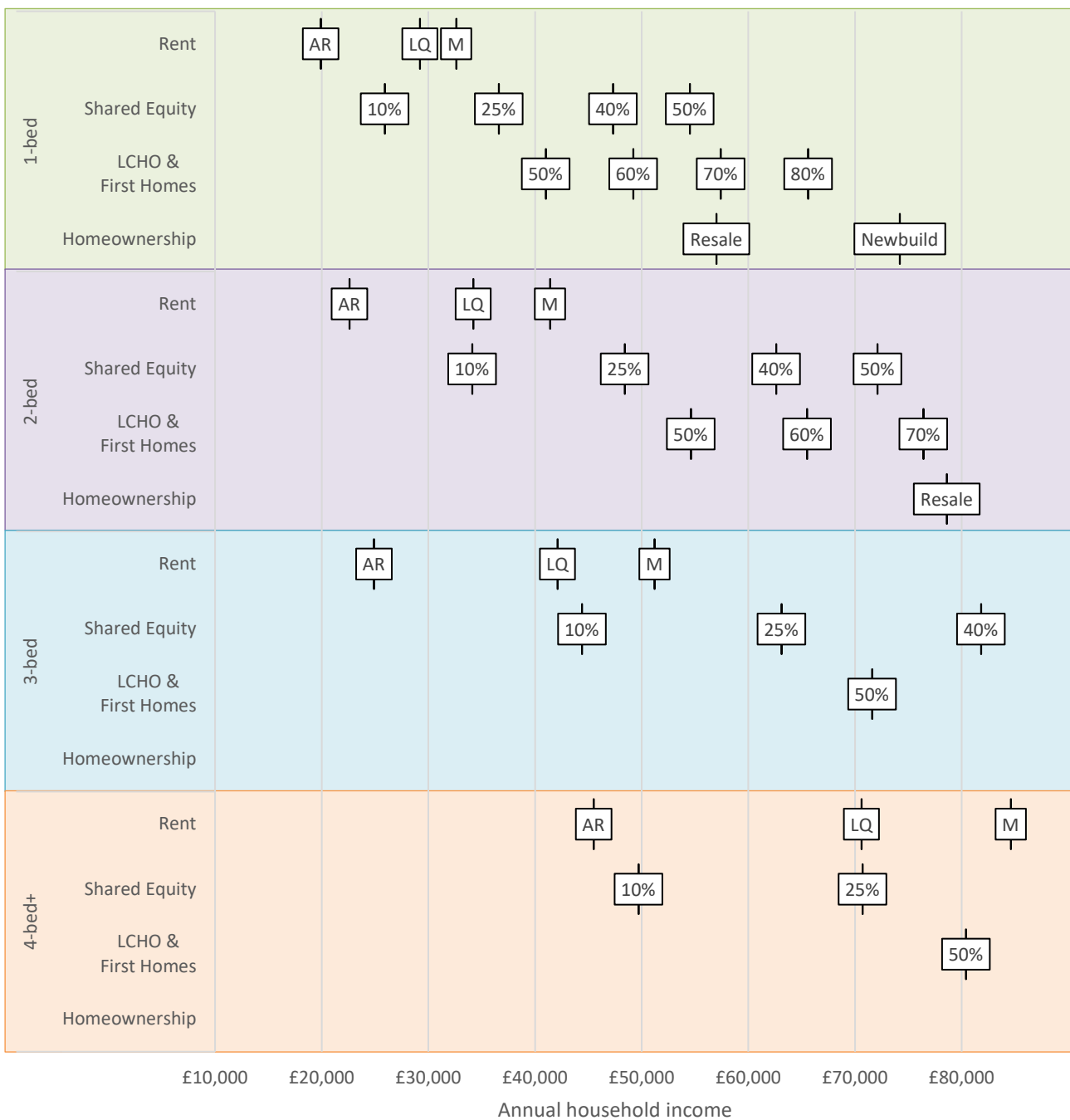
<sup>15</sup> Both First Homes and Shared Ownership scheme have a stipulation that the purchaser's annual household income cannot exceed £80,000 (or £90,000 in Greater London).

## Housing Options in Bath & North East Somerset

3.67 Figure 32 and Figure 33 bring together the detailed analysis that has been presented throughout this chapter to identify the housing options that would be available to residents based on their annual household income. For each property size, the diagrams show the income that would be required to afford to different types of rented homes, and the income required for homeownership and the different affordable homeownership products. Note that this analysis assumes that no financial support is provided through housing benefit, and although a 10% deposit is assumed for homeownership products, there is no allowance for any other equity.

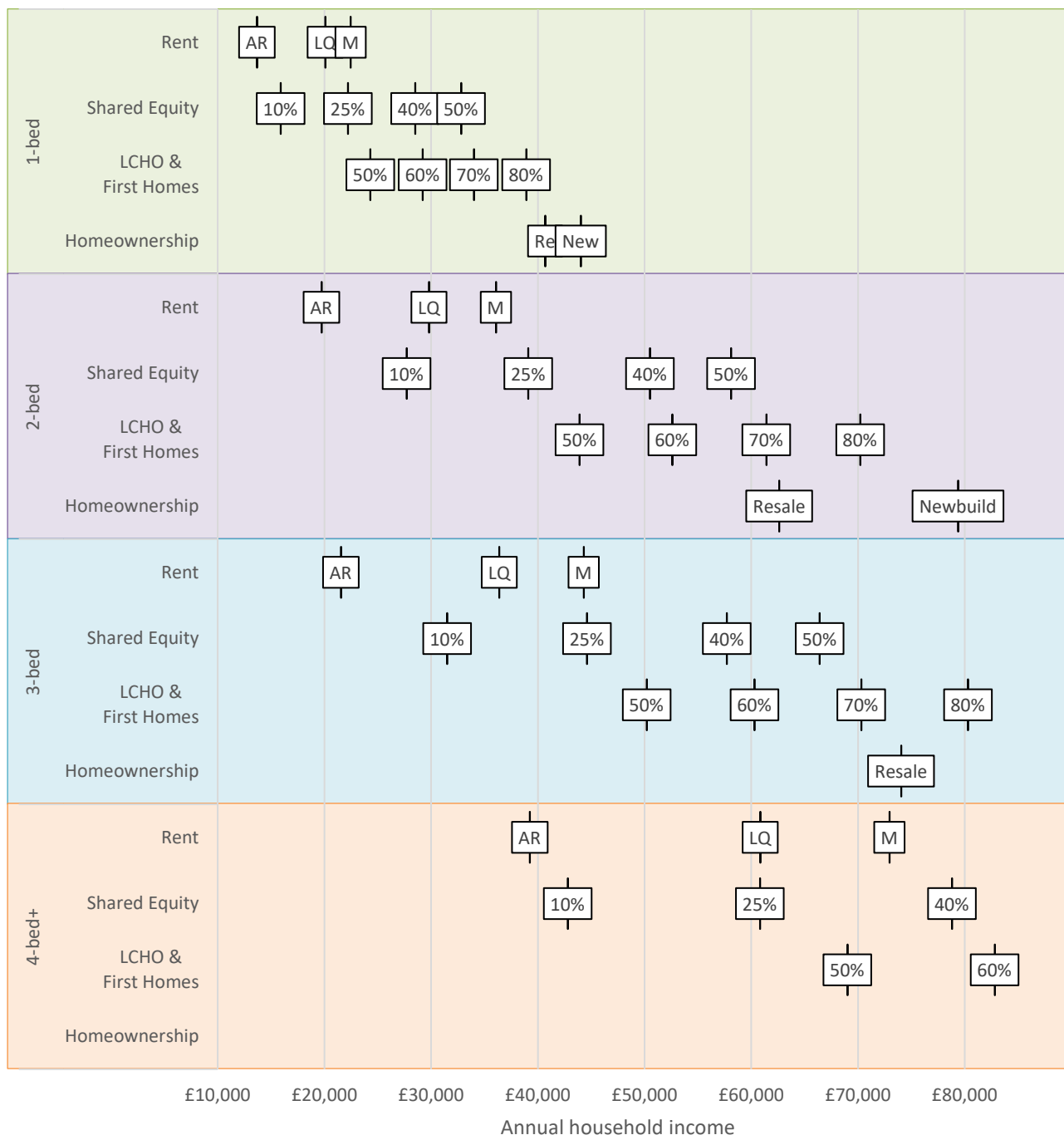
**Figure 32: Summary of minimum household incomes required for each housing option in Bath City by number of bedrooms**  
 (Key: AR = affordable rent; LQ = lower quartile private rent; M = median private rent)

### Bath City - Household Income for each Housing Option



**Figure 33: Summary of minimum household incomes required for each housing option in the Rest of B&NES by number of bedrooms (Key: AR = affordable rent; LQ = lower quartile private rent; M = median private rent)**

### Rest of B&NES - Household Income for each Housing Option



3.68 Based on these diagrams, it is apparent that the incomes required for rented homes is considerably lower than the income that would be needed for homeownership across all property sizes both in Bath City and the Rest of B&NES. For example, households with an income of just over £40,000 could afford the median rent for a 2-bed private rented home in Bath City, but they would need an income of almost £80,000 to afford to buy an existing property of that size. The situation is similar in the Rest of B&NES where renting a 2-bed home would be affordable to households with an income of around £35,000 but homeownership would require an income of more than £60,000 for an existing 2-bed property and £80,000 for a newbuild home.

# 4. Affordable Housing Need

## Identifying households who cannot afford market housing

### Introduction

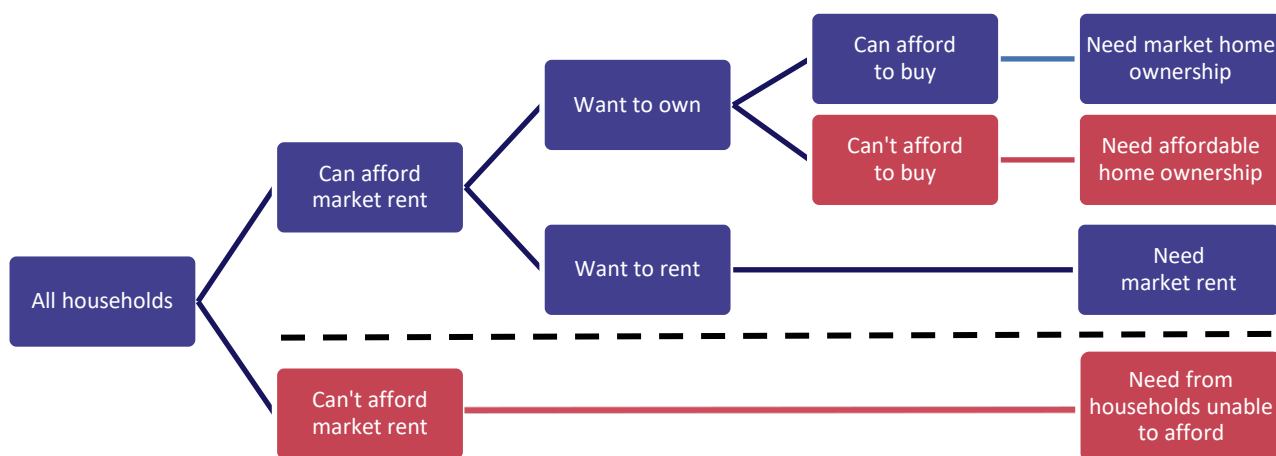
- 4.1 This section represents a technical exercise to comply with the requirements of the NPPF and the PPG. Demographic projections provide the basis for identifying the housing needs for all types of housing, including both market and affordable housing.
- 4.2 The definition of affordable housing was changed by the National Planning Policy Framework in 2019. Annex 2 of the current Framework now defines affordable housing as being:

*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers);*

**Annex 2, National Planning Policy Framework (December 2023)**

- 4.3 To reflect this change, relevant paragraphs of PPG have also been updated to confirm that the types of household to be considered in housing need should include *“those that cannot afford their own homes, either to rent, or to own, where that is their aspiration”* [PPG ID 2a-020-20190220].
- 4.4 The assessment of affordable housing need therefore needs to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy.

**Figure 34: Establishing the need for market and affordable housing**



- 4.5 There is a well-established method for assessing the needs of households who cannot afford to own or rent suitable market housing (i.e. cannot afford either tenure). However, PPG provides no guidance on how the needs of households who can afford to rent but would prefer to own, should be assessed.

## Assessing the Needs of Households Unable to Afford Market Rent

- 4.6 The ORS Housing Mix Model considers the need for market and affordable housing on a long-term basis that is consistent with household projections. The model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 4.7 The model provides robust and credible evidence about the required mix of housing over the full planning period and recognises how key housing market trends and drivers will impact on the appropriate housing mix.
- 4.8 The PPG identifies that “projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need” (ID 2a-021). **The ORS Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ by age.** Therefore, the appropriate proportion is determined separately for each household type and age group.
- 4.9 The affordability percentages in Figure 35 are calculated using detailed information from the 2021 Census alongside data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs. This is the proportion of households in each group that either occupy affordable housing or receive housing benefit to enable them to afford market housing.

Figure 35: Assessing affordability by household type and age (Source: Census 2021 and DWP)

Percentage unable to afford market housing	Under 25	25-34	35-44	45-54	55-64	65+
<b>BATH CITY</b>						
Single person household	27%	13%	22%	32%	32%	31%
Couple family with no dependent children	4%	2%	5%	10%	9%	11%
Couple family with 1 or more dependent children	40%	17%	11%	8%	10%	22%
Lone parent family with 1 or more dependent children	73%	63%	52%	39%	33%	71%
Other household type	5%	6%	24%	31%	28%	20%
<b>REST OF B&amp;NES</b>						
Single person household	24%	11%	16%	22%	19%	19%
Couple family with no dependent children	4%	2%	4%	6%	5%	6%
Couple family with 1 or more dependent children	61%	17%	11%	7%	8%	20%
Lone parent family with 1 or more dependent children	75%	54%	51%	38%	29%	63%
Other household type	10%	9%	23%	23%	19%	11%

## Current Unmet Needs of Households Unable to Afford

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

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

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

- » *the number of homeless households;*
- » *the number of those in priority need who are currently housed in temporary accommodation;*
- » *the number of households in overcrowded housing;*
- » *the number of concealed households;*
- » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
- » *the number of households from other tenures in need and those that cannot afford their own homes.*

*Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.*

**Planning Practice Guidance, ID 2a-020-20190220**

- 4.11 Households assumed to be unable to afford housing include:
- » All households that are currently **homeless**;
  - » All those currently housed in **temporary accommodation**; and
  - » People in a **reasonable preference category** on the housing register, where their needs have not already been counted.
- 4.12 Given this context, the model includes the needs of all these households when establishing the need for affordable housing at a base date of 2022.
- 4.13 The analysis counts the needs of all households living in overcrowded rented housing when establishing the affordable housing need (which could marginally overstate the requirements) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Student households are also excluded, given that their needs are assumed to be transient and do not count towards the need for affordable housing in the West of England.
- 4.14 **Concealed families** are an important part of unmet housing need. However, not all concealed families want separate housing. Those with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to be experiencing affordability difficulties or other constraints (although even here not all will want to live independently).
- 4.15 Any concealed families in a reasonable preference category on the housing register will be counted regardless of age. The analysis also considers the additional growth of concealed families with family representatives aged under 55 (even when not on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

- 4.16 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Council have a range of statutory enforcement powers to improve housing conditions.
- 4.17 Figure 36 sets out an assessment of the existing affordable housing need for Bath & North East Somerset at the start of the Plan period in 2022.

**Figure 36: Assessing current unmet gross need for affordable housing (Source: CLG P1E returns, Census, EHS, LAHS)**

Bath & North East Somerset	Affordable Housing - Gross Need	Affordable Housing - Supply	Affordable Housing - Net Need	Current unmet Housing Need
<b>Homeless households in priority need</b> [Source: CLG P1E returns 2022]				
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	42		42	42
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	2		2	
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	8	8	0	
Households accepted as homeless but without temporary accommodation provided	8		8	8
<b>Concealed households</b> [Source: Census 2001 and 2021]				
Growth in concealed families with family representatives aged under 55	104		104	104
<b>Overcrowding based on the bedroom standard</b> [Source: Census 2021 and English Housing Survey]				
Households living in overcrowded private rented housing	479		479	
Households living in overcrowded social rented housing	770	770	0	
<b>Other households living in unsuitable housing that cannot afford their own home</b> [Source: CLG Local Authority Housing Statistics 2022]				
People who need to move on medical or welfare grounds, including grounds relating to a disability	571	65	506	
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	0	0	0	
<b>TOTAL</b>	<b>1,984</b>	<b>843</b>	<b>1,141</b>	<b>154</b>

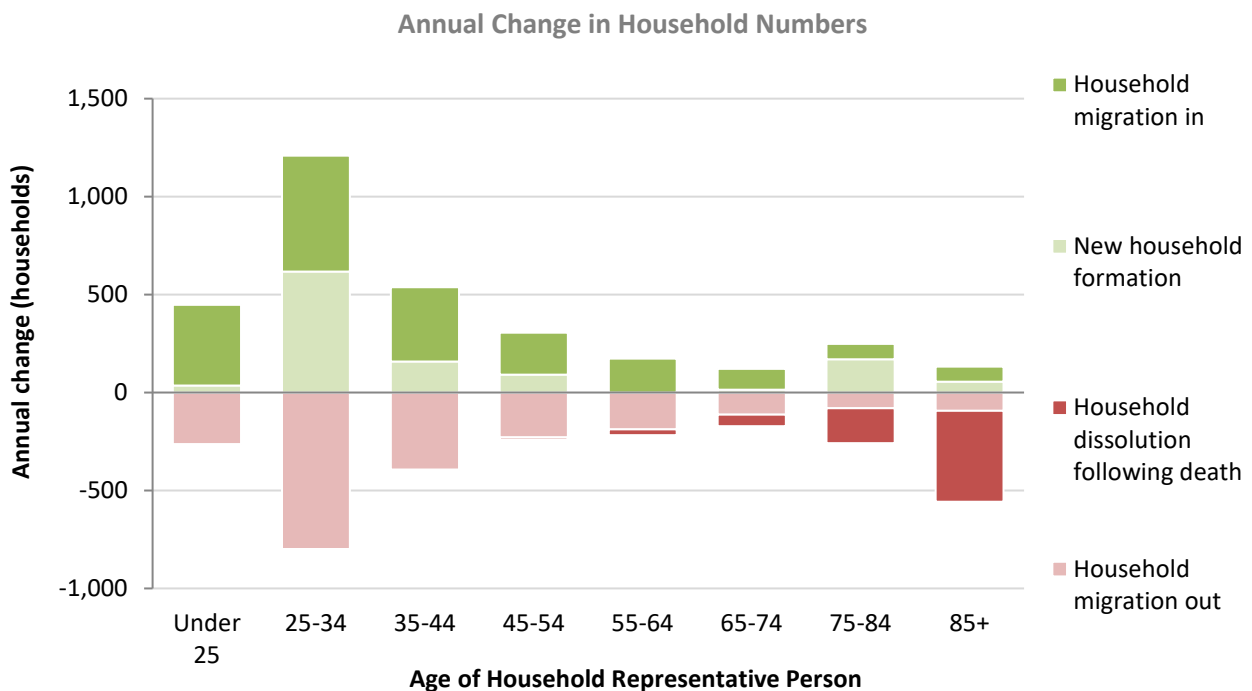
- 4.18 Based on a detailed review of both the past trends and current estimates our analysis has concluded that 1,984 households in Bath & North East Somerset are currently living in unsuitable housing and are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double counting as far as possible.

- 4.19 Of these households, 843 currently occupy affordable housing that does not meet the current householders' needs, mainly due to overcrowding. Providing more suitable housing for these households will enable them to vacate their existing affordable housing property, which can subsequently be allocated to another (smaller) household in need of affordable housing.
- 4.20 There is, therefore, a net current affordable housing need of 1,141 households (1,984 less 843 = 1,141). However, depending on property types and size of households in need, a higher number of new homes *may* be needed to ensure there is no overcrowding.
- 4.21 Providing the net current affordable housing need for 1,141 households will provide for 154 households that are currently either homeless or concealed, and release back into the market (mainly in the private rented sector) the dwellings currently occupied by the remaining 987 households (1,141 less the 154 households which are homeless or concealed and thus do not release dwellings).

### Projected Future Need of Households Unable to Afford

- 4.22 When considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a "gross annual estimate" (ID 2a-021) suggesting that "the total need for affordable housing should be converted into annual flows" (ID 2a-024).
- 4.23 Figure 37 show the age structure of each of the components of household change. This analysis is based on changes within each age cohort. Comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore, all new households are properly counted, rather than only counting the increase in the number of households in each age group.

**Figure 37: Annual change in household numbers in each age cohort by age of Household Representative Person in B&NES**  
(Source: ORS Housing Model)





- 4.24 Together with information on household type, this provides a framework for the model to establish the proportion of households who are unable to afford their housing costs. The following tables (Figure 38 onwards) look at the impact of different types of household:

**Figure 38: Annual components of Household Growth for B&NES 2022-42 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

B&NES 2022-42	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	2,285	1,935	350	15%
Households migrating into the area	4,061	3,378	683	17%
<b>All new households</b>	<b>6,346</b>	<b>5,313</b>	<b>1,034</b>	<b>16%</b>

- 4.25 The ORS Model identifies new households projected to form in Bath & North East Somerset each year, along with the number that will be unable to afford their housing costs. The model also considers new households migrating to the area which results in the total new households in need of affordable housing (Figure 38).
- 4.26 PPG identifies that “there will be a current supply of housing stock that can be used to accommodate households in affordable housing need” and that it is necessary to establish “the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need” (ID 2a-022)
- 4.27 The model also identifies the households are likely to dissolve following the death of all household members. Many of these households will own their homes outright, however, some of these are likely to have been unable to afford market housing and will mostly be living in social rented housing (Figure 39).
- 4.28 In addition, some households that are unable to afford housing will migrate away from the area, so their needs should be discounted to ensure consistency with the household projections. The model identifies the households that will migrate out of the area each year, including those households who are unable to afford their housing costs.
- 4.29 A proportion of these will vacate rented affordable housing (which will become available for another household) whereas others that have not yet been allocated an affordable home will reduce the number of households waiting. (It should be noted that some might have chosen to stay if housing costs were cheaper or more affordable housing was available).
- 4.30 Figure 39 shows the annual number of households who will vacate affordable dwellings or will no longer be waiting for a home over the period:

**Figure 39: Annual components of Household Growth B&NES 2022-42 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

B&NES 2022-42	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Household dissolutions following death	1,501	1,242	259	17%
Households migrating <u>out</u> of the area	4,320	3,615	704	16%
<b>All households no longer present</b>	<b>5,821</b>	<b>4,857</b>	<b>963</b>	<b>17%</b>

- 4.31 PPG also identifies that it is important to estimate “the number of existing households falling into need” (ID 2a-021). Whilst established households that continue to live in Bath & North East Somerset will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the model, and the estimate of the number of established households that will fall into need in each year is shown in Figure 40.
- 4.32 However, established households’ circumstances can also improve. For example:
- » When two single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately).
  - » Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period.
- 4.33 These improved circumstances can therefore reduce the need for affordable housing over time. The model identifies the number of households whose circumstances will improve such that they become able to afford their housing costs having previously being unable do so (Figure 40).

**Figure 40: Annual components of Household Growth B&NES 2022-42 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

B&NES 2022-42	All households	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Existing households falling into need	-	-248	248	100%
Existing households climbing out of need	-	237	-237	0%
<b>Change in existing households</b>	-	<b>-12</b>	<b>12</b>	-

- 4.34 The following table (Figure 41) summarises the overall impact of:
- » new households adding to housing need,
  - » the households no longer present reducing housing need and
  - » the changes in circumstances impacting existing households.

**Figure 41: Annual components of Household Growth B&NES 2022-42 (Source: ORS Housing Model)**

B&NES 2022-42	All households	Households able to afford housing costs	Households unable to afford housing costs
All new households	6,346	5,313	1,034
All households no longer present	5,821	4,857	963
Change in existing households	-	-12	12
<b>Future affordable housing need 2022-42 - Annual average</b>	<b>526</b>	<b>444</b>	<b>82</b>
<b>Future affordable housing need 2022-42 - 20-year Total</b>	<b>10,517</b>	<b>8,870</b>	<b>1,647</b>

- 4.35 Overall reviewing the contribution of each element amounts to a projected additional 1,647 households needing affordable housing in Bath & North East Somerset over the 20-year period 2022-42.

## Overall Affordable Housing Need for Households Unable to Afford

4.36 Below, Figure 42 brings together the information on assessing the unmet need for affordable housing in 2022 and the associated impact on market housing, together with the future need for market and affordable housing arising over the 20-year period 2022-42.

**Figure 42: Assessing total need for market and affordable housing for Bath & North East Somerset (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

B&NES	Households able to afford market rent	Households unable to afford market rent	Overall Housing Need
<b>Unmet need for affordable housing in 2022</b> (see Figure 36)			
Total unmet need for affordable housing (a)	-	1,984	1,984
Supply of housing vacated (b)	987	843	1,830
<b>Current housing need (c) = (a) - (b)</b>	<b>-987</b>	<b>1,141</b>	<b>154</b>
<b>Projected future housing need 2022-42</b> (see Figure 41)			
Average annual housing need (d)	+444	+82	+526
<b>Future housing need (e) = (d) x 20</b>	<b>+8,870</b>	<b>+1,647</b>	<b>+10,517</b>
<b>Total need for market and affordable housing (f) = (c) + (e)</b>	<b>+7,883</b>	<b>+2,788</b>	<b>+10,671</b>
Average annual household growth (g) = (f) / 20	+394	+139	+534

4.37 Overall, in Bath & North East Somerset, there is a need to provide affordable housing for 2,788 households unable to afford to rent or buy over the Plan period 2022-42, which equates to **139 households per year**.

4.38 Figure 43 considers the distribution of households identified as being unable to afford market rent between Bath City and the Rest of B&NES. The unmet need for affordable housing is split relatively evenly between the two areas, with 562 households identified in Bath City and 579 households in the Rest of B&NES; however, the future affordable housing need arising over the 20-year period 2022-2042 is likely to be lower in Bath City (680 households) than in the Rest of B&NES (967 households) which is consistent with the different rates of projected households growth identified for the two areas.

**Figure 43: Assessing total need for market and affordable housing for Bath City and the Rest of B&NES (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Bath City	Rest of B&NES	TOTAL
<b>Households unable to afford market rent</b>			
Unmet need for affordable housing in 2022	562	579	1,141
Future affordable housing need 2022-42	680	967	1,647
<b>Total need for market and affordable housing (f) = (c) + (e)</b>	<b>+1,242</b>	<b>+1,546</b>	<b>+2,788</b>
Average annual household growth (g) = (f) / 20	+62	+77	+160

4.39 The appropriate mix of affordable housing products will depend on the mix of households needing affordable housing,<sup>16</sup> and the type of affordable housing households can afford is influenced by the percentage of income available. Figure 20 identified the minimum annual income needed to afford Affordable Rents in Bath City and the Rest of B&NES by property size, based on spending up to 35% of total income.<sup>17</sup>

<sup>16</sup> This section is about need and not supply, nor whether it is feasible to supply sufficient homes to meet the need in any particular LPA. The supply to deliver against the need may be affected by such factors as thresholds for affordable housing on individual sites where, for example, a smaller proportion of affordable housing or none may be required on smaller sites.

<sup>17</sup> The rent for affordable rent housing (inclusive of service charges) must not exceed 80% of gross market rent.

- 4.40 To profile affordability, data from the English Housing Survey and ONS Survey of Personal Incomes has been combined to establish a distribution by household type and age. This excludes any income from housing benefit, as the analysis seeks to determine to what extent housing benefit would be needed by households in each group.

**Figure 44: Overall need for Affordable Housing in Bath & North East Somerset 2022-42 disaggregated based on ability to access affordable rents by property size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Households Unable to afford affordable rent	Households Able to afford affordable rent	Total Households
<b>BATH CITY</b>			
1 bedroom	187	16	203
2 bedrooms	187	71	258
3 bedrooms	352	152	504
4+ bedrooms	171	67	239
<b>TOTAL HOUSING NEED</b>	<b>897</b>	<b>306</b>	<b>1,203</b>
<i>Overall Percentage for Bath City</i>	<i>75%</i>	<i>25%</i>	<i>100%</i>
<b>REST OF B&amp;NES</b>			
1 bedroom	129	28	157
2 bedrooms	225	100	325
3 bedrooms	496	272	769
4+ bedrooms	193	102	295
<b>TOTAL HOUSING NEED</b>	<b>1,043</b>	<b>503</b>	<b>1,546</b>
<i>Overall Percentage for the Rest of B&amp;NES</i>	<i>67%</i>	<i>33%</i>	<i>100%</i>

## Future Policy on Housing Benefit in the Private Rented Sector

- 4.41 The analysis recognises **the importance of housing benefit and the role of the private rented sector**. It is assumed that the number of households in receipt of housing benefit in the private rented sector will remain constant; however, this is a national policy decision which is not within the Council's control.
- 4.42 It is important to note that private rented housing (with or without housing benefit) does not meet the NPPF definition of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
- 4.43 The analysis adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. **The assessment does not count any dwellings in the private rented sector as affordable housing supply;** however, it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

- 4.44 PPG (both the current version and previous versions) states that “*care should be taken to ... include only those households who cannot afford to access suitable housing in the market*” [ID 2a-020-20190220]. Given that households in receipt of housing benefit receive a specific payment to enable them to afford suitable housing in the market, these households should only be counted as part of the affordable housing need if that payment was withdrawn. That would be a policy decision, albeit at a national level. It is well-established that housing need should be established leaving aside policy considerations,<sup>18</sup> so it would be wrong to assume housing benefit was to be withdrawn from households renting privately when assessing the level of affordable housing need.
- 4.45 The approach taken by the LHNA is policy neutral, assuming no change in the number of claimants. Evidently, it would be a policy-on position to assume that the position was going to radically change, so that could not form part of the assessment of need. However, when establishing the affordable housing requirement – i.e. a figure which also reflects any policy considerations – a local planning authority could seek to reduce the number of households rented privately in receipt of housing benefit as a policy aspiration. That wouldn’t change the need, but it could influence the affordable housing policy target.
- 4.46 Given this context, it will be necessary for the local authority to plan for the needs of **all** households unable to afford to rent or own market housing if they are going to avoid the number of housing benefit claimants living in private rented housing increasing. However, in determining the affordable housing requirement, the authority may want to consider a local policy target to reduce the number of households living in private rented housing who rely on housing benefit – but this could only be achieved after the affordable housing need that has been identified has been met in full.

## Assessing the Needs of Households Aspiring to Homeownership

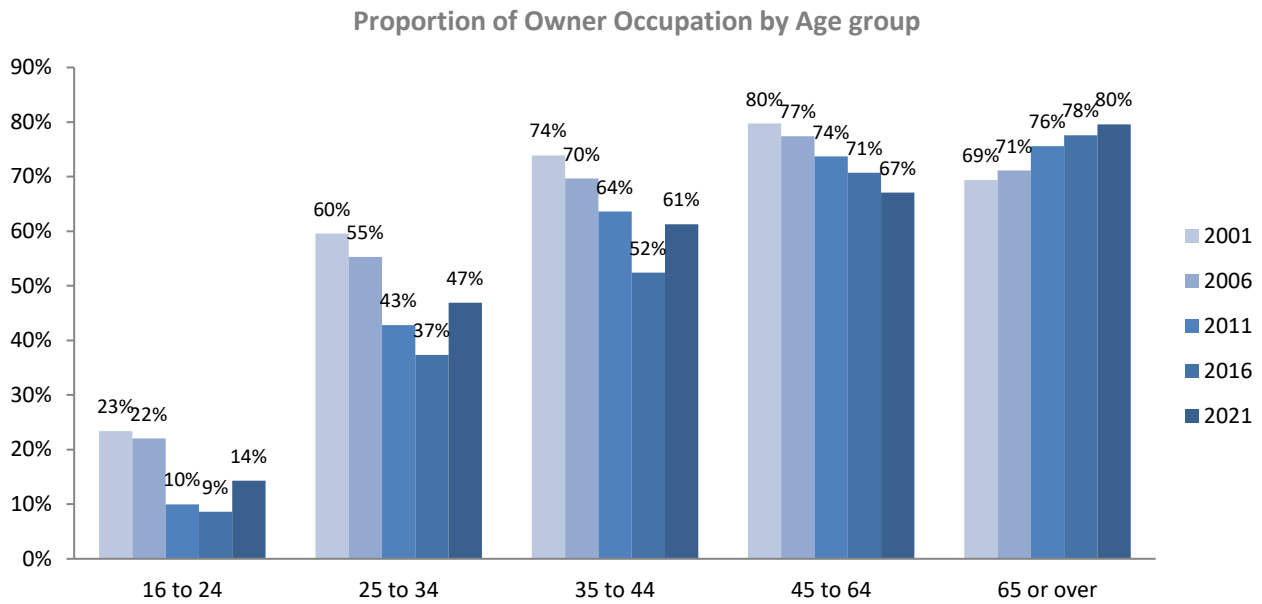
### Home Ownership Trends

- 4.47 The new emphasis on households that cannot afford to own their home reflects Government concerns that the proportion of owner occupiers has reduced nationally over the last ten to fifteen years. Estimates from the English Housing Survey suggest that the proportion of owner occupiers reduced from around 69% in 2006 to 65% in 2011 and to 63% by 2016. Over the same period the proportion of households renting from a social landlord also reduced from 19% to 17% whilst the proportion renting privately increased from 12% to 20%.
- 4.48 The proportion of owner occupiers varies by age with younger age groups less likely to own their home than older households. The real change is in the extent to which younger age groups owning their property has fallen over recent years whilst at the upper end of the age scale (aged 65 or over) home ownership has been increasing (Figure 45).

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<sup>18</sup> Gallagher Homes v Solihull MBC; [2014] EWHC 1283 (Admin)

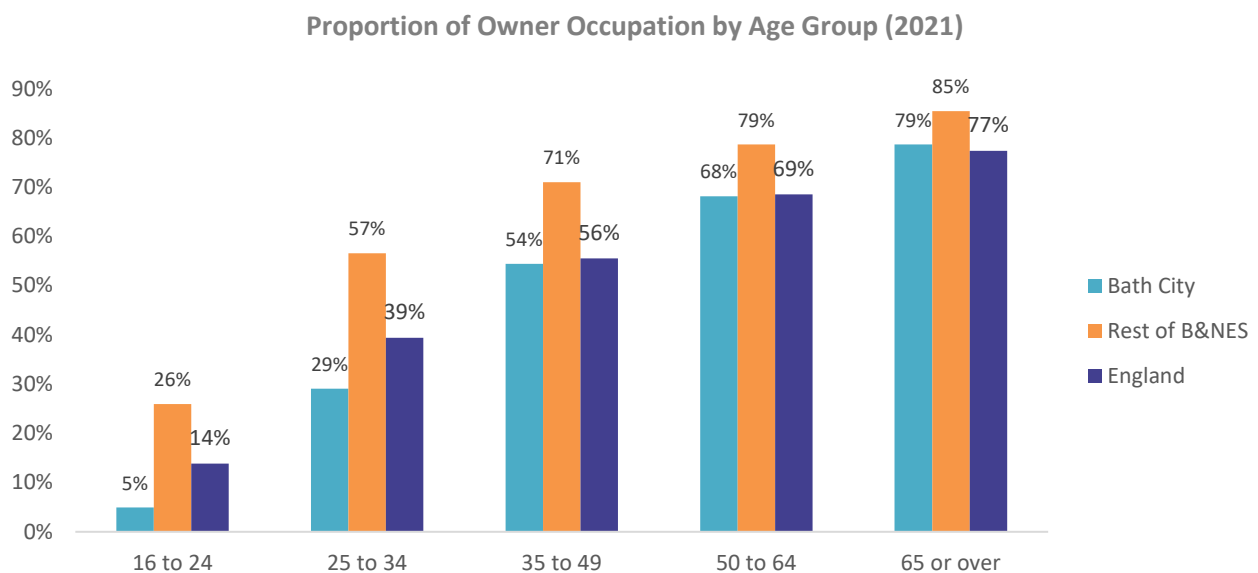
Figure 45: Percentage of Owner Occupiers in England by Age Group 2001-2021 (Source: English Housing Survey)



4.49 The English Housing Survey does not provide data at the local level, however an indication of the comparison between owner occupation levels by age in Bath City and the Rest of B&NES is provided by the 2021 Census (Figure 46).

4.50 Rates of owner occupation in Bath City are below the national average for residents aged under 35 but broadly in line with the England rates for older age groups. In contrast, rates of owner occupation across the Rest of B&NES are notably higher than the national average across all age groups.

Figure 46: Proportion of Owner Occupation by age group 2021 (Source: Census 2021)



## Establishing the number of households aspiring to home ownership

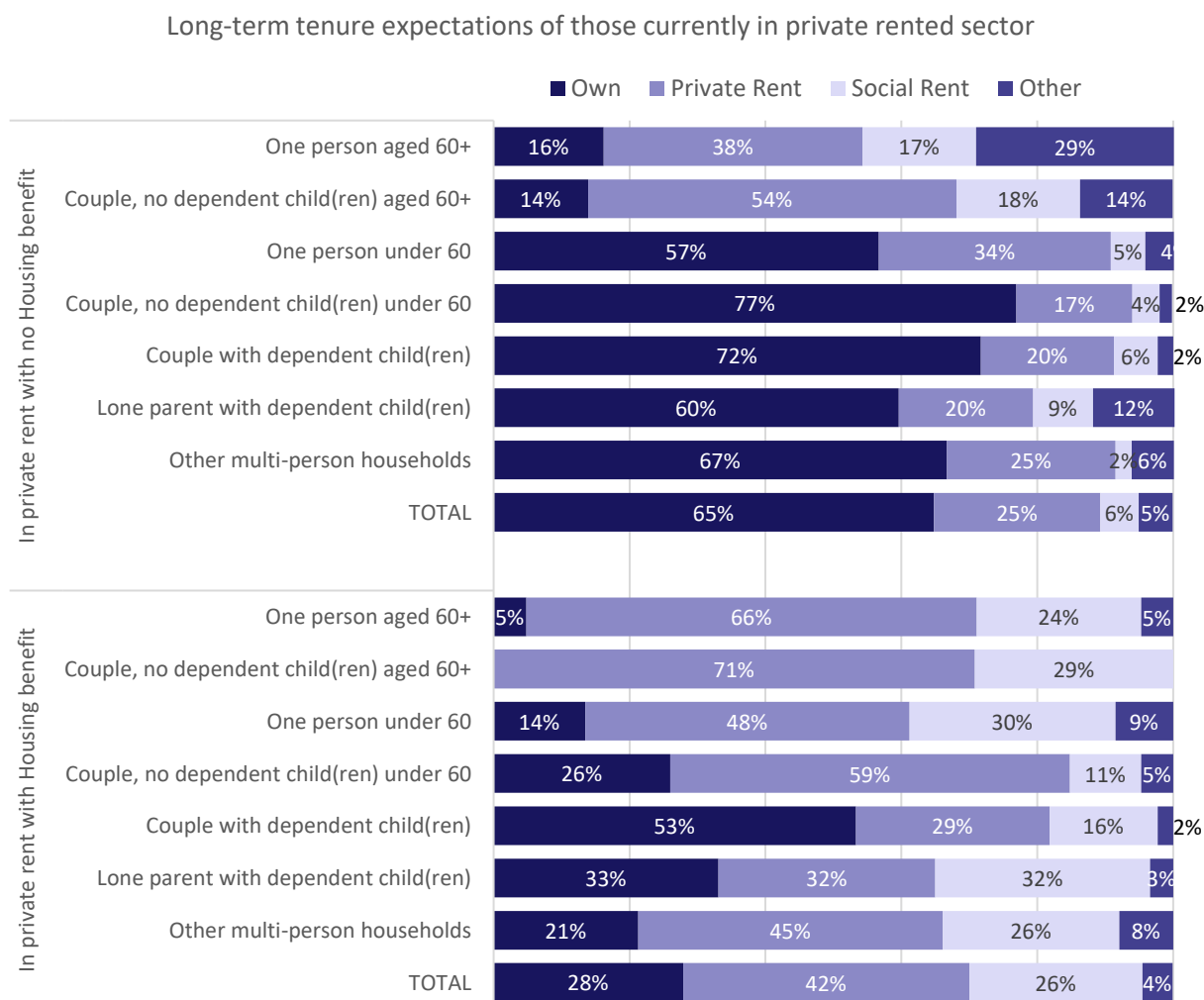
4.51 English Housing Survey data shows that almost all (97.1%) of households who currently own their property wish to stay as owner occupiers in the long term. In terms of potential demand over half (56.6%) of households who rent privately and a fifth (21.1%) of those in social rented housing aspire to homeownership.

Figure 47: Long-term aspirations (Source: English Housing Survey 2021-22)

Current Tenure	Long-term Tenure Plan - Owner Occupier	Long-term Tenure Plan - Rent from Private Landlord	Long-term Tenure Plan - Rent from Social Landlord	Long-term Tenure Plan - Other
Owner occupied	97.1%	0.3%	0.5%	2.1%
Private rent	56.6%	29.2%	9.5%	4.7%
Social rent	21.1%	1.4%	74.2%	3.3%

4.52 These figures relate to aspirations only and there is no test within the data as to whether this aspiration is affordable. It is therefore worth considering the responses of those currently in private rent in more detail with a view to understanding the types of household aspiring to buy. Figure 48 shows long-term tenure aspirations of different types of households currently renting privately either with or without housing benefit.

Figure 48: Long-term Tenure Expectation for those in the Private Rented Sector with and without Housing Benefit support (Source: English Housing Survey 2013-14. Note: Own includes shared ownership)



- 4.53 Almost two in three (65%) of those who are currently renting privately and NOT receiving housing benefit wish to buy their own home in the future. The proportion is much lower for those households with a Household Representative Person (HRP) over 60 (averaging 15%) and slightly higher amongst couples under 60 (77% and 72% depending on whether or not there are dependent children in the household).
- 4.54 Just under three in ten (28%) of those households in the private rented sector and in receipt of housing benefit wish to buy their own home in the future. This increases to 53% of couples with dependent children.

## Identifying the Need for Affordable Homeownership

- 4.55 Through combining data on the number of households of each type in each age group living in private rented housing and paying their own rent with the aspiration data from the EHS, Figure 49 establishes the number of existing households likely to aspire to home ownership that have not been counted in the affordable housing need. It is important to recognise that all of these households are able to meet their own housing costs in the private rented sector, so would typically not be considered for Social or Affordable Rent.

**Figure 49: Households currently living in the Private Rented Sector in Bath & North East Somerset and paying their own rent that aspire to home ownership by Age of Household Representative (Note: Figures may not sum due to rounding)**

Household Type	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
<b>BATH CITY</b>							
Single person	89	275	203	92	65	37	761
Couple without children	153	682	154	93	57	28	1167
Families with child(ren)	22	332	355	120	0	0	828
Other households	0	311	134	78	54	0	576
<b>Total Volume</b>	<b>264</b>	<b>1,599</b>	<b>845</b>	<b>382</b>	<b>177</b>	<b>65</b>	<b>3,332</b>
<i>Percentage of households</i>	<i>8%</i>	<i>48%</i>	<i>25%</i>	<i>11%</i>	<i>5%</i>	<i>2%</i>	<i>100%</i>
<b>REST OF B&amp;NES</b>							
Single person	29	137	164	69	48	21	467
Couple without children	45	262	83	45	32	15	482
Families with child(ren)	4	176	276	98	0	0	554
Other households	0	159	57	27	16	0	259
<b>Total Volume</b>	<b>78</b>	<b>734</b>	<b>580</b>	<b>239</b>	<b>95</b>	<b>36</b>	<b>1,762</b>
<i>Percentage of households</i>	<i>4%</i>	<i>42%</i>	<i>33%</i>	<i>14%</i>	<i>5%</i>	<i>2%</i>	<i>100%</i>

- 4.56 Based on this analysis, we can estimate that there is a total of around 5,094 households currently resident in Bath City and the Rest of B&NES (3,332 and 1,762 households respectively) who do not own their own home but aspire to do so. In both areas, the largest proportion of these households are aged 25-34 (48% in Bath City, 42% in B&NES). The substantial majority are aged under 45 (around 80% for both). As previously reported (Figure 15 to Figure 17), Census data identified significant increases in households renting privately over the period to 2021. On this basis, the number of households identified as currently renting privately that aspire to homeownership appears consistent with growth of the private rented sector.



- 4.57 In addition to the current need, it is also important to consider new households that are projected to form over the period to 2042. Through combining this data with the aspiration data from the EHS, we can conclude that it is likely that there would be a further 5,242 households in Bath City and 4,158 in B&NES that form over the 20-year period who will be able to afford to pay market rent but are unlikely to own, despite that being their aspiration. Together, this yields a total of 8,574 households in Bath City who do not own their own home but aspire to do so and 5,920 households in B&NES. However, it is likely that around 187 of the households in Bath City and another 476 in the Rest of B&NES could afford homeownership despite having chosen to currently rent; these households should not be counted as part of the need for affordable homeownership. **Overall, in Bath & North East Somerset there are likely to be 13,831 households who aspire to homeownership who are unlikely to own their own home over the period 2022-42, a net annual need of 692 per year.** This disaggregates into 8,387 households for Bath City (419 per year) and 5,444 for Rest of B&NES (272 per year).
- 4.58 As previously noted, the Government have recently introduced First Homes, which are properties to be sold with at least a 30% discount to first-time buyers. While the figure of 13,355 households who aspire to homeownership in Bath City and the Rest of B&NES sets an upper threshold for the number who could seek to access First Homes and other affordable homeownership options, it would still be the case that these households would require a deposit and to be able to afford to service the cost of a mortgage. We explore the importance of this point below.
- 4.59 It is important to recognise that the figures for those who aspire to homeownership are based upon those households who currently can afford market rent without the support of housing benefit. But these households would not necessarily choose new build affordable homeownership if it was available. Similarly, some households may not ultimately need affordable homeownership if their circumstances change to such a degree that they are eventually able to buy without financial assistance. It is also important to recognise that the identified demand could only be realised if affordable homeownership products can be delivered at prices that are truly affordable in the area, in line with local house prices and incomes.
- 4.60 Neither the NPPF nor PPG identify that any affordability criteria should be applied to those households who aspire to homeownership but cannot afford to buy their own home. However, it is appropriate to consider the extent to which these households could plausibly afford affordable homeownership products if they were provided.
- 4.61 Whilst a range of affordable homeownership products are available, each with different costs and eligibility criteria, PPG for First Homes states at paragraph 2 that:

*The First Homes criteria are the minimum requirements a housing unit must meet in order to qualify as a First Home. Affordable Housing Update Written Ministerial Statement published on 24 May 2021, the national standards for a First Home are that:*

*a) a First Home must be discounted by a minimum of 30% against the market value;*

*b) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London); and,*

*c) the home is sold to a person who meets the First Homes eligibility criteria, as set out in first 2 paragraphs under First Homes eligibility criteria.*

Planning Practice Guidance, ID: 70-002-20210524

4.62 It goes on at paragraph 4 to outline that:

*In order to qualify as a First Home, a property must be sold at least 30% below the open market value. Therefore, the required minimum discount cannot be below 30%.*

*However, the First Homes Written Ministerial Statement does give local authorities and neighbourhood planning groups the discretion to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this. As part of their plan-making process, local planning authorities should undertake a housing need assessment to take into account the need for a range of housing types and tenures, including various affordable housing tenures (such as First Homes). Specific demographic data is available on open data communities which can be used to inform this process. The assessment will enable an evidence-based planning judgement to be made about the need for a higher minimum discount level in the area, and how it can meet the needs of different demographic and social groups.*

*In such circumstances, the minimum discount level should be fixed at either 40% or 50% below market value and should not be set at any other value. In each case, these percentages represent the minimum discount required for a home to qualify as a First Home.*

**Planning Practice Guidance, ID: 70-004-20210524**

- 4.63 Previously, Figure 24 showed that the current lower quartile newbuild prices for a 4-bedroom property in Bath City is around £709,400 and in the rest of B&NES it is £488,500, so 70% of each of these prices would be above the cap limit. It would be necessary to apply a larger discount to bring these properties within the First Homes maximum value of £250,000. Within Bath City 3-bedroom properties would also be above the cap limit. While all other property types in both areas would come in below the £250,000 level, with a discount of 30%, it is still the case that a property discounted by 50% will be much more affordable than one discounted by 30%. Therefore, for the purpose of establishing the plausibility of low-cost home ownership access, we have assumed a maximum discount of 50% on open market prices for properties which are compatible with the First Homes scheme as a proxy for a maximally low-cost affordable homeownership product.
- 4.64 However, it may be noted that in Bath City, 3 and 4-bed properties would remain above the £250,000 First Homes cap even with a 50% discount. Therefore, households seeking to purchase a larger affordable home ownership property in Bath City would need to access an alternative product to First Homes, such as shared ownership. In terms of weekly cost, a 50% discount from open market prices is comparable to a 25-30% (depending on the size of property) shared ownership product with 1.5% rent on the retained equity (see Figure 30).
- 4.65 Given this context, Figure 50 identifies those households with an income that would be insufficient to afford 50% of newbuild prices at the lower quartile for the local area, and those households with savings of less than £5,000<sup>19</sup>. This is based on further analysis of the EHS data which considers the income distribution and savings data for households that rent privately but aspire to homeownership. This data has been updated to reflect current income levels and scaled for each local area using indices from the ONS gross disposable household income (GDHI) tables.

<sup>19</sup> This is the amount assumed necessary to cover stamp duty, legal fees, moving costs, surveys etc.

4.66 Of the 13,831 households across all of B&NES who aspire to homeownership and cannot afford to buy, it is likely that around 5,211 households in Bath City would have incomes too low to have a realistic prospect of being able to afford 50% of open market values, with this number being 2,454 in the Rest of B&NES. Of the remaining households it is estimated that there would be 1,825 in Bath city and 2,160 in the Rest of B&NES, where the household would have savings of less than £5,000 and were therefore unable to afford the assumed deposit (and other up-front costs) of purchasing a home in the local area (Figure 50).

**Figure 50: Affordable homeownership housing mix by household affordability in Bath & North East Somerset 2022-2042**  
(Source: ORS Housing Model. \* indicates property prices too high to qualify as First Homes at maximum discount.  
Note: Figures may not sum due to rounding)

	Households aspiring to homeownership who cannot afford to buy	MINUS households unable to afford 50% of newbuild LQ	Households able to afford 50% of newbuild LQ	MINUS households with savings of less than £5,000	Households able to afford with savings of £5,000 or more
<b>BATH CITY</b>					
1 bedroom	2,221	1,176	1,045	546	499
2 bedrooms	3,390	1,987	1,403	857	546
3 bedrooms*	2,242	1,667	575	328	247
4+ bedrooms*	534	381	153	93	60
<b>TOTAL</b>	<b>8,387</b>	<b>5,211</b>	<b>3,176</b>	<b>1,825</b>	<b>1,351</b>
<b>REST OF B&amp;NES</b>					
1 bedroom	929	272	657	474	183
2 bedrooms	2,055	926	1,129	817	312
3 bedrooms	1,906	915	991	729	262
4+ bedrooms	554	341	212	140	73
<b>TOTAL</b>	<b>5,444</b>	<b>2,454</b>	<b>2,990</b>	<b>2,160</b>	<b>830</b>

4.67 On this basis, there are estimated to be around 1,351 households in Bath City and 830 in the Rest of B&NES that aspire to homeownership but cannot afford to buy, who also have at least £5,000 in savings and incomes above the relevant threshold. This represents 16% of the 8,387 households for Bath City and 15% of the 5,444 for the Rest of B&NES that were originally identified.

4.68 As previously noted, it is likely that the vast majority of both the 1,351 and 830 households would be first-time buyers, and providing affordable homeownership products that they are able to afford will reduce the demand for properties in the private rented sector. However, it is also important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration unless suitable products were to be provided.

## Identifying the Overall Affordable Housing Need

- 4.69 Figure 51 brings together the information on the need from households unable to afford market rent and those aspiring to home ownership who cannot afford to buy.

Figure 51: Total households needing affordable housing in Bath & North East Somerset 2022-2042 (Source: ORS Housing Model)

	Total Households Needing Affordable Housing in Bath City	Total Households Needing Affordable Housing in Rest of B&NES	Total Households Needing Affordable Housing - TOTAL
<b>20-YEAR TOTAL</b>			
Households unable to afford market rent	1,242	1,546	2,788
Households aspiring to home ownership and unable to afford to buy	8,387	5,444	13,831
<b>ALL HOUSEHOLDS</b>	<b>9,629</b>	<b>6,990</b>	<b>16,619</b>
<b>ANNUAL AVERAGE</b>			
Households unable to afford market rent	62	77	139
Households aspiring to home ownership and unable to afford to buy	419	272	692
<b>ALL HOUSEHOLDS</b>	<b>481</b>	<b>350</b>	<b>831</b>

- 4.70 On this basis, we can conclude that a total of 9,629 households in Bath City are likely to need affordable housing over the 20-year period 2022-2042, equivalent to an average of 481 per year. The Rest of B&NES is expected to have 6,990 households of similar need, an average of 350 per year.
- 4.71 The total of 16,619 is higher than the household growth identified by the ONS 2018-based projections (10,500 – see Figure 10), as a large proportion of this need being associated with the whole population as opposed to the projected new households, which is recognised by the PPG:

### ***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***

*The standard method for assessing local housing need identifies an overall minimum average annual housing need figure but does not break this down into the housing need of individual groups. This guidance sets out advice on how plan-making authorities should identify and plan for the housing needs of particular groups of people.*

*This need may well exceed, or be proportionally high in relation to, the overall housing need figure calculated using the standard method. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for the standard method. How can needs of different groups be planned for?*

*Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:*

- » *the overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- » *the extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- » *the anticipated deliverability of different forms of provision, having regard to viability.*

## Planning Practice Guidance, ID 67-001-20190722

- 4.72 Given that the need for affordable housing and affordable home ownership in particular is very high, it is necessary to consider how this need can be addressed within the established affordable housing need. However, it would be reasonable to only plan for the needs of the 1,351 and 930 households that will likely form the effective demand (i.e. those able to afford the various products that will be available) as it would seem irrational for the plan to seek to provide affordable homeownership for households who are not able to afford the products available.

## Establishing Overall Housing Mix

- 4.73 The size, type and tenure of homes needs to be calculated separately from the standard method. PPG states:

***How does the housing need of particular groups relate to overall housing need calculated using the standard method?***

*The standard method for assessing housing need does not break down the overall figure into different types of housing. Therefore the need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately.*

Planning Practice Guidance, ID 2a-017-20190220

- 4.74 Figure 52 identifies the overall dwelling mix for Bath City based on the analysis of Local Housing Need over the 20-year period 2022-2042 together with the identified need for affordable housing, allowing for a proportion of dwellings without a usually resident household. This is based on the summary of households unable to afford market rent (Figure 44) and those aspiring to homeownership but unable to afford to buy (Figure 49) with the overall affordable housing need subtracted from the overall Local Housing Need to establish the need for market housing. Figure 53 shows the same information for the Rest of B&NES, and Figure 54 shows the combined totals for the whole of the local authority.
- 4.75 The LHNA identifies an overall affordable housing need of around 2,600 dwellings for Bath City and 2,400 dwellings for the Rest of B&NES to be delivered over the 20-year period 2022-42, equivalent to 77% of the LHN for Bath City and 31% in the Rest of B&NES. This will provide for the needs of all households unable to afford to rent or own market housing and also provide for those households who aspire to homeownership but who cannot afford to buy, where there is a realistic prospect of those households being able to purchase an affordable homeownership product. Bath & North East Somerset's intended approach to the affordable homeownership sector is primarily (but not exclusively) focused on fulfilling the needs of these households through shared ownership products (see paragraphs 3.57 to 3.64).
- 4.76 It is important to recognise that there are many more households who aspire to homeownership who either do not have sufficient income or savings that would enable them to realise their aspiration. It is also important to recognise that these figures assume that the number of households in receipt of housing benefit to enable them to afford market housing in the private rented sector does not change. In determining the affordable housing requirement, the Council may want to consider these households alongside those households living in private rented housing who aspire to home ownership.
- 4.77 The analysis also includes an allowance for housing provision in Use Class C2, which represents bedspaces in communal establishments such as care homes. The projected growth in communal establishments is taken from the population and household projections, which assume that the percentage of persons aged 75 years

and over living in communal establishments will remain constant – so as the overall older population grows, the number in communal establishments also increases.

- 4.78 The allowance for C2 provision is equivalised using the calculation set out in the Housing Delivery Test measurement rule book.<sup>20</sup> Where Class C2 bedspaces are delivered, they can be counted at a ratio of 1.90 bedspaces to each dwelling in the LHN figure.

**Figure 52: Overall need for Market and Affordable Housing in Bath City 2022-42 by property type and size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

BATH CITY 2022-42	Unable to afford Market Rent – Social Rent	Unable to afford Market Rent – Affordable Rent	Affordable Home Ownership	Total Affordable Housing	Total Market Housing	Total Housing
<b>Number of Dwellings</b>						
1 bedroom flats	173	15	303	490	-213	277
2+ bedroom flats	138	53	183	374	-55	319
1-2 bedroom houses	91	35	622	747	-251	496
3 bedroom houses	326	141	204	671	1,118	1,789
4 bedroom houses	120	47	46	213	190	403
5+ bedroom houses	47	18	10	75	-1	74
<b>ALL DWELLINGS</b>	<b>895</b>	<b>308</b>	<b>1,368</b>	<b>2,571</b>	<b>788</b>	<b>3,359</b>
Allowance for C2 provision (equivalised)	-	-	-	-	-	116
<b>TOTAL HOUSING NEED</b>	<b>895</b>	<b>308</b>	<b>1,368</b>	<b>2,571</b>	<b>788</b>	<b>3,475</b>
<b>Percentage of Dwellings (excludes C2)</b>						
1 bedroom flats	5.2%	0.4%	9.0%	14.6%	-6.3%	8.3%
2+ bedroom flats	4.1%	1.6%	5.5%	11.1%	-1.6%	9.5%
1-2 bedroom houses	2.7%	1.0%	18.5%	22.2%	-7.5%	14.8%
3 bedroom houses	9.7%	4.2%	6.1%	20.0%	33.3%	53.3%
4 bedroom houses	3.6%	1.4%	1.4%	6.3%	5.7%	12.0%
5+ bedroom houses	1.4%	0.5%	0.3%	2.2%	0.0%	2.2%
<b>ALL DWELLINGS</b>	<b>27%</b>	<b>9%</b>	<b>41%</b>	<b>77%</b>	<b>24%</b>	<b>100.0%</b>
<b>Affordable Housing Need</b>	<b>35%</b>	<b>12%</b>	<b>53%</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>

<sup>20</sup> <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

**Figure 53: Overall need for Market and Affordable Housing in the Rest of B&NES 2022-42 by property type and size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

REST OF B&NES 2022-42	Unable to afford Market Rent – Social Rent	Unable to afford Market Rent – Affordable Rent	Affordable Home Ownership	Total Affordable Housing	Total Market Housing	Total Housing
<b>Number of Dwellings</b>						
1 bedroom flats	109	23	130	262	49	312
2+ bedroom flats	122	54	91	267	162	429
1-2 bedroom houses	148	66	285	499	604	1,103
3 bedroom houses	483	265	261	1,009	2,982	3,991
4 bedroom houses	141	75	61	276	1,208	1,484
5+ bedroom houses	51	27	13	91	266	356
<b>ALL DWELLINGS</b>	<b>1,054</b>	<b>510</b>	<b>840</b>	<b>2,405</b>	<b>5,271</b>	<b>7,676</b>
Allowance for C2 provision (equivalised)	-	-	-	-	-	192
<b>TOTAL HOUSING NEED</b>	<b>1,054</b>	<b>510</b>	<b>840</b>	<b>2,405</b>	<b>5,271</b>	<b>7,868</b>
<b>Percentage of Dwellings (excludes C2)</b>						
1 bedroom flats	1.4%	0.3%	1.7%	3.4%	0.6%	4.1%
2+ bedroom flats	1.6%	0.7%	1.2%	3.5%	2.1%	5.6%
1-2 bedroom houses	1.9%	0.9%	3.7%	6.5%	7.9%	14.4%
3 bedroom houses	6.3%	3.5%	3.4%	13.1%	38.9%	52.0%
4 bedroom houses	1.8%	1.0%	0.8%	3.6%	15.7%	19.3%
5+ bedroom houses	0.7%	0.4%	0.2%	1.2%	3.5%	4.6%
<b>ALL DWELLINGS</b>	<b>14%</b>	<b>7%</b>	<b>11%</b>	<b>31%</b>	<b>69%</b>	<b>100.0%</b>
<b>Affordable Housing Need</b>	<b>44%</b>	<b>21%</b>	<b>34%</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>

4.79 It is important to note that the LHNA is not assuming that the equivalent of 116 and 192 dwellings in Bath City and the Rest of B&NES respectively will be delivered as C2 bedspaces. Instead, the population and household projections assume that the equivalent of the 116 and 192 dwellings will be vacated by those moving to communal establishments, and these properties would therefore be released for sale or relet. If, in practice, this number of C2 bedspaces are not delivered then these residents would not move and their properties would remain occupied – which would mean that a further 116 and 192 dwellings would need to be provided in the corresponding areas in Use Class C3. Conversely, if a larger number of C2 bedspaces are provided, then more dwellings would be released which would reduce the number of additional C3 dwellings needed.

4.80 Figure 54 below merges Figure 52 and Figure 53, showing the overall need for market and affordable housing across both Bath City and the rest of B&NES, thereby enumerating the housing need for the entire local authority area.

**Figure 54: Overall need for Market and Affordable Housing in the whole of Bath & North East Somerset 2022-42 by property type and size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

Bath & North East Somerset 2022-42	Unable to afford Market Rent – Social Rent	Unable to afford Market Rent – Affordable Rent	Affordable Home Ownership	Total Affordable Housing	Total Market Housing	Total Housing
<b>Number of Dwellings</b>						
1 bedroom flats	282	38	432	753	-164	589
2+ bedroom flats	260	107	274	641	107	748
1-2 bedroom houses	239	100	907	1,247	352	1,599
3 bedroom houses	809	406	465	1,680	4,100	5,780
4 bedroom houses	261	122	106	489	1,398	1,888
5+ bedroom houses	98	46	22	166	265	431
<b>ALL DWELLINGS</b>	<b>1,949</b>	<b>819</b>	<b>2,208</b>	<b>4,976</b>	<b>6,059</b>	<b>11,035</b>
Allowance for C2 provision (equivalised)	-	-	-	-	-	308
<b>TOTAL HOUSING NEED</b>	<b>1,949</b>	<b>819</b>	<b>2,208</b>	<b>4,976</b>	<b>6,059</b>	<b>11,342</b>
<b>Percentage of Dwellings (excludes C2)</b>						
1 bedroom flats	2.5%	0.3%	3.9%	6.8%	-1.4%	5.3%
2+ bedroom flats	2.3%	1.0%	1.6%	5.0%	1.7%	6.7%
1-2 bedroom houses	1.4%	0.9%	7.1%	10.1%	4.2%	14.4%
3 bedroom houses	7.3%	3.6%	2.0%	13.0%	39.3%	52.3%
4 bedroom houses	2.3%	1.1%	0.4%	3.8%	13.2%	17.1%
5+ bedroom houses	0.9%	0.4%	0.07%	1.3%	2.5%	3.8%
<b>ALL DWELLINGS</b>	<b>18%</b>	<b>7%</b>	<b>20%</b>	<b>45%</b>	<b>55%</b>	<b>100%</b>
<b>Affordable Housing Need</b>	<b>39%</b>	<b>17%</b>	<b>44%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

4.81 Figure 55 and Figure 56 show the percentages of affordable homes by bedrooms represented in the lower half of Figure 52 and Figure 53, but as percentage of the overall affordable housing need (5,478 dwellings):



Figure 55: Overall Need for Affordable Housing in Bath City 2022-42 by property type and size as percentages of total (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Bath City	Unable to afford Market Rent – Social Rent	Unable to afford Market Rent – Affordable Rent	Affordable Home Ownership	Total Affordable Housing
<b>Percentage of Dwellings (excludes C2)</b>				
1 bedroom flats	6.7%	0.6%	11.8%	19.1%
2+ bedroom flats	5.4%	2.1%	7.1%	14.6%
1-2 bedroom houses	3.5%	1.3%	24.2%	29.1%
3 bedroom houses	12.7%	5.5%	8.0%	26.1%
4 bedroom houses	4.7%	1.8%	1.8%	8.3%
5+ bedroom houses	1.8%	0.7%	0.4%	2.9%
<b>Affordable Housing Need</b>	<b>35%</b>	<b>12%</b>	<b>53%</b>	<b>100%</b>

Figure 56: Overall Need for Affordable Housing in the rest of B&NES 2022-42 by property type and size as percentages of total (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Rest of B&NES	Unable to afford Market Rent – Social Rent	Unable to afford Market Rent – Affordable Rent	Affordable Home Ownership	Total Affordable Housing
<b>Percentage of Dwellings (excludes C2)</b>				
1 bedroom flats	4.5%	1.0%	5.4%	10.9%
2+ bedroom flats	5.1%	2.3%	3.8%	11.1%
1-2 bedroom houses	6.2%	2.7%	11.9%	20.8%
3 bedroom houses	20.1%	11.0%	10.9%	42.0%
4 bedroom houses	5.9%	3.1%	2.5%	11.5%
5+ bedroom houses	2.1%	1.1%	0.5%	3.8%
<b>Affordable Housing Need</b>	<b>44%</b>	<b>21%</b>	<b>35%</b>	<b>100%</b>

## Establishing the Affordable Housing Policy Target

- 4.82 Further work will be needed to establish the appropriate policy target which will only become available later in the plan-making process. This will need to take account of the overall housing supply to be included in any future plan and establish which sites would not be subject to the affordable housing policy. It would also be necessary to make allowance for any completions within the plan period and housing on sites with existing permissions, both in terms of the overall number of homes and any affordable housing that this includes.
- 4.83 This information on supply would need to be considered alongside any Duty-to-Cooperate discussions and/or agreements relating to meeting unmet needs. Only then will it be possible to consider how the number of homes identified within the affordable housing need can be delivered on qualifying sites to establish the relevant percentage. The affordable housing policy target would ideally need to be higher than the identified percentage as some qualifying sites will not deliver at the policy target due to their specific constraints.
- 4.84 Nevertheless, the identified need for affordable housing will also need to be considered in the context of economic viability when establishing appropriate policy targets. Local viability assessments are likely to determine the actual affordable housing target (as a proportion of market housing sites) in each area and should help in providing a view on the deliverability of such a tenure mix, based upon local market evidence. However, in the context of the housing needs evidence it would be appropriate to maximise the amount of affordable housing that is delivered. Other factors which need to be considered include affordable housing thresholds on development sites, in particular the number of smaller sites and larger sites which may have different thresholds.
- 4.85 The appropriate balance between rented affordable housing and affordable home ownership would need to be considered in the context of economic viability; though it will be important to meet the identified affordable housing need for those households unable to afford to rent or own market housing to avoid any increase to the number of households dependent on housing benefit in the private rented sector. It will also be necessary to consider the target for affordable homeownership in the context of the Government's target of at least 10% of new housing to be provided in this way, unless this would significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

# 5. Needs of Different Groups

## Identifying the housing needed for different groups

### Introduction

- 5.1 Paragraph 63 of the NPPF requires that local planning authorities consider the needs of a range of groups within the population.

*63. Within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. These groups should include (but are not limited to) those who require affordable housing; families with children; older people (including those who require retirement housing, housing-with-care and care homes); students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes.*

NPPF December 2023

- 5.2 Earlier chapters have already considered affordable housing, the needs of families with children and those who rent their homes in detail. This chapter considers the housing needs for the remaining groups in turn. No community groups with specific housing needs beyond those set out in the NPPF have been identified in the West of England.
- 5.3 Regarding the Gypsy and Traveller community, the “Bath & North East Somerset Council Gypsy and Traveller Accommodation Assessment (Final Report) September 2021” (GTAA) undertaken by Opinion Research Services on behalf of the Council, set out the pitch requirement for the period 2020-2034. The Council intends that an updated GTAA will be undertaken in early 2024 to inform the Draft (Regulation 19) Local Plan.

### Housing for Older People

- 5.4 The UK population is ageing, and people can expect to live longer healthier lives than previous generations, so the older population living in England is forecast to grow significantly over the next 20 years. Given this context, PPG recognises the importance of providing housing for older people.
- 5.5 These national trends are also evident across local areas, and the following section considers the evidence for Bath & North East Somerset.

### Older People in Bath & North East Somerset

- 5.6 The 2021 Census identified a total of around 37,500 persons aged 65 or over resident in the local authority area at that time (Figure 57). This included around 18,200 persons aged 75 or over, with 7,700 living in Bath City and 10,500 living elsewhere in the Rest of B&NES. Most residents were living in households, but 979 were recorded as living in communal establishments (mainly residential care or nursing care). There were a total of around 24,300 household representatives aged 65 or over, of which over two fifths (46.1%) lived as single person households.

**Figure 57: Resident population and living arrangements of population aged 65+ living in Bath & North East Somerset by age and population aged 75+ living in Bath City and the Rest of B&NES (Source: 2021 Census)**

	B&NES Aged 65-74	B&NES Aged 75-84	B&NES Aged 85+	Total B&NES Aged 65+	Total B&NES Aged 75+	Bath City Aged 75+	Rest of B&NES Aged 75+
<b>RESIDENT POPULATION</b>							
Household population	19,142	12,439	4,946	<b>36,527</b>	17,385	7,272	10,113
Communal Establishment population	122	265	592	<b>979</b>	857	456	401
<b>Total Resident Population</b>	<b>19,264</b>	<b>12,704</b>	<b>5,538</b>	<b>37,506</b>	<b>18,242</b>	<b>7,728</b>	<b>10,514</b>
<b>HOUSEHOLD POPULATION</b>							
Living as a single person household	4,399	4,113	2,693	<b>11,205</b>	6,806	3,206	3,600
Living in a couple household	4,881	755	151	<b>5,787</b>	906	332	574
Living in other types of household	9,862	7,571	2,102	<b>19,535</b>	9,673	3,734	5,939
<b>Total Household Population</b>	<b>19,142</b>	<b>12,439</b>	<b>4,946</b>	<b>36,527</b>	<b>17,385</b>	<b>7,272</b>	<b>10,113</b>
<b>HOUSEHOLD REPRESENTATIVES</b>							
Single person household representative	4,399	4,113	2,693	<b>11,205</b>	6,806	3,206	3,600
Other household representative	6,916	4,701	1,501	<b>13,118</b>	6,202	2,415	3,787
<b>Total Household Representatives</b>	<b>11,315</b>	<b>8,814</b>	<b>4,194</b>	<b>24,323</b>	<b>13,008</b>	<b>5,621</b>	<b>7,387</b>

- 5.7 Whilst the proportion of residents living in communal establishments represented only 2.6% of the overall population aged 65 or over, the proportion was markedly higher for older age groups: 8.4% of those aged 85 to 89 and 16.8% of those aged 90 or over in Bath City, and 6.2% and 16.0% respectively in those age groups living elsewhere in the Rest of B&NES (Figure 58).
- 5.8 The proportion of residents living as single person households was also notably higher for older age groups, with more than a third of all residents aged 75 or over (37.3%) and almost half of those aged 85 or over (48.6%) identified as living alone. The overall household representative rates ranged from 0.554 for those aged 65 to 69 in the Rest of B&NES (i.e. for every 1,000 persons in the household population, 554 represented a household) up to 0.864 for those aged 85 or over living in Bath City (Figure 59).

**Figure 58: Resident population living in communal establishments by age (Source: 2021 Census)**

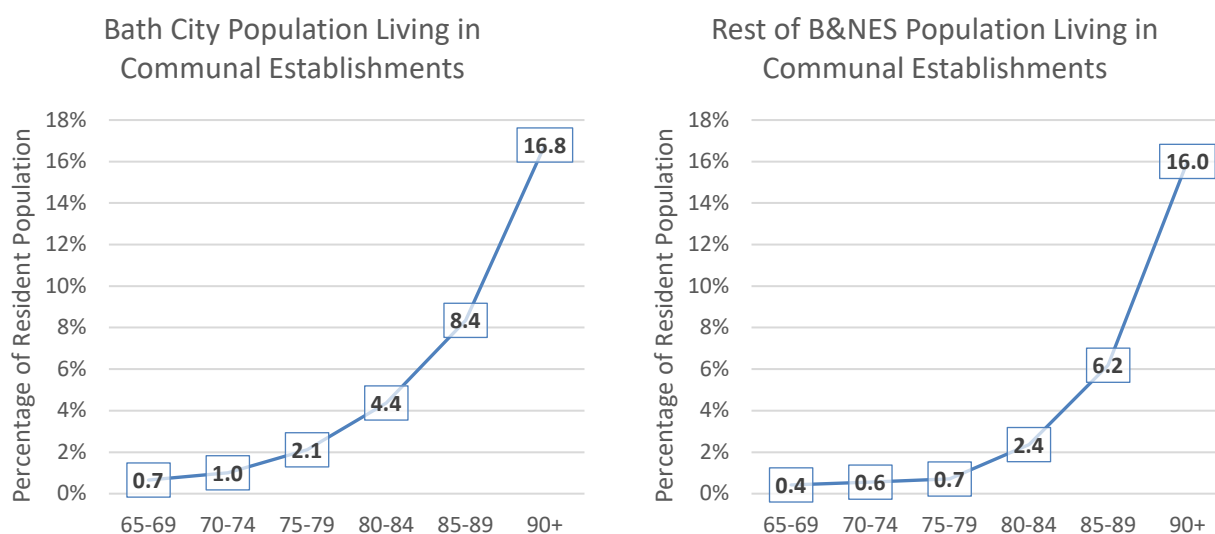
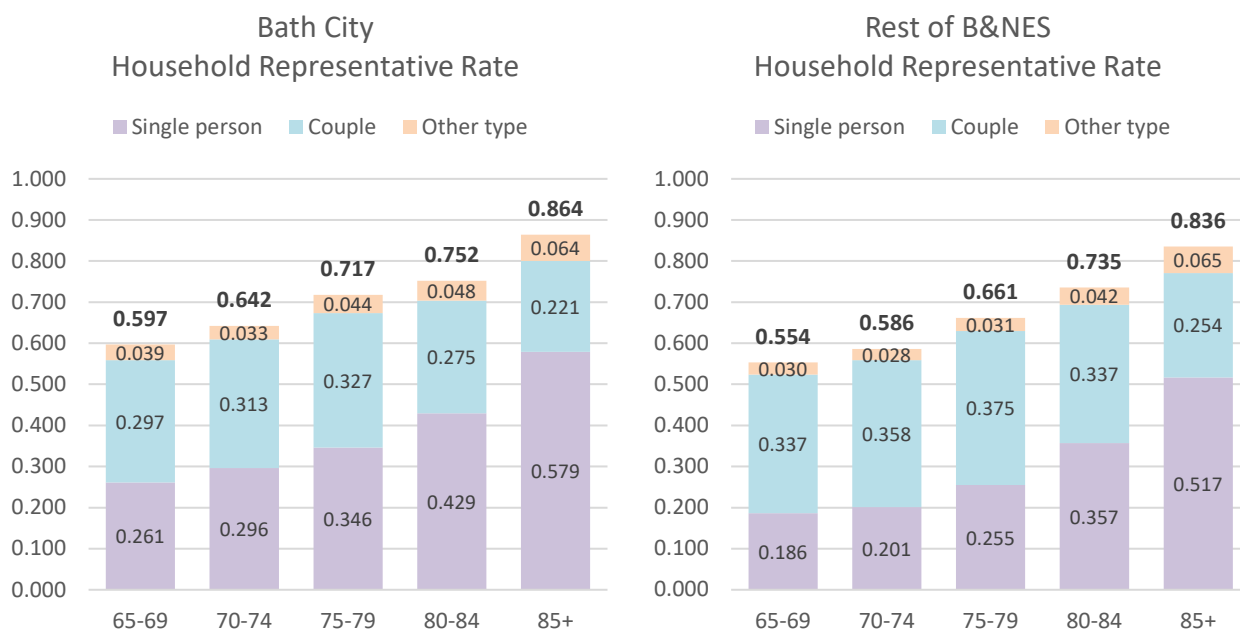


Figure 59: Household representative rates by age and household type (Source: 2021 Census)



- 5.9 Figure 60 identifies the type of dwellings occupied by households aged 75 or over based on 2021 Census data. The majority of households were owner occupiers in both Bath City (80.2%) and the Rest of B&NES (85.4%) with around 4% renting privately in both areas. A total of around 1,600 households lived in social rented homes, representing 15.3% of households in Bath City and 10.5% in the Rest of B&NES.
- 5.10 Around half of older owner occupiers had three bedrooms and more than a fifth had four bedrooms or more (48.6% and 21.2% in Bath City; 48.3% and 24.7% in the Rest of B&NES). In contrast, very few in social rent had three bedrooms or more (13.6% in Bath City; 18.2% in the Rest of B&NES) with over half living in a single bedroom property.

**Figure 60: Existing dwelling stock occupied by households aged 75+ living in Bath City and the Rest of B&NES (Source: 2021 Census; Housing with Support based on data published by EAC for 2015; Housing with Care based on EAC data published in the Housing LIN report “West of England extra care housing improvement project”, May 2023)**

	Bath City - Owner occupied	Bath City - Private rent	Bath City - Social rent	Bath City - TOTAL	Rest of B&NES - Owner occupied	Rest of B&NES - Private rent	Rest of B&NES - Social rent	Rest of B&NES - TOTAL
<b>DWELLINGS OCCUPIED BY HOUSEHOLDS AGED 75+</b>								
1 bedroom	241	83	512	<b>836</b>	157	57	427	<b>641</b>
2 bedrooms	1,119	96	232	<b>1,447</b>	1,542	116	207	<b>1,865</b>
3 bedrooms	2,193	60	109	<b>2,362</b>	3,050	104	129	<b>3,283</b>
4 or more bedrooms	957	10	9	<b>976</b>	1,560	26	12	<b>1,598</b>
<b>Total Households</b>	<b>4,510</b>	<b>249</b>	<b>862</b>	<b>5,621</b>	<b>6,309</b>	<b>303</b>	<b>775</b>	<b>7,387</b>
<b>SPECIALIST OLDER PERSON HOUSING UNITS</b>								
Housing with Support	248	-	763	<b>1,011</b>	285	-	996	<b>1,281</b>
Housing with Care	118	-	298	<b>416</b>	136	-	60	<b>196</b>
<b>Total Specialist Older Person Housing Units</b>	<b>366</b>	<b>-</b>	<b>1,061</b>	<b>1,427</b>	<b>421</b>	<b>-</b>	<b>1,056</b>	<b>1,477</b>

- 5.11 Specialist housing for older people includes a number of different types of specialist housing designed to meet the diverse needs of older people. The LHNA has specifically identified the number of dwellings that will need to be provided as housing with care (e.g. extra care housing or housing-with-care) and housing with support (e.g. retirement living or sheltered housing). The specialist housing for older people identified by the LHNA includes market and affordable housing, and forms part of (and is therefore not additional to) the overall need for market and affordable housing. Age-restricted general market housing is not included within the assessment of specialist housing for older people in this chapter; but will still form part of the overall need for market housing.
- 5.12 The CLG 2014-based household projections that inform the standard method have identified the number of communal establishment residents needing bedspaces in residential care, nursing care or similar (see Figure 3 – institutional population). However, this does not take account in any changes in the way in which care is provided for older people. It will therefore be important to consider the way in which care is commissioned locally when determining the number of additional bedspaces to be provided in Use Class C2<sup>21</sup>. Any additional bedspaces that are provided in Use Class C2 will be counted towards the housing supply on an equivalised basis as set out in the Housing Delivery Test measurement rule book (see “Allowance for C2 provision [equivalised]” in Figure 52, Figure 53 and surrounding text).
- 5.13 The Census does not provide details about specialist older person housing, but information about this stock is maintained by the Elderly Accommodation Counsel (EAC).<sup>22</sup> Based on estimates for the local area, there is a stock of 2,117 rented units (typically managed by Registered Social Landlords) and 787 units that are owned.

<sup>21</sup> Use Class C2 refers to residential institutions, e.g. residential care homes or nursing homes.

<sup>22</sup> <http://www.housingcare.org/downloads/eac%20stats%20on%20housing%20for%20older%20people%20March%202015.pdf>

The EAC data is based on the following definition: “a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group”. This includes Extra Care, assisted living, and other forms of ‘housing with care’ but other forms of specialist older person housing may not be included within this definition.

- 5.14 It is notable that the number of rented units (2,117 homes) is higher than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census (1,378 households) which suggests that a number of these homes are likely to have been occupied by households aged under 75 (assuming that the stock was not vacant at the time of the Census).
- 5.15 The owner-occupied stock of specialist older person housing (787 homes) represents around a quarter (25.7%) of all one- and two-bedroom dwellings occupied by owner occupiers aged 75 or over. Nevertheless, as many older owner occupiers live in properties with three bedrooms or more, the specialist older person housing stock represents only 7.3% of households when considering all owner occupiers aged 75 or over.

## Identifying the Need for Specialist Older Person Housing

- 5.16 National Planning Practice Guidance for “*Housing for older and disabled people*” was published in June 2019. This states [ID 63-004-20190626]:

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

Planning Practice Guidance, ID 63-004-20190626

- 5.17 The Housing Learning and Improvement Network (LIN) has published a number of different online toolkits that have provided standardised rates for estimating demand for specialist older person housing products. These have been based on applying prevalence rates per 1,000 people aged 75 or over, as summarised in Figure 61.<sup>23, 24</sup> The table also presents baseline rates from a model developed by Sheffield Hallam University Centre for Regional Economic and Social Research (CRESR).<sup>25</sup>
- 5.18 These rates provide a useful framework for understanding the potential demand for different forms of older person housing, but there is limited detail about the derivation of the figures published by the Housing LIN. The More Choice, Greater Voice toolkit recognises that the suggested framework simply:
- “...represents an attempt to quantify matters with explicit numerical ratios and targets. It is contentious, but deliberately so, in challenging those who must develop local strategies to draw all the strands together in a way that quantifies their intentions.”* (page 44)
- 5.19 Similarly, the SHOP resource pack acknowledged that the framework simply provides a baseline, which extrapolates “...crude estimates of future demand from existing data” (page 36) and the 2016 Review acknowledged that the Housing in Later Life report had “suggested a large increase in leasehold housing for older people which were not substantiated at the time” (page 4).

<sup>23</sup> [http://www.housinglin.org.uk/library/Resources/Housing/Support\\_materials/Reports/MCGVdocument.pdf](http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf)

<sup>24</sup> <http://www.housinglin.org.uk/library/Resources/Housing/SHOP/SHOPResourcePack.pdf>

<sup>25</sup> <https://www.shu.ac.uk/centre-regional-economic-social-research/projects/all-projects/older-peoples-housing-care-and-support-needs-in-greater-cambridge-2017-2036>

5.20 In contrast, the baseline rates for the CRESR model were established based on:

*“the level and composition of supply of age-exclusive housing, specialist housing, and care beds across the 100 English local authorities with the highest overall provision of each broad type of older person housing per 1,000 older people (aged 75 years or older).”* (page 26)

Figure 61: Benchmark Figures for Specialist Older Person Housing

Form of Provision <i>Demand per 1,000 persons aged 75+</i>	2008 More Choice, Greater Voice Toolkit	2011 Housing in Later Life SHOP Resource Pack	2016 SHOP@ National Benchmark	2016 Housing LIN Review Proposals	2017 Sheffield Hallam CRESR Model
<b>Housing with Support:</b> Retirement Living or Sheltered Housing	125	180	100	100	153.2
<b>Housing with Care:</b> Extra Care or Enhanced Sheltered	45	65	14	35 “Proactive” rate	19.5
<b>Sub-total</b>	<b>170</b>	<b>245</b>	<b>114</b>	<b>135</b>	<b>172.7</b>
Residential care	65	-	43	40	110.8
Nursing care	45	-	45	45	
<b>Sub-total</b>	<b>110</b>	<b>-</b>	<b>88</b>	<b>85</b>	<b>110.8</b>
<b>OVERALL TOTAL</b>	<b>280</b>	<b>-</b>	<b>202</b>	<b>220</b>	<b>283.5</b>

5.21 The Housing LIN states that the More Choice, Greater Voice Toolkit and SHOP Resource Pack are both now out-of-date and remain published only as an ‘archived’ resource for public policy interest purposes. The more recent SHOP@ analysis tool is provided through the Housing LIN consultancy services, where target prevalence rates are established based on local circumstances.

5.22 The West of England authorities commissioned the Housing LIN to prepare a research study to help understand the need for extra care housing.<sup>26</sup> However, that study did not provide any quantitative estimates of need but instead only sought to consider the profile of need drawing on qualitative evidence. Whilst the study did not seek to provide any quantitative estimates of future needs, the existing supply of Extra Care Housing was considered, and the report concluded:

*“that the prevalence of extra care housing in all four council areas is above both the South West and the England average prevalence. Based on the Housing LIN’s experience of the commissioning and provision of extra care housing across England, this should be interpreted as meaning that other areas of England are likely to have an under supply of extra care housing, rather than that there is an ‘oversupply’ of extra care housing in the West of England”* (para 2.23)

5.23 The Housing LIN has subsequently stated that *“there is evidence of an undersupply of ECH for sale across the WoE footprint”* although no details have been provided about the current level of need relative to existing provision in the local area.

<sup>26</sup> “West of England extra care housing improvement project”, Housing LIN, May 2023



- 5.24 The Housing LIN 2016 Review<sup>27</sup> identified the following benchmarks for tenure mix based on the relative affluence or deprivation of the local authority area (Figure 62). Given that the English indices of deprivation ranked Bath & North East Somerset in the upper quartile of all local authorities,<sup>28</sup> the relevant tenure mix benchmark would be that proposed for the “Most Affluent” areas.

**Figure 62: Proposed tenure mix for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review**

SHOP@ MARKET SPLIT 2035 OPTIONS - DEPRIVATION/AFFLUENCE SPLIT								
	Most Deprived		Deprived		Affluent		Most Affluent	
	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold	% Rented	% Leasehold
Sheltered, Age Exclusive	80	20	67	33	50	50	33	67
Housing with Care	75	25	50	50	33	67	25	75
Split based on quantiles of ONS deprivation index								
It can be expected that the % of public sector sheltered, age exclusive accommodation will retain a higher % than housing with care as there already exists a substantial level of current service provision.								

- 5.25 In contrast, the CRESR Model determined the tenure mix for each type of housing based on the proportion of residents aged 75 or over living in owner occupation. Given that the proportion for South Gloucestershire ranked 59<sup>th</sup> highest of the 326 local authority areas in England, the “Above median” benchmark applies.

**Figure 63: Tenure splits for 2035 influenced by the affluence/deprivation ratio from the Housing LIN 2016 Review**

		Proportion of 75 years and over in owner occupation	
		Above median	Below median
Age-exclusive	Rented	84	92
	Owner	16	8
Sheltered	Rented	69	84
	Owner	31	16
Enhanced sheltered	Rented	47	55
	Owner	53	45
Extra care	Rented	71	87
	Owner	29	13

- 5.26 Nevertheless, it is important to recognise that the CRESR Model is based on the mix of current provision, which may not reflect the most appropriate distribution when planning for additional provision.

*“These tenure splits reflect current provision, which is significantly skewed towards social rented provision. If there is a desire to expand the provision of older people’s housing beyond current levels, this is likely to require disproportionate increases in ownership forms of supply. This is in part due to demand being focused on these ownership forms, particularly in areas with high levels of existing older homeowners.”*

## Reviewing the Existing Stock of Specialist Older Person Housing

- 5.27 As previously noted, the 2021 Census identified a total of around 18,200 persons aged 75 or over resident in Bath & North East Somerset at that time (Figure 57) and data published by the Elderly Accommodation Counsel (EAC) identifies that there is an overall stock of around 2,900 specialist older person housing units across the area (Figure 60). On this basis, we can determine that the current provision of stock in the area equates to around 159 dwellings per 1000 persons aged 75 or over.

<sup>27</sup> Housing Lin And Elderly Accommodation Counsel – Shop@ Analysis Tool Review – July 2016

<sup>28</sup> <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

- 5.28 Figure 64 compares the rates for the different types of specialist housing for sale and rent with the suggested target benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model. This suggests that the owned stock is currently below, and the rented stock is currently above the respective benchmark rates suggested by the Housing LIN. However, baseline rates from the CRESR Model suggest that the existing stock of Housing with Care (both owned and rented) is generally higher than would be expected (based on the 100 English local authorities with the highest overall provision) whilst the existing stock of Housing with Support (both owned and rented) is lower than expected.
- 5.29 Figure 60 previously established that the existing stock of rented specialist older person housing was higher than the number of households aged 75 or over living in one- and two-bedroom social rented housing at the time of the Census. Therefore, it is perhaps not surprising that both the Housing LIN benchmark rates and the CRESR Model suggest a surplus of rented stock in Bath City. Although the CRESR Model suggests there could be some shortfall in the Rest of B&NES, the Housing LIN benchmark rates suggest a surplus in this area, which on balance would seem to be more credible.
- 5.30 The existing owner-occupied stock of specialist older person housing represented only 7% of owner occupiers aged 75 or over living in the area. Given this context, it is perhaps not surprising that both the benchmark rates from the Housing LIN Review and the baseline rates from the CRESR Model suggest a likely shortfall. The benchmark rates from the Housing LIN Review (93 owned properties per 1000 persons aged 75+) suggest a need for 1,697 units, which yields a shortfall of 910 units. This implies the need to more than double the size of the current stock to address the needs of existing residents, without taking account of any future growth in the older population.
- 5.31 Whilst this conclusion may seem extreme, this number of homes would still only be equivalent to around 15.7% of the owner occupier households aged 75 or over, so it is not an entirely implausible outcome. Nevertheless, in the same way as the Housing LIN Review acknowledged that the Housing in Later Life report had suggested an increased figure that had not been substantiated, it is unclear what evidence actually supports the rates for leasehold housing that were used by the More Choice, Greater Voice Toolkit to which the 2016 Review reverted.
- 5.32 In contrast, the CRESR Model rate (54 owned properties per 1000 persons aged 75+) is based on actual stock across the 100 English local authorities with the highest overall provision. On this basis, there would be a need for 985 units in Bath & North East Somerset and therefore a shortfall of 198 units, which implies that the existing stock would need to increase by around a quarter in order to meet current needs. However, this would then mean that provision in the area was in line with the highest rates of provision nationally.

Figure 64: Existing Specialist Older Person Housing for Bath & North East Somerset (Source: Housing with Support based on data published by EAC for 2015. Housing with Care based current EAC data published in the Housing LIN study)

Form of Provision	Existing Number of Dwellings	Existing Percentage Supply	Rate of Existing Supply per 1000 persons aged 75+	Housing LIN 2016 Review – Benchmark rates	Housing LIN 2016 Review – Supply-Demand balance	CRESR Model – Benchmark rates	CRESR Model – Supply-Demand balance
<b>BATH CITY</b>							
<b>Housing with Support</b>	<b>1,011</b>	-	<b>131</b>	<b>100</b>	<b>+31</b>	<b>153</b>	<b>-22</b>
Owned	248	25%	32	67	-35	47	-15
Rented	763	75%	99	33	+66	106	-7
<b>Housing with Care</b>	<b>416</b>	-	<b>54</b>	<b>35</b>	<b>+19</b>	<b>20</b>	<b>+34</b>
Owned	118	28%	15	26	-11	7	+8
Rented	298	72%	39	9	+30	13	+26
<b>TOTAL</b>	<b>1,427</b>	-	<b>185</b>	<b>135</b>	<b>+50</b>	<b>173</b>	<b>+12</b>
Owned	366	26%	47	93	-46	54	-7
Rented	1,061	74%	137	42	+95	119	+18
<b>REST OF B&amp;NES</b>							
<b>Housing with Support</b>	<b>1,281</b>	-	<b>122</b>	<b>100</b>	<b>+22</b>	<b>153</b>	<b>-31</b>
Owned	285	22%	27	67	-40	47	-20
Rented	996	78%	95	33	+62	106	-11
<b>Housing with Care</b>	<b>196</b>	-	<b>19</b>	<b>35</b>	<b>-16</b>	<b>20</b>	<b>-1</b>
Owned	136	69%	13	26	-13	7	+6
Rented	60	31%	6	9	-3	13	-7
<b>TOTAL</b>	<b>1,477</b>	-	<b>140</b>	<b>135</b>	<b>+5</b>	<b>173</b>	<b>-33</b>
Owned	421	29%	40	93	-53	54	-14
Rented	1,056	71%	100	42	+58	119	-19

5.33 ORS survey data from a study in Central Bedfordshire identified that 6.7% of owner occupiers would consider specialist older person housing in that area,<sup>29</sup> and a similar survey that ORS undertook across the whole of Great Britain identified that 7.5% of owner occupiers would consider specialist older person housing nationally. Further research and modelling by Three Dragons suggests that of those current owners moving into retirement housing, around 85% would want and could afford to move into a purchased property.<sup>30</sup> Together, these figures provide a further benchmark for comparison.

5.34 Based on around 10,800 households aged 75 or over that own their own home in the local area, the above rates would suggest that around 800 owner occupiers are likely to want specialist housing for older persons, and of these around 690 households would want and could afford to buy. This suggests that the existing stock of around 787 dwellings is actually sufficient for the needs of the area, despite the Housing LIN having concluded that “*there is evidence of an undersupply of ECH for sale across the WoE footprint*”. Nevertheless, there was no quantitative analysis to support this statement, and Local Housing Need Assessments that ORS has undertaken for the other local authority areas have identified an existing undersupply of owner occupied specialist older person housing in other parts of the West of England.

<sup>29</sup> [https://www.centralbedfordshire.gov.uk/Images/assessment-housing-needs-older-people\\_tcm3-24075.pdf](https://www.centralbedfordshire.gov.uk/Images/assessment-housing-needs-older-people_tcm3-24075.pdf)

<sup>30</sup> <https://www.three-dragons.co.uk/>

- 5.35 The key point to note is that there is no single correct answer when estimating the need for older person housing, and it is therefore appropriate to establish a local framework which takes account of local data. This would suggest that there is unlikely to be any shortfall of specialist older person housing based on the current population, but there it remains important to consider what provision might be needed in future as the number of older residents living in the area increases.

## Establishing the Future Need for Specialist Older Person Housing

- 5.36 The population projections underlying the Local Housing Need figure for Bath & North East Somerset show a substantial increase in the older population over the period 2022-2042 with an additional 3,600 persons and 2,600 households resident in Bath City, and 6,100 persons and 4,400 households in the Rest of B&NES.
- 5.37 It is also important to recognise that almost half of this extra population will be aged 85 or over (1,124 in Bath City and 3,178 across the Rest of B&NES). These residents are likely to have increasingly complex care and support needs, including dementia, but also mental health needs and frailty related needs, and as was identified by the Housing LIN study, it will be important to consider the associated changes in the profile of housing need.

Figure 65: Projected population aged 75+ (Source: LHNA modelling, ORS)

	Bath City Total population 2022	Bath City Total population 2042	Bath City 20-year change 2022-2042	Rest of B&NES Total population 2022	Rest of B&NES Total population 2042	Rest of B&NES 20- year change 2022-2042
<b>RESIDENT POPULATION</b>						
Household population	7,439	10,863	+3,425	10,445	16,245	+5,800
Communal Establishment population	463	671	+207	420	763	+343
<b>Total Resident Population</b>	<b>7,902</b>	<b>11,534</b>	<b>+3,632</b>	<b>10,865</b>	<b>17,008</b>	<b>+6,144</b>
<b>HOUSEHOLD POPULATION</b>						
Living as a single person household	2,907	3,954	+1,046	3,841	5,837	+1,995
Living in a couple or another type of household	4,531	6,910	+2,378	6,603	10,408	+3,805
<b>Total Household Population</b>	<b>7,439</b>	<b>10,863</b>	<b>+3,425</b>	<b>10,445</b>	<b>16,245</b>	<b>+5,800</b>
<b>HOUSEHOLD REPRESENTATIVES</b>						
Single person household representative	2,907	3,954	+1,046	3,841	5,837	+1,995
Couple household representative	2,498	3,927	+1,430	3,352	5,499	+2,146
Other household representative	337	497	+160	447	724	+277
<b>Total Household Representatives</b>	<b>5,742</b>	<b>8,378</b>	<b>+2,636</b>	<b>7,641</b>	<b>12,060</b>	<b>+4,419</b>

- 5.38 Figure 66 considers the need for specialist older person housing in Bath & North East Somerset over the Plan period 2022-2042. This uses the baseline rates previously established based on existing supply (Figure 64) and considers appropriate target rates taking account of the range of different benchmarks identified by the toolkits.

- » The target rates are based on the average of (i) the mid-point between the sub-area baseline and the baseline for the local authority as a whole, and (ii) the mid-point of the benchmark range; except for affordable housing with care, which excludes the benchmark rates from the calculation given that the rate of existing supply across the local authority as a whole is already higher than the identified benchmark range.
- » Based on the identified target rates, the projected number of residents aged 75 or over in each area at the end of the Plan period in 2042 (Figure 65) is used to establish the overall gross need.
- » The existing supply is then offset to identify the housing need for the 20-year period 2022-2042.

5.39 On this basis, there would be a need to provide an additional 557 specialist older person housing units in Bath City (of which 43% would need to be provided as affordable housing) and 1,121 specialist units in the Rest of B&NES (including 50% affordable housing). The need for specialist older person housing represents 15% of the overall housing need identified for Bath City and 14% of the overall housing need identified for the Rest of B&NES.

Figure 66: Modelled Need for Specialist Older Person Housing in Bath & North East Somerset 2022-2042

Form of Provision	Existing supply	Baseline rate per 1000 persons aged 75+	Benchmark range per 1000 persons aged 75+	Target rate per 1000 persons aged 75+	Gross need in 2042	Housing need 2022-2042
<b>BATH CITY</b>						
<b>Market Housing</b>	<b>366</b>	<b>47</b>	-	<b>59</b>	<b>685</b>	<b>319</b>
Housing with Care	118	15	7-26	16	179	61
Housing with Support	248	32	47-67	44	506	258
<b>Affordable Housing</b>	<b>1,061</b>	<b>137</b>	-	<b>113</b>	<b>1,299</b>	<b>238</b>
Housing with Care	298	39	9-13	29	336	38
Housing with Support	763	99	33-106	84	964	201
<b>TOTAL</b>	<b>1,427</b>	<b>185</b>	-	<b>172</b>	<b>1,984</b>	<b>557</b>
<i>Housing with Care</i>	<i>416</i>	<i>54</i>	-	<i>45</i>	<i>515</i>	<i>99</i>
<i>Housing with Support</i>	<i>1,011</i>	<i>131</i>	-	<i>127</i>	<i>1,469</i>	<i>458</i>
<b>REST OF B&amp;NES</b>						
<b>Market Housing</b>	<b>421</b>	<b>40</b>	-	<b>58</b>	<b>979</b>	<b>558</b>
Housing with Care	136	13	7-26	15	255	119
Housing with Support	285	27	47-67	43	724	439
<b>Affordable Housing</b>	<b>1,056</b>	<b>100</b>	-	<b>95</b>	<b>1,619</b>	<b>563</b>
Housing with Care	60	6	9-13	13	215	155
Housing with Support	996	95	33-106	83	1,404	408
<b>TOTAL</b>	<b>1,477</b>	<b>140</b>	-	<b>153</b>	<b>2,598</b>	<b>1,121</b>
<i>Housing with Care</i>	<i>196</i>	<i>19</i>	-	<i>28</i>	<i>470</i>	<i>274</i>
<i>Housing with Support</i>	<i>1,281</i>	<i>122</i>	-	<i>125</i>	<i>2,128</i>	<i>847</i>

5.40

- 5.41 This analysis assumes a continuation of current types of housing although it is unclear if older people will aspire to these types of specialist housing in the future. Some types of specialist housing are already experiencing lower demand, and other, newer types of provision may appear to meet changing aspirations in the future. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix.
- 5.42 The delivery of specific schemes for specialist older person housing need should be considered in partnership with other agencies, in particular those responsible for older person support needs. It will be important to consider other factors and constraints in the market:
- » **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current need;
  - » **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme. It will also be important for the Council and its partners to determine the most appropriate types of specialist older person housing to be provided in the area;
  - » **Existing supply:** this may be either inappropriate for future households or may already be approaching the end of its life. Other forms of specialist older person housing may be more appropriate than conventional sheltered housing to rent when considering future needs; and
  - » **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly local authority Supporting People Teams and the Health Service.

## Housing for People with Disabilities

- 5.43 The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the changes that were published in the Building Regulations 2010 Approved Document Part M: Access to and use of buildings (2015 edition incorporating 2016 amendments – for use in England) relating to adaptations and wheelchair accessible homes.<sup>31</sup>
- 5.44 Three standards are covered:
- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL dwellings;
  - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, makes reasonable provision for most people to access the dwelling;
  - » M4(3) Category 3: Wheelchair user dwellings – Optional, wheelchair accessible standard.
- 5.45 The Government has recently consulted on the future of these standards and how they will be applied.<sup>32</sup> The consultation proposals recommended that all homes are built to M4(2) standard and a fixed proportion to M4(3) standard. They also noted that "*Some local authorities already apply the M4(2) standard as a minimum (e.g. the London Plan)*" (para 28) and that "*In terms of benefits, the mandating [of] M4(2) may potentially reduce the need for social care*" (para 46). If these proposals were adopted, then it could see these issues become less contested in the future. However, as the outcome of the consultation is unknown, the assessment is based on current policy and guidance.

<sup>31</sup> <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

<sup>32</sup> <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes>

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

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

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

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

**Planning Practice Guidance, ID 56-007-20150327**

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

5.49 The PPG states:

*Multiple sources of information may need to be considered in relation to disabled people who require adaptations in the home, either now or in the future. The Census provides information on the number of people with a long-term limiting illness and plan-makers can access information from the Department for Work and Pensions on the numbers of Personal Independence Payment<sup>33</sup> (replacing Disability Living Allowance) / Attendance Allowance<sup>34</sup> benefit claimants. Whilst these data sources can provide an indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant<sup>35</sup> (DFG) will provide an indication of levels of expressed need, although this will underestimate total need, as there may be a large number of people who would want or need an adaptation but would not have applied to the DFG.*

**Planning Practice Guidance, ID 63-005-20190626**

<sup>33</sup> Personal Independence Payments (PIPs) started to replace the Disability Living Allowance from April 2013. They are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions).

<sup>34</sup> Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over.

<sup>35</sup> Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs who are owner occupiers, or renting from a private landlord, housing association or council. Grants cover a range of works, ranging from major building works, major adaptations to the property and minor adaptations. It should be noted that DFGs typically relate to adaptations to the existing housing stock rather than new housing provision.

## Need for Accessible and Adaptable Dwellings

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

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

*“The provision made must be sufficient to-*  
*(a) meet the needs of occupants with differing needs, including some older or disabled people, and*  
*(b) to allow adaptation of the dwelling to meet the changing needs of occupants over time.”*

Access to and use of buildings: Approved Document M v1, Page 10

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

5.53 Overall 8.8% of households (around 1 in every 12) have one or more persons with a health problem which requires adaptations to their home. This proportion is markedly higher in affordable housing than in market housing (19.8% and 6.5% respectively - Figure 67).

Figure 67: Households with a long-term illness or disability that affects their housing needs (Source: English Housing Survey)

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

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

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



**Figure 68: Households with a long-term illness or disability in Bath & North East Somerset in 2022 by effect on housing need**  
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Bath City	Rest of B&NES	TOTAL
<b>Households with one or more persons with a limiting long-term illness or disability</b>	10,243	11,148	21,391
Does not affect their housing need	7,285	7,907	15,192
Current home suitable for needs	2,420	2,678	5,098
Current home requires adaptation	273	293	566
Need to move to a more suitable home	265	271	536
<b>Total households where a limiting long-term illness or disability affects their housing need:</b>	<b>2,959</b>	<b>3,242</b>	<b>6,201</b>

- 5.56 The model (Figure 68) identifies that there are likely to be around 10,200 households living in Bath City and 11,100 living in the Rest of B&NES in 2022 with one or more persons with a limiting long-term illness or disability. Within Bath City around 7,300 of these households will not have their housing need affected, this number will be around 7,907 in the Rest of B&NES. However, in Bath City, there will be around 3,000 of these households that **will** have their housing need affected and similarly around 3,200 households in the Rest of B&NES.
- 5.57 Amongst those households where it does affect housing needs, there are around 2,400 and 2,700 households (in Bath City and the Rest of B&NES respectively) already living in a suitable home (having moved or made adaptations). This leaves 273 and 293 households needing adaptations to their current home and 265 and 271 households needing to move to a more suitable home in the respective areas. The 265 and the 271 households needing to move represent an existing **unmet need** either for M4(2) housing or, given that some may actually be wheelchair users, for M4(3) housing.
- 5.58 The identified need for the 265 and 271 adapted homes at the start of the Plan period is based on households' current needs. The M4(2) standard also requires "*the changing needs of occupants over time*" to be considered. Therefore, even without any change to the number of households in Bath & North East Somerset, the number of households with one or more persons with a limiting long-term illness or disability will increase over time as people get older (Figure 69).

**Figure 69: Households with a long-term illness or disability in Bath & North East Somerset 2022-42 affecting their housing need**  
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

	Bath City	Rest of B&NES	TOTAL
<b>Households where an existing illness or disability affects their housing need in 2022</b>			
Current home suitable for needs	2,420	2,678	5,098
Current home requires adaptation	273	293	566
Need to move to a more suitable home	265	271	536
<b>Total households where a limiting long-term illness or disability affects their housing need in 2022</b>	<b>2,959</b>	<b>3,242</b>	<b>6,201</b>
Existing households in 2022 likely to develop health problems that affect their housing need within 10 years	916	1,077	1,993
Additional households in 2042 projected to experience problems or likely to develop problems within 10 years	1,791	2,424	4,215
<b>Additional households in 2042 where illness or disability affects their housing need or will develop within 10 years</b>	<b>2,708</b>	<b>3,502</b>	<b>6,210</b>

- 5.59 Whilst around 6,200 households living in Bath & North East Somerset as of 2022 have a health problem that already affects their housing requirement, it is likely that a further 2,000 households are likely to develop health problems within 10 years. These households would also require adaptations to their current home or would need to move to a more suitable home.
- 5.60 Based on the household projections and the overall housing need, we can also establish the future need for adapted housing based on the projected household growth and the changing demographics of the area.
- 5.61 Further modelling of health needs suggests that by 2042 there will be approximately an additional 4,200 households either already experiencing health problems or likely to develop health problems within 10 years. Many of these may be new households, but a number will be existing households resident in 2022 whose health has deteriorated over the Plan period.
- 5.62 Therefore, considering the needs of households resident at the start of the Plan period together with the projected household growth and changing demographics (in particular the ageing population), there will be a projected total of 6,210 households either needing adaptations to their existing housing or suitable new housing to be provided. This is in addition to the 536 households needing to move and the 566 households needing adaptations based on their current health at the start of the Plan period.
- 5.63 To provide M4(2) housing for all of the identified need would require housing for up to 7,000 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling in the existing stock.
- 5.64 Although some households would prefer not to move, many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works. Fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the existing housing mix in Bath & North East Somerset, it is likely that just over 3,500 households will live in dwellings that could be converted to meet the M4(1) standard.
- 5.65 Whilst the proportion that could be converted to meet the M4(2) standard would be lower, this provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we could assume that at least 3,180 households need to move to adapted or adaptable housing, including the 536 households identified as needing to move at the start of the Plan period.

**Figure 70: Households with a long-term illness or disability in Bath & North East Somerset by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Bath City	Rest of B&NES	TOTAL
<b>Existing need in 2022</b>			
(a) Households where an existing illness or disability affects their housing need and need to move in 2022	265	271	536
<b>Projected future need 2022-42</b>			
(b) Additional households in 2042 where illness or disability affects their housing need or will develop within 10 years	2,708	3,502	6,210
<b>(c) Maximum need for adapted housing 2022-42 (households)</b>	<b>2,973</b>	<b>3,772</b>	<b>6,935</b>
<i>Percentage of LHN</i>	85%	52%	63%
(d) Less households living in dwellings adaptable to M4(1) standard	1,358	2,206	3,564
<b>(e) Minimum need for adapted housing 2022-42 (households)</b>	<b>1,614</b>	<b>1,566</b>	<b>3,180</b>
<i>Percentage of LHN</i>	32%	22%	26%

5.66 There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. Nevertheless, the minimum of 3,180 households and maximum of 6,935 households identified in Figure 70 provide an appropriate range for the local authority to consider.

5.67 For completeness, Figure 71 presents the same information as Figure 70, disaggregated into market and affordable housing:

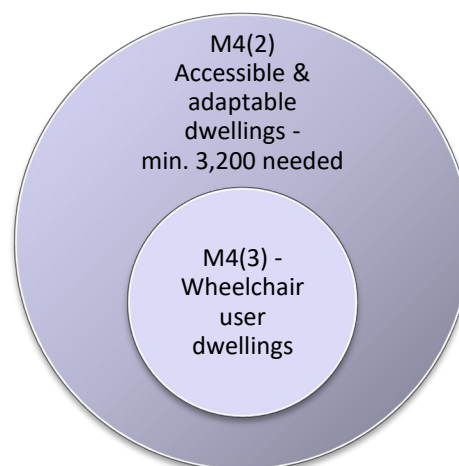
**Figure 71: Adapted from Figure 70: LHNA Figure 70 disaggregated into market and affordable housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

	Bath City - Market	Bath City - Affordable	Bath City - TOTAL	Rest of B&NES - Market	Rest of B&NES - Affordable	Rest of B&NES - TOTAL	B&NES TOTAL
(a) Need to move in 2022	128	137	265	159	111	271	536
(b) Additional in 2042	1,771	936	2,708	2,542	959	3,502	6,210
<b>(c) Maximum need 2022-42</b>	<b>1,899</b>	<b>1,074</b>	<b>2,973</b>	<b>2,702</b>	<b>1,070</b>	<b>3,772</b>	<b>6,935</b>
(d) Less adaptable to M4(1)	889	470	1,358	1,602	604	2,206	3,564
<b>(e) Minimum need 2022-42</b>	<b>1,010</b>	<b>604</b>	<b>1,614</b>	<b>1,100</b>	<b>466</b>	<b>1,566</b>	<b>3,180</b>

## Housing for Wheelchair Users

5.68 The overall need calculated in the previous section represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing. Households with a wheelchair user are included within the definition of households having a health problem or disability that affects their housing need.

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



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

**Access to and use of buildings: Approved Document M v1 - Page 23**

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

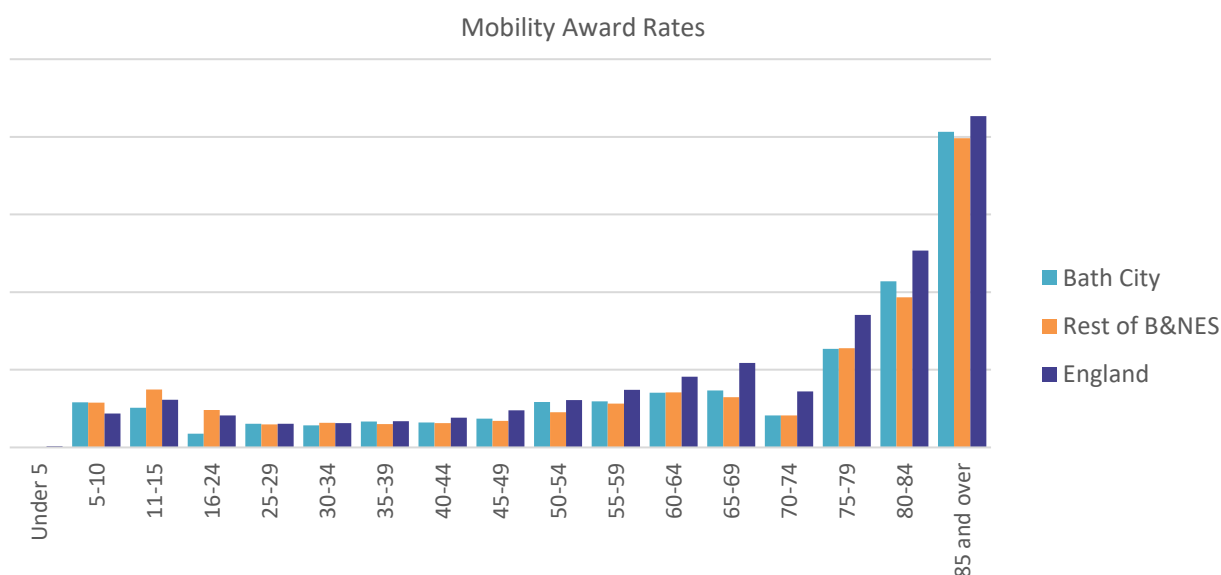
5.71 The CLG guide to available disability data<sup>36</sup> referenced by PPG [ID 56-007-20150327] shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). The rates are also higher for older households. Figure 72 identifies the proportion of households in England with a wheelchair user currently living in market housing and affordable housing by age of household representative.

**Figure 72: Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14)**

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

5.72 To get a better understanding of the local data for Bath City and the Rest of Bath & North East Somerset, Figure 73 compares the proportion of disability benefit claimants in receipt of mobility award for the areas against the figures for England.

**Figure 73: Disability benefit claimants in receipt of mobility award by age (Source: DWP, Feb 2023)**



<sup>36</sup> <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

- 5.73 Through combining the information on local rates with the national data, we can establish the proportion of households in each area likely to have a wheelchair user by the age of the household representative in market housing and affordable housing (Figure 74):

**Figure 74: Percentage of households with a wheelchair user in Bath & North East Somerset, by type of housing and age of household representative (Source: EHS, DWP)**

	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
<b>BATH CITY</b>								
Market housing	< 0.1%	0.4%	1.0%	1.6%	2.9%	3.8%	5.7%	9.0%
Affordable housing	0.3%	2.0%	2.9%	5.8%	5.9%	9.8%	12.1%	19.3%
<b>REST OF B&amp;NES</b>								
Market housing	< 0.1%	0.4%	0.9%	1.5%	2.8%	3.6%	5.3%	7.8%
Affordable housing	0.3%	1.9%	2.8%	5.6%	5.7%	9.6%	11.2%	17.0%

- 5.74 If we apply these proportions to the population and household data for the areas, then we can identify the net change in the number of households with a wheelchair user over the period 2022 to 2042. (Figure 75).

**Figure 75: Households needing Wheelchair Adapted Housing (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

Modelled Need for Wheelchair Adapted Housing	2022	2042	Net change 2022-42	Percentage of LHN
<b>BATH CITY</b>				
Market housing	770	870	+100	6.6%
Affordable housing	460	670	+210	10.6%
<b>Total</b>	<b>1,230</b>	<b>1,540</b>	<b>+310</b>	<b>8.9%</b>
<b>REST OF B&amp;NES</b>				
Market housing	1,030	1,290	+260	5.2%
Affordable housing	360	590	+230	10.5%
<b>Total</b>	<b>1,390</b>	<b>1,880</b>	<b>+490</b>	<b>6.8%</b>

- 5.75 Using this approach, the number of households likely to need wheelchair adapted housing in Bath City and the Rest of Bath & North East Somerset is likely to increase by 310 and 490 respectively over the 20-year period. This amounts to just over 7% of the housing need over the same time period, so would suggest a need of at least 7% of new dwellings to be built to M4(3)(2)(a) “allows simple adaptation” standard (albeit the target may need to be higher, as not all new housing schemes would deliver the necessary percentage).
- 5.76 It may be noted that the fully wheelchair adapted standard M4(3)(2)(b) “applies only where the planning permission under which the building work is carried out specifies that it will be complied with” (Approved document M - page 23), which in effect means where the local authority specifically requires it of a given dwelling. As such, the “simple adaptation” standard is more appropriate where the resident of a planned for dwelling is unknown at the time of planning permission being granted.
- 5.77 In terms of informing a possible policy, given the increased proportion of wheelchair needs in affordable housing, the Council may decide to adopt an appropriate approach that reflects this, requiring for example 11% of affordable housing to be delivered to wheelchair adaptable M4(3)(2)(a) standards, with an associated lower requirement for market housing.

- 5.78 Importantly, as the model has included household age, it is possible to identify that around 85% of this growth comes from households which are aged over 75. This can be seen in Figure 76:

**Figure 76: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)**

Modelled Need for Wheelchair Adapted Housing	Households in 2022 aged under 75	Households in 2042 aged under 75	Net change of households aged under 75 from 2022-42	Households in 2022 aged over 75	Households in 2042 aged over 75	Net change of households aged over 75 from 2022-42
<b>BATH CITY</b>						
Market housing	460	450	-10	310	420	+110
Affordable housing	290	350	+60	170	320	+150
<b>Total</b>	<b>750</b>	<b>800</b>	<b>+50</b>	<b>480</b>	<b>740</b>	<b>+260</b>
<b>REST OF B&amp;NES</b>						
Market housing	580	600	+20	450	690	+240
Affordable housing	230	280	+50	130	310	+180
<b>Total</b>	<b>810</b>	<b>880</b>	<b>+70</b>	<b>580</b>	<b>1,000</b>	<b>+420</b>

- 5.79 This means that there are likely to be some people who are identified in both categories – wheelchair adapted housing and specialist older person housing.
- 5.80 Earlier analysis of housing for older people identified a need for around 557 and 1,121 specialist homes for older people for those aged 75 or over in Bath City and the Rest of Bath & North East Somerset respectively. Whilst not all households aged over 75 needing wheelchair adapted housing will live in specialist older person housing, it is likely that many of those living in specialist older housing could need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health. Considering that a given older persons residence may house multiple residents in its lifetime, it becomes even more likely that at some stage a resident requires a wheelchair. Furthermore, it may be noted that where it is possible to retrospectively adapt residences, this may be costly or difficult.
- 5.81 On this basis it may be appropriate to adopt a higher target of wheelchair accessibility (where viable) for specialist accommodation for older people to avoid potential inequality of provision. This could also reduce the proportion of general needs housing that would need to meet the M4(3) Category 3 requirements.

## Student Housing

- 5.82 PPG includes specific reference to identifying the needs of students:

*Strategic policy-making authorities need to plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus ... Local Planning Authorities will also need to engage with universities and other higher educational establishments to ensure they understand their student accommodation requirements*

Planning Practice Guidance, ID 67-004-20190722

- 5.83 There is a substantial student population resident in Bath & North East Somerset which has increased considerably over the last 20 years. The Census identified a total of 13,100 full-time students aged 16 or over resident in the local area in 2001, which increased to 19,700 over the decade to 2011 (equivalent to a growth of 660 additional students each year) and further increased to 23,700 by 2021 (an average of 400 per year).
- 5.84 It is also important to recognise that number of students enrolled at universities in the 2020/21 academic year was impacted by the Covid pandemic and associated national lockdowns. Although the Census sought to enumerate students at their term-time address (regardless of whether they were resident there or at their parental address on Census-day) it remains likely that the number of students would have been higher (especially international students) without the widespread restrictions on travel.
- 5.85 When considering student housing needs, it is necessary to consider those young people that would have normally been resident in the area separately from those choosing to move to the area specifically for study. Given this context, it is reasonable to assume that any full-time students aged 16 or 17 (as well as some already aged 18 on Census-day) would have been attending schools or sixth form colleges in the area, with most continuing to live with their parents or other family. Therefore, it is more appropriate to consider those full-time students that would have been aged 18 or over at the start of September.
- 5.86 Figure 77 identifies the type of accommodation occupied by full-time students aged 18 or over 20-year period 2001 to 2021. The overall number of full-time students (excluding those in schools and sixth form colleges) is estimated to have increased from around 9,100 to 18,400 over the 20-year period – an extra 9,300 students resident in the local area, equivalent to a growth of 465 per year on average. The majority of the additional students have either been accommodated in communal establishments or are living in student households, with very little change in the number living with parents, living alone or in other types of household.

**Figure 77: Full-time students aged 18 or over resident in Bath & North East Somerset in 2001, 2011 and 2021 by type of residence (Source: UK Census of Population, ONS)**

Type of Residence	Total students 2001	Total students 2011	Total students 2021	Overall change 2001-2021	Annual average change
Living with parents	1,273	1,863	1,947	+674	+34
Living in a communal establishment	2,109	3,259	5,193	+3,084	+154
Living in an all student household	3,928	7,211	9,104	+5,176	+259
Living alone	366	574	574	+208	+10
Living in another household type	1,435	1,915	1,593	+158	+8
<b>TOTAL</b>	<b>9,111</b>	<b>14,822</b>	<b>18,411</b>	<b>+9,300</b>	<b>+465</b>

- 5.87 It is apparent that most of the all-student household increase occurred between 2001 and 2011 with growth of 84% in the number of students living in the general dwelling stock (an increase from 3,900 to around 7,200) and although the number of all-student households has continued to grow, the increase over the last decade was more moderate, with the total increasing to 9,100 students by 2021.
- 5.88 In contrast, the number of students living in communal establishments – either halls of residence or other Purpose Built Student Accommodation (PBSA) – increased more moderately between 2001 and 2011 (an increase from 2,100 to around 3,300) with more significant growth in the last decade (reaching 5,200 in 2021) and of the additional 3,100 students living in communal establishments over the last 20 years, almost two thirds of the growth (63%) has occurred since 2011.

- 5.89 The shift from student growth placing pressure on general needs housing (with more all-student households) to student growth being accommodated in communal accommodation is largely a consequence of the Council's decision to plan for student housing needs separately from the needs of the wider population. Based on the evidence from the Census, it is clear that this approach has reduced the pressure on general market housing with a more moderate growth of student households living in the private rented sector than would have otherwise been expected.
- 5.90 The previous Bath SHMA 2018 update considered the needs of students independently of the general population and identified a need to provide 2,600 dwellings for students over the 20-year period 2016-2036, on the basis of a projected growth of 9,977 additional students (around 500 per year) and 2,509 all-student households over that period. This analysis was primarily informed by past trends from the 20-year period 1996-2016 which identified that the overall number of students needing accommodation in Bath had increased from 6,572 in 1996 to 16,657 by 2016, an increase of around 500 per year.
- 5.91 More recently, the Council have maintained their ongoing engagement with the University of Bath and Bath Spa University. As part of the previous B&NES plan making process, a topic paper entitled "Topic Paper: Universities' Growth & Student Accommodation Requirements" (B&NES Council, Winter 2018) was produced, which provided detailed evidence of plans for University Growth.
- 5.92 Concerning the University of Bath (UoB) the topic paper stated:

*3.2 Given the unprecedented levels of uncertainty surrounding the mid to long term future of UK Higher Education funding and recruitment patterns, the UoB is forecasting minus 1.0% to plus 1.0% per annum growth beyond 2022/23. Therefore it is agreed that the Local Plan is based on maintaining numbers at the forecast 2022/23 level through to 2035/36. The forecast will be revisited as part of the 5 year review following the adoption of the Plan.*

*3.3 Not all students require student accommodation, for example they may be living at family homes, part-time students or distant learning students. It is assumed that 78% of the total student population requires student accommodation. Based on this assumption 14, 336 students studying at the University of Bath require student accommodation by 2020/21. This is a 592 increase in students requiring accommodation from the 2018/19 intake.*

- 5.93 This is accompanied by table 6 (reproduced as Figure 78) which shows that the University of Bath had expected the total number of students enrolled to increase from 16,880 students in 2016/17 to around 18,500 students by 2021/22, and to then remain relatively stable over the period to 2035/36. Given this context, there was no planned increase in housing need due to students from the University over the period 2022/23 to 2035/36 at that time:



Figure 78: University of Bath student accommodation forecast (Source: “Topic Paper: Universities’ Growth & Student Accommodation Requirements” – B&NES Council 2018)

**Table 6 University of Bath  
Forecasts and total students require accommodation**

Factor	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2035/ 36
Student Forecast	16,880	17,646	17,620	17,950	18,380	18,490	18,500	18,500	18,500	18,500	18,500
Housing Need (approx:78 % of total student no)	13,166	13,764	13,744	14,001	14,336	14,422	14,430	14,430	14,430	14,430	14,430

5.94 Concerning Bath Spa University, the topic paper stated:

3.4 Table 7 shows the Bath Spa University student number forecast up to 2035/36. The University is reviewing future growth and its estate management, potentially consolidating its estate & sites presence within the city. Their growth plan shows a reduction of student numbers in the next few years followed by a steady increase. The university has indicated an estimated increase of 100 students per annum from the forecast 2022/23 level through to 2035/36.

3.5 As Bath Spa University has more students living at their family homes and part time students, a lower multiplier is used to calculate the student population requiring accommodation. Applying the multiplier of 56% (agreed with Bath Spa University), 4,608 students studying at Bath Spa University require student accommodation in 2020/21.

5.95 This was accompanied by table 7 (reproduced as Figure 79) which shows Bath Spa University had expected the total number of students to increase from 8,269 students in 2016/17 to just over 8,300 students by 2021/22, with sustained growth expected to continue with the number of enrolled students reaching 9,000 students before 2030<sup>37</sup> and around 9,800 over the period to 2035/36. Given this context, the overall housing need for students from Bath Spa University was expected to increase by around 880 over the 15-year period.

Figure 79: Bath Spa University student accommodation forecast (Source: “Topic Paper: Universities’ Growth & Student Accommodation Requirements” – B&NES Council 2018)

**Table 7 Bath Spa University  
Forecasts and total student require accommodation**

Factor	2016 /17	2017 /18	2018 /19	2019 /20	2020 /21	2021 /22	2022 /23	2023 /24	2024 /25	2025 /26	2035 /36
Bath Spa Student Forecast	8,269	8,325	8,247	8,139	8,228	8,352	8,507	8,600	8,700	8,800	9,800
Bath Spa Housing Need All (approx: 56% of total student no)	4,631	4,662	4,618	4,558	4,608	4,677	4,764	4,816	4,872	4,928	5,488

<sup>37</sup> <https://www.bathspa.ac.uk/about-us/culture-and-values/strategy-2030/enablers/>

- 5.96 When considering the number of students enrolled at the two Universities, it is important to recognise that not all will require additional housing to be provided in Bath & North East Somerset. Some students enrolled at the Universities would not be resident in Bath, and some may have lived in the area regardless (in particular those who continue to live at their parental or family address whilst studying). Therefore, the Council and Universities have a well-established, agreed approach for counting the number of students who need accommodation in the local area:
- » For the University of Bath, this is based on the number of full-time undergraduate and postgraduate students excluding students currently on placement. Part-time students are not counted. Whilst it is recognised that some full-time students may already be usual residents in the city (and therefore wouldn't need accommodation provided) this would be offset against some students on placements off-campus but still living in Bath and some part-time students who would need accommodation provided. On balance, the University considered that each of these groups would be small and as any adjustments would be imprecise, there was little benefit to adopting a more complex approach.
  - » For Bath Spa University, the approach is based on different types of students and the estimated proportion of each group likely to need accommodation. These proportions are based on the University's analysis of current accommodation patterns, and around three-quarters of full-time undergraduate students, a third of part-time undergraduate students, a quarter of full-time taught postgraduate students and 3% of other post-graduates are counted to need accommodation.
- 5.97 Using the agreed approach, it was estimated that in the 2020/21 academic year (during which the Census was conducted) around 14,400 of the 18,400 students enrolled at the University of Bath (Figure 78) and 4,600 of the 8,200 students enrolled at Bath Spa University (Figure 79) would need accommodation. This yields a housing need from around 18,900 students, which is broadly consistent with the Census estimate of 18,400 full-time students aged 18 or over at the start of the academic year that were resident in the area at that time (Figure 77).
- 5.98 Based on the previous forecasts that were provided by the two Universities, growth in student housing need over the 15-year period 2020/21 to 2035/36 represented only around 1,000 students in total (65 per year) with almost all of the growth related to Bath Spa University. This was notably lower than the trend-based estimate of 500 per year that was established by the SHMA Update 2018.
- 5.99 The housing need identified in Chapter 2 of the LHNA was also trend-based, and this projected a growth of around 7,300 additional full-time students aged 18-23 that would need accommodation in the local area over the 20-year period 2022-2042 (an average of around 370 per year). This is lower than the annual growth of 500 students each year that was identified by the SHMA Update 2018 but remains higher than the previous forecasts from the two Universities.
- 5.100 As previously noted, although it is appropriate to establish the overall student housing need using the projected growth of student population based on long-term trends, it is also important to ensure that this aligns with the future growth plans of the two main universities. Whilst there is considerable uncertainty, the University of Bath considers it likely that there will be around a 1.0% growth each year, which would yield an additional 3,200 students needing accommodation over the 20-year period 2022-2042; whereas growth at Bath Spa University could average up to 1.5% per year, which would yield housing need for an additional 1,600 students. Together, these assumptions would suggest an additional 4,800 students (240 per year) needing accommodation in the local area. This is lower than the 370 per year identified by the LHNA analysis based on long-term trends, so it will be important to continue to engage with the Universities to ensure alignment between the actual rate of growth and the provision of new student bedspaces.

- 5.101 Of course, it is important to recognise that the 2021 Census identified over 9,000 full-time students were living as all-student households in general market housing, mainly in the private rented sector. Given this context, planning for the number of additional student bedspaces being higher than the likely increase in students needing housing could help to release some of the general market housing currently being occupied by students, if that were considered an appropriate objective by the Council.
- 5.102 Taking account of all of the evidence, it seems unlikely that the student housing need will be as high as the 500 per year that was previously identified by the SHMA Update 2018. Nevertheless, it seems equally unlikely that it will be as low as the 65 per year identified by the previous University forecasts.
- 5.103 The LHNA has identified a need to provide 370 bedspaces each year on average, based on analysis that is consistent with assumptions used to identify the housing need of 573 dwellings per year over the 20-year period 2022-2042. Once the identified need for student bedspaces has been equivalised to dwellings using the calculation set out in the Housing Delivery Test measurement rule book,<sup>38</sup> the overall housing need for Bath & North East Somerset (for both the general population and students) totals 13,814 dwellings over the 20-year period 2022-2042. As previously noted, this is equivalent to an average of 691 dpa which is within 5% of the Local Housing Need currently identified by the Government's standard method (725 dpa).
- 5.104 Although the LHNA evidence has been based on the locally derived housing need figure of 13,814 dwellings, Chapter 2 concluded that it will be important for the Council to take account of changes to the housing need figure generated using the Government's standard method throughout the plan-making process in order to ensure that the housing needs of the area are adequately addressed.
- 5.105 Given this context, to ensure that the overall housing need identified for the local area is planned for in full, any reduction to the number of planned student bedspaces is likely to result in a higher housing need for the general population – although the final figures will depend on the way in which the local inputs to the standard method calculation might change prior to the plan being submitted to the Planning Inspectorate for examination. PPG [ID 2a-008-20190220] confirms that at this point, the figures will be fixed and that the “local housing need calculated using the standard method may be relied upon for a period of 2 years”.

## Essential Local Workers

- 5.106 Annex 2 of the 2023-Revised NPPF also mentions the needs of essential local workers in its definition of affordable housing:

**Affordable housing:** housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers);

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

NPPF December 2023 – Annex 2

<sup>38</sup> <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

As set out in para 2.61 of this document, the equivalence ratio for student bedspaces in B&NES is 3.13, therefore 370 bedspaces equivalises to 118 (370 / 3.13 = 118) dwellings. 573 housing need plus 118 equivalised student dwellings = 691 dpa

- 5.107 It is notable that the definition provided by the 2023 NPPF is similar to the definition of Key Workers which was utilised prior to the adoption of the original 2012 NPPF. Under this definition, being classified as an essential worker in need correlates directly with being unable to afford home ownership.
- 5.108 Therefore, these households will already be counted in the affordable housing need because they cannot afford market rents, or because they wish to own their own property but cannot afford to do so. Because of this, the needs from this group will not add to the total need for affordable housing, but they are likely to require separate consideration on the housing register and it may be appropriate to consider whether or not some affordable properties should be set aside solely for essential local workers in need.

## People Wishing to Build their Own Homes

- 5.109 Over half of the population (53%) say that they would consider building their own home<sup>39</sup> (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 7-10% of housing completions in the UK<sup>40</sup>, compared with rates of around 40% in France and 70 to 80% elsewhere in Europe.
- 5.110 Planning practice guidance requires that people wishing to build their own homes are considered and states:

### ***How can self-build and custom housebuilding needs be assessed?***

*Most local planning authorities (including all district councils and National Park Authorities) are now required to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in their area in order to build their own home. The Self-build and Custom Housebuilding (Register) Regulations 2016 set out these requirements. For further details, see guidance on self-build and custom housebuilding registers.*

*To obtain a robust assessment of demand for this type of housing in their area, local planning authorities should assess and review the data held on registers. This assessment can be supplemented with the use of existing secondary data sources such as building plot search websites, 'Need-a-Plot' information available from the Self Build Portal and enquiries for building plots from local estate agents.*

**Planning Practice Guidance, ID: 67-003-20190722**

- 5.111 The Self-Build and Custom Housebuilding Act<sup>41</sup> 2015 and subsequent amendments in the Housing and Planning Act 2016<sup>42</sup> place a duty on local planning authorities to:
- » Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
  - » Provide sufficient serviced plots with planning permission for self-build or custom housebuilding to meet the need on the register, and offer these plots to those on the register at market value; and
  - » Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

<sup>39</sup> Building Societies Association Survey of 2,051 UK consumers 2011

<sup>40</sup> Self-build and custom build housing (England) House of Commons Brief Paper March 2017

<sup>41</sup> <http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html>

<sup>42</sup> <http://services.parliament.uk/bills/2015-16/housingandplanning.html>

## February 2021 Policy Update

- 5.112 In February 2021 the Government updated Planning Practice Guidance in the form of, Self-build and custom housebuilding<sup>43</sup>. The new guidance offers an updated definition of self-build and custom-housebuilding and also seeks to set out how the need can be assessed and met.
- 5.113 The new guidance defines self-build and custom housebuilding as:

*An authority to which this section applies must give suitable development permission in respect of enough serviced plots of land to meet the demand for self-build and custom housebuilding in the authority's area arising in each base period.*

*Self-build and custom housebuilding covers a wide spectrum, from projects where individuals are involved in building or managing the construction of their home from beginning to end, to projects where individuals commission their home, making key design and layout decisions, but the home is built ready for occupation ('turnkey')*

*The Self-build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) provides a legal definition of self-build and custom housebuilding. The Act does not distinguish between self-build and custom housebuilding and provides that both are where an individual, an association of individuals, or persons working with or for individuals or associations of individuals, build or complete houses to be occupied as homes by those individuals.*

*When reading this guidance, reference should be made to the:*

*[Self-build and Custom Housebuilding Act 2015 \(as amended by the Housing and Planning Act 2016\)](#)*

*[Self-build and Custom Housebuilding Regulations 2016](#)*

*[Self-build and Custom Housebuilding \(Time for Compliance and Fees\) Regulations 2016](#)*

*In considering whether a home is a self-build or custom build home, relevant authorities must be satisfied that the initial owner of the home will have primary input into its final design and layout.*

*Off-plan housing, homes purchased at the plan stage prior to construction and without input into the design and layout from the buyer, are not considered to meet the definition of self-build and custom housing.*

**Planning Practice Guidance, ID: 57-016-20210208**

- 5.114 Within this definition, it is clear that conversions can be counted as self-build and custom housebuilding if they involve the first occupant developing them, but homes bought directly off-plan cannot. However, it does seem to leave a situation where the buyer can choose from a range of options before building commences as being custom build. If this is the case, this will make comparisons with an area such as Germany more valid, because of the 70%-80% of German homes considered to be self-build and custom housebuilding, many are bought off plan to individual specifications and built by small builders.
- 5.115 Alongside the updated guidance, MHCLG have published detailed data from the registers for the period 2016 to 2019, with 10,700 new entries being recorded in 2018/19. However, the number of households joining the registers varies across the country and household can appear on more than register. It is also likely that the figures do not fully reflect the demand for self-build and custom housebuilding as many households will address their own needs without appearing on any register.

<sup>43</sup> [Self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/self-build-and-custom-housebuilding)

- 5.116 As noted above, it is already considered that by 2017 around 7%-10% of housing delivery occurs via allocated and windfall self-build and custom housebuilding schemes. This would represent around 15,000-22,000 dwellings, but MHCLG statistics indicate that only around 10,100 plots were given planning permission in 2018/19. Therefore, alongside registers potentially underestimating the demand for self-build and custom housebuilding plots, it may also be the case that in some local authority areas, only those schemes which were explicitly granted planning permissions as self-build and custom housebuilding plots are being counted.
- 5.117 The guidance also confirms that the uses of the self-build and custom housebuilding registers include:

*Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. There is no duty on a relevant authority to permission land which specifically meets the requirements expressed by those on the register. Relevant authorities should use preferences expressed by those on the register to guide their decisions when looking at how to meet the duty to grant planning permission etc. This will help ensure that relevant authorities permission land suitable for self-build and custom housebuilding which people are actually keen to develop.*

**Planning Practice Guidance, ID: 57-028-20210208**

#### **What does having a 'duty to grant planning permission etc' mean?**

*Relevant authorities must give suitable development permission to enough suitable serviced plots of land to meet the demand for self-build and custom housebuilding in their area. The level of demand is established by reference to the number of entries added to an authority's register during a base period.*

*The first base period begins on the day on which the register (which meets the requirement of the 2015 Act) is established and ends on 30 October 2016. Each subsequent base period is the period of 12 months beginning immediately after the end of the previous base period. Subsequent base periods will therefore run from 31 October to 30 October each year.*

*At the end of each base period, relevant authorities have 3 years in which to permission an equivalent number of plots of land, which are suitable for self-build and custom housebuilding, as there are entries for that base period.*

**Planning Practice Guidance, ID: 57-023-20210208**

- 5.118 Therefore, there is an expectation that planning authorities must grant enough permissions to meet the numbers on their register within three years. A failure to deliver sufficient plots can be considered as a material consideration in planning appeals. The level of demand is measured in 'base periods' that run from 31<sup>st</sup> of October until 30<sup>th</sup> of October in the following year; and local authorities have three years from the end of each base period to permission enough serviced plots to meet the demand shown in the respective base periods.
- 5.119 The plots granted planning permission do not have to explicitly be for those who are on the register, so plots could be granted and then sold to households not on the register. The guidance is also clear that planning authorities should meet the demand for plots from their register, but also should consider a different level of provision if it is clear that there is a demand for this.

***What is the relationship between the register and the Strategic Housing Market Assessment?***

*Assessment of local housing need as a whole should be conducted using the standard method in national planning guidance. Within this context, the size, type and tenure of housing needed for different groups should be assessed including people wishing to self-build or custom-build their own homes.*

*Local planning authorities should use the demand data from the registers in their area, supported as necessary by additional data from secondary sources (as outlined in the housing and economic development needs guidance), to understand and consider future need for this type of housing in their area. Secondary sources can include data from building plot search websites, enquiries for building plots recorded by local estate agents and surveys of local residents. Demand assessment tools can also be utilised.*

*Plan-makers will need to make reasonable assumptions using the data on their register to avoid double-counting households.*

Planning Practice Guidance, ID: 57-011-20210208

## April 2021 Self and Custom Build Action Plan

5.120 In April 2021, MHCLG produce a new action plan to further support the development of the self-build and custom housebuilding sector.<sup>44</sup> This focused upon four key areas:

- » **Mortgage finance:** – a multi-year funding for ‘Help to Build’ was announced at the 2020 Spending Review. In April the government confirmed an initial £150 million over 4 years to support the scheme to deliver low deposit mortgages and improve affordability of home ownership for self and custom builders similar to Help to Buy.
- » **Developer finance:** The Home Building Fund, offers £2.5 billion in short term loan finance targeted at small and medium sized builders, innovation and custom build. Funding is available to custom build developers bringing forward serviced plots on sites of 5 units or more.
- » **Access to land:** As part of the 2020 Spending Review, the government announced additional funding for local authorities to release their surplus brownfield land through the Brownfield Land Release Fund (BLRF). The £75 million BLRF will allocate up to £25 million to local authorities to enable them to bring forward serviced plots for self and custom build on public sector land. The ‘Planning for the Future’ White Paper also included specific proposals that allow local authorities to identify sites for self-build and custom housebuilding and community-led housing in their local plan, including ensuring sufficient provision to meet requirements identified in their self-build register, and proposals to explore how publicly owned land disposal can support SMEs and the self-build sector.
- » **Expertise/knowledge gap:** The National Custom and Self Build Association’s (NaCSBA) Right to Build Task Force was established to help local authorities, community groups and other organisations help deliver self and custom build housing projects across the UK. Since 2020 it has been funded by government to provide expertise and support to local authorities on the implementation of the Right to Build and how to secure self and custom build delivery.

<sup>44</sup> [Self and custom build action plan - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/92342/self-and-custom-build-action-plan)

## Review into Scaling Up Self and Custom Housebuilding

- 5.121 As part of the April 2021 Action Plan, the government commissioned an independent review into the scaling up of self and custom housebuilding. This report was published in August 2021<sup>45</sup> and the government responded to this review in June 2022<sup>46</sup>.
- 5.122 The review focuses primarily on supply side factors limiting the delivery of self and custom housebuilding and produced 6 key recommendations which were broadly supported by the government:
- » Greater role for Homes England;
  - » Raise awareness of the Right to Build;
  - » Support community-led Housing, diversity of supply and Levelling Up;
  - » Promote greener homes and more use of advanced manufacturing;
  - » Support custom and self-build housebuilding through the planning reforms; **and**
  - » Iron out any tax creases.

## Local Evidence

- 5.123 Bath & North East Somerset has put arrangements in place to comply with the Self-Build and Custom Housebuilding Act, including providing a self-build and custom housebuilding register. A local connection test was introduced in 2017 and the current Local Plan does not include specific proposals relating to self and custom housebuilding beyond generally encouraging their delivery (policy H4). There is no financial viability test and no charge for joining the register.
- 5.124 Figure 80 shows that as of October 2021, Bath & North East Somerset has not provided enough self and custom housebuilding plots to meet the needs identified on the register. The delivery of plots is calculated from planning permissions granted and CIL exemptions. For a property to qualify for a CIL exemption, the final occupier must either have a significant input into either the design or construction of the property. Therefore, this is a quite restrictive definition of self and custom housebuilding which rules out many properties which have some customisation attached to them, but where the developer cannot guarantee that the final occupier will remain in situ for at least three years.

**Figure 80: Self-build and Custom Housebuilding Register and Plot Provision (Source: Local Authority Data. Note: \* is not recorded)**

Self-build and Custom Housebuilding Register and Plot Provision	Up to October 2016	Oct 2016- Oct 2017	Oct 2017- Oct 2018	Oct 2018- Oct 2019	Oct 2019- Oct 2020	Oct 2020- Oct 2021	Oct 2021- Oct 2022
New applicants on the register	459	270	137	126	65	89	37
Number on register – individuals	458	708	859	985	1,050	1,139	1,176
Number on register – groups	1	18	4	4	4	4	4
Total number on register – registrations	459	726	863	989	1,054	1,143	1,180
Planning permissions for serviced plots granted	-	65	103	199	32	46	34

<sup>45</sup> [Independent review into scaling up self-build and custom housebuilding: report - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100444/independent-review-into-scaling-up-self-build-and-custom-housebuilding-report.pdf)

<sup>46</sup> [Government response to the independent review into scaling up self-build and custom housebuilding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/100444/government-response-to-the-independent-review-into-scaling-up-self-build-and-custom-housebuilding.pdf)



## Future Need for Self-build and Custom Housebuilding

- 5.125 As highlighted above, Bath & North East Somerset is currently not providing sufficient plots to comply with its requirement to meet the needs of those on its own self-build and custom housebuilding register. A key reason for this is that the Local Plan was adopted some years in advance of the Self-Build and Custom Housebuilding Act coming into play; therefore the Council currently has no policy to promote serviced plots and no requirement for a proportion of plots on larger sites to be made available.
- 5.126 As noted earlier, PPG recommends that alternative sources of data beyond the register, such as Need a Plot, can be considered to highlight the need for self and custom housebuilding plots. However, this now reverts back to council registers, so the only recorded information on the demand for self and custom housebuilding is the housing register and the actual up take of plots.
- 5.127 The first priority of the Council should be to ensure that they are complying with national policy and meet the demand from the self and custom housebuilding register. The evidence from areas like Germany indicate that the demand for self and custom housebuilding can be close to the total housing supply and that delivery is more supply constrained, with small and medium size builders delivering many of the custom housebuilding plots. It is these supply constraints that much of government policy is now focused towards addressing.
- 5.128 We recommend that more information is gathered on the number of self-build and custom housebuilding dwellings which are provided currently in Bath & North East Somerset. This information can potentially be gathered as part of the process for gathering information on the 5-year land supply and newbuild delivery.
- 5.129 We would note that our experience across the country has been that the self-build and custom housebuilding sector works relatively well for households who are seeking to build bespoke properties on single plot sites and as part of multi-plot sites. There is less evidence that those with lower budgets are having their needs met because the price of plots remains high. This in turn can be taken as a reflection that the market for self and custom housebuilding is supply constrained and that suitable plots attract a premium which is offsetting reductions from CIL exemptions. Within this group there are likely to be some households who are seeking to help design their own house, often from customising the interior of a set exterior. Meanwhile, other households will be seeking affordable homeownership dwellings where they can be heavily involved in the building of their final property. The Government's new help to build scheme may help to make self and custom housebuilding more accessible and affordable.
- 5.130 It is for these two groups that Bath & North East Somerset could seek to work more proactively. There is potential for builders to deliver market homes which can either be customised at the outset, or which could be built as exteriors with the interior to be completed by the final occupant. Both of these approaches can be considered to fit within the definition of custom-built housing; and could both be encouraged with the provision of small and larger sites.
- 5.131 Meanwhile, Bath & North East Somerset could also seek to work with developers and Registered Providers to assess the potential demand for affordable to own self-build and custom housebuilding. This would be in lieu of providing completed affordable housing; but would allow households to help deliver their own affordable home ownership properties. This element could range from providing serviced plots at cost or partially completed dwellings which are sold to Registered Providers at cost.

# Appendix A

## Glossary of Terms

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

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

### **Affordable housing**

*Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:*

*(a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*

*(b) Starter homes: is as specified in sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.*

*(c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*

*(d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to government or the relevant authority specified in the funding agreement.*

National Planning Policy Framework Glossary, December 2023

**Age-restricted general market housing:** This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens, but does not include support or care services. (Note: definition quoted from PPG ID: 63-010-20190626)

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

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

**Concealed families** are defined as; “family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity”<sup>47</sup>.

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

**ECO** underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

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

**Extra care housing or housing-with-care:** This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses. (Note: definition quoted from PPG ID: 63-010-20190626)

**Green Deal** is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

**Headship rates** are defined by CLG as: “the proportion of people in each age group and household type who are the ‘head’ of a household”<sup>48</sup>

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

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

<sup>47</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6338/1776873.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf)

<sup>48</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/182417/MethodologyFinalDraft.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf)

**A Housing Association or Registered Provider** is an independent body that primarily provides low-cost "social or affordable housing" for people in housing need.

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

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

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

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

- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom, or toilet;
- » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom, or toilet facilities;
- » a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

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

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

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

**Institutional Population** (also known as Communal Establishment Population) are those living in managed residential accommodation, for example, nursing homes, student halls of residence, military barracks and prisons. The full definition of a Communal Establishment can be found in the 2011 Census glossary: <https://www.ons.gov.uk/census/2011census/2011censusdata/2011censususerguide/glossary>.

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

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

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

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

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

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

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

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

**Registered Social Landlord** see Housing Association.

**Registered Provider** see Housing Association.

**Retirement living or sheltered housing:** This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager. (Note: definition quoted from PPG ID: 63-010-20190626)

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

**Shared ownership** see Low-Cost Home Ownership.

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

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

**Specialist housing for older people** includes a number of different types of specialist housing designed to meet the diverse needs of older people. The LHNA has specifically identified the number of dwellings that will need to be provided as housing with care (e.g. extra care housing or housing-with-care) and housing with support (e.g. retirement living or sheltered housing). The specialist housing for older people identified by the LHNA includes market and affordable housing, and forms part of (and is therefore not additional to) the overall need for market and affordable housing. Age-restricted general market housing is not included within the assessment of specialist housing for older people in Chapter 5; but will still form part of the overall need for market housing.

## Acronyms and Initials

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

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